

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Esther Bengtson, on February 5, 1991,
at 3:16 p.m.

ROLL CALL

Members Present:

Esther Bengtson, Chairman (D)
Thomas Beck (R)
Dorothy Eck (D)
H.W. Hammond (R)
Ethel Harding (R)
John Jr. Kennedy (D)
Gene Thayer (R)
Mignon Waterman (D)

Members Excused: Eleanor Vaughn, Vice Chairman (D)

Staff Present: Connie Erickson (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

HEARING ON SB-166

Presentation and Opening Statement by Sponsor: Senator Greg Jergeson, District 8, stated that this bill was a simple bill proposed by Montana Association of Counties (MACo), by Hill County. This bill would allow local governments to establish employee incentive award programs. It is modeled after the successful State of Montana program that was started by the Schwinden administration. It sets up a procedure by which local governments can set up program and the standards by which to judge and award incentives. It should give local governments an additional mean to try and find savings in their operations. This is a good government type bill.

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Proponents' Testimony: Gordon Morris, Executive Director, MACo, said the bill comes by way of a MACo resolution 90-11 which called for legislation to be introduced that would establish an opportunity at the local level for the implementation of employee incentive programs. This law parallels Title 2, Part 11, which is the state employee incentive award program. It is an exact duplication. The bill has been very generous by making this a local government option, thereby enabling cities, towns, and counties, or even school districts to come under this program. Mr. Morris asked the committee for a favorable consideration and a Do Pass on SB-166.

Senator Bengtson presented 4 letters of support for SB-166 (Exhibits 1,2,3,4).

Opponents' Testimony: none

Questions From Committee Members:

Senator Waterman asked Senator Jergeson why the Legislature needed to be involved in an act to provide this program? Senator Jergeson said that the Hill County Attorney advised him that several counties had discussed doing this, but felt uncomfortable establishing the program under current law. Mr. Morris stated that a section of code bars counties from giving any county employee or elected official can take gifts, emoluments, or other monies. An incentive program may include money, this statute bars the program. This bill simply opens that statute up, and this program would be an allowable exception.

Senator Thayer asked Mr. Morris if Great Falls already had an incentive program? Mr. Morris said some have put in programs, but some County Attorneys only go by the letter of the law.

Senator Eck stated that she has carried a bill twice for Gordon Morris, and really good reports were given on who got the award and the savings. Is this still done? Mr. Morris said that at the state level it is still done, and just before the session convened, they had an awards ceremony where the Governor gave awards that amounted to several thousands of dollars for savings that are results of recommendations.

Senator Beck asked if employees do give a recommendation that saves thousands of dollars, they might see an incentive award of a couple hundred dollars? Mr. Morris said that some awards are that high. They are done within reason.

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Closing by Sponsor:

Senator Jergeson closed by stating that this is a positive bill and asked the committee for a Do Pass recommendation.

HEARING ON HB-55

Presentation and Opening Statement by Sponsor: Representative Jim Madison, District 75, carried HB-55 on behalf of MACo. This bill tries to do two things: 1. it tries to take into account the inflation that has taken place since 1981, which is the year that these bidding limits were last change. At the annual convention in Kalispell of MACo, it was voted unanimously to present this type of legislation. It does have the backing of the counties, and it was proposed by a County Commissioner from Jefferson County, which is his county. The second part of the bill is the increase, and someone will probably point out that it is larger than inflation. This provides a cushion because prices will continue to rise. The reason for this bill was the flooding conditions two years ago, where counties had to replace bridges immediately. They could not wait to go through the bidding process because of the need for people to get across the rivers. The \$50,000 will not replace a fancy bridge, but counties have to replace a lot of short span wood bridges when flooding occurs, and this would take care of that. He asked the committee for their support of HB-55.

Proponents' Testimony: Dave Anderson, County Commissioner of Jefferson County and MACo representative District 8. On behalf of District 8, had supports this bill. Mr. Anderson stated that the bill has dollar amounts that have been changed three times. A subcommittee met after this bill was heard in committee. The changes are a result of compromises. Gene Fenderson who represented the Labor aspect, Don Chance who represented the Montana Hardware Dealers Association had some concerns of the original amounts. They felt they were too high. Representative Madison stated that county commissioners have difficulty like in road construction in the summer. If there are unexpected break down in big equipment there needs to be flexibility to quickly repair major items or for emergency replacement. The construction session is about 9-10 weeks. By statute the bidding requirements can take 2 weeks of advertising in a weekly paper, a couple weeks of meeting, and quickly 4 weeks of an 9-10 week construction time can be wasted. He asked the committee for a favorable recommendation on HB-55.

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Gordon Morris, Executive Director, MACo, stated that the House of Representatives and the opponents of this bill have worked out a compromise. He added that this bill represents what this committee struggles, why these needs keep coming back to the Legislature. This is an indication that the law was originally written in 1981 and has eroded, and the only way to continue to operate is to keep coming back to the Legislature when this happens, so here we are with HB-55 asking for your favorable consideration for the compromise dollar amounts in this bill.

Opponents' Testimony: none

Questions From Committee Members:

Senator Kennedy asked Mr. Morris if the this bill only applies to counties? Mr. Morris said that this section of law applies only to counties, and he turned the floor over to Alec Hanson, MLCT. Mr. Hanson said that his association has mixed feelings, but that the \$10,000 figure is fine. Counties have some different circumstances than cities. Some cities support this bill and others don't, but they felt cities did not need to be included in this bill.

Senator Kennedy asked if the bill made a preference for local suppliers. Mr. Anderson said that there is a preference for Montana firms in the general statute.

