

SUBDIVISION MEETING
June 23, 2005

Commissioner Varone called the meeting to order at 9:00 a.m.

Commissioner Murray is present. Commissioner Tinsley was absent on personal leave. Others attending all or portion of the meeting included Ron Alles, Libbi Lovshin, Nancy Everson, Carol Hanel, Mark Dowdy, Art Pembroke, Rj Zimmer, Jason Mohr, and Carole Byrnes.

1. Pledge of Allegiance. Everyone recited the Pledge.
2. Consent Action Items: Ron Alles, there is only one item on here and it is a renewal of contract for Farmer's Market Nutrition Program and DPHHS in the amount of \$563.00. It's a renewal, it's 3 year renewal. Staff does recommend the approval, and it has gone before the Board of Health.

Commissioner Varone: Any Discussion?

Commissioner Murray: I move to approve the consent agenda and authorize the vice-chair to sign. Commissioner Varone seconded the motion and it carried 2-0.

3. Bid Award for Applegate and Maynard RID Maintenance Project: (Continued from 6/21) Carol Hanel, Public Works Coordinator for Lewis and Clark County. In your board packet you have a recommendation approval for the RID project. This is for the Applegate and Maynard Road RID's. We received one bid for this project. The bid was received by the 5:00 p.m. deadline on June 20th. The bid was opened at the public meeting on June 21st. Stahly Engineering and Associates have reviewed the bid and all bid requirements are in order. I have attached a copy of the bid tabulation sheet in your packet also.

Commissioner Varone and Commissioner Murray: We have nothing in our packet, not for the Maynard/Applegate, nor for the Prickly Pear. We have nothing in our packet.

Carol Hanel: I apologize for that.

Commissioner Varone: Maybe if you don't mind can we move on to another topic until Carole returns with our copies?

Carol Hanel: Of course, that would be fine.

Commissioner Varone: We will move onto item # 5:

5. Resolution To Write Off Uncollectible Accounts For The Cooney Home. Mark Dowdy, today I would like you to consider this resolution to write-off the uncollectible balances we have at the Cooney Home. Most of these balances, or the range of these balances, are 2 to 7 years and after various collections attempts, we have not been able to collect these funds from either the resident family member or the residents themselves. Each one of these has been written off every year under the Allowance for Bad Debts, and this resolution would allow us to write them off completely from our books.

Commissioner Varone: Thank you Mark. We had a little bit of discussion about this.

Would you please explain your attempt to collect and a discussion you had with Paul Stahl?

Mr. Dowdy: Sure, most of our collections attempts, what we do is send out notices, and then if a family doesn't pay, then we will call them on the phone and talk to them, and sometimes have a meeting with them, within our facility. One thing that the Cooney Home has not done, in the past, is turn these balances over in to a Collection Agency, and I spoke to Paul Stahl about this, and he said that in order for us to do that we would have to turn it in within 6 months of the estate being closed, and since these are past that time frame, there is not much more we can do with them. And it has not been Cooney's policy to use a collection agency in the past, but we would like to start to do that in the future.

Commissioner Varone: Thank you. Any questions?

Commissioner Murray: Madame Chair, Mark, in addition to explaining that you might do that in the future, explain what your policy is so we are not going to write off Cooney Bad Debts again. I assume you have implemented new policies that are going to prevent this.

Mr. Dowdy: Yes, well what we are going to do, if the family is not responding and there is nothing being done with our notices, after 60 days, then we're going to pursue turning them into collection with also working with the attorney's office and have them draft some letters for us to send to the families.

Commissioner Murray: Madame Chair, Mark, it's my understanding the family doesn't have any responsibility for their parents, directly.

Mr. Dowdy: That's true, but a lot of times they have the power of attorney and they are handling the funds, and the resident may not have the capacity to understand what needs to be done with these payments. And, many of these occurred before I was even working at Cooney and they go back 7 years. Once someone, a resident passes away, we have to try and turn this balance into their estate through collections or through the County Attorney's office.

