

MINUTES OF THE MEETING
LOCAL GOVERNMENT COMMITTEE
MONTANA STATE SENATE

February 23, 1987

The fourteenth meeting of the Senate Local Government Committee was called to order by Chairman Bruce Crippen on February 23, 1987 at 7:00 a.m. in Room 405 of the Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL NO. 91: Sen. Hammond of Malta, representing District 9, presented the bill at the request of the mining industry to provide that a hard-rock mining developer's impact plan and local tax payments need not take into account persons moving into the area, other than workers and families of workers constructing and operating the mine. The Hard-rock Mining Impact Board wrote a regulation extending the intent of legislation that was passed in 1985. It stipulated that the local legal entities were responsible for people attracted into communities where mines were being developed - workers in the industry and "anyone else that might follow" but the last phrase was written into the regulation in spite of objections of the mining industry. The Administrative Code Committee doesn't have the authority to remove the phrase so a committee bill was written to repeal these regulations (page 2 (2) of the bill). He said that Gary Langley had asked if this bill could be incorporated into the House bill pertaining to the same subject; and on the same day it was Tabled in the Senate committee, an amendment was added to the House bill making it unpalatable to the mining industry. That is the reason it is now being presented as a committee bill, he said.

PROPOSERS:

John Fitzpatrick, representing Montana Tunnels and Pegasus Gold Corporation, distributed EXHIBIT 1 (attached) to be entered into testimony, as well as drawing a chart on the blackboard representing Basic Industries (Agriculture, Mining, Railroads, Federal Government, Manufacturing and Tourism) on one side and indicating their fiscal impact on Retail trade, Services, Finance and Local Government (Secondary). He said that mining workers are usually "outdoor" people interested in hunting, fishing, etc., so it is not unusual for two or three sporting goods stores to open in a mining town. If one merchant decides to expand, the second might decide to run overtime and the third decides to work longer hours, he said, stating that the act of the first created the secondary impact, the second had some and the third had none. No mining company has objected to paying for their own schools but feel the industry shouldn't have to pay for other local business impacts - the businessmen should. The mining companies would like the opportunity to negotiate for secondary impact.

Ward Shanahan, representing Chevron, said the industry thought a compromise had been reached with HB 645 and were disappointed when it didn't work out. He hoped one could still be reached and urged the committee to support the bill.

Gary Langley, lobbyist for the Montana Mining Association, said that HB 645 attempted to restore the authority back to the mining people. The people who benefit from the industry should have the ability to determine and remedy their impact, without interference, he said. He distributed EXHIBIT 2, an editorial entitled "Give Mining a Break" taken from the Helena Independent Record.

Arthur Wittick, representing Western Energy, stated he felt an honest difference of interpretation had occurred. He believed the problems in schools, government entities, fire departments, etc., could be solved and urged passage of this bill. He distributed to committee members an amendment which he proposed and asked for their consideration. See EXHIBIT 3.

Newell Anderson, Department of Commerce, appeared before the Committee and presented EXHIBIT 4 to the committee - an item of testimony which had presented by Richard M. Weddle, Legal Counsel of the Hard-rock Mining Impact Board. Mr. Weddle was unable to attend the hearing and had supported HB 645 unamended, and now opposed it in its amended form.

OPPONENTS:

George Ochenski, representing the Montana Environmental Information Center, said he was disappointed to be present at the hearing. He said he had worked on HB 645 in its original form and had not opposed it because it placed the problem with the local courts, which he felt fulfilled the sponsor's intent. He felt that SB 91 was an "overkill" and would suggest that HB 645 be passed in the Senate after the removal of the Harper Amendment. He described mining impact problems and submitted EXHIBIT 5 for entry into the record.

QUESTIONS BY THE COMMITTEE:

Sen. Walker asked what part of the bill was considered "overkill". Mr. Ochenski said the part referring to people in the area looking for jobs.

Sen. Crippen asked how local governmental entities OR mining corporations plan for the impacts these people make. Mr. Ochenski said that some areas can be planned for.

Sen. Crippen said to Mr. Fitzpatrick that he had presented a simplistic relationship between the basic and secondary on the blackboard and in the example of the sporting goods stores; are there not secondary relationships to a mining industry coming in such as businesses which fall between the cracks? Mr. Fitzpatrick said that, historically, an early-day mine operator would have to create all of his own support services. The newer mines try to live out of the area and not create new towns. He said if the committee was to visit Troy, they would see a mine complex, but very little housing as 90% of the workforce was hired right out of the area. Montana Tunnels hired about 80%, as well as Golden Sunlight, who hired between 80-90% locally. Most of the opposition from the Northern Plains Resource Council came in over Homestake Mine. If a company like Montana Tunnels requires a supplier to be at the site, it would be contracted out and paid for, but they wouldn't pay for impact created by "Taco Bell". The industry wants to pay for the families they are responsible for, he said, but feels they are not responsible for the people who show up in an area looking for work who are never hired but who cause impact on the area. Montana Tunnels has a \$10,000 contingency fund used to handle problems that occur. Additional funds are made available when needed, he said.

