



Montana Association of Counties

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DISTRICTS 6 & 7 MEETING MINUTES

Billings, MT – Metra Park, Fair Grounds, Yellowstone Room

June 07, 2011

District 6

- X Fergus
- X Golden Valley
- X Judith Basin
- X Musselshell
- X Petroleum
- X Wheatland

District 7

- X Big Horn
- X Carbon
- X Stillwater
- X Sweet Grass
- X Yellowstone

MACo Staff: Harold Blattie, Executive Director; Sheryl Wood, Associate Director; and Shantil Siaperas, Legislative Coordinator

Guests: Mike Pichette, NorthWestern Energy; Mark Lambrecht, NorthWestern Energy; Stacey Zyliak (for Rachel Court), Senator Tester's Office; Rana Wichman, Fergus County Clerk & Recorder; Evelyn Pyburn, Yellowstone County News; Ed Bartlett, Yellowstone County Lobbyist; Senator Kim Gillan, SD 24; Representative JoAnne Blyton, HD 59; Joe White, Citizen

Welcome & Introductions: Ken Ronish, Fergus County, welcomed everyone and thanked Yellowstone County for hosting the meeting. He then called the meeting to order.

Pledge to Flag

Approval of Previous Meeting Minutes: August 25, 2010 minutes

- MOTION: John Prinkki, Carbon County, moved to accept the August 25, 2010 minutes. Jim Reno, Yellowstone County, seconded the motion. Motion carried unanimously.

FY 2012 Proposed Budget

- Revenue, Harold
 - Great Conference Turnout
 - Dues Increase - Recommended by Budget Committee--1.6%--better to do incremental than a big one at a later time
 - Taxable Value, PILT, NACo Dues
 - Interest Income
 - Question: Maureen Davey, Stillwater County - Were we 100% membership this year?
 - Answer: Harold Blattie - Yes.
- Expenses, Sheryl
 - Don't anticipate any significant changes, but there will be a couple of adjustments:
 - Payroll--frozen last year--1.6% COLA adjustment this year
 - NACo Travel--the cost is rising, so this is higher.
 - Termination Liability
 - Building: Incident last week with sewer pump--may have enough in current funds to take care of it.
 - Budget anticipated to be lower this year (not a legislative year)
 - Services for Insurance Pools

- Server System: 4-year replacement cycle
 - Putting it off one year, but will renew existing licenses
 - These funds are not included in this budget, as it is an outside fund.
- Board of Directors and Trustees to meet June 29th for Budget meeting--comments to be directed to District Chairs before that time.

Elections - District Chair & Vice Chair

- District 7: No elections until 2012.
- District 6: 2-year terms
 - MOTION: Sue Olson, Musselshell County, moved to elect Ken Ronish as Chair. David Paugh, Golden Valley County, seconded the motion. Motion carried unanimously.
 - MOTION: Sue Olson moved to elect Chris King, Petroleum County, as Vice Chair. David Paugh seconded the motion. Motion carried unanimously.

MACo Officer Nomination - 2nd Vice President

- MOTION: John Ostlund, Yellowstone County, motioned to support Joe Briggs, Cascade County, for MACo 2nd Vice President. Maureen Davey seconded the motion. Motion passed unanimously.

MACo Officer Nomination - Fiscal Officer

- MOTION: John Prinkki motioned to support Cynthia Johnson, Pondera County, for MACo Fiscal Officer. Dennis Shupak, Stillwater County, seconded the motion. Motion passed unanimously.

