

**Anaconda-Deer Lodge County**  
**Commission Work Session Minutes**  
**6:00 p.m. Tuesday, April 26, 2016**  
**Courthouse Courtroom**

Present: Commission Chair Hart, Commissioner Mulvey, Commission Vice-Chair Vermeire, Commissioner Smith, County Attorney Krakowka

Absent: Commissioner Lux-Burt and CEO Ternes Daniels

Others Present: Artha Mae Whealon, Deputy Clerk and Kathie Miller, Anaconda Leader

Commission Chair Hart called the meeting to order at 6:00 p.m. and explained the Commission Rules of Procedure.

**Exit Audit Report by Newland & Company for June 30, 2015**

Debbie Ouelette, Newland & Company – Debbie stated she would go over the Audit Report for fiscal year ending June 30, 2015 very quickly and very briefly. There is a lot of information involved with an audit and a lot of numbers. A Government Entity that has over \$500,000 in revenue is required by the State of Montana to perform an independent audit every year.

There are three (3) reports within this audit. The first is the Independent Auditor's Report which is the primary crust of why we are here. It is an unqualified opinion which is the best result you can get. For the first time we have a qualification that relates to GASB 45 (Governmental Accounting Standards Board). It is very technical and relates to post-employment benefits for retirees. It has to have an actuarial evaluation in order to create a number to see if it is material enough to put on the financial statement. It is our recommendation that this be done. It is an accounting number that does not involve a cash out. In order for the financial statement to be in compliance with GASB which is required by Montana Law this would have to be done. This is the only issue we brought up within our audit report.

Another huge complicated change to the financial statement is GASB 68. It takes the unfunded net pension liability of all the State Retirement Plans and allocates a portion of that to all the local government entities whether it is school districts, port authorities, counties and towns. This is a huge change in the financial reporting of governmental entities this year. There is a huge liability that was brought onto the financial statements for June, 2015. Again, it is not a cash out plan but it is allocating this net pension liability at the State level. This is not just a Montana problem but a problem nationwide.

The 2<sup>nd</sup> report we are required to do is our main financial statement and we test the dollar amount with different financials. We test internal control and compliance. We sample and hit major ones. Those reports are in the back of the financial reporting package.

The 3<sup>rd</sup> report we are required to do because you receive over \$500,000 in federal financial assistance is the single audit under OMB Circular A-133. The best place to go to read and understand this is the Management's Discussion and Analysis on Pages 5-12 of the financial reporting package. This is exactly what it says it is, it is written by your team here and we are pulling this right off the audit statement.

We did have some comments and findings. We sample cash, expenditures, receivables, payables, revenue and payroll. We have a team of 3 or 4 people that come in and take a slice of all that activity. The comments and findings are in the back of the audit. These are the issues that need to be fine-tuned or should be brought to your attention. The Managements response is in the back and it puts forth a responsive plan to get these comments and findings off the audit report for next year.

Commission Chair Hart noted GASB 68 is the net pension liability due to the stock market crisis several years ago when the retirement system lost a lot of money. The State designated a portion of this unfunded liability to all Government entities to cover this problem. This created the 1% increase on the employee retirement and the increase on the employer's part. It is also being supplemented by the Coal Tax/General Fund. All counties and all entities are being assigned an amount of this unfunded liability.

Commission Chair Hart went on to thank Debbie Ouelette and Newland & Company for all their hard work.

### **Funding Request by the Anaconda Adult Learning Center**

Anne Dobney, 407 Balsam Street: Anne spoke about what a privilege is was to be a part of the Adult Education Program and has been at the Hearst Free Library for 10 years. The program began as a 2-hour program preparing people for their GED and has become a week long program that transitions people into college, training or the work force. It is a job driven program. The Adult Learning Center networks with Head Start, Discovery House, Job Service, Vocational Rehabilitation and Highlands College. They have a good working relationship with the high school and the Community.

#### *Success Story:*

Anne introduced Cassandra Punohu to tell her story.