Sen. Eck felt there was a possibility of impact regarding roads, schools, fire departments, construction, etc., and feared that this bill would rule out the mining industry's responsibility in those areas. Mr. Fitzpatrick felt that, presently, there was little done in construction or business until the installation had been set up for a time and people determined the long-term benefits of doing so. If a county needs to hire additional employees for a road crew, the cost is generally borne by the mining company, he said. Even under this bill, they would have to pay for this type of expense.

Sen. Crippen asked if the amendment now being presented to the committee (EXHIBIT 3) will change SB 91 to be the same as HB 645 as introduced. Mr. Wittick said this amendment changed the bill back to the original intent, where the Harper amendments strengthened the board's authority. The Harper amendments struck out "without any review" and added at the end "subject only for a technical review for clarity and enforceability of the plan." The intent of the bill was to take technical compliance review by the board out.

ACTION ON SENATE BILL NO. 91: Sen. Hammond MOVED that the AMENDMENTS BE ADOPTED. He said there was agreement on both sides on this bill, but he said the problem occurred over the

bentonite plant which is now closed.

Sen. Eck said, from Ochenski's comments, there wasn't complete agreement on both sides. Sen. Hammond said the only reason he revived this bill was that the minute SB 91 was tabled, an amendment was tacked on to HB 645. He said he would not insist on keeping this bill alive if the other one is put back in its original form.

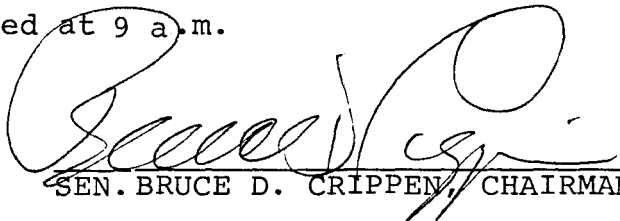
The MOTION to ADOPT THE AMENDMENTS PASSED with Senators Walker and Eck dissenting.

Sen. Hammond MOVED that SB 91 DO PASS AS AMENDED. Sen. Walker said that in Utah there is great impact by people looking for work who are sleeping on benches and in bus depots. Welfare was affected so much that tickets are bought so these people are shipped out of town to other areas. Sen. Story said this bill would indicate to the mining industry that they are welcome in this state.

Sen. Eck felt the bill needed further study; she thought this bill strikes out and changes the original intent of HB 645. Sen. Hammond said that all the bill does is give the mining companies the authority to deal with the local governmental entities to work out problems.

The DO PASS AS AMENDED motion PASSED by a vote of 7-3 with Senators Crippen, Eck and Walker dissenting.

The meeting was adjourned at 9 a.m.



SEN. BRUCE D. CRIPPEN, CHAIRMAN

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 2-23-87

NAME	PRESENT	ABSENT	EXCUSED
BRUCE CRIPPEN	X		
R. J. PINSONEAULT	X		
TOM BECK	X		
DOROTHY ECK	X		
H. "SWEDE" HAMMOND	X		
ETHEL HARDING	X		
LES HIRSCH	X		
PETER STORY	X		
ELEANOR VAUGHN	X		
MIKE WALKER	X		

Each day attach to minutes.

2/23/80

LOCAL Gov't

[illegible]

Oppose

GEORGE CICHENSKI	MT. ENV. INF. CNTR	SB91		X
John Empasack	Pegasus Gold Corp	SB91	X	
Gary Langley	MT. Mining Assoc	SB91	X	
Art Wittick	Western Energy	SB91	X	
WARD SHANAHAN	CHEVRON	SB91	X	

Ex 1
Fitzpatrick
SENATE LOCAL GOVERNMENT
EXHIBIT NO. 1121
DATE 2-23-87
BILL NO. SB 91

PRACTICAL CONSTRAINTS ON THE USE OF
ECONOMIC BASE THEORY TO MEASURE
SECONDARY POPULATION CHANGES

Submitted By:

John S. Fitzpatrick
Manager of Administration
Centennial Minerals Inc.
Power Block West -- 3rd Floor
Helena, Montana 59601

July 25, 1986

A common procedure in the socioeconomic impact analysis of mineral facilities is to attempt to carry the population projections beyond a direct estimate of the number of workers and their families employed at the facility to identify potential population changes that might occur in the secondary or support sector of the economy. The derivation of secondary population estimates is grounded in economic base theory which divides an economy into two sectors, a basic or primary sector and a derivative or secondary sector. The basic sector consists of industries such as mining, manufacturing, and agriculture that export goods and services from the region while bringing in income. The secondary sector consists of support industries such as retail trade, services, and government who supply the daily needs of the resident population and who derive their initial source of income from the expenditures of wage payments and purchases of goods and services by industries in the basic sector. That income is then respent or turned over by support industries within the community and contributes to the sustenance of other local enterprises. Accordingly, each sector of the economy is represented by both an employment and population base. The employment base is simply the number of jobs that exist within each of the sectors, respectively. The population base is the number of workers and their families supported by those jobs. The

relationship between jobs in one sector and the other is reflected in an employment multiplier. For example, an employment multiplier of 2.4 indicates that one basic sector job supports 1.4 secondary jobs plus the basic sector position. Similarly, a population multiplier identifies how many persons are supported by one job.