Senator Kennedy asked about the statement for no advertising for amounts up to \$60,000. Mr. Anderson said it was for some cases. Senator Kennedy said that people would have to be registered with the county bidding system. Mr. Anderson said that there are two parts to the bill. #1. is for items, goods or services of \$20,000, and the #2. deals with \$50,000. The \$60,000 deals with items purchased at auction. There are three different categories of purchases. The \$60,000 only applies to counties that go out and buy something at a public auction. Senator Kennedy asked if there was any discussion in the House about the bidding list and those people who are dropped from the list after one year if they have not sold something? Mr. Anderson said that generally phone solicitation is used. Big ticket items have many salesmen competing for the bid. Those people that make a living from this bidding system know the laws, its their business. At the beginning of the new year there is a deluge of brochures on products. It is their responsibility to provide the information to the counties. Senator Kennedy took Kalispell for an example and sheriff vehicles. One dealership said they would have bid on it if they knew it was up, so how do they know about them if they aren't advertised? Mr. Anderson said that it is not an inherent

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problem with the law as it is exists and he was not sure if changing this bill would add to or detract from the intention. His county and most others, an item like new cars are bid on by sending out letters with the specifications needed, and that bid is generally over \$25,000, so they would be advertised.

Senator Kennedy asked about non-advertised bidding part of the bill? Mr. Anderson said it is up to the discretion of the counties to advertise, and it is an inherent problem. He did not know of any statute that states what projects must be advertised.

Senator Thayer asked Representative Madison what the reasoning was for changing the language about machinery in line 17-19? Representative Madison said they originally thought the correction would make it better, but the word service was put in, and no one liked that, so it was changed back.

Senator Harding asked if the \$60,000 for auction wasn't a bit too high? Do counties do a lot of buying through auctions? Representative Madison said that it gave the option to take advantage of situations like a going out of business sale where heavy duty equipment might be picked up at a cost less than wholesale. Senator Harding asked if this bill was from MACo? Mr Morris stated that this bill was proposed by MACo districts 8,9, 12. Jefferson County sponsored the resolution. Those districts include Jefferson, Lewis and Clark, Broadwater, Gallatin, Beaverhead, Powell, about 14 counties, and it was passed at the convention with no opposition.

Senator Beck asked Mr. Morris who opposed this bill in the House of Representatives? Mr. Morris said that the AFL-CIO, Don Judge, Gene Fenderson, Don Chance from Home Builders and Contractors Association, Land Surveyors did not like the term "services". The House Subcommittee and these opponents convened and the dollar amounts are the compromise amounts. Senator Beck asked Mr. Morris is MACo was happy with the amended bill and the dollar amounts? Mr. Morris said that MACo was happy with dollar amounts, and that the dollar amounts are slightly higher than inflation. The amounts are still within good solid inflationary guidelines. Senator Beck asked what the reasoning was for the adjustments? The \$10,000 road and bridge went to \$50,000. Could you be authorized to construct any one of those three items for \$100,000 if you did it over two years? Why did the figure jumped so high in that area compared to the others that were drawn down? Mr. Morris said that there was a recognition that the section needed to be higher than what was originally intended. That issue came out in the subcommittee. Senator Beck said he was amazed that the opponents let the \$50,000 to through.

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Senator Eck asked Mr. Morris if it wouldn't be worthwhile to look at inflation as a timely thing, like salary increases? Are there more bills like this coming? Mr. Morris said that this bill was not looked at during the examination of Title 7, and in retrospect it might be reasonable to put some type of inflationary mechanism in saying that every 5 or 10 years the figures would be automatically adjusted to reflect the 10 year inflationary cycle. This bill is a one of kind for this particular session.

Senator Bengtson said that something that needs to be adjusted every ten years, and so maybe it should be automatic. Senator Hammond said he thought it was important that they be looked at and studied instead of doing things automatically.

Closing by Sponsor: Representative Madison thanked the committee for hearing this bill and asked for a favorable consideration.

HEARING ON HB-163

Presentation and Opening Statement by Sponsor: Representative Betty Kasten, District 28, said that this bill expands the ability to spend money given to 3rd class cities and counties. Currently monies that are given to 3rd class cities under the 7-32-4120 can only be spent on police training and pension. Most 3rd class cities and counties have police covered under the PERS system it leaves only police training covered under these funds. Many counties can not justify spending all those funds on training of their one or two policemen. Section 1, HB-163, expands the people that will be covered by definition as any person employed by a municipal police department including police officers. Therefore, dispatchers, jailers, substance abuse personnel, etc. could be covered. Section 2, reiterates that the police department employees can be trained with these funds, and also specifically funds for equipment and personnel related to substance abuse enforcement. This bill affects 87 towns and she presented a list of those (Exhibit #5). Many of these towns have substantial reserves that can not be spent if they continue frugal ways. At the same time, these cities and towns need to provide services like substance abuse programs that are frozen under I-105.

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Proponents' Testimony: Alec Hanson, MLCT, said that he supported this bill. Their convention voted unanimously to support this particular bill. Current law says that the funds from insurance premiums that are distributed back to cities and towns can be used for pensions and training of police officers only. This bill would allow those funds to be used for pensions and training for all employees of the police department. The funds can be used to provide equipment and personnel related to substance abuse enforcement. Apparently there is a growing problem with drugs in the rural communities, and this bill is a response to the challenge to allow local police to have additional personnel and equipment to deal with this problem. This bill came from Circle, Montana. They make PERS payments on two police officers of \$2100. Both are graduates from the Academy in Bozeman, so their training is right up to date. Circle has a surplus in their training reserve account of approximately \$20,000/year. They are collecting about \$3000/year, so each year the fund is growing by about \$900 being added to the reserve. Small towns are the ones that are particularly hard hit by the I-105 and inflation. This bill would provide some limited, but needed money to 87 3rd class cities and towns in Montana. They could use these funds for a purpose that may not be in the exact letter of the law, but is certainly within the intent of HB-163. This bill had a very good hearing in the House and was put on the Consent Calendar, and passed to the Senate. Mr. Hanson asked for an equally expeditious trip through the Senate.

