

May 3, 2017

The Lincoln County Board of Commissioners met for a regular session on May 3, 2017, in the Lincoln County Courthouse, Libby, Montana. Present were Commissioner Cole, Commissioner Bennett, Commissioner Peck, County Administrator Darren Coldwell and Clerk and Recorder Robin Benson.

Commissioner Cole opened the meeting with the **Pledge of Allegiance**.

9:00 AM **USFS Monthly Meeting/Chris Savage:** Present were Ron Catlett representing Senator Daines Office, Alan Gerstenecker, Elka Wood and Nikki Meyer, Eureka via VisionNet.

The following update as submitted by Forest Supervisor, Chris Savage.

Lincoln County Commissioner/Kootenai National Forest Update

May 3, 2017

Kootenai National Forest Timber Program – Forest Priorities

- Currently have 151 mmbf of uncut wood under contract, equates to \$11.8M in remaining value
- Currently have 44.7 mmbf held up in litigation (all Libby RD sales).
- Galton FEIS and ROD will be signed next week.
- Young Growth Draft scheduled for next DEIS comment period.
- On track to offer 75 mmbf this year.
- Favorable opinion from the 9th on Young Dodge.

East Reservoir

- Still waiting on 9th Circuit ruling. Same for Pilgrim

OU3

- No new updates

Montanore

- No new updates. Waiting for Malloy decision.
- Waiting to see an updated Plan of Operations from MMC.
- Meeting w/ MMC on the mitigation plan and land acquisition about a month ago. MMC only focusing on land acquisition until project moves through litigation.

Rock Creek

- No new updates
- Reinitiated consultation w/ USFWS for Bull Trout in the EF Bull River drainage, due to Montanore groundwater modeling cumulative effects and critical habitat listing.
- Because of other priority projects w/n the Region, the Service won't be able to start on this until June. May delay project by 3 to 4 months.

Capital Christmas Tree

- Continuing with ornament making and tagging on to existing festivals around the County.
- Starting the process to look for candidate trees.
- Finalized route. **Tree cutting ceremony will be November 9th**. Starting November 14th there, will be different community events.

Chris expressed that he feels the favorable ruling from the 9th Circuit on Young Dodge will help the Forest Service in the future.

Commissioner Cole asked if a local letter to Congress stating the impact of the decrease of resource extraction to Lincoln County would be beneficial. Commissioner Bennett said he is in favor of reform, but the plan has to be in a logical manner that does not negatively affect counties.

Commissioner Peck said he would like to start using the authority within the Good Neighbor Program since SB 281 allows for that. Commissioner Peck gave a brief overview of the American Forest Resource Council Conference that he recently attended stating that some counties are financially worse off than Lincoln County due to the stranglehold on our resource base economy. At our current rate if nothing changes, Lincoln County potentially is 3 years away from being bankrupt or we will have to tax the citizens for the road budget. The road budget is completely funded from forest receipts, SRS or cash reserves. Currently cash reserves are approximately only 13 million; it's not hard to do the math on a 4 million annual budget. Commissioner Peck said he agrees with Commissioner Bennett, any reform has to be an intelligent downsize. Commissioner Peck stated that good forest management locally is what needs to happen for wildlife habitat and improved economy. Commissioner Cole mentioned that Lincoln County is long ways away from economic stability to where the county needs to be. There was a brief conversation about PILT and SRS funds; there are no guarantees at this time, although the commissioners expressed confidence that there will be some PILT funds allocated to the counties.

Commissioner Cole commented that visibility of the reservoir on highway 37 has diminished due to growth and asked for that area to be considered as a smaller project. Darren said there is the same issue on highway 2 between Libby and Troy; visibility of the river has diminished due to growth. Commissioner Cole stated that he does not feel that is acceptable since these are scenic byways. Chris said there may be multiple agencies involved that will need to be coordinated; BNSF, State Hwy. Department and possibly DNRC.

Chris said there is a June meeting planned to see if there are some opportunities to pursue projects for the Good Neighbor Program and will keep the commission informed. Chris stated that projects were put on hold while asbestos bark in trees was analyzed. Since that has been resolved, projects may open up.