While the use of multipliers is common within the impact assessment process it is, in fact, theoretical in nature. Economic base theory and, especially, the use of employment and population multipliers have a number of limitations that restrict its utility when examining small economies such as Montana cities or counties or, when used in conjunction with a specific industrial project. The main limitations include:

1. Economic base theory implicitly assumes the secondary sector is operating at capacity so that additional income generated by an expansion in the basic sector leads to increased demand for goods and services. In turn, the increase in demand requires an expansion in the secondary sector and its population base as well. In fact, it is the rare economy that is operating at capacity. Enterprises supplying support services will vary in their ability to absorb an increase in work, sales, or service but most have some margin of idle capacity that can be put to productive use before expansion is required.
2. Economic base theory is frequently interpreted to assume a direct cause and effect relationship between changes in the basic and secondary sectors. In fact, the relationship between the two sectors is more often one of association rather than cause and effect. Accordingly, the secondary sector is only indirectly affected by the basic sector.

The structure of the secondary sector consists of a number of individual entrepreneurs and decision makers each of whom mediates the relationship between the two sectors of the economy. Each actor reviews changes in the basic sector and responds according to the needs of his enterprise and available resources. One businessman witnessing an expansion in local employment and income may respond by hiring additional workers, another by paying overtime, a third by installing more efficient equipment, and a fourth by doing nothing at all. The opposite case also occurs. When a basic industry closes, support industries do not automatically retract and curtail employment.

3. The application of economic base theory exhibits varying levels of precision in tying job creation or population expansion to a specific location. The basis of the multiplicative relationship between sectors is the transfer of income. But, income is spent both in and outside the local area.

Enterprises like mines have specialized equipment and material needs that are not routinely wholesaled in small towns. The acquisition of such supplies from places like Butte or Billings is a direct leakage of income and provides no basis for secondary sector expansion in the local area.

The extent to which income is transferred from one market or economy to another also is constrained by non-economic forces such as land use patterns, the availability of housing and services, and transportation.

4. The effectiveness of economic base theory is limited when two or more major changes are taking place simultaneously or in a sequential fashion. Under such circumstances attributing the relative share of economic change to each action becomes a matter of assumption. Park County is an example. The reduction of employment by the Burlington Northern Railroad has been followed by the development activities of the Church Universal at the Royal Teton Ranch. In the next several months, the Jardine Joint Venture mine may open. A strict interpretation of economic base theory would imply a major job reduction in the secondary

sector and related population loss in the county as a result of lost railroad employment. That has not taken place to any significant degree. Unemployed railroaders remain in Livingston, some working at other jobs, some unemployed, and some commuting to work outside the community while the family remains in Park County. Likewise, the expansion of the Royal Teton Ranch has had no discernable economic impact in the form of job creation beyond the Ranch's own boundaries. In both cases, the individual decision making processes of the persons affected adds up to a result that is contrary to a strict interpretation of economic base theory. The process of personal adjustment to local economic circumstances adds confusion to attempts to specify how and what degree of future change in the economy is safe to attribute to job curtailment on the railroad, an improving market in the wood products industry, continued expansion at the Royal Teton Ranch, or the development of the proposed mine at Jardine.

Give mining break

A few years ago the Legislature passed the Hardrock Mining Impact Act.

The law states that a hardrock mining company that employs a mere 75 people is defined as a "large scale" mineral developer.

If a mining company falls under this category it must work with the local government involved to mitigate any adverse socioeconomic impacts that would be created by the mining venture.

Once those impacts have been identified and the project is approved, the mining firm must prepay its property taxes to cover the problems identified by the mining company and the local government.

The process has worked well — until last fall when the Hardrock Mining Impact Board decided to broaden the law.

The board, by administrative fiat, ruled that mining companies must not only address and pay for primary impacts, they also had to consider secondary impacts.

Secondary impacts include taco or pizza parlors and other businesses that locate in the area of the mining venture.

In our opinion, the board overstepped the bounds of sound judgment when it adopted the secondary impact rule.

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VIEW

Pizza stands, etc., go on the property tax rolls as soon as they open their doors. Their payrolls immediately contribute to the economy of the community in which the businesses are located.

House Bill 645 repeals the rule regarding secondary impacts and puts the decision on the obligation of the mining companies where it belongs — between the mining firms and the respective local governments.

Prior to the new rule, mining companies and local governments have agreed that certain secondary impacts should be addressed, but that decision was voluntary and that's as it should be.

Given the instability of mineral prices on the world market, a delay — or even the potential for delay — could be the deciding factor in a mining company's decision to abandon its efforts. Will it take an abandoned effort caused by a delay over imagined secondary impacts, or worse yet a denial of an secondary impact plan to force clarification of the law? We hope not.

Repeal of the secondary impact rule and return of the entire decision-making process to the mining companies and local governments make sense.