Opponents' Testimony: none

Questions From Committee Members:

Senator Kennedy asked Mr. Hanson where the funds come from. Mr. Hanson said that the funds are from insurance premiums tax that is allocated back to cities, counties, and towns. Insurance policies that are paid for fire and protection of property. Payments have been in the law for years, and in the larger cities they have a fixed percentage of the amount that the state pays for police and fire pension funds. It goes to all cities, towns, and counties. This is intended to defray the cost of pensions.

Closing by Sponsor: The Mayor of Circle wanted to be at the hearing, but the 800 miles was too far. Representative Kasten also presented letters of support from these various cities. (Exhibits # 6-17). Small towns are in need of funds to provide these new services, and they are currently taxed to the hilt. It

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seems irresponsible to have funds in reserve and not be able to spend them for that very service that those funds were probably intended for in the first place. HB-138 is a bill for training of dispatchers, and without funding that bill can not be followed through. She asked the committee for a Do Pass on HB-163.

EXECUTIVE ACTION ON HB-163

Motion: Senator Hammond moved to Do Pass on HB-163.

Votes: The vote was unanimous. Senator Bengtson said that anyone who moves a House bill in this committee will be asked to carry the bill to the Senate floor, so Senator Hammond agreed to carry HB-163. It will not be put on the consent calendar.

EXECUTIVE ACTION ON SB-166

Motion: Senator Kennedy moved that SB-166 Do Pass.

Recommendation and Vote: The vote was unanimous and was recorded as a roll call vote.

EXECUTIVE ACTION ON HB-55

Motion: Senator Eck moved that HB-55 Do Pass.

Discussion: Senator Kennedy asked Mr. Morris if he would like the opportunity to address Senator Beck's question about the \$50,000. Mr. Morris asked the committee to delay Executive Action on HB-55, so that he can find out if the amount might have been left in by error or a typo. Senator Eck withdrew her motion.

EXECUTIVE ACTION ON SB-160

Discussion: Tony Herbert, Assistant Administrator, came to answer the committee's questions about the difference in per capita and subscribers used in the bill. Page 2, line 4 the funds are

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allocated based on per capita. Page 3 funds are based on subscribers. The original basis was per capita as used on Page 2. Very few 9-1-1 jurisdiction boundaries neatly line up with county, city or town boundaries. When there is overlapping, the State Administration works with the phone company using number of subscribers. This language dealing with subscribers is unnecessary and the committee may amend the bill in Line 12-13 to strike subscribers, and thus remove confusion.

Senator Bengtson clarified that Page 3, Line 9-10 be deleted. Senator Waterman asked if it continue through 12-13, and Mr. Herbert said no. Senator Bengtson said it would end with distribution to 9-1-1 jurisdictions. The committee had previously passed an amendment on this bill to put in actual costs.

Amendments, Discussion, and Votes: Senator Eck moved the new amendments. The vote was unanimous.

Motion: Senator Kennedy move to Do Pass SB-160 as Amended.

Recommendation and Vote: The vote was unanimous and recorded as a roll call vote. Senator Vaughn voted by proxy.

Discussion on SB-102:

Connie Erickson, Legislative Council has been working on amendments to this bill. There are a couple of issues raised when considering amending this bill. What will be the basis for compensation? The volunteer's normal occupation has been suggested, but for volunteers who make higher salaries this could be cost prohibited. Two suggestions are: #1. set the base amount on a. flat rate of \$900/month, or b. a range not less than \$900, as stated in the bill on Page 3, line 25 dealing with sole proprietorships, and subsection 1, part d. This is according to 39-71-116 and is the definition of an average weekly wage. So the rate can be a flat amount or a range. #2. the other issue raised was the definition of a volunteer firefighter. The concern was someone showing up to help that was not actually a member. The suggestion was to define a volunteer as someone who is enrolled active member of a fire company. That wording is used on Page 6, Section 3. This wording was suggested to define the volunteers

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that would be covered. #3. The other issue that arose after the discussion of the bill was use of the term "incorporated town" in the title. The Attorney General has issued an opinion in 1981 that says volunteer firefighters in incorporated towns are considered employees under the Workers' Compensation Act. The reason they are considered employees is by definition of employee in Workers' Comp says that based on service by appointment. The statutes, 7-33-4101, says every city and town will have a fire department, and 7-33-4106, says the mayor or manager shall appoint all firefighters. So using these statutes, the Attorney General has ruled that volunteer firefighters in incorporated towns must be covered under Workers' Compensation. There was some concern raised about East Helena. East Helena legally is classified as a 3rd class city and is not affected by this bill.

The main thrust of the legislation was to provide Workers' Comp coverage for volunteer firefighters in unincorporated areas. Jim Murphy at the State Fund, Alec Hanson, MLCT, and others suggest deleting any references to incorporated towns from the bill. Then the bill would only be dealing with volunteer firefighters in unincorporated areas. The Attorney General's opinion says that incorporated towns must be covered, and the AG's opinion has the force of law, unless the Legislature changes the statute.

Senator Hammond said that this bill is not needed for incorporated towns? C. Erickson said they are already covered.

Senator Eck asked if amendments to delete incorporated towns can be requested by a committee member and the legislative council member can just prepare that? Senator Bengtson said the committee can do this. Senator Bengtson had the question as to whether fire companies are the same as rural fire departments when determining enrollment eligibility? C. Erickson said that they are the same.

Senator Eck asked if incorporated towns are the only ones covered by the Attorney General's opinion? C. Erickson said that incorporated towns are covered. Senator Eck asked about counties. C. Erickson said that volunteer firefighters in unincorporated areas currently qualify under what is called the Volunteer Firefighters Compensation Act, Title 19, Chapter 12. That provides disability and death benefits for volunteer firefighters in rural or unincorporated areas. C. Erickson was unable to confer with Senator Nathe why incorporated towns was put in this bill. She thought that Title 19, Chapter 12 sets very definite limits on benefits, and maybe under Worker's Comp there would be a greater range of benefits. But the bill says

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the local governing body may choose to cover them. If they choose Workers' Comp, then they are pulled out of Title 19 coverage.