Cassandra said she was lucky to find the Adult Learning Center. Cassandra had worked in the food industry and retail. One day she thought to herself, she wanted to make a change and go back to college. Her mother found services available to Cassandra at the library. Cassandra knew her math skills were not that good and knew she had to improve on them. She was tested and found out not only were her math skills low but she needed to work on her writing skills. When she tested for college entry four months later, she found her math skills had significantly improved and she tested in the 90% for her reading and writing skills. It was a wonderful gift the Adult Learning Center gave her. Cassandra started college at Flathead Community College and is maintaining a 3.7 GPA studying secondary education for English and will be enrolling in University of Montana next fall.

Cassandra was lucky enough to be accepted into the Study Aboard Program at FCC and went to Venice, Italy for 3 months. Because Cassandra maintains a 3.7 GPA she was given a \$3,000 scholarship and had her tuition waived. She said a lot of this she did on her own, she worked very hard but a lot of it was in part to the Adult Learning Center and she could not thank them enough.

Commission Chair Hart mentioned this request for \$3,500 was for fiscal year 2016-2017.

Vice-Chair Vermeire said the request would go through the budget process and was wondering if this program was associated with the Library.

Anne said they were not associated with the Library. They were a 501(c)3, a community-based program. They use the Library because it is centrally located, they are allowed to use their machines and it is a non-threatening atmosphere. This request is needed in order to provide a local match to receive a grant from OPI. Everyone is desperate for funding and by securing this funding it would create stability and hopefully be granted on a regular basis. The Adult Learning Program is a vital program for so many people. Anne mentioned that she will be stepping down as the Director. Kristen Hill will be taking over as the new Director. Anne will stay on as a teacher.

County Attorney Krakowka said it makes for a great job when you teach someone who wants to learn.

Rose Nyman, 121 East 3<sup>rd</sup> – Rose stated she would strongly encourage the Commissioners to approve this request. She is in and out of that room doing research and they are doing a fabulous job with the resources they have and she hoped the Commissioners would retain it.

Item placed on the agenda.

**Resolution No. 16-22, A Resolution establishing and adopting Wastewater Lift Station User fees for Wastewater/Sewer System customers served by the Lift Stations**

Carl Nyman, Superfund Coordinator said this is a follow-up to the presentation Ed Janey gave two weeks ago. We looked at a range that went from no user fees and was absorbed entirely by the rate base or paid entirely by the users and none by the rate base. None of these were attractive offers so they went to the middle of the rate structure that is reasonable and affordable and won't scare development away. As additional lots are built, that share of the rate base goes down and you have more economic development, lots are developed and a tax base is created. There is an annual fee for the sewer station and the lift station will be an annual fee as well. It is very low and will be absorbed within the current rate base and there will not be an increase for anyone.

Item placed on the agenda.

**Special Event Permit – Community Market at Kennedy Commons**

Commission Chair Hart said the Community Market will be held each Tuesday evening, beginning July 12<sup>th</sup> through September 13<sup>th</sup> from 4:00 pm to 7:00 pm at the Kennedy Commons. All the forms have been signed off and the insurance is in order. There was a good turn out last year and the event was very successful.

Vice-Chair Vermeire noted the insurance form in the packet expires on July 2<sup>nd</sup>.

Lydia Janosko, Community Market Organizers said they checked into it and there will be a new insurance form issued when the current one expires.

Item placed on the agenda.

### **Placement of an “Expression Swing” at the Durston Park**

Lydia Janosko and Charlie Ewan spoke on behalf of this project. Funding has been secured and if approved the installment will be done by Zombie Construction. This will bring people into the Community.

Marty Mavrincac, 615 E. Commercial Avenue wondered where the liability falls with installing the swing.

Lydia said the swing will be installed on public property so the liability will be covered by the County. Lydia encouraged people to go on-line and review the benefits that face-to-face has on these informative years.

Commissioner Mulvey said she thought it was great. Having a parent and child play together is wonderful.

Vice-Chair Vermeire said Option 2 with Frame was 3 ½” x 8’ was probably a misprint. It probably meant 3 ½’ x 8’.

Lydia went on to say they have met with John Leo and he doesn’t hate the idea and they will work with him on placement.

Item placed on the agenda.

### **Opportunity Triangle Area Final Plat Approval**

Doug Clark, Planning Director said there wasn’t much to add. The lift station rates were part of what needed to be taken care of.