Furthermore, repeal still leaves the Hardrock Mining Impact Board involved in the process.

Local governments can always ask the board to mediate disputes as well as serve as a consultant to the affected governing unit.

In our opinion HB 645 is what some people in the legislative halls refer to as a "good government" bill and it deserves to become law.

CP2
Langley

SB 91 - Introduced Bill

1. page 1, line 9.
Following: "MINE;"
Insert: "AND CLARIFYING THAT THE IMPACT PLAN IS
APPROVED WITHOUT ANY REVIEW BY THE HARD-ROCK
MINING IMPACT BOARD IF NO OBJECTIONS ARE FILED
WITHIN 90 DAYS;"
2. page 5, line 13.
Following: "plan"
Strike: "shall be"
and Insert: "is"
3. page 5, line 13.
Following: "approved"
Insert: "without any review"

*Testimony for
HB 645
Read at SB 91 hearing*

E 4

SENATE LOCAL GOVERNMENT
EXHIBIT NO. 4
DATE 2-23-87
BILL NO. SB 91

BEFORE THE HOUSE NATURAL RESOURCES COMMITTEE

FEBRUARY 16, 1987

TESTIMONY OF RICHARD M. WEDDLE, LEGAL COUNSEL
HARD-ROCK MINING IMPACT BOARD

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS RICHARD WEDDLE, AND I AM LEGAL COUNSEL TO THE HARD-ROCK MINING IMPACT BOARD. I AM TESTIFYING ON BEHALF OF THE BOARD AS A PROPONENT OF HOUSE BILL 645.

HOUSE BILL 645 WOULD REDEFINE THE ROLES OF THE PARTICIPANTS IN THE REVIEW OF IMPACT PLANS UNDER THE HARD-ROCK MINING IMPACT ACT. THE BILL WOULD RELIEVE THE BOARD OF ITS CURRENT RESPONSIBILITY TO ASSURE THAT IMPACT PLANS COMPLY WITH THE TECHNICAL REQUIREMENTS OF THE ACT. BY DOING SO THE BILL WILL ELIMINATE ANY APPREHENSION THAT MAY EXIST ON THE PART OF MINERAL DEVELOPERS AND LOCAL GOVERNING BODIES THAT THE BOARD MIGHT UNDULY INFLUENCE THE SUBSTANCE OF A PLAN. THIS REASSIGNMENT OF RESPONSIBILITIES WILL, OF COURSE, PLACE A HEAVY AND SINGULAR BURDEN ON MINERAL DEVELOPERS AND AFFECTED LOCAL GOVERNMENT UNITS TO DEVISE PLANS WHICH ARE NOT ONLY FAIR BUT COMPREHENSIBLE AND LEGALLY UNASSAILABLE. THE BOARD IS CONFIDENT THAT THE PARTICIPANTS WILL MEET THIS CHALLENGE.

THE PUBLIC POLICIES REFLECTED IN THE HARD-ROCK MINING IMPACT ACT, WHILE STRAIGHTFORWARD IN CONCEPT, HAVE BEEN EXTREMELY COMPLEX IN THE IMPLEMENTATION. THROUGHOUT THE SIX YEARS THAT IT HAS ADMINISTERED THE ACT THE BOARD HAS FREQUENTLY BEEN CONFRONTED WITH QUESTIONS NOT EASILY ANSWERED BY REFERENCE TO THE STATUTE, ITSELF. THE BOARD HAS ATTEMPTED TO RESOLVE THESE MATTERS BY CONSENSUS OF ALL INTERESTED PARTIES, WHERE A CONSENSUS COULD BE REACHED, AND, IN ALL CASES, IN WAYS WHICH CONFORM TO LEGISLATIVE INTENT AS REFLECTED BY THE LANGUAGE OF THE ACT AND BY LEGISLATIVE HISTORY.

THE BOARD SUPPORTS HOUSE BILL 645 AS IT HAS ALL EFFORTS TO CLARIFY AND SIMPLIFY THE ACT. AT THE SAME TIME, THE BOARD RECOGNIZES THAT ANY REORDERING OF SUCH A COMPLEX STATUTORY SCHEME WILL LIKELY GIVE RISE TO A NEW SET OF QUESTIONS. IN RESPONDING TO THESE QUESTIONS THE BOARD WILL BE GUIDED, AS ALWAYS, BY THE PUBLIC POLICY ESTABLISHED BY THE LEGISLATURE.

THE BOARD AND I WISH TO THANK YOU FOR THE OPPORTUNITY TO PRESENT TESTIMONY ON THIS BILL.