Senator Hammond said it is hard to tell what the sponsors wanted by the areas that they serve. Senator Bengtson said that Plentywood and Medicine Lake are incorporated. Senator Bengtson said most of her area is unincorporated towns with loose enrollment in their volunteer fire departments.


Senator Eck suggested that C. Erickson discuss these problems with Senator Nathe. Senator Bengtson said this nest of problems should be up to the sponsor to work through these problems with the appropriate agencies when drafting the bill. He should have to come up with this additional information.

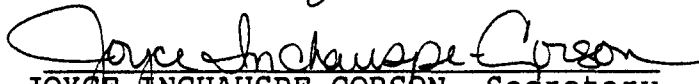
Senator Harding said that she was beginning to loose perspective of what the bill was suppose to do, so we need to talk to Senator Nathe.

Senator Bengtson thanked C. Erickson for all the work she has put in on study this bill and its problems. She said that the people who are interested in getting this bill out of committee should have to come through with this information. C. Erickson said she would talk with Senator Nathe, and discuss Senator Hammond's point of who this bill was designed to address; incorporated towns, or unincorporated areas. If it was for incorporated towns, then according to the AG's opinion it isn't needed. But if it was designed for unincorporated areas then we need to work with the language. The questions about the incorporated towns were not raised during the hearing when Senator Nathe was here. C. Erickson will contact Senator Nathe before Thursday, February 7, 1991, and see what can be done.

ADJOURNMENT

Adjournment At: 4:25 p.m.


ESTHER BENGTSON, Chairman


JOYCE INCHAUSPE-CORSON, Secretary

EB/jic

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ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

DATE 2-5-91

52 LEGISLATIVE SESSION _____

| NAME | PRESENT | ABSENT | EXCUSED |
|------------------|---------|--------|---------|
| Senator Beck | X | | |
| Senator Bengtson | X | | |
| Senator Eck | X | | |
| Senator Hammond | X | | |
| Senator Harding | X | | |
| Senator Kennedy | X | | |
| Senator Thayer | X | | |
| Senator Vaughn | | | X |
| Senator Waterman | X | | |
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Each day attach to minutes.

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date 2-5-91 Bill No. SB-160 Time 4:08

| NAME | YES | NO |
|------------------|------------|----|
| Senator Beck | | |
| Senator Bengtson | X | |
| Senator Eck | X | |
| Senator Hammond | X | |
| Senator Harding | X | |
| Senator Kennedy | X | |
| Senator Thayer | X | |
| Senator Vaughn | X By Proxy | |
| Senator Waterman | X | |
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| | | |
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Joyce Inchauspe-Corson
Secretary

Senator Esther Bengtson
Chairman

Motion: Due Pass as Amended

51st Legislative Session

SENATE LOCAL GOVERNMENT COMMITTEE

PROXY VOTE

I, Senator Eleanor Vaughn do hereby
grant my proxy vote to Chairman Bengtson or Secretary Joyce
Inchauspe-Corson as follows:

BILL NUMBER 160

MOTION

Do Pass
Yes X No

Do Not Pass
Yes No

Indefinitely Postponed
Yes No

Tabled
Yes No

Date 1-5-91

Eleanor Vaughn
Signature

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date 2-5-91 Bill No. SB-166 Time 4:00

| NAME | YES | NO |
|------------------|-----|--------------------|
| Senator Beck | X | |
| Senator Bengtson | X | |
| Senator Eck | X | |
| Senator Hammond | X | |
| Senator Harding | X | |
| Senator Kennedy | X | |
| Senator Thayer | X | |
| Senator Vaughn | X | <i>[Signature]</i> |
| Senator Waterman | X | |
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Joyce Inchauspe-Corson
Secretary

Senator Esther Bengtson
Chairman

Motion:

Due Pass

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date 2-5-91 Bill No. HB-163 Time 3:58

| NAME | YES | NO |
|------------------|-----|----|
| | | |
| Senator Beck | X | |
| Senator Bengtson | X | |
| Senator Eck | X | |
| Senator Hammond | X | |
| Senator Harding | X | |
| Senator Kennedy | X | |
| Senator Thayer | X | |
| Senator Vaughn | | |
| Senator Waterman | X | |
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Joyce Inchauspe-Corson
Secretary

Senator Esther Bengtson
Chairman

Motion: Due Pass

DATE February 5, 1991
 RNMENT

COMMITTEE ON LOCAL GOVERNMENT

VISITORS' REGISTER

[illegible]

SENATE STANDING COMMITTEE REPORT

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February 6, 1991

MR. PRESIDENT:

We, your committee on Local Government having had under consideration House Bill No. 163 (third reading copy -- blue), respectfully report that House Bill No. 163 be concurred in.

Signed: Esther G. Bengtson
Esther G. Bengtson, Chairman

MA 2-6-91
Amd. Coord.

SR 2-6-91
Sec. of Senate

270742SC.S11

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
February 6, 1991

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 166 (first reading copy -- white), respectfully report that Senate Bill No. 166 do pass.

Signed: Esther G. Bengtson
Esther G. Bengtson, Chairman

Feb 2-6-91
Amd. Coord.

Feb 2-6 1991
Sec. of Senate

270744SC.Sj1

SENATE STANDING COMMITTEE REPORT

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February 6, 1991

MR. PRESIDENT:

We, your committee on Local Government having had under consideration Senate Bill No. 160 (first reading copy -- white), respectfully report that Senate Bill No. 160 be amended and as so amended do pass:

1. Page 2, line 3.

Following: "year"

Insert: "or actual expenses incurred, whichever is less"

2. Page 3, lines 9 and 10.

Following: "jurisdiction" on line 9

Strike: "L" on line 9 through "served" on line 10

3. Page 3, lines 12 and 13.

Following: "allocation" on line 12

Strike: "L" on line 12 through "served," on line 13

Signed: _____
Esther G. Bengtson, Chairman

LB 2/6/91
Amd. Coord.