Commissioner Peck said that we (Lincoln County) are dying on the vine here; you may begin to see a lot of local government involvement in litigation. A Co-Op of counties in the West is forming to act as a litigation block. Northwest Counties are organizing and we need to tell our stories. Counties cannot afford costs on their own, but collectively we will be a strong voice.

10:15 AM **Okonski Plan for the Forest:** Present were Alan Gerstenecker, Ron Catlett representing Senator Daines Office and R. Hollingsworth.

Commissioner Bennett said he was contacted by Scott Orr who was a State Representative for 8 years because he was aware of Mr. Okonski's Economic Survival Strategy Plan. Scott recommended an organization called PERC out of Bozeman that helps develop revenues. Commissioner Bennett suggested that the county allow PERC to look at the strategy plan. PERC is used to working with federal agencies and could possibly tweak Mr. Okonski's plan to help make it presentable to the legislature.

Commissioner Peck commented that we are going to need buy in from Senator Tester, Senator Daines and Greg Gianforte (I will go on the record as saying that) and local stakeholder groups. We need local support knowing the intent of the presentation is to set the example for the rest of the country to understand that Lincoln County has all the elements to test this concept and implement pilot projects giving local government authority to manage local timber projects as a 5 to 10 year test pilot. We want to carry this forward on a national basis; it is not just about Lincoln County. Projects can be authorized under the Farm bill.

Commissioner Bennett agreed that the National Delegation needs to be on board. Commissioner Bennett said he will contact Mr. Okonski this week to see if he is open to allowing PERC to look at his presentation and concept to make revisions.

10:30 AM **Administrative Issues:** Present were Alan Gerstenecker, Ron Catlett representing Senator Daines Office, Sheriff Roby Bowe, Undersheriff Brandon Huff, Wendy Drake, Charity Ginther.

Darren presented the commission with a letter on behalf of the American Forest Resource Council (AFRC) thanking Commissioner Peck for speaking at the annual meeting at Skamania Lodge in Stevenson Washington. Darren said membership is \$600.00 annually. Commissioner Peck said he is very impressed with the organization and the outreach to Washington DC. Commissioner Peck clarified that there is currently not a lot of Montana membership, but we are starting to climb on board. **Motion** by Commissioner Bennett to enter into membership with American Forest Resource Council at \$600.00 annually. Second by Commissioner Peck. Motion carried unanimously. The membership fee will be paid out of the commissioners budget. Commissioner Peck commented on the quality of legal support and lobbying efforts provided by AFRC.

Darren submitted the **DUI Task Force** By-Laws and Coordinator Contract for approval. Commissioner Peck asked if the task force is active. Charity said they are new by-laws because the task force has restructured and is getting new people on board. Commissioner Cole asked if there are any major differences in by-laws. Sheriff Bowe said the by-laws are standard; there are no major changes. **Motion** by Commissioner Peck to approve the DUI Task Force Coordinator contract as submitted. Second by Commissioner Bennett. Motion carried unanimously. Commissioner Peck stated the by-laws do not need commissioner approval; authority is under the Sheriff's Department.

Roby informed the commission that the **detention facility** is losing the civil clerk position due to retirement. There is a special knowledge in this area and expressed that the department would need 4 weeks of training time prior to filling this position and is requesting permission to start the process and have the new position implemented by the 1st of next month. Roby is requesting permission to have one month of overlap for training. Commissioners agreed to allow the replacement moving forward as requested.

Brandon said the **detention facility** is operating at full staff. There are training challenges with new employees, but the morale is improving. Brandon expressed appreciation to the commissioners for allowing them to bring staff up to where it needs to be and that it has made a big difference.

The Commissioner read the **minutes** for April 25 and 26, 2017. **Motion** by Commissioner Bennett to approve the minutes as submitted. Second by Commissioner Peck. Motion carried unanimously.

Robin informed the Commissioners that **Secretary of State Cory Stapleton** will be at the Venture Inn at 4 PM for a community roundtable discussion hosted by the Libby Area Chamber of Commerce.

Robin informed the commission that she received communication from the **Troy Rural Fire District Board**. There were no filings at the time fire districts were up for election. The Troy Rural Fire District is requesting appointment of Markay Brown to fill the vacant position. **Motion** by Commissioner Peck to appoint Markay Brown to serve on the Troy Rural Fire District Board of Trustees at the recommendation of the TRFD Board to fill the position vacated by Cole Anderson. Second by Commissioner Bennett. Motion carried unanimously.