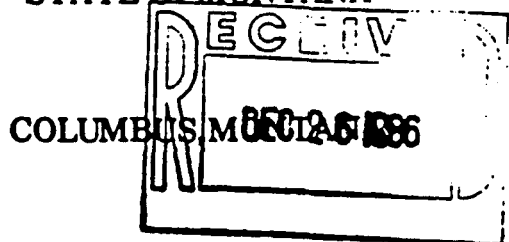
Copy for Sen Walker #6

DEC 16 1986

Ex 5.
R.S.
SA

COUNTY OF STILLWATER

STATE OF MONTANA



December 13, 1986

Joe Dewey
Stillwater Mining Company
Star Route 2 Box 365
Aya, Montana 59061

Copy to J. L. Dewey
SENATE LOCAL GOVERNMENT

EXHIBIT NO. 5

DATE 2-23-87

BILL NO. SB 91

Dear Mr. Dewey:

We wish you could have attended the December 3rd meeting with us. Nevertheless, we are enclosing a copy of the most recent statement of expenditures vs appropriations. Please note the items which have been overspent. The machinery and equipment line items in the law enforcement and road budgets are due to higher actual equipment costs than was projected in the impact plan. No additional costs will be incurred in these line items. However, as you can see the foster care budget is overspent and it is not possible to predict foster care expenditures for the remainder of the fiscal year.

The following is a summary of the mine related impact on the Welfare Department to date. In the Welfare Department we have two bureaus. Social Services and Economic Assistance.

Programs available under Economic Assistance are

1. Aid to Families with Dependent Children (AFDC) who have a deprivation of unemployed parent, disability or divorced and death.
2. Medical Assistance
3. Food stamp
4. County General Assistance and County Medical.

We have had 10 mine related cases most of whom have moved here in hopes of getting work at the mine or laid off due to weather.

Case #1 2Adults-1Child applied for County Medical Assistance and did not qualify as income from mine exceeded county standard.

Case #2 Family of 2 adults and three children. Was referred to Welfare to apply for AFDC, medical assistance and food stamps. This family received 1 month of food stamps in the amount of \$271. County Assistance of rent and utilities of \$247. Case closed for following month as income would exceed standards.

Case #3 Family of 2Adults-1Child. Individual quit job in another state to come here because a relative who was already working at the mine promised him that he could get a job. Received AFDC unemployed parent grant, three months

consisting of \$507.00. full medical coverage. Food stamps were denied for failure to cooperate in processing application.

Case #1 - 3 adults, 1 child. Applied for food stamps. First month received \$17.00 in food stamps. 2nd month received \$268.00. Member left home and food stamps reduced to \$214.00. Husband left and food stamps reduced to \$149.00. AFDC was opened for 2 months, grant totaled \$319.00. Case closed, however has reapplied.

Case #5 - 2 adults, 4 children. Family came here looking for job at mine. Applied for food stamps and received \$2290.00 in benefits. Then applied for AFDC and medical Assistance, case denied as individual did get job at mine and food stamps were also closed.

Case #6 - 1 adult, 1 child. Individual came here as had been promised a job by a mine foreman and didn't get on. Applied for AFDC unemployed parent, medical assistance, and food stamps. Has received AFDC in the amount of \$1360.00 and Food stamps in the amount of \$634.00. This is an on going case.

Case #7 - 2 adults and 2 children. Has applied for AFDC, medical assistance and food stamps. This individual quit a \$32,000.00 a year job to move here. He had been told he could get a job with the mine. Case pending at this time.

Case #8 - Two adults and three children. Had been working at mine. Laid off due to weather. Presently on Food stamps and has received so far in benefits \$601.00.

Case #9 - Family of two adults. Came here to find work at mine. Applied for food stamps and received one month benefit of \$147.00.

Case #10 - Two adults came here looking for work at mine. Received one months benefit in food stamps of \$147.00.

The eligibility Technicians have spent approximately 22 1/2 hours processing these applications and this also includes time for ongoing cases that have not been closed. The case will be reviewed by supervisor for accuracy consisting of 15 to 20 minutes per case.

Also enclosed is a copy of the Departments Policies and procedures on client confidentiality along with copy of Attorney Generals Opinion on Social Service Cases.

Social Services has been involved with four mine related families: in all four cases, the father or stepfather was an employee of the mine at the time of the investigation or intervention.

Court action was initiated by the Deputy County Attorney in two of the cases; one case involving abuse, one involving neglect. The other two cases were not of a nature or severity to warrant legal proceedings. Of all four cases, a total of twelve children were involved. Of the two court cases, one was resolved by the parents complying with a treatment plan and availing themselves of available services, so that the six children were able to remain in the family home. If the

parents had refused services, or the treatment plan had not been successful it is possible these children would have been placed in foster care.

For their protection three children were removed from the family home in the second court case. The three were in foster care for a total of sixty-two days at a daily rate of \$11.63 each for two of the children, and \$9.29 for the third. The total costs per child on foster care were \$721.06, \$721.06, and \$575.98, which compare favorably with the average Montana Cost of \$1545.00 per child.

These three children were placed with relatives out of state. The one time costs of the airplane tickets \$1117.91 compares favorably with the other option of their remaining in foster care for six to twelve months.

Social Services cannot predict what the future caseload will be, nor how many children may need to be placed in foster care. Social workers are required by law to investigate all child abuse and neglect referrals as they are received, to assess the needs of the family and to place the children in foster care, if necessary for their protection.