Carl Nyman, Superfund Coordinator said it has been a long time coming. Atlantic Richfield made a huge investment in that property and they use one of those lots for their construction trailers and meetings. NorthWestern Energy has a compressor station site out there. This leaves 3 or 4 lots that are ready to go. The Final Plat is ready to go and he is looking forward to moving onto the next phase.

Jim Davison, ALDC was glad this is finally happening. The County has lost 3 major developments out there because the final plat wasn’t filed and the sewer wasn’t put in so we will continue to push that area. We lost \$158 million dollar project a month ago because things were not finalized. If we don’t have things like this in place, we lose potential business.

Item placed on the agenda.

### **Contract Extension for Judie Tilman Agreement**

Commission Chair Hart read the job duties associated with this Agreement. Judie will be paid at an hourly rate of \$50.

Commissioner Mulvey stated grant writers are very important and Judie is excellent.

Item placed on the agenda.

### **KONE, Inc. Proposal for Elevator Repairs and Service**

Commission Chair Hart reviewed the Maintenance Agreement at \$94.00 per month for the elevator in the Court House.

County Attorney Krakowka had reviewed the Agreement and had problems with the Term and Termination Clause on Page 3 where it stated "This Agreement will commence on the effective date and continue for an initial period of seven (7) years. This Agreement will thereafter automatically renew for successive terms of seven (7) years." That means every seven (7) years we have a 30-day window to report any problems with the elevator. This is ridiculous and this window is too tight. What if we miss this window, then do we have to wait seven (7) years to try to hit that window again. This part of the Proposal needs to be modified.

Kathie Miller, Anaconda Leader asked who worked on the elevator now.

County Attorney Krakowka said he does not ride the elevator. When he works on the week-end preparing for trial he will put his displays in the elevator and push the button but he will walk up the stairs.

Commissioner Mulvey wanted to look into this contract. Since she is having problems with her knees she would like to see the elevator in good working condition and not taking the chance of getting stuck in there.

Item placed on the agenda.

### **Arbor Day Proclamation**

Commission Chair Hart read from the Proclamation which would proclaim April 29, 2016 Arbor Day and May 2016 as Anaconda Arbor Month.

Item placed on the agenda.

### **Kids to Parks Day for Anaconda-Deer Lodge County**

Commission Chair Hart stated May 21<sup>st</sup>, 2016 is the sixth Kids to Parks Days organized and launched by the National Park Trust.

Item placed on the agenda.

### **2016 Poppy Day Proclamation**

Commission Chair Hart stated this is an annual Proclamation. Each poppy is handmade by Veterans and is distributed across the country for donations to help local veterans in our Community. American Legion Auxiliary Unit 21 promoted this in our area.

County Attorney Krakowka is looking forward to getting his poppy. He has quite a collection since he has been saving them for the past seven (7) years. The poppy bouquet keeps growing.

Item placed on the agenda.

**Appointment of a member to the Anaconda-Deer Lodge County Tax Appeal Board. Dusty McKenney has requested re-appointment. (1 Vacancy - 3 year term)**

Vice-Chair Vermeire stated Dusty sounds like a gluten for punishment.

Item placed on the agenda.

**Appointment of a member to the Anaconda-Deer Lodge County Tree Board. Sean Steinebach has requested re-appointment. (1 Vacancy - 3 year term)**

Carl Nyman, Superfund Coordinator said he has had the pleasure of working with Sean. He is the Chair of the Tree Board and does an incredible job. He moves the meeting along and stays on task. He consulted with Carl on the Beaver Dam area and the golf course. He has been a great asset and I am glad he is willing to step up and serve again.

Item placed on the agenda.

**Resignation of Robert Mulske from the Tree Board and authorization to advertisement the vacancy**

Commission Chair Hart stated Mr. Mulske is resigning from that Board due to personal reasons.

Item placed on the agenda.

**Special Event Permit – Kiwanis Bike Give Away at Kennedy Commons**

Commission Chair Hart stated this is a yearly event for Al Messer and the opportunity for him to showcase his skills and the work he puts into his bikes. The Bike Give Away is scheduled for May 14, 2016 at the Kennedy Commons from 12:00 a.m. to 1:30 p.m.

Carl Nyman, Superfund Coordinator stated Al was an Anaconda icon. He is always thinking about the community, he is going constantly, he is a constant salesman; he sees a need and gets the work done to solve it. He is tireless and unselfish and it is good to pause and reflect on what a great guy he is. He does this all on his own and it would be great if we could clone him.