Commissioner Murray: Madame Chair, Mark: I'm certainly not suggesting that you have any dealings with these but I thought one of the future steps you are taking is that people pre-pay their monthly balances, and short of that you're asking them to leave Cooney?

Mr. Dowdy: Yes, we do require all private pay families and residents to pay the current month plus a one month deposit. And one of the policies that we have had in place, is that anyone who came in Medicare or Medicaid did not pay in advance. And once they changed over to private pay, and we are looking into whether we should implement that, once they are off Medicare, we would ask them for a deposit, because they would then be private pay. That wasn't the initial policy that we set up. It was just if they come in and they are private pay we would ask for the deposit.

Commissioner Murray: I believe that is your policy now, is it not?

Mr. Dowdy: Yes it will be.

Commissioner Murray: Thank you. Madame Chair, Cooney's occupancy is generally at

90 to 95% minimum. It's a credit to the staff of the care that we give, but we also have a responsibility to collect so the County isn't incurring a debt, in these instances. And I believe Mark is doing a good job to keep us solvent out there.

Commissioner Murray: I move resolution to write off non-collectible accounts receivable at the Cooney Home, and authorize the Vicechair to sign.

Commissioner Varone: I second, and for the record the total amount for 8 accounts for a total of \$15,770.82. All those in favor signify by saying Aye.

Motion carries.

Commissioner Varone: Are we ready to go back to Carol?

This is item # 3 Bid Award for Applegate and Maynard RID Maintenance Project.

Carol Hanel: Yes, Commissioners I apologize for that. In your package you do have the Applegate/Maynard RID's. Recommendation from the engineer, we did receive 1 bid for this project. It was received by the 5:00 p.m. deadline on June 20th. It was opened at the public meeting on June 21st. I've attached a copy of the bid tabulation sheet for your information. Both of these RID's have sufficient funds in place to do the recommended maintenance. This project will consist of some ditch grading with gravel, crack sealing and patching, chip sealing and road striping. County staff recommends approval of awarding the bid to Helena Sand and Gravel for the low bid in the amount of \$57,130.40, and authorize the Chairman to sign all related documents.

ViceChair Varone: Thank you Carol, it's interesting that we only got one bid, that's Stahly Engineering's estimate was still about \$1,000.00 higher than what the bid came in, so you are comfortable with the recommendation.

Carol: Yes, I am.

Commissioner Murray: Yes, I move for approval of the Applegate/Maynard RID bid award to Helena Sand and Gravel in the amount of \$57,130.40 and authorize the ViceChair to sign.

Commissioner Varone: Second. All those in favor signify by saying Aye.

Motion carries.

4. Bid Award For Prickley Pear RID Maintenance Project: Carol Haney reports, this is another maintenance project that we went out for bid for. We received 2 bids for this project. Both bids were received by the 5 p.m. deadline of June 20th. The bids were opened at the Public Meeting on June 21st. Stahly Engineering and Associates have reviewed the bids and all bid requirements are in order. I have attached a copy of the bid tabulation sheet. The Prickley Pear RID has sufficient funds to cover the recommended maintenance. The project will consist of asphalt pavement, crush top surfacing gravel, pulverizing dig out with fabric, chip sealing, and reshaping and compacting the base. Dusty Maiden Road, Rocky Road, and M Scotty Drive will be reconstructed to County road standards. County Staff recommends the bid for this Prickley Pear project be awarded to the

qualified low bidder, Helena Sand & Gravel in the amount of \$147,490.07, and authorize Chairman to sign all related documents.

Commissioner Varone: Thank you Carole. Again this is significantly less than the engineers estimate by about \$47,000.00.

Carol Hanel: Yes, \$46, 989.16 to be exact.

Commissioner Varone: Any questions for Carol?

Commissioner Murray: Madame Chair I move that we adopt the staff recommendation and authorize the ViceChair to sign.

Commissioner Varone: Second. All those in favor signify by saying Aye.
Commissioner Murray: Aye.

Motion Carries.