Also enclosed is a copy of the average foster care costs in the state of Montana and an Attorney General's opinion on the confidentiality of records for your information. As you can see we have kept the length of stay and cost per client well below the state average. However, we must keep the records confidential.

As a solution to the budgetary matter of incurring additional costs in specific line items, we propose to transfer funds within the mining impact budget rather than requesting an impact plan amendment and additional payment from SMC. Funds will be transferred among line items within the affected department first and if necessary funds would be transferred from 410110 Comm. Administration to balance the budgets.

We are providing a signature space at the bottom of this letter. If you agree with our solution to the problem and proposed adjustments, then please countersign this letter and return it to us. Thank you for your continued cooperation and we look forward to a prompt reply.

Sincerely,

Board of County Commissioners

Robert B. Story, Sr.
Robert B. Story, Sr., Chairman

Earl R. Adams
Earl R. Adams

Stillwater Mining Company mutually agrees to the
adjustments presented above.



J.R. Dewey

Stillwater Mining Company

cc: Les Darling, SMC
Koehler Stout, Chairman - Hard Rock Mining Impact Board



STILLWATER COUNTY SHERIFF'S OFFICE

BOX 726

COLUMBUS, MONTANA 59019

PHONE 322-5326

GREG NOOSE, SHERIFF • BILL UNGER, UNDERSHERIFF

February 1, 1987

Dear Mr. Beaudry,

Thank you for your inquiry concerning the necessity for continued impact funding as compensation for the demands for Sheriff's services created by the mine in our county. As you know, the Stillwater County Sheriff's Office has been affected by mine impact for several years. Levels of activity, requests for police service, jail duty, civil service work, and other aspects of law enforcement reached peak levels in calendar year 1985 and these levels have held steady in 1986. Company funding of one FTE for law enforcement finally began in September, 1986. While this presence has somewhat eased the pressure placed on police resources in place before mine development, the new deputy has only just begun to affect the problem and will only become effective when he returns from the nine week MLEAD basic police training program this April.

Complaint levels, or the actual recorded number of request for police service, rose about 1% in 1986 from 1985 levels. This number of 2118 complaints, however, represents the highest level ever recorded since sheriff's records keeping began and is a 46% increase over the the twelve month level recorded three years ago in FY 83, when a lull in mine activity occurred. The recent staff addition of the mine-funded deputy actually only matches the manpower commitment of an additional one FTE that the county had to add after 1983 because of the increased activity in the southern portions of Stillwater County.

It is very difficult to quantify the actual cost per complaint figure. Some citizen reports will take just a few minutes of officer time, while others require days and days of investigation, follow-up, preparation, prosecution, and care of prisoners. For this reason, I have attached a list of the 90 1986 complaints that my staff has identified to the best of their ability as being directly mine-related. The numbers and titles should prove to be of interest. I would estimate that the true number of mine-related complaints is 3-4 times that number, accounting for activity generated by people not known to be connected with the project, or only tangently involved. This estimate of 350 mine complaints per year seems to accurately reflect a porportion of the three year increase, while still considering the other increases that come form non-mine related development within the county.

In some cases it is possible to estimate the actual costs of complaints and I have also attached a brief summary of six sample 1986 cases. As you can see, the direct manhours involved in these few cases alone is 62 hours. Adding jail duty hours, report writing time, mileage, equipment and supply costs, and other expenses, I estimate the actual county cost for managing these six cases to be well over one thousand dollars. By himself, the mine deputy has driven 7400 logged patrol miles since October which is a cost of \$3700 based on the contract payment rate paid by the USFS for 4 WD patrol in the Nye area.

Stillwater County housed 141 prisoners in jail in 1986, who served 1169 days of incarceration. 3582 jail meals were served. This shows an increase of over 200 jail man-days. Certainly this is due in-part to the legislative changes made in 1985 by the state relative to DUI and Domestic Abuse. Unfortunately, these two offenses are violations that the often unsettled and transient population of citizens who temporarily reside in Stillwater County during the mine development and construction phases are very likely to be involved in. These 200 days represent a \$2,000 cost right now but will represent a \$10,000 cost in the next 18 months as our county struggles to upgrade jail facilities in order to adequately meet the needs of an average daily jail population of 3.27 prisoners. Just a few years ago that average was barely 1.0.

Civil services jumped to 460 this year from last year's level of 411. The Nye area now averages 30 services per year, an increase from 5-10 services per year in the past. Other required SCSO duties for mine-related activity include increased contacts about clients with SRS, Juvenile Probation, Mental Health, and Drug and Alcohol Counselors, as well as Court duty, planning and administration, training, and travel time as other deputies are increasingly called to serve in that remote area.

All these impacts are especially hardfelt because our department is small and has never provided full 24 hour police coverage. New people in new areas mean new police contacts and needs that must be met which strain the already overburdened resources previously available. The mine funding of \$40,426 received this last summer will last through August, 1987 and is now helping to ease the impact to our community. Future funding will be less because the large capital expenses of the next several years have now been met. Our county has already spent much more than that amount as we have acted in the past few years to meet cost for police service incurred because of the mine. We must continue to be able to rely on impact funding until future tax base changes and a stabilizing population allow the local government to meet expenses in more permanent ways.