11:00 AM **Public Comment Time:** Present were R. Hollingsworth.

Mr. Hollingsworth questioned if Weyerhaeuser is doing anything to help Lincoln County economically. Commissioner Peck said the commission has tried to make contact for conversation, but there has been no activity with Weyerhaeuser.

Mr. Hollingsworth said that he has a ranch out on the West Fisher and would like to do more development to bring opportunity and jobs to Libby. Mr. Hollingsworth described his idea of building a small community including post office, cabins, create recreational opportunities and small businesses. Mr. Hollingsworth said there is potential for hundreds of jobs. Commissioner Bennett asked about water rights and Mr. Hollingsworth said he has those in place. Commissioner Bennett commented that there are state requirements when looking at a commercial enterprise and Mr. Hollingsworth would need to look into DEQ and DNRC for sanitation; those are state laws that are in place. Commissioner Bennett felt it is a great idea and appreciates the vision.

Ron Catlett, representative from Senator Steve Daines office said they are signing on the efforts to get SRS reauthorized and that omnibus did authorize PILT. Commissioner Cole asked if that would include retro payments if passed. Darren asked if there would be longevity involved or just a two year authorization. Ron said he did not know at this time, but speculates it would be a two year authorization if it passes.

Commissioner Cole expressed his appreciation for work of Clerk and Recorder Robin Benson and County Administrator Darren Coldwell, stating the difference is night and day from when he first started.

1:00 PM Department Head finance Meeting: Present were Alan Gerstenecker, Kathi Hooper, Dallas Bowe, Wendy Drake, Dan Williams, Bernie Cassidy, Tom Magone, Joe Nagle, Roby Bowe, Brandon Huff, Charity Ginther, Lisa Oedewaldt, David Kyriss, Ernie Anderson, Rick Ball, Marc McCully, Vic White, Nancy Trotter Higgins, and Tricia Brooks. Also present were Ray Price, Karmen McKinney, and Lois Sciligo, Eureka via VisionNet.

Commissioner Cole thanked the department supervisors for taking the time to attend today's meeting and opened the meeting up for Commissioner comments. Commissioner Bennett commented that the work on the Callahan Creek Project should be completed next week other than restoration. Commissioner Bennett commented on the new bike pump track in Troy next to the creek and its great to see kids enjoying that. Commissioner Bennett said Troy is all good news.

Commissioner Peck commented on the financial state of the county, overall where things are at. Lincoln County has got a lot of money to make up; there is no PILT or SRS authorized at this time. Although there is potential for both, we are not counting on it. The structure for allocated costs will be changing; we have been robbing Peter to pay Paul and we are going to stop that practice. We have a lot of shortfalls coming to a head and Lincoln County needs to make up approximately \$500,000 to \$700,000. The good news is that since we have filled the county administrator position, Darren has focused on a number of different issues. There are efficiencies lacking where the county has been spending money on things we shouldn't be spending money on and we are cleaning those things up. Some of those examples is that we are not filling all positions through attrition and we have been paying insurance on vehicles or equipment that the county does not own anymore. The message to department heads is to look at where you are spending money and where you may not need to. Some of you have seen the public survey to attain input on county services. Commissioner Peck expressed that revenue shortfalls is not all doom and gloom. Everything is on the table and everything is being looked at, but it is a healthy process to walk through. From a budgeting standpoint, there is more responsibility and authority as department heads. There are opportunities from Black Mountain to streamline processes. Commissioner Peck said he appreciates people stepping up, realizing it is tough but expressed that budget decision are not taken lightly.

Commissioner Cole personally thanked Darren and his staff saying there are improved processes and the knowledge has helped tremendously. It is budget time, we are on track to possibly get some PILT money, but SRS is in limbo. Lincoln County is a resource type of county but the culture and demographics have changed. Commissioner Cole commented about addressing those changes in a positive way. The Canadian influx up North has been huge stating that North Lincoln County has become more of a resort, tourist area over past few years.