MACo Staff Report

- FEMA & Flood Emergency FAQs, Harold Blattie
 - FEMA Triggers: \$3.27 per capita, \$1 million damage to public property
 - There are 15 FEMA teams in the state telling counties different things including to wait on their Disaster Declarations.
 - We Contacted Sheena Wilson, Deputy Chief of Staff, Governor's Office, and Ed Tinsely, Division Administrator, Montana Disaster and Emergency Services, to try and clear up some of the cross communication between FEMA and various counties.
 - Don't wait; do the following:
 - Declare emergency
 - Unanimous vote of all Commissioners
 - To get access to Governor's Disaster Fund, must levy two mills; to get federal money, must expend the equivalent of two mills
 - Question: Jim Reno - Could you please explain the difference between "emergency" and "disaster?"
 - Answer: Harold Blattie - You have to declare a disaster; for an emergency you track the costs, and when you get to a cumulative cost, you can declare a disaster.
 - Question: Gary Gershmel, Petroleum County - Where would you get the money while you're waiting?
 - Answer: Harold Blattie - You spend your own cash or go to the Board of Investments and borrow at a low rate, or go to the bank.
 - Follow-up: Gary Gershmel - Required percentage of return?
 - Answer: Harold Blattie - Statute doesn't impose a minimum.
 - Question: Ken Ronish - Do you have to put the 2-mill levy on?
 - Answer: Harold Blattie - You must make a financial obligation worth at least 2 mills to get the Governor's money.
 - Montana Contractors Association: Webpage with available services
 - NOTE: Don't have to do bid process for contractors when going through an emergency.
- Interoperability Montana, Sheryl Wood

- IM is dissolving June 30, but the project is not terminating; as per Sheena Wilson, the state wants to control the backbone.
- \$3 million grant from Homeland Security
- Governor's Office appointed Carl Hotvedt as the new coordinator of the project.
- MACo was asked if we wanted to manage it, and MACo declined based on a survey we sent out and directive from the Executive Committee.
- Make sure you know where you stand with Interoperability and that your interests are protected:
 - Get your contracts out and see what you've committed to and what you own, etc.
 - Meet with your consortia members.
- Seeing some movement toward regionalization; lots of rumors out there.
- County Jail Contract & Per Diem Rate Calculation Template, Sheryl Wood
 - Met with DOC; formed stakeholders group.
 - The forms have been redesigned.
 - Perpetual contracts are done and will now be biennial--also new formula and rates.
 - New worksheet of what should and shouldn't be included in costs.
 - You will be receiving new forms based off of the Bars Chart of Accounts.
 - Be sure your accounts are coded correctly.
 - Should be getting these items in about 45 days.
 - We've asked DOC how you fill out the form if you use another County's jail. We are waiting for a response.
 - Question: Jim Reno - On post-adjudicated offenders, can we say no?
 - Answer: Sheryl Wood - From guilty until sentencing, the cost is yours. When they are sentenced, then the cost goes to DOJ. In Appropriations, we haven't been able to validate costs because we only go responses from 2 counties. Counties need to track costs.
- DPHHS: County Matching Grant Program for Crisis Intervention & Jail Diversion, Sheryl Wood
 - HB 131 & HB 132 Package
 - Grant money still available--we sent out an email about this last week.
 - Get in at least letter of intent to request funding--due next week: June 15.
- JPIA: Valuations Northwest Property Appraisals, Harold Blattie
 - Entered into contract - Appraising all bids
 - Showing up in JPIA Member Counties to do an inventory
 - Those counties will then have to sign off on buildings they don't want insured
 - Question: David Paugh - At what point do you decide to insure for a larger structure?
 - Answer: Harold Blattie - You don't insure what you don't have.
- DNRC County Co-op Agreements, Harold Blattie
 - Realized they had two contracts - want to get it stream-lined
 - Work comp issue discovered with other department having work comp coverage
 - Volunteer Fire Departments - Not getting adequate coverage
 - Meeting with interim committees- trying to get an understanding
 - Problem is not going away
 - Comment: Sue Olson - Our county has a disability and work comp policy. We have voted on a 10-mill levy (got after a fire) and it supports the fire department.
 - Response: Harold Blattie - You can go to the voters.
- GASB 54, Harold Blattie
 - Major change in fund accounting--headers are changing.
 - This current fiscal year, your forms have to be in GASB 54 format.
 - Can't opt out of GASB 54.
 - DOA is out doing training.
 - Auditors are held to standards, so they have to audit you in accordance with this--they will write it up as a "reportable condition."
 - You have to adopt a policy.