Thank you.

Sincerely,

Gregory A. Noose

Gregory A. Noose

Sheriff #32-1

MINE RELATED COMPLAINTS FOR 1986

1-5, p. 17
2-33-87
SB 91

Car Accident 860105-28
Fraud 860113-69
Domestic Violence 860114-72
Drug Paraphernalia 860115-76
Abandoned Vehicle 860115-78
Juvenile Drugs 860116-83
Animal Abuse 860217-60
Drunk Individual 860325-116
Theft 860411-63
DUI 860413-73
Theft 860417-93
Vandalism 860422-128
Theft 860422-130
Intoxicated Individual 860502-07
Civil Dispute 860506-31
MC Accident/DOA 860514-70
DUI 860517-92
Bar Fight 860524-134
Bar Disturbance 860524-137
Bar Disturbance 860529-165
Ambulance Assist 860602-07
Traffic Hazard 860603-15
Reckless Driving 860609-60
Intoxicated Individual 860613-92
Patrol Assist 860618-121
Domestic Fight 860619-125
Bar Disturbance 860620-130
Patrol Assist 860627-181
Emergency Message 860628-192
Family Disturbance 860628-194
Bar Disturbance 860629-198
Patrol Assist 860706-41
Assault 860727-205
Attempted Break In 860729-227
Assist Other Agency 860730-232
Aggravated Assault 860730-233
Vandalism 860808-40
Hit and Run 860809-46
Discharging Explosion 860810-55
DUI/Assist Patrol 860812-71
Traffic 860814-76
Vandalism 860818-106
Lost or Stolen Gun 860821-130
ATL 860822-137
Speeders 860825-166
Emergency Message 860828-185
DUI 860831-204
Disorderly Person 860908-38
Speeders 860909-41
Vandalism 860909-42
Domestic Dispute 860918-86
Extra Patrol 860920-94
Trespassers 860922-110
Domestic Dispute 860923-112
Family Dispute 860927-137
ATL 860928-139
Family Dispute 861005-30
Accident 861010-53
Burglary 861011-61

Unsafe Pass/Traffic 861013-8
Welfare Check 861018-1
Patrol Assist/Accident 861019-1
Found Purse and Gun 861020-1
Reckless Driver 861025-1
Information/Burglary 861038-1
Spotlighters 861104-1
Spotlighters 861105-1
Traffic Hazard 861113-8
Prowler 861115-1
ATL 861115-1
Traffic Hazard 861116-1
School Bus Route Problems 861117-1
Patrol Assist/Accident 861119-1
Patrol Assist/Accident 861125-1
Possible DUI 861128-1
Patrol Assist/Accident 861129-1
Domestic Problem 861205-1
Eviction Notice 861212-1
Overweight Truck 861216-1
Domestic Abuse 861217-1
ATL 861217-1
Domestic Dispute 861222-1
Theft 861222-1
Patrol Assist/Accident 861224-1
Patrol Assist/Accident 861228-1
Vandalism 861229-1
Vandalism 861231-1

SOME SAMPLE CASE'S FOR 1986

Case Number 860411-63

A Burglary at the Nye Trading Post reported by the owner. Estimated loss \$25.00 in candy. No sign of forced entry or any evidence at the scene. It was later determined that the owner's children were getting into the store with the owner's keys and taking the candy. Stillwater County SRS became extensively involved along with members of the Sheriff's Reserve. This case involved two officers and approximately six man hours.

Case Number 860709-61

Reported possible child abuse. Victims were three female Juveniles. They reported that their stepfather, a miner, was physically and mentally abusing them. Sam Hubbard from SRS became involved and temporarily seized all of the abused children. This case involved three SCSO Deputies and approximately twelve man-hours.

Case Number 860730-233

Report of Aggravated Assault at a local residence in Nye. A female Juvenile, nine years old, was at the residence when a ten year old female Juvenile pulled a knife on her. The suspect held a knife to the victim's chest and stated, "Don't think I won't stab you, because I will." After initial investigation the case was turned over to the Juvenile Authorities. One Deputy involved and approximately four manhours.

Case Number 860822-137

A supervisor from Stillwater Mining Company reported his wife was missing. Upon investigation it was found that there were no signs of force at the residence but there were very suspicious circumstance's. A search of the surrounding area was done with the assistance of a mine helicopter but no trace was found of the wife until she called her husband later that day and advised that she was okay. She had left because she was upset with her husband. Two Deputies were involved and used approximately fourteen manhours.

SOME SAMPLE CASE'S FOR 1986
CONTINUED

Case Number 861005-30

Domestic Abuse case reported by the Absarokee Ambulance at a local residence in Nye. The female victim had a deep cut on her right forearm that was initially thought to be a knife wound. It was later alleged that she was cut when she put her own fist through a window. Investigation continued. Three Deputies involved and approximately six manhours.