2/6 2/6 12:05
Sec. of Senate

OFFICE OF THE COUNTY ATTORNEY
County of Hill

DAVID G. RICE
COUNTY ATTORNEY
PATRICIA JENSEN
DEPUTY COUNTY ATTORNEY

P.O. BOX 912
HAVRE, MONTANA 59501-0912
265 4364

Local Govt *405*

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. #1

DATE 2-5-91

BILL NO. SB-166

TO: Senator Esther G. Bengston
FROM: David G. Rice, Hill County Attorney
DATE: 2/4/91

copy of letter regarding Senate Bill 166. Total of 5 pages faxed.

OFFICE OF THE COUNTY ATTORNEY
County of Hill

P.O. BOX 912
HAVRE, MONTANA 59501-0912
205-4364

DAVID G. RICE
COUNTY ATTORNEY

PATRICIA JENSEN
DEPUTY COUNTY ATTORNEY

February 4, 1991

Senator Esther G. Bengston
Senate Local Government Committee

RE: Senate Bill 166
Incentive Awards for Employees of Local Government

Dear Committee Members:

I'm writing to urge your approval of Senate Bill 166. This bill would give local governments, such as Hill County, authority to grant incentive awards to its employees under the same terms as are now allowed to state employees. A couple of years ago, the Hill County Officials committee, which is made up of all elected officials and appointed department heads, determined that it would be appropriate to develop an incentive program for our employees to increase their interest in the success of county government and save county government monies if at all possible. We reviewed the employee incentive program set forth in §§2-18-1101-1106, MCA, as well as the regulations adopted as a result of those statutes. We believed those provisions could appropriately be used to establish incentive awards in our county. However, we determined that the law was not applicable to local governments and found that many other counties had similar ideas but had also failed to engage in incentive programs because of the lack of authority.

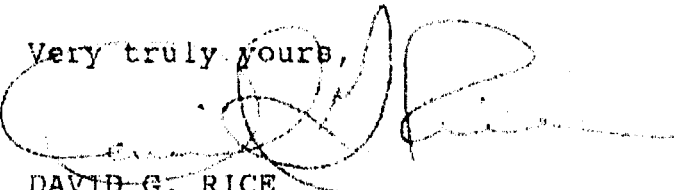
Senate Bill 166 would merely grant local governments the authority to engage in incentive programs similar to those allowed by the State of Montana. We would intend to operate under the same procedures that are already in place and proven effective by the near decade of experience which the State has had with the concept. At a time when local government funds are becoming more and more scarce, this program will certainly be welcomed by most counties. Its fiscal impact is very minimal because the awards would be granted from savings to local governments. Even though some time would be required in reviewing proposals, that time is already being compensated for by the governments themselves. How extensively this change would be used would differ from county to county, but the possibility of using it should certainly be appealing once it becomes effective and the association of county officers suggests areas in which it would be effectively used in counties throughout the state.

02-04-91 04:41PM 4062655467- 4064443036 # 4

Senator Ester G. Bengston
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I am sorry I was not able to appear before the committee and I apologize for submitting my comments at this late time. I believe that the proposal speaks for itself and is certainly a good proposition because it will now give counties the same opportunity for employee involvement in cost saving measures as has been allowed to the state for the past ten years. Thank you for your consideration of these comments.

Very truly yours,



DAVID G. RICE
HILL COUNTY ATTORNEY

DGR:teb

PLEASE DELIVER TO THE SENATE LOCAL GOVERNMENT COMMITTEE

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. #2

DATE 2-5-91

BILL NO. SB-166

STATE
OF
MONTANA

HAMILTON, MONTANA 59840

February 5, 1991

Local Government Committee
State Senate
Helena, MTRE: SB 166 - "AN ACT ALLOWING A LOCAL GOVERNMENT TO
ESTABLISH AN EMPLOYEE INCENTIVE AWARD PROGRAM"

HEARING FEBRUARY 5, 1991 3:00 P.M.

Chairman Bengtson and Members of the Committee:

For the record, my name is Nedra Taylor, Ravalli County Clerk and Recorder Head Deputy. As an employee, I view the Employee Incentive Award Program as an exciting opportunity. I feel it will encourage creativity and add an additional desire which can be lost easily in a day-to-day routine.

A challenge and reward type plan that is run properly will motivate the majority of employees. In turn, there is the probability it will result in many time and money saving ideas. Adding this incentive program could contribute to the employee's desire to better themselves along with their position. Hopefully this added incentive would build employee dedication and satisfaction, thus helping to encourage employment longevity.

Thank you for your consideration of this bill.

Sincerely,

*Nedra P. Taylor*Nedra P. Taylor, Head Deputy
Ravalli County Clerk & Records' Office
Hamilton, MT 59840

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. #3DATE 2-5-91IN SB-166STATE
OF
MONTANA

HAMILTON, MONTANA 59840

PLEASE DELIVER TO THE SENATE LOCAL GOVERNMENT COMMITTEE
FOR HEARING TO BE HELD AT 3:00 P.M. TODAY - FEB. 5TH
ROOM 405

February 5, 1991

Local Government Committee
State Senate
Helena, MT

RE: SB 166 - "AN ACT ALLOWING A LOCAL GOVERNMENT TO
ESTABLISH AN EMPLOYEE INCENTIVE AWARD PROGRAM"
HEARING FEBRUARY 5, 1991 3:00 P.M.

Chairman Bengtson and Members of the Committee:

For the record, my name is Betty T. Lund, Ravalli
County Clerk & Recorder. I would ask that you give SB 166 a
DO PASS. In this day and age of cutting budgets, services
and county employees, the local government officials need
assistance in keeping the employees motivated and encourage
their creativity. We need to retain the good employees and
I believe if we are able to recognize and reward their
abilities, we will succeed.

