JOURNAL OF JOINT WORK SESSION MEETING OF THE GREAT FALLS CITY COMMISSION AND CASCADE COUNTY BOARD OF COMMISSIONERS
CIVIC CENTER, GIBSON ROOM 212
DECEMBER 11, 2012

CALL TO ORDER: 3:00 p.m.

City Commissioners present: Michael J. Winters, Robert Jones, Bill Bronson and Fred Burow. Also present was newly selected Commissioner Bob Kelly and City Clerk Lisa Kunz.

Cascade County Board of Commissioners present: Joe Briggs, Bill Salina and Jane Weber. Also present was Cascade County Clerk and Recorder Rina Fontana Moore.

Legislators present: Carlie Boland, HD 23; Tom Jacobson, HD 25; Mitch Tropila, SD 12; Brian Hoven, HD 24; Jesse O'Hara, HD 18; Roger Hagan, HD 19; Jean Price, HD 21; Brad Hamlett, SD 10; Robert Mehlhoff, HD 26; and, Ed Buttrey, SD 13.

Commissioners Bronson, Briggs and Weber, and Clerk and Recorder Moore reviewed and discussed the following resolutions with the legislators:

1. **MLCT Resolution No. 5/MACo Resolution 2012-EX2:** Public Employees Retirement (PERS) **BOTH CITY AND COUNTY**

The Montana Public Employees Retirement Board oversees three retirement funds – PERS (Public Employees Retirement), SRS (Sheriff's Retirement) and TRS (Teachers Retirement). Each of these systems requires matching contributions from the employer and employee. PERS system cannot sustain the retiree pensions of former State, City and County employees and is not actuarially sound.

The Board and the Interim Legislative Committee charged with addressing the financial problems with PERS were unable to formulate a mutually acceptable solution. Moreover Governor Schweitzer's proposal placed the financial solution for the PERS dilemma squarely on the shoulders of local governments.

There are several areas of consideration to resolve in this matter:

a. What is a reasonable length of time needed to bring the fund into balance, what will those costs be, how will they be paid, and by whom?

b. The Pension Board is using a projection for an annual return on investments of 7.75%, which, based on the nation's economy, is realistically unachievable in these economic times.

c. Investments are currently being sold prior to maturity to pay for retirement pensions, which further reduces the ability to achieve the rate of return projections.

d. Annual payroll projections are being assumed on a 4% annual increase. The systems have not achieved this in at least 5 years, and it is not anticipated they will any time in the near future.

Members of the State Administration and Veteran Affairs Committee (SAVA) Interim Committee requested that MACo lead an effort to begin working towards a solution through facilitation of a series of meetings of stakeholders and legislators, both prior to and during the session. MACo Associate Director Sheryl Wood has assumed this role and the first meeting was held on August 27. As no potential resolution was provided by the PERB or the interim committees, it is being discussed at the Capitol that all pension bills will be placed in a long-range planning committee made up of bipartisan legislative membership, as well as representatives from all stakeholder groups representing employees and employers to work together towards finding a resolution to the concerns of funding and member benefit sustainability.

MLCT will support an increase in employer contributions to PERS if it does not result in higher mill levies and utility rates or reductions in other budget categories. Cities also believe that a one-time cash payment may be necessary to stabilize the pension system, and that if such a payment is made, it should come from the $482-million general fund surplus or other state accounts.

Other issues to resolve with the pension system:

- Makeup of the Board needs to include contributing entity – currently the 5-member board is composed of recipients of the PERS, SRS, and TRS funds (3); an individual with investment experience (1); and a citizen at large (1).

- Costs to the local governments must be predictable and defined

- Local governments generally accept the need to incrementally increase their share of the contribution; however the employer (government) expense must be reasonable

- Local governments generally support increasing the employee contribution

2. Clerk and Recorders' Proposal on Late Registrations

Modifying late registration to occur 20 days prior to election instead of 30 days prior to election. Currently on the 30-day prior to election date three things happen simultaneously which causes difficulties in the Elections Offices: 1) Regular registration (mail-in cards) ceases; 2) absentee ballots are mailed out; and 3) late registration and on-site voting begins. The overlapping of these three activities causes difficulty in the Elections Office. This legislation proposes to delay the start of late registration until 20 days prior to election to provide a 10-day window to process regular registrations and complete the mailing of absentee ballots BEFORE late registration and on-site voting can occur.

3. Clerk and Recorders' Proposal on Early Ballot Preparations **BOTH CITY AND COUNTY**
Allowing mail election ballots for special district elections (ie. school elections, municipal elections, irrigation and water/sewer district elections) to mirror the process used in poll elections (ie. general election) whereby absentee ballots may be opened, flattened and prepared for machine count on the Monday prior to election day. Currently, mail ballots cannot be opened until the day of election.