Case Number 861011-61

Burglary at Carter's Camp in Nye. Suspect entered business through the rear window and took approximately \$539.00 in cash. After repeated questioning, the suspect, a young male, confessed to the Burglary. The suspect was living with his father who worked for the mine and came to the area himself to work for a mine subcontractor. This case involved the Sheriff and four Deputies and approximately twenty manhours.

These six case's alone involved sixteen Officers and approximately 62 manhours.

SUMMARY
Stillwater Min. Company
Proposed Financial Mitigation

SENATE LOCAL GOVERNMENT
 NO. 5, D-1
 2-23-87
 SR 91

	Governmental Unit		Amount by Anticipated Year of Payment			
	Stillwater County	Stillwater County	1	2	3	4
Financing Method	Trigger Mechanism					
Tax Prepayment	S-1	CD	\$183,000			
	S-2	year after S-1		\$ 196,000		
	S-3	year after S-2			\$102,000	
	S-4	year after S-3				\$ 12,000
FAS 419	Tax Prepayment	County receipt of matching funds + CD	Contingent amount: 20% of actual thru 1990 limited to \$1.46M : 10% of actual thru 1995 limited to \$.73M : 0% of actual after 1995			
Absarokee Sewer	Grant	CD	\$200,000			
Welfare Medical	Tax Prepayment	CD	amount of claims under specific conditions			
Town of Columbus	Tax Prepayment					
	C-1	IMMEC > 10	\$ 5,400			
	C-2	IMMEC > 20	\$ 128,000			
	C-3	year after C-2		\$ 3,200		
Sewer & Water	Grant	C-1 payment	\$210,000	\$ 210,000		
Absarokee Elem. SD	Tax Prepayment					
	AE-1	IMDS > 10&TE > 200	\$ 70,000			
	AE-2	IMDS > 20&TE > 210	\$ 30,000			
	AE-3	IMDS > 30&TE > 220			\$ 27,000	
Classrooms	Special Bond	AE-1 payment	\$320,000 (bond face value)			

Summary
 Stillwater Mining Company
 Proposed Financial Mitigation
 (cont.)

Absarokee High SD	Tax Prepayment AH-1 AH-2	IMDS > 5&TE > 100 year after AH-1	\$ 9,000	\$ 7,000	
Columbus Elem. SD	Tax Prepayment CE-1 CE-2	IMDS > 10&TE > 315 IMDS > 20&TE > 320	\$ 36,100	\$ 20,000	
Classrooms	Special Bond	CE-1 payment	\$470,000 (bond face value)		
Columbus High SD	Tax Prepayment	IMDS > 10&TE > 150	\$ 26,000		
Nye School	Grant	CD	\$ 1,000		
Fishtail School	Grant	CD	\$ 1,000		
TOTAL (except contingent funding):			\$1,531,500	\$ 591,000	\$ 132,200
					\$ 12,000
					\$2,266,700

CD = Commencement of Development
 IMEC = In-Migrating Mineral Employment residing in Columbus
 IMDS = In-Migrating Mineral Development Student
 TE = Total Enrollment

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date Feb. 23, 1987 Senate Bill No. 91 Time 7:57 a.m.

NAME	YES	NO
BRUCE CRIPPEN		X
R. J. PINSONEAULT	X	
TOM BECK	X	
DOROTHY ECK		X
H. "SWEDE" HAMMOND	X	
ETHEL HARDING	X	
LES HIRSCH	X	
PETER STORY	X	
ELEANOR VAUGHN	X	
MIKE WALKER		X
	7	3

Rosemary Jacoby
Secretary

Bruce Crippen
Chairman

Motion: DO PASS AS AMENDED

STANDING COMMITTEE REPORT

SC75899

February 23, 1992

MR. PRESIDENT

Local Government

We, your committee on

Senate Bill

31

having had under consideration..... No.....

first

white

reading copy ()

color

EXCLUDE SECONDARY IMPACT PERSONS FROM HARD-ROCK MINING IMPACT PLANS
AND TAX

Respectfully report as follows: That.....Senate Bill..... No.....

BE AMENDED AS FOLLOWS;

1. Title, line 9.

Following: "MINE;"

Insert: "AND TO CLARIFY THAT THE IMPACT PLAN IS APPROVED
WITHOUT ANY REVIEW BY THE HARD-ROCK MINING IMPACT BOARD
IF NO OBJECTIONS ARE FILED WITHIN 90 DAYS;"

2. Page 5, line 13.

Following: "plan"

Strike: "shall be"

Insert: "is"

Following: "approved"

Insert: "without any review"

AND AS AMENDED

DO PASS

~~DO NOT PASS~~

Chairman.

Senator Crippen

CLERICAL

Date: 2/23

S Bill 91

Time: 12:42 PM

In accordance with Joint Rule 3-7(b) the following clerical errors may be corrected:

Sen. Local Gov Rep of 2/23

#1 insert " AND TO CLARIFY THAT... "

Edward P. Crippen
Sponsor

Ed Crippen

Secretary of Senate

or
Chief Clerk

OS
Legislative Council