- HB 351 & TSEP, Harold Blattie
 - HB 351 received wide support.
 - Bridge projects & waste sewer projects will be separated in the future: 20% will be set aside for bridge projects, and 80% will be for waste sewer projects.
 - Governor's line item veto took about a dozen projects out--which has never been done. He said in his letter that the projects didn't have the support of the legislature.
 - It went to a poll veto (had a large number of votes), but Governor says that he has 17 votes in Senate to kill all veto polls.
 - Question raised about the line item vetoes and protecting the integrity of the ranking/evaluation and selection process (ranked in order of importance); "Less deserving" projects are moved down the list, not removed. So the question is, what is the appropriation and can a Governor cross projects off?
 - Todd Everts, Legislative Council, doesn't believe it's legal. We're thinking that they may pursue it, as Legislative Council should be questioning the Executive Branch. This sets a precedence, and it could happen to any county in the future.
 - Question raised if MACo should litigate; it will be on the MACo Board Meeting agenda at the end of June.
- Resolution to Support HR 1581, Harold Blattie
 - Approved by Districts just visited (8, 9, & 12)
 - It's going through the MACo Resolution process.
 - MOTION: John Ostlund motioned to support the resolution. John Prinkki seconded the motion. Motion passed unanimously.

NorthWestern Energy Presentation: Mark Lambrecht

- Eminent Domain - Petition for referendum
- Please do not sign.

Break for Lunch

Legislative Report: Harold Blattie & Sheryl Wood

- Harold Blattie
 - HB 297, Extend time frames to preserve historic right of way for state lands: Extend time frames to preserve historic right of way for state lands; we got it passed, but it was tough and will be hard to do again; Senate State Admin amended it, but the House rejected the amendments. It then went to conference committee and "two years" was reverted back to "four years" and extended to 2025. The streamlined process could go away, and you'll have to spend a lot more money. We suggest doing an inventory of County road right-of-ways that go across state land. If you don't pay it, you could lose some constituents that need access and don't have it.
 - SB 248, Allow additional members for county tax appeal board: Passed.
 - SB 183, Revise interim zoning laws: Made it through but was vetoed by Governor.
 - Bison Bills: You Commissioners did a great job carrying these, giving us time to focus on other things.
 - SB 383, Define spot zoning: Died.
 - HB 61, Allow local jurisdictions to set lower speed limits on unpaved roads: You can set speed limit on county gravel roads to 35 mph.
 - HB 123, Revise county and school district budgeting timelines: Revised county and school district budgeting timelines: 15 days taken out; 2nd Monday in August; 30 days after.
 - HB 133, Provide for court orders, fines, liens for noncompliance with noxious weed laws; & HB 166, Revise weed control laws: Noxious weed bills
 - HB 133 - Weed Control: not great but better than nothing; weed control couldn't be enforced before; everyone was committed to working on this during the session.
 - HB 166 - Administration bill; commissioners have control over weed board.
 - HB 212, Eliminate county classification: Eliminated county classification; in statute, it changes to Taxable Value.