4. Local Government Center **(MLCT Resolution No. 11)** **BOTH CITY AND COUNTY**
Previously the $200,000 annual budget for the Local Government Center was paid through MSU Extension Service, but in recent years it has been funded from other MSU monies. MSU President Waded Cruzado has announced that the University will only continue to finance this service through FY 2013. The Local Government Center provides training, facilitation, and mediation services for Local Government officials. The Center also staffs the voter review process every ten years (due in 2014). If not funded through MSU, financial burden will likely shift to MLCT and MACo – which ultimately results in increased dues and costs to local governments.

5. Montana Area Agencies on Aging Association **COUNTY**
Requesting $1.5 million per year ($3.0 million for the biennium) which has been included in the last 3 budgets as One-Time-Only (OTO) general fund dollars become part of the base budget for the Department of Public Health and Human Services, Senior and Long Term Care Division to avoid the biannual struggle to maintain current levels of funding. These funds are passed on to the Area Agencies on Aging and used to support the Meals on Wheels Program, Congregate Meals at Senior Centers and Home Attendants working to keep seniors in their own homes and avoid early entry into an Assisted Living or Nursing Home facilities. These programs ultimately result in a significant cost savings to the public; as the cost of assisting seniors with in-home services is considerably less than subsidizing clients in assisted living facilities. Additionally, the seniors retain their independence and a higher quality of life while being active within the local community.

6. **MACo Resolution 2010-13:** Mobile Home Disposal **BOTH CITY AND COUNTY**
Allowing Counties to waive delinquent taxes, penalties and interest on abandoned and uninhabitable mobile homes for the purpose of issuing movement permits for disposal of the Mobile Home.

7. **MACo Resolution 2010-15:** Open Cut Permit Fees
To restore the exemption from open cut permit fees that existed prior to 2009. Counties agreed to provide fees to DEQ to process open cut applications in a timely manner. Counties continue to experience long delays 2 ½ -3 year process remains.

8. **MACo Resolution 2010-19:** Statutory Continuation and Improvement of the Tax Increment Financing: **BOTH CITY AND COUNTY**
Legislation supports continuation and improvement of TIF laws through the merging of the Industrial-Aerospace-Technology TIF districts into a single type useable by municipalities and counties.

9. **MACo Resolution 2010-22:** Technology Districts **BOTH CITY AND COUNTY**
Support legislation to amend statute so as to allow all Montana businesses to fully participate in Technology TIF districts. Current statute requires at least 50% of the sales of a business or organization to occur outside of Montana in order to qualify for inclusion in a Technology TIF district.

10. **MACo Resolution 2012-08:** Interim Appointments
Clarification of statute to authorize a temporary, interim appointment to fill county elected official vacancies. Currently, the statutory authority of the Deputies terminates upon the death or resignation of the elected office holder.

11. **MACo Resolution 2012-10:** Legal Holidays
Clarification of legal holiday observed by local government; specifically naming the preceding Friday to be the day observed as a legal holiday if the holiday falls on a Saturday.

12. **MACo Resolution 2012-17:** Public Safety Communications System
BOTH CITY AND COUNTY
Support legislation to create a permanent and stable governance structure and funding for the administration of the public safety communications system in Montana (interoperability). An entity needs to be identified for oversight and maintenance responsibilities.

13. **MACo Resolution 2012-EX1:** Publications Notice
Clarification regarding the current requirement for two public notices in advance of a public hearing. History is that some Counties have paid for a second public notice and it has not appeared, so the hearings had to be cancelled. This is problematic in situations that have fiscal implications and may impact statutory deadlines.

14. Taxation of Housing on MAFB
DOR has issued a ruling that the "Privatization" of the housing on Malmstrom AFB triggers those properties to be taxed. Montana is the only state to have adopted this position as the transition is not a true transfer of ownership. Cascade County seeks to restore the tax exempt designation which has been historically applied to these properties.

15. **MLCT Resolution No. 2:** Entitlement Program
House Bill 495 (2011 Legislative Session) revised the formula for calculating the annual growth factor that is applied to entitlement payments. Current estimates indicate that cities can expect a growth factor of 3% to 3.5% in the fiscal year that begins July 1, 2013. Cities will work in 2013 to assure that the growth factor is applied as provided by the 2011 entitlement bill.

16. **MLCT Resolution No. 3:** Treasure State Endowment Program
Several bills were introduced in the 2011 Legislature to suspend, rollback or otherwise weaken the Treasure State Endowment Program that has been used by cities and towns for more than 20 years to help finance water and sewer projects. Most of these attempts were stymied, and most recommended projects were approved for funding. In 2013, cities will oppose all efforts to reduce funding for the Treasure State Endowment Program and any other state grant and loan

programs that provide financing for local capital improvement projects.

17. **MLCT Resolution No. 6:** Impacts of Oil and Gas Development
MLCT will support and promote legislation that will provide sufficient funds and financing authority to allow cities and towns in areas impacted by oil and gas development to manage the consequences of that development**.**

A tentative date of March 1, 2013, in the afternoon was discussed to schedule another joint session with legislators to review bills.

ADJOURN

There being no further discussion, Commissioner Weber adjourned the joint work session meeting of December 11, 2012 at 4:30 p.m.