Ron Alles: Madame Chair, a quick questions perhaps relating to the RID rate. Since this construction bid came in at almost 75% of what we estimated, do we affect the rate, the RID rate for this next year?

Carol Hanel: Well this is their bid, when the final construction costs come in, they've already been, the resolution has already been passed for this assessment, and all it would do would pay off their loan sooner. I believe that is the way it would happen, they would just pay off the loan sooner. The rates have already been set.

Commissioner Murray: Madame Chair, Ms Hanel, when can we expect the projects to be completed?

Carol Hanel: They have 45 days to complete it from the time we give them notice to proceed. So they will be done mid-August, no later than the end of August.

5. Independent Contract With DJ & A, PC In The Amount Not To Exceed \$29,973 For GIS Land Surveying Services: Mr. R. J. Zimmer: The contract before you is for land surveying services in support of GIS Projects to improve the spatial accuracies of our parcels in the Helena valley and the City of Helena. The contract is not to exceed \$29,973. We have that amount in our budget. We budgeted for that. And this is for phases 1 and 2, which is for the research and reconnaissance to identify public land survey system corners, that we can get coordinates on with GPS or other methods, so that we can adjust the parcels within those areas. This is for work to be done this summer. Phases 1 and 2 the research reconnaissance and field work are kind of the initial stages. These projects are multi-agency projects. We work with the Bureau of Land Management to do some of the adjustment of the data and the Montana Department of Administration (sic) project, that maintains the parcels themselves. So this is our portion, and we will be working with those agencies to complete that project in the next 6 months, probably.

Commissioner Varone: Thank you Zim. Does this have anything to do with the County's being showcased at a conference, if so, would you tell us how that's going to happen, and if not, for the benefit for the audience, I want to give a few kudos to you for what you have done, and if you can just explain what that means.

Mr. Zimmer: This project is not directly related to that showcase project. But the showcase project that you mentioned is at the annual ESRI GIS conference, which is one of the larger GIS conferences in the world. The US Geological Survey, will be demonstrating partnership projects, and they will be showcasing the partnership projects the USGS had with us, for what they called the Helena Imagery that we acquired last year, as a demonstration of how the Partnership Projects work with the Federal and local agencies. The surveying project itself, that we are doing this summer, there is a tie-in to that not for the showcase itself but as we acquire more higher resolution photography such as we do with that, then we see some of the spatial inaccuracies as we overlay various layers like our parcels and that kind of brings to the forefront the need to improve some of this stuff. Another example of why we need to improve some of the accuracy of the parcels, I was doing some analysis this morning trying to come up with a unified, consolidated address table, a address listing. Now that we have a consolidated City/County address center, we want to unify the addresses in the City of Helena, and the County's addresses. And part of that process, what we want to do is to improve the information that we have in the AS400 or the address information that we work with the Department of Revenue on to work up this unified table. We want to assign GL(sic) Codes to each of our addresses that we can check against the Department of Revenues address information. And there are some places where the accuracy of some parcels is off enough that we can't do accurate overlay. And that seems to be the case in about 10% and it kind of varies throughout the County and 10% of our address points didn't fall into the right parcel, so these projects where we improve that accuracy helps us with all of our analysis, that they wanted an example of it.

Commissioner Varone: Thank you Zimm, I e-mailed you, but wanted it to go on record. Several years ago, your name came up, with a variety of things, and with regard to how respected you are in the field. Through the years I have also come to discover you are not only respected in your field from a local or state level, but national and internationally as well, I think we are very lucky to have you at the county and the city, and I wanted to just say how we appreciate all of the things you have done for us.

Commissioner Murray: Madame Chair I just wanted to echo your comments. I was invited to the GIS presentation to a national body about a month ago, and it certainly was a challenge for Zimm to work with me to be able to make the presentation, and I thank you for that. And congratulate you for the work that was presented in San Diego.

Commissioner Varone: Do I hear a motion?

Commissioner Murray: Madame Chair I would move that we enter into a contract with DJ&A PC and authorize the Vice-Chair to sign.