Something as simple as an award for their assisting the
local government with methods to improve the efficiency,
economy or other improvements will give the employees drive
and a desire to become superior employees.

Thank you for your DO PASS for SB 166.

Sincerely,

Betty T. Lund

Betty T. Lund
Ravalli County Clerk & Recorder
Hamilton, MT 59840

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. #4

DATE 2-5-91

BILL NO. SB-166

STATE
OF
MONTANA

HAMILTON, MONTANA 591



The Bitterroot Va

Courthouse Box 5001
February 5, 1991

Senate Local Government Committee
Room 405
State of Montana
Capitol Station
Helena, MT 59621

| | |
|-----------|-----------------|
| memo 7871 | # of pages > 55 |
| From | Ravalli Coun |
| Co. | Clerk + Record |
| Phone # | 363-6345 |
| Fax # | 363-1833 |

RE: SB 166 Employee Incentive Award Program
Hearing Room 405 3 PM

To Whom It May Concern:

For the record, the members of the BOARD OF COUNTY COMMISSIONERS, Ravalli County, Montana would like to submit the following testimony regarding the above referenced bill. We unanimously SUPPORT SB 166 regarding the Employee Incentive Award Program. We recommend this measure to give local governments another tool to encourage and recognize their employees' performance and creativity. Please PASS this bill.

Sincerely,
BOARD OF COUNTY COMMISSIONERS
Ravalli County, Montana

Jerry L. Allen
Jerry L. Allen, Chairman

Steven D. Powell
Steven D. Powell, Member

Allen C. Horsfall Jr.
Allen C. Horsfall, Jr., Member

HB 163

SENATE LOCAL GOVT. COMM.

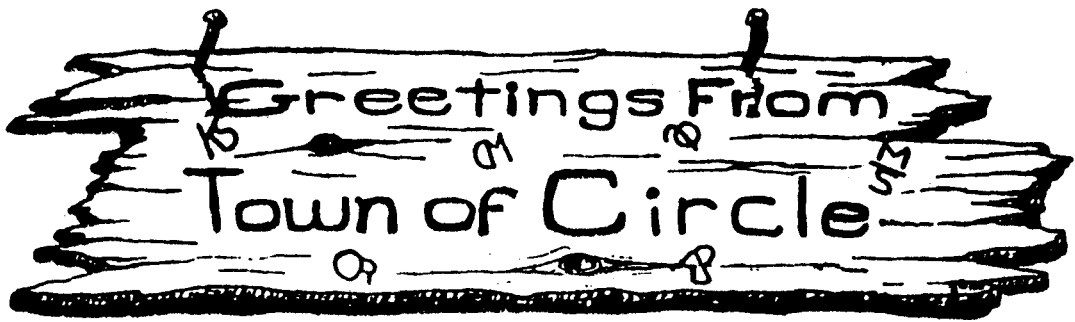
EXHIBIT NO. 5

DATE 2-5-91

BILL NO. HB-163

- | | | |
|-----------------|-------------------|---------------------------|
| 1. Alberton | 30. Fort Benton | (59). Richey |
| 2. Belgrade | 31. Froid | 60. Ronan |
| 3. Belt | 32. Fromberg | 61. Roundup |
| 4. Big Sandy | 33. Geraldine | 62. Ryegate |
| 5. Big Timber | 34. Hamilton | 63. Saco |
| 6. Boulder | 35. Hardin | 64. St. Ignatius |
| 7. Bridger | 36. Harlem | 65. Scobey |
| 8. Broadus | 37. Harlowton | 66. Shelby |
| 9. Brockton | 38. Hobson | 67. Sheridan |
| 10. Cascade | 39. Hysham | 68. Sidney |
| 11. Chester | 40. Joliet | 69. Stanford |
| 12. Chinook | (41). Jordan | 70. Stevensville |
| 13. Choteau | 42. Laurel | 71. Superior |
| (4). Circle | 43. Lavina | 72. Terry |
| 15. Columbus | 44. Libby | 73. Thompson Falls |
| 16. Conrad | 45. Lodge Grass | 74. Three Forks |
| 17. Culbertson | 46. Malta | 75. Townsend |
| 18. Darby | 47. Manhattan | 76. Troy |
| 19. Deer Lodge | 48. Medicine Lake | 77. Twin Bridges |
| 20. Denton | 49. Melstone | 78. Valier |
| 21. Drummond | 50. Moore | 79. Virginia City |
| 22. Dutton | 51. Nashua | 80. Walkerville |
| 23. East Helena | 52. Opheim | 81. Westby |
| 24. Ekalaka | 53. Philipsburg | 82. West Yellowstone |
| 25. Ennis | 54. Pinesdale | 83. Whitehall |
| 26. Eureka | 55. Plentywood | 84. White Sulphur Springs |
| 27. Fairfield | 56. Plevna | 85. Wibaux |
| 28. Fairview | 57. Polson | 86. Winnett |
| 29. Forsyth | 58. Poplar | 87. Wolf Point |

(738.3)



P.O. Drawer Q

Circle, Montana 59215

Ph. 485-2524

DONALD CLARIN, Mayor

CAROL MARKUSON, Town Clerk

January 17, 1991

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 6

DATE 2-5-91

BILL NO. HB-163

House Judiciary
Chairman Bill Strizich
and Legislators
Helena, Montana 59620

Dear Chairman Strizich:

This letter is to ask your support in passing into law HB 163.

HB 163 allows for changes in law 7-32-4120 pertaining to police retirement and training.

The Town of Circle wishes this law to be changed to allow the use of these monies to be expanded to pay PERS for other law enforcement personnel, law enforcement equipment, and training for law enforcement personnel.

The changes in this law is being supported by the Montana Leagues of Cities and Towns and The Montana Clerks, Treasurers, and Finance Officers Association. Also attached are letters of support from several Towns.