Item placed on the agenda.

### **Miscellaneous**

County Attorney Krakowka mentioned the Ordinance he and Vice-Chair Vermeire were working on and he will talk to CEO Ternes Daniels about it later this week.

**Public Comment – *This is the time for members of the public to comment on items NOT appearing on this agenda.***

Jim Davison ALDC apologized but there is a grant application he wants to bring to the Commissioners. The Big Sky Trust Fund is one of the few grant sources where the State will grant money to businesses to do certain activities that create jobs. They have some pretty stringent requirements on it.

- 1) It has to be a manufacturing business that sells more than 51% of its product outside the State of Montana.
- 2) The employees that are hired have to make at least \$15.85 an hour. You can have benefits in that but they have to make at least \$15.85 an hour.

If you have met these two criteria's and you need to purchase equipment under this grant, the State will give the business \$7,100 for each person the business hires. Jim has been talking to a local business since last fall about going into this grant because he knew they were growing. Jim had a meeting last Friday with the funders and they notified him they had changed the date from April 13<sup>th</sup> to May 10<sup>th</sup> to get the grant in and they wanted to know if he could get the grant in now? This local business has hired four (4) individuals and if this grant could have gotten in last fall, they would have received \$50,000 in grant money to purchase a new piece of equipment. The local business is KB Enterprises (Snappitz). They have a little manufacturing facility and they would like to buy a new piece of equipment. This is a reimbursement grant which means they have to purchase the equipment up front and keep their employees hired for a certain amount of time then they can get reimbursement funds.

This Big Sky Trust Fund has to go through the County. The County has to be the applicant for this. Part of the grant is already written but they will have to work hard to get it done by May 10<sup>th</sup>. Jim put it to the Commissioners for their consideration.

KB Enterprises (Snappitz) has found its niche. They are growing and they have kept people employed. Apple is building their billion dollar world headquarters and KB Enterprises (Snappitz) is providing product to that building. The new Viking stadium has Anaconda made product in their stadium. Google has Anaconda made products in their new campus.

This is a great way to build manufacturing in town and partnering with the County to be able to apply for this grant. They have a grant writer that is trying to get it done by May 10<sup>th</sup>.

Item placed on the agenda.

Bill Laws, 159 Garrity Drive said on April 22<sup>nd</sup>, Marty Mavrinac was notified by Heather Edwards the power to the Search and Rescue building was going to be disconnected. Even though the lease with the County says Search and Rescue will be responsible for the utilities, for 39 years they have never paid them. Bill said this would be a financial hardship and asked the County to pay the power bills on the building.

Carl Nyman, Superfund Coordinator said Atlantic Richfield has been paying the power on that building for 19 years. The bill was flagged last month because it was so high and when Atlantic Richfield looked into it, they discovered it was the Search and Rescue building. Atlantic Richfield has given Search and Rescue till the end of the month to get the bill in their name.

Martin Mavrinac, 615 E. Commercial said yes he had read the lease agreement but he thought the bill was being paid by the County. The only thing they have plugged in at the building is a refrigerator, radio and heat when they have a meeting. He asked NorthWestern Energy when they changed the meter who was paying the bill and NorthWestern Energy said the County.

Commissioner Chair Hart asked for a usage bill from NorthWestern Energy and they will get it on next week's agenda.

Carl Nyman, Superfund Coordinator stated it was unbelievable that an entity like Search and Rescue who has benefited from Atlantic Richfield for the last 19 years can complain and make accusations. It is insulting.

The building is heated by electricity only.

Bill Laws said for 39 years the County has assumed the responsibility for the utilities bills. Search and Rescue is not financially set up to pay these bills. It is a County building and even though the lease says Search & Rescue is responsible for the utilities, after 39 years the County needs to pay the utilities.

Item placed on the agenda.

#### **ADLC Public Meeting Dates**

Commission Chair Hart read the ADLC Public Meeting Dates.

#### **Adjournment**

Commissioner Smith moved to adjourn the meeting. The meeting adjourned at 7:16 p.m.



Artha Mae Whealon  
Deputy Clerk



Kevin A. Hart  
Commission Chair