Commissioner Varone: Second, All those in favor signify by saying Aye.

Motion Carries.

6. Public Hearing for Preliminary Budget: Commissioner Varone: The Commissioners will hear public comment on the preliminary budget that was presented at the regularly scheduled public meeting on June 9, 2005.

Nancy Everson: This is the Public Hearing for the 2006 Preliminary Budget. The Commission adopted this budget last week on Thursday. This budget has been in the works for several months with department heads and the Commission working to compile this budget. It includes not only the operating plan for the next year, but also long term planning into the future. The preliminary budget, or final budget will be adopted on June 30th at the regularly scheduled public meeting. There are several priorities established as part of this budget. The first priority was a focus on retaining and recruiting quality employees. There is also a continued focus on funding capital replacement in each department. Fully funded to the extent possible, there were a few that weren't able to, their capital replacement plan where they were saving, placing money in reserves for future capital replacements and projects. There is a priority on exploring road funding options. The Mill (sic) levied and other related revenue for the road fund is not keeping up with the demand on the county roads. There also is a focus on valley waste water projects in this budget. This is the fiscal year 2006 revenue. Total revenue across all county funds is \$54,207,250.00, You can see the taxes and special assessments makes up about 30%. Charges for services is around 27%. Total revenue increased by \$235,264. over the adopted fiscal year 2005 budget. This also shows a net decrease in county reserves of \$2,819,000. This is in excess of budget expenditures over revenues. This is not cause for concern. This is due to the County, in prior years saving in reserves for projects that have come up for completion in this fiscal year. This is the fiscal year 2006 expenditures by classification, \$57,270,017.00. This is an increase of approximately \$1,000,000.00 over the fiscal year 2005 budget which equates to about a 1.8% increase in the budget. You can see the personnel and operations and maintenance make up a large portion of this budget. Their equal at about 33.3% of the budget. Capital outlay is the next biggest one, at about 19.2%. And this just shows a little different picture of the same expenditures. In accordance with GAP accounting, Governmentally Accepted Accounting Principals requires that we break that out by certain categories: General Government, Public Safety, Public Works. General Government is the biggest category. This consists of tax collections, administration, the court system, areas like that. Public safety of course is the Sheriff's office, Disaster and Emergency and Public works is the public works function including the RID funds, building maintenance, areas like that. This is the All Purpose Fund, this is our General Operating fund for the County, total revenue is \$6.5 Million. This was an increase of \$276,000.00 compared to the fiscal year 2005 budget. And again a net decrease in the All Purpose reserves of approximately \$640,000.00. This is due to, I wouldn't say an excess reserves, but a cash balance estimated at the end of 2005 in excess of what we feel we need for a general operating reserve, and that has been budgeted for 2006. All purpose fund expenditures, \$7.1 million, this was an increase of \$278,000.00 very comparable to the increase in expenditures, The increase in revenues from the prior slide, about \$10,000.00 difference. Fiscal