Changes to this law will allow a general fund reduction or atleast allow these fund to be reappropriated for other necessary uses. These changes will benefit eighty-seven Towns in Montana and the monies are still being used for the same purposes as they were originally intended.

Thank you for your support and cooperation.

Sincerely,

Donald Clarin
Mayor

DC:Cam

Town of Broadus

Ph. 406 / 436-2409

BOX E1 • BROADUS, MONTANA 59317

December 31, 1990

Town of Circle
P.O. Drawer Q
Circle, Montana 59215

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 7

DATE 2-5-91

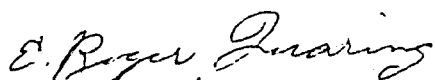
BILL NO. HB-163

Dear Mayor Clarin:

The Town of Broadus strongly supports your proposal to amend the law pertaining to police retirement funds 7-32-4120 MCA in the upcoming legislature.

Due to the present economic conditions, it is vital that such a proposal be amended to give Towns such as Circle and Broadus some recourse in order that all law enforcement be properly trained and maintained.

Sincerely,



E. Roger Quaring
Mayor
Town of Broadus

TOWN OF CULBERTSON

CULBERTSON, MONTANA

Office Of The Mayor

January 10, 1991

Mr. Donald Clarin, Mayor
Town of Circle
P.O. Box Q
Circle, MT 59215

Dear Mr. Clarin:

The Culbertson Town Council reviewed your letter pertaining to police retirement funds at the regular meeting on January 7, 1991.

Culbertson is another Third-Class Town that has a substantial reserve built up in the Police Retirement Fund.

The Town of Culbertson supports your proposal to change the wording to allow Police Retirement Funds to be used for PERS for police and other law enforcement personnel, equipment and salaries for substance abuse enforcement, also training for police and other law enforcement personnel.

Thank you.,

Sincerely,

Raedelle Aspenlieder

Raedelle Aspenlieder
Clerk/Treasurer

cc: Montana League of Cities and Towns

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 8

DATE 2-5-91

BILL NO. HB-163

R.F. LABBE, Mayor

BARBARA P. McOMBER, CLERK
DIXIE HENDERSON, Treasurer

KERMIT DANIELS
City Attorney

CITY OF DEER LODGE

300 MAIN
DEER LODGE, MT 59722-1098
(406) 846-3649
(406) 846-2238

Dec 12, 1990

DALE J. WITZEL
LYLE E. GILLETTE, JR.
RALPH BECK
HAROLD ERICSON
MICHAEL G. RICHARDS
IVAN WALLGREN
JIMMY RAY ANDERSON
KENNETH E. FENNER

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 9

DATE 2-5-91

BILL NO. HB-163

TOO WHOM IT MAY CONCERN:

The City of Deer Lodge hereby supports
the resolution 1990-14 proposed by
the Town of Circle, pertaining to
Police retirement funds.



R F Labbe
Mayor

COUNCIL CHAMBERS

Town of Ekalaka

MONTANA

59324

December 18, 1990

TO LOCAL GOVT. COMM.
EXHIBIT NO. 10
DATE 2-5-91
BILL NO. HB-163

Donald Clarin, Mayor
City of Circle
P. O. Drawer Q
Circle, Montana 59215

Dear Mayor Clarin,

Re: Police Retirement
Funds

The Town Council reviewed your proposal that more flexibility be added to the laws regulating police retirement funds. They also discussed this issue with their attorney and their town's administrative officer.

Everyone agreed your suggestion will add necessary adjustments within the existing Montana laws regulating these funds. Therefore, please feel free to use the Town of Ekalaka's name and endorsement as support for passage of this legislation. Additionally, we're sure that the Montana League of Cities and Towns will be an additional resource in packaging this issue for legislation.

Please keep us advised of the progress of this legislation and let us know if additional documentation of our support is necessary.

Sincerely yours,



Alyce Kuehn, CMC
Town Clerk-Treasurer

City of Fairview

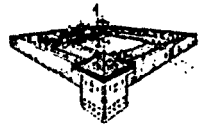
Meetings 2nd Monday of Each Month

P.O. Box 426, Fairview, MT 59221

Telephone: (406) 747-5616



A Nice Place To Live With Something For Everyone



December 13, 1990

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 11

DATE 2-5-91

BILL NO. HB-163

Town of Circle
Mayor Donald Clarin
P.O. Drawer Q
Circle, MT. 59215

Dear Mayor Clarin:

In regard to your letter of December 7, 1990 in which you propose asking the legislature for a change of wording in the law pertaining to police retirement funds, after consideration I believe this change would be good.

For the smaller towns the law as it now reads is too restrictive and is not serving the purposes that it was intended to serve.

Therefore you can use this letter as a statement of support for the proposed change.

Thank you for your efforts to improve the internal operations of city government and provide ways to use the our resources to better advantage.

Sincerely,

Bryan Cummins
Mayor

CITY OF LIBBY

POST OFFICE BOX Z
LIBBY, MONTANA 59923

Telephone
406-293-2731

January 10, 1991

Town of Circle
Mayor Donald Carin
P.O. Box Q
Circle, Montana 59215

SENATE LOCAL GOVT. COMM.
EXHIBIT NO. 12
DATE 2-5-91
BILL NO. HB-163

Dear Mayor Clarin:

The Council and I are in agreement with you that the wording in the law pertaining to police retirement and training should be changed. The law should allow the funds to be used for PERS for police and other law enforcement personnel, equipment and salaries for substance abuse enforcement, and training for police and other law enforcement personnel.

Thank you.

Sincerely,



Fred A. Brown
Mayor

CITY OF MALTA

Drawer L
Malta, Montana 59538

Garry L. Adams, Mayor
Aldermen Ward I:
Delmar Demarais
William Crowder

Ellene A. Jensen, Clerk-Treasurer
Aldermen Ward II:
Byron Ereaux
Karl Harms

RECEIVED BY CLERK. COUNTY.

FILE NO.

13

DATE

2-5-91

BILL NO.