- SB 1, Amend assessment of rural SIDs and SIDs with parcel increases: Became law.
- SB 288, Provide administrative appeal for special district assessments: Became law.
- Sheryl Wood
 - HB 130, Expand types of elections to be conducted by mail ballot elections: Died on a narrow margin on Third Reading; we don't know what happened, and there are a number of theories; we don't know if the Clerk & Recorders will bring it back (we haven't talked to them yet).
 - HB 22, Extend the sunset on wireless 9-1-1 funding for less populated counties: E-911; Sunset extended to 2015.
 - HB 156, Increase the rate of payment of interment allowance and headstone: Veteran's headstone - It's "up to," so it is not a mandate; statute says that you have to do something, but you get to decide the dollar amount.
 - HB 43, Clarifying employer's rights related to employee use of medical marijuana: Use this authority with caution.
 - HB 120, Provide for audio minutes as official minutes: Still must maintain a log with the time stamps. This doesn't replace the requirement for the Clerk & Recorder to keep the minute book; motions and votes should still be tracked in the log.
 - HB 187, Provide for Montana-made wooden products in highway and road specs: Must consider the use of Montana-made wooden products; use when appropriate and affordable; recommend a note in the minutes/bid packets; effective October 1.
 - HB 262, Extend requirement for emergency medical service grant program: Money for rural EMS services; \$1 million/year; extended for 2 years; encourage you to go to MDOT website, get application and apply for grants.
 - HB 391, Prohibit local initiative from establishing priority of enforcement of state law: Became law.
 - SB 187, Generally revise public defender laws: We fixed this one. Public Defender got first cut, but we got it moved to the end.
 - SB 357, Revise laws for appointment and election of a resigning county commissioner: Resigning County Commissioner can't vote on their position replacement.
 - SB 423, Generally revise laws relating to use of marijuana: Medical marijuana; Legislative body put in tons of work to try and do the right thing; local government authority: regulate via resolution/ordinance (resolution is read once, and an ordinance is read twice); current cards expire July 1; no more store fronts; sheriff can destroy product if it is somewhere illegally; sheriff can conduct inspections; people under DOC cannot get a card; look at sections 13 and 14 of the bill; it is being litigated.
 - HB 431, Eliminate state election day as a legal holiday: Currently, if there is a Holiday on a Saturday, you can't close on a Friday. Department of Administration moved it from the rules, which we had always followed, to the State Employee Administration Manual; unfortunately, this made it so that the State can close, but Counties cannot. We realized it during the session and tried to interject it into this bill, but it didn't work. We will bring a bill next session and keep checking the calendar.
 - SB 58, Lengthen time DNA evidence must be preserved in certain cases: Died based on our ability to show the impact it would have on counties, but they will be studying it over the interim, and the committee said that they are bringing it back. This will come with such things as certified training, temperature-controlled facilities, and computerized logging. This is from the Montana Innocence Project, which is backed by the National Innocence Project. We want to move the burden back to the state. When we send surveys out, please send them back, as we need to gather the necessary information.
 - SB 97, Revise parental notice of abortion and judicial bypass - We don't get involved in this sort of issue, but this bill was amended to put it in your district courts. We got it taken out.
- Harold Blattie
 - HB 198, Generally revise eminent domain laws: MACo had no position.
 - HB 319, Require contractors to list special fuel users' permit on bids for govt projects: You must put special fuel users permit number on bids.
 - HB 584, Allow use of older license plates on motor vehicles: Became law--just had to mention this.

