



Montana Association of Counties

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DISTRICTS 8, 9 & 12 MEETING MINUTES

Virginia City, MT – Elks Lodge

June 06, 2011

District 8

- Broadwater
- Jefferson
- Lewis & Clark

District 9

- Gallatin
- Meagher
- Park

District 12

- Anaconda-Deer Lodge
- Beaverhead
- Butte-Silver Bow
- Granite
- Madison
- Powell

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

Guests: Mark Lambrecht, NorthWestern Energy; Senator Debby Barrett, SD 36; Joe Briggs, Cascade County Commissioner; Erin Gabrian, Congressman Denny Rehberg's Office; Wayne Noem, Montana Department of Transportation (MDOT), Eric Bryson, Lewis & Clark County Chief Administrative Officer

Welcome & Introductions: Jim Hart, Madison County, welcomed everyone to Virginia City and turned the meeting over to Tom Rice, Beaverhead County. Tom Rice thanked Madison County for hosting the meeting and called the meeting to order.

Approval of Previous Meeting Minutes: August 17, 2010 minutes

- MOTION: Laura Obert, Broadwater County, moved to accept the August 17, 2010 minutes. Mike McGinley, Beaverhead County, seconded the motion. Motion carried unanimously.

FY 2012 Proposed Budget

- Revenue, Harold
 - Conferences & Workshop Income is more than we expected--sponsorship income increased dramatically in the last 5 years (we are more aggressive).
 - 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
 - **Question:** Laura Obert - Is the 1.6% increase reflected in Dues?
 - **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)
 - 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 Chairs and Vice Chairs will not need to be elected until 2012.

MACo Officer Nomination - 2nd Vice President

- MOTION: Mike Murray, Lewis & Clark County, motioned to support Joe Briggs, Cascade County, for MACo 2nd Vice President. Garth Haugland, Beaverhead County, seconded the motion. Motion passed unanimously.

MACo Officer Nomination - Fiscal Officer

- MOTION: Mike McGinley motioned to support Cynthia Johnson, Pondera County, for MACo Fiscal Officer. Gail Vennes, Broadwater 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
 - 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.
- 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
- 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.
- 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.
- 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
- 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.
 - Comment: Dave Schulz, Madison County - Madison County has two projects that were thrown out: a bridge project and a sewer project.
- By-Law Addition/Amendment: Past Presidents on MACo Board of Directors, Harold Blattie
 - We are submitting a request for a by-law proposal to allow MACo Past Presidents to be on the MACo BOD.
 - NACo does this as well as a number of the other state associations.
 - Their involvement and experience is valuable.
 - We had them on our Monday Legislative calls during the session--they brought a lot of knowledge, wisdom, and history to the calls.
 - We also had Joe Briggs on many of the calls.
- Resolution to Support HR 1581, Mike McGinley & Mike Murray
 - Picked this up at WIR.
 - Bill to get Congress to act on WSAs.
 - Comment: Harold Blattie - The next step is for the Districts to vote on it conceptually. It would then go to the Resolutions Committee, and lastly the membership.

- MOTION: Leonard Wortman, Jefferson County motioned to support the resolution. Dave Schulz seconded the motion. Motion passed unanimously.

White House Summit: Mike Murray

- Mental Health in Jails
- Homeland Security
- Decrease Pentagon Budget

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.
 - Question: Marty Malone, Park County - This is for state lands and not trust lands, correct?
 - Answer: Harold Blattie - The historic lands right of way is applicable to both.
 - 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.
 - SB 383, Define spot zoning: Died.
 - SB 358, Generally revise tax increment financing districts: It went to a poll veto (had a large number of votes), but again, the Governor says that he has 17 votes in Senate to kill all veto polls.
 - 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 288, Provide administrative appeal for special district assessments: Became law.
 - Bison Bills: You Commissioners did a great job carrying these, giving us time to focus on other things.
- Sheryl Wood
 - 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.
 - Question: Steven White, Gallatin County - We do recordings and have logs as the written minutes, does this work? It has the votes but not the discussion.
 - Answer: Sheryl Wood - Yes, it should. You have to retain the tapes.
 - 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.
 - Question: Leonard Wortman - If there are enough signatures gathered, and it goes on the ballot and passes, what would happen?
 - Answer: Harold Blattie - This new law would be repealed and it would go back to the old law.
- 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.
- Harold Blattie
 - 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 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.
- 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 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.
- Harold Blattie
 - 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 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.
- SB 379, Generally revise county zoning laws: Vetoed by Governor.
- Sheryl Wood
 - 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 372, Lower business equipment tax -- phase more reduction on state economic growth: Passed; 3% to 2% (lowers) trigger and it lowers again; reimburses you 100%.
- Interim Studies: Harold Blattie
 - HJ 38, Interim study of local fire protection, firefighters, and EMT: Won't be studied; disappointed, as it was it big issue during the legislative session.
 - HJ 39, Interim study of subdivision rent or lease exemption: We will be involved in 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.
 - 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.
- Interim Studies: Sheryl Wood
 - SJ 20, Study resolution on implementation of privatization of Medicaid administration: We'll be watching this study.
 - SJ 29, Request interim study of restorative justice: We'll be watching and monitoring this study.
- We thank you all. Nothing replaces your direct contact with a legislator.
- NOTE: The Interim Committees are in full swing and already meeting.

Senator Debby Barrett, SD 36

- Tried to be fiscally responsible.

- SB 423: This bill is basically a repeal bill. Originally, the voter initiative did not legalize establishing an industry, which is what we have now. As of July 1, we start over and of the cards are repealed.
- SB 108, Revise policy for management of large predators - County Government can be at the table.
- SB 348, Revise funding for wolf management - We now have a State appropriation to manage wolves.
- SB 143, Revise state grizzly bear policy - We will manage them to protect people and livestock.
- I'm on four Interim Committees: three deal with water and one is Legislative Audit.
- Your representatives can bring anything before the Interim Committees.
- HB 351: I hope MACo litigates it; and I hope it goes through.
- Harold's House of Cards: TSEP and grants are valuable for counties.

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.

Meeting Adjourned