year 2006 personnel changes includes 27 pay periods. This is something that occurs every 8 to 10 years where instead of 26 pay periods, we end up with a fiscal year that has 27 pay periods. The estimated cost of that pay period is around \$700,000.00. We have saved for this for 2 years, fiscal year 2004 and fiscal year 2005, so 1/3 of this cost is being incurred in the budget this year, and the rest of it will come out of reserves saved over the last 2 years. There is a 2.7% (sic) proposed in this budget and also a market based adjustments. This is based on salary surveys and the market based adjustments keep the employees salaries comparable to similar positions in other jurisdictions. There are some proposed new positions in this budget. The first is a Grants Coordinator, this is a position that will be responsible for writing grants and administering grants overseeing projects, and doing some financial management on these grants as we seek more and more different sources of funding grants are taking up a bigger and bigger portion of everybody's time just in the administration of those. We have also proposed a part-time Justice of the Peace, we put in \$10,000.00 in this budget to explore the possibility of after hours court, either at night or on Saturdays. The Sheriff has proposed the addition of 3 Detention Officers and 1 Patrol Officer. These are related to the over-crowding situation in the jail. The Patrol Officer will be a part-time Transport Officer to transport prisoners. There also is an elimination of an FTE in the Road Fund. This is through attrition. This is not an employee losing his job. And this again is directly tied into the road funding issue. We also have eliminated a Planner position in the Planning Fund, and propose 2 Planning Technicians to replace that Planner. The hope is that we can bring a Technician on and train them and bring them up to the status of the Planner position. Operations and Maintenance, is a status quo budget. It retains all of the current services and programs that have been operating in the county. The Capital Improvement Funds, includes approximately \$1.5 million and transfers in. This is the departments transferring the budget to save for the eventual replacement of their capital assets. We have budgeted capital expenses of approximately \$1.1 million in the capital improvement plan. We have other capital funds set up for our RID projects. This includes the Prickley Pear project that was mentioned earlier, Maynard/Applegate. The Lincoln RID project is included in the budget for this year. The completion of the radio project is included and also any federal grant projects for the fiscal year 2006, includes the Friendship Center; the \$1 million in grants to rebuild their building, and also the completion of the Gates of the Mountains and the Marysville Road projects. Capital purchases in the Capital Improvement Fund are replacing vehicles, public works, sheriff's office, the planning vehicle, health department vehicles. The Road Department is proposing to recondition a couple of pieces of heavy equipment. We have a command truck for our fire service area included in here. There's waste water studies to continue further studies in the Helena valley. There is a couple of copiers, and some other miscellaneous capital purchases. This is all replacement of existing equipment that has been planned for. Proposed capital projects in this budget include the Fairgrounds, \$5.5 million this is the successful mill levy from last year, to construct an exhibit hall and upgrade infrastructure. There also is a waste water project. This is the Woodlawn Fairgrounds Waste Water Project, \$1.1 million. This is a combination of Federal grants, the fairgrounds mill levy and an RID in the Woodlawn area. The Friendship Center building is included and the remodel of the Cooney Nursing Home has been re-budgeted from the prior year. That project has been bid and awarded and is started. That is approximately \$550,000.00. The revenue

analysis for fiscal year 2006, we are estimating about a 4.5% tax revenue growth. This is due to the growth in the county. There has been significant growth in the past couple of years. Also, the tax increment district within the city was finished in 2005. That tax revenue now goes back to those jurisdictions: the City, County and School District #1. We are proposing a decrease in the Scratch Gravel and Augusta Solid Waste fees. Scratch Gravel from \$73.00 to \$69.50 and the Augusta Solid Waste Fee is a reduction of \$5.00. There are no other tax revenue growth, other than the growth from new construction and the inflationary increase allowed by state statute. The fiscal year 2006 budget includes a one time revenue for the Friendship Center. The \$1 million in federal grants also the waste water project includes federal and state grants, stag and the T-sup state grant of \$865,000.00. We also included about \$4.5 million that I don't show on here, for bond proceeds for the Fairgrounds project. That concludes my overview.

Commissioner Varone: Thank you Nancy, that was a very good presentation. As I recall last year, there was an attempt to do this and we didn't get any of it done, did we. So thank you very much.

Any other questions for Nancy?

This is a public hearing anyone wishing to speak in support of or opposition to or in general please come forward. For the second, third time.

We will hold the public hearing open, it is my understanding it will continue to tonight at 5:30 p.m.

Commissioner Murray: Madame Chair, I just wanted to comment, I hope we have more public interest in the \$56 million budget this evening than apparently what we are having this morning.

Commissioner Varone: What Commissioner Murray is referring too are the only folks that are in the audience is Staff today, and it is disappointing and it has been every year.

Last item on the agenda is Public comments on matters not mentioned above and since we do not have any participation from the audience today we stand adjourned.

Adjourn: 9:40 a.m.

Commissioner Varone: Good Morning, this is the regularly scheduled Administrative Staff meeting.