- SB 283, Revise process for changing county boundaries: Passed--we learned about the cost of doing the records, and it makes it pretty much prohibitive.
- SB 420, Revise local government audit laws: Public pressure to file reports; failure to submit your annual report will lead to DOA taking an ad out in the public newspaper with district names; this will happen one year after.
- HB 304, Generally revise laws relating to special districts: Died--will be back in some form.
- HB 400, Revise emergency response laws including fee: Representative Arntzen said that this bill will be back, as it was not drafted as she intended.
- SB 302, Generally revise county commissioner election laws: Died.
- HB 28, Revise requirements for proposed septic mixing zones: Mixing zone for septic system can no longer go across/onto someone else's property.
- HB 522, Extend approval of subdivision application to mutually agreed upon time: Became law.
- SB 89, Reduce DEQ and local sanitation review times: Became law.
- SB 298, Revise land use laws regarding wildland urban interface: Became law - the word "solely" is important.
- HB 494, Revise laws relating to subdivision exemptions; & HB 629, Revise subdivision law and rent or lease exemption: Local government decided not to move SB 629 forward, and instead moved on HB 494--thank you to all of you; however, in the end it was vetoed.
- HB 592, Revise subdivision law - define tract of record - provide exemption from review: Died - We heard about this in 1995 (my first session), and we're still hearing about it.
- SB 191, Require septic system disclosure on property sale: Died.
- Sheryl Wood
 - HB 89, Eliminate local registration, disclosure filing for legis, statewide candidates: Became law.
 - HB 99, Generally revise laws relating to absentee ballots and mail ballots: Became law.
 - HB 330, Require voter registration forms provide option for subsequent absentee ballots; and HB 484, Clarify receipt of absentee ballots for subsequent elections is not permanent: Companion bills--both became law.
 - HB 530, Allow counties to prepare mail ballots before election day: Ballots can be opened a day early; the Secretary of State is writing the rules.
 - HB 334, Generally revise workers' compensation: Workers Compensation Reform; intent is good; five years before claims can close; no foundational data; reduces rates by 20%; no statistical data--doesn't use history to set the rates; the question is, what happens if they're wrong? It's a good bill. It gets claims closed and people back to work, but we just have some concerns over the rate structure.
 - HB 552, Provide workers' comp to volunteer firefighters and EMS workers: Became law.
 - HB 108, Clarify coord of insurance benefits vs. subrogation for state group insur plan; and HB 555, Providing for nonduplication of health insurance benefits: Both died.
 - HB 122, Provide for benefit and funding changes to public employees retirement system: Retirement Bill; PERS; as of July 1 new hires will contribute 7.9% for retirement (old hires state at 6.9%). We got the employer contribution taken out; there will be a little disparity amongst some employees. If you fail to report, or report inaccurately, you are jointly inseparably liable.
 - HB 135, Provide benefit and funding changes to sheriffs retirement system: Died.
- Harold Blattie
 - HB 316, Redistribute certain revenue and income: Vetoed; Diversion of 10% metal mines and tourism as well as some oil and gas money to education; since it died they have a big hole to fill due to the language that tied the education bill and HB 316 together. The money exists, it's just in the wrong place; next session, the Governor wants to put it in the right place.
 - HB 495, Revise statutory appropriations and local government entitlement share payments: Freezes Entitlement Share for two years and then adjusts the growth formula; lets us jump over the two ugly years; new growth factor will be faster (it would have been this or something else that would have been much worse; it's the lesser of two evils). Basically, you're losing the growth that you would've received this year and next year.

- SB 266, Revise local coal tax gross proceeds tax abatement: Became law - there are only two counties affected right now: Yellowstone and Musselshell. Carbon could possibly be affected in the future.
- Comment: Harold Blattie - Any veto overrides are unlikely to be successful, as the Governor says that he has 17 votes in the Senate.
- Interim Studies: Harold Blattie
 - HB 602, Require interim study of exempt water wells: We will be following this--the bill calls for a study and provides funding for it.
 - HJ 39, Interim study of subdivision rent or lease exemption: We will be involved in this study.
 - SJ 17, Interim study of valuing centrally assessed property for tax purposes: We will be following this study.
 - SJ - 23, Interim study on exemption of nonprofits from property taxes: We will be involved in this study. This issue has been floating around MACo for at least 15 years.
- We thank you all. Nothing replaces your direct contact with a legislator.
- NOTE: The Interim Committees are in full swing and already meeting.

MDOT -- STIP & Secondary Roads: Wayne Noem, MDOT

- Current projects and upcoming projects
- Rescoping of projects
- Gary Larson retired and Paul Johnson is taking his place.
- Make sure you read the STIP 2011 book. There will be a link on the MDOT website soon, and we also send hard copies to the counties.

HB 198, Eminent Domain Bill: Ronda Wiggers, Montana County Treasurers/Montana for Common Sense Property Laws

- Did not change law.
- Brought law so it conformed to court decision.
- Eminent Domain is always the last resort.
- There is an effort to repeal - petition for referendum.

Meeting Adjourned