We have created a Finance Department to oversee the budget process and this in no way means the Clerk and Recorder's office did not do a great job, but we are now looking into the details of everything. We need to be optimistic, yet tighten our belts.

Darren said we have already taken huge strides from just a couple of months ago. Departments will see new line items in their budgets not this coming year, but the following year as a way to proportionately structure cost allocations to give a true department cost. Darren said with Robin's advice, we are looking at percentages of money spent for each line item. If you budgeted for something and did not spend it, don't budget for it. The Capital Improvement Plan is mainly for road and sheriff departments, but it creates a line item that you can save for up to 4 years without taking money away but on the 5th year, must be spent on what it was saved for. New line items in budgets may be costs to insure vehicles, power bills, IT expenses; allocate those costs out to departments that reflect true costs to operate a department and allows for a lot more accountability to supervisors.

Some of the positives are there are now more employee insurance and benefit options. Darren gave a brief explanation of the new health savings accounts being offered to employees, short and long term disability plans, and Cash in Lieu of insurance for dual insured employees. One of the positives is that the county can write this off of the permissive levy that is used to fund health insurance, saving taxpayer cost.

Darren explained the Employee Buy Out opportunity to take early retirement. The incentive is to help cover health insurance giving employees who want to retire 3 options to choose from. Darren said this is a positive for everyone and is not meant to run anyone out, but to make it easier to prepare for retirement. Darren said it is important for departments to be aware that positions may not be replaced through attrition as we have been doing more cross training whenever possible.

Nancy asked how the county determines who will or will not be replaced and Darren replied that it is on a case by case basis. Nancy asked about the citizen group the county was going to create to analyze county services. Commissioner Peck said there was a timing issue and the public survey was put out to attain more public input on county services.

Karmen asked about the No Harm Contract should employees decide to participate in the buy out option. Darren said that is so the county cannot be held negligent for anything that may happen in the two years the employee is participating in the buy out option since they are no longer county employees.

Commissioner Peck informed the department heads that anyone who works on county property must provide liability insurance and worker's comp. All independent contractors must provide this information before they work for the county in any capacity. Commissioner Peck said we must have proof of insurance; it is not an option. There are a lot of laws now and there are no options if working on county property. Commissioner Peck expressed the seriousness of getting this done right and firmly stated that he does not want to have this conversation again.

Darren informed everyone that we are now ready to automate time cards. The county has now basically gone to the cloud on everything including payroll. Supervisors can track how employees utilize their time if working in separate departments. Dallas gave a presentation showing how to use the new electronic time card system.

Robin discussed that that she has visited with the County Attorney Bernie Cassidy on the policy and procedures for county ordinances. Robin discussed that she now has all the minutes, and public notices on the county website and needs to get the ordinances on there as well. Robin read 7-5-107 M.C.A. Register of Ordinances and Codification to the group stating that the Clerk and Recorder's Office should have all county ordinances in one book that should be adopted and maintained. Bernie said that the county ordinance book should be reviewed, maintained and approved annually. Robin asked all department supervisors for their help to accomplish this task and to submit their ordinances with corresponding documentation to her so we have all the ordinances in one location and they can be placed on the county website. Robin discussed the Laserfiche software stating that resolutions, minutes, and contracts/agreements have been scanned, but not the ordinances. Commissioner Cole asked the departments to submit all active ordinances to Robin by June 15, 2017. Commissioner Peck asked about health department ordinances. Kathi said the Board of Health is reviewing them and is actually attending training and guidance about county ordinances and BOH ordinances. Bernie spoke about the laws that govern county ordinances and the first step is to gather them collectively into one place.

3:00 PM **Callahan Discussion:** Cancelled

3:00 PM **Bids for Kootenai Falls Concession Stand:**

Three bids received from:

- Fahland Catering: \$270.00 monthly
- Burger Express: \$300.00 monthly
- What's Up Food Catering Service: \$300.00 monthly

Commissioners reviewed the bids to ensure all qualifications were met. Commissioner Bennett recommended that references be called before a decision is made.

Meeting adjourned at 3:30 PM.

LINCOLN COUNTY BOARD OF COMMISSIONERS

Mike Cole, Chairman

ATTEST: _____
Robin Benson, Clerk of the Board