HB-163

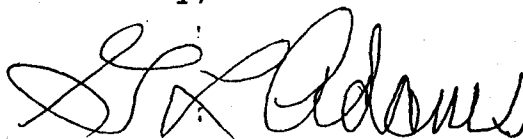
December 26, 1990

Town of Circle
P. O. Box Q
Circle, Montana 59215

Dear Mayor Clarin:

In response to your letter dated December 7, 1990, the City Council of the City of Malta would like to support Resolution No. 1990-14.

Sincerely,



Garry L. Adams, Mayor

Mayor Glenn Jacobsen
City Clerk Elsie Olson
City Treasurer Frank French

CITY OF PLENTYWOOD

205 1st AVENUE WEST
PLENTYWOOD, MONTANA 59254
406-765-1700

COUNCILMEN
Charles Devaney
Terry Gilbertson
Jon Mehl
John Kemp, Jr.

January 7, 1991

Mayor Donald Clarin
Town of Circle
P.O. Drawer Q
Circle, MT 59215

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 14

DATE 2-5-91

BILL NO. HB-163

Re: Amendment of Section 7-32-4120 M.C.A.; Police Retirement Funds

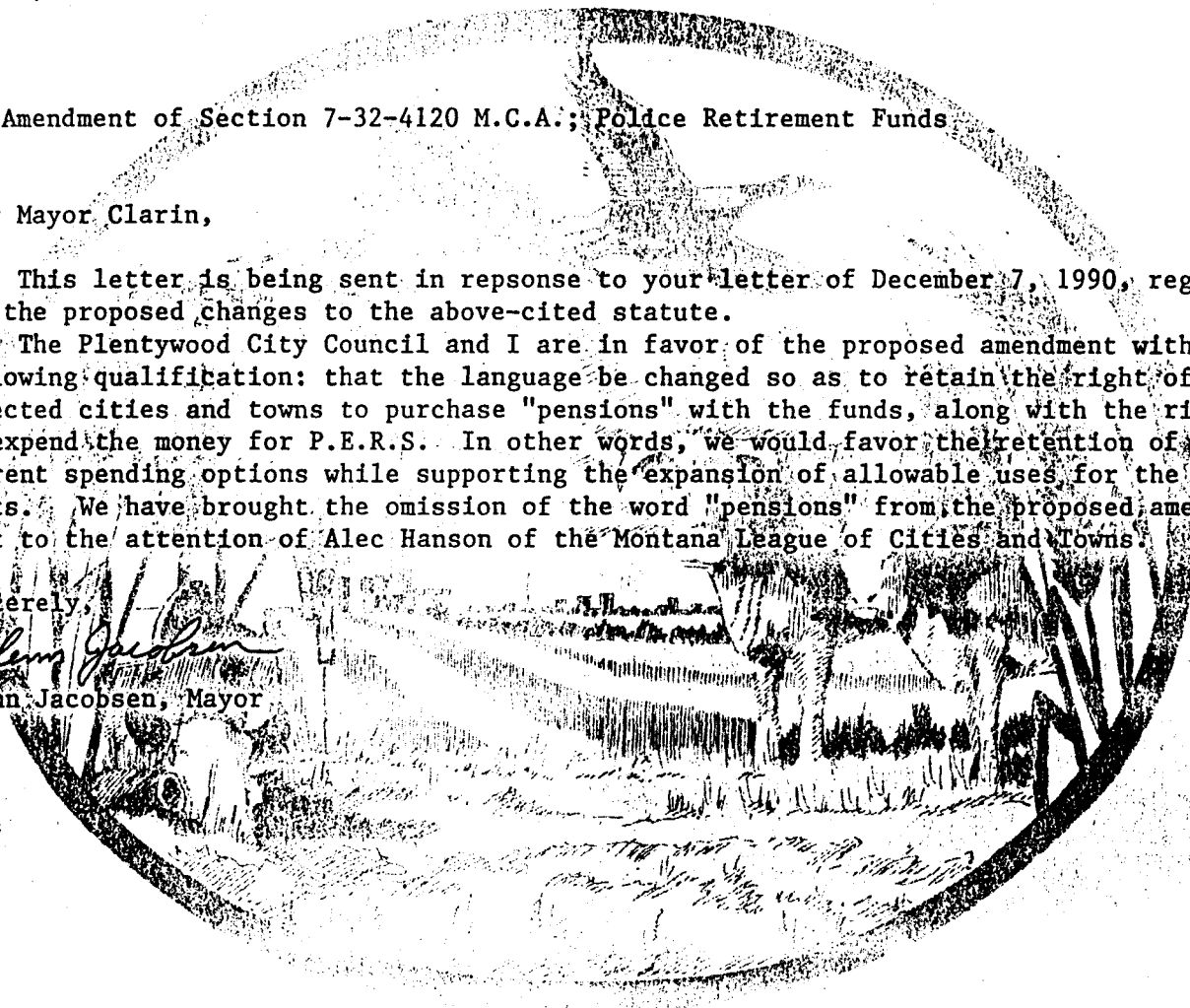
Dear Mayor Clarin,

This letter is being sent in response to your letter of December 7, 1990, regarding the proposed changes to the above-cited statute.

The Plentywood City Council and I are in favor of the proposed amendment with the following qualification: that the language be changed so as to retain the right of the affected cities and towns to purchase "pensions" with the funds, along with the right to expend the money for P.E.R.S. In other words, we would favor the retention of all current spending options while supporting the expansion of allowable uses for the payments. We have brought the omission of the word "pensions" from the proposed amendment to the attention of Alec Hanson of the Montana League of Cities and Towns.

Sincerely,


Glenn Jacobsen, Mayor



City Water

Municipal Gas

TOWN of SACO

Saco Montana 59261

December 20, 1990

Mayor Donald Clarin
P. O. Drawer Q
Circle, MT 59215

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 15

DATE 2-5-91

BILL NO. HB-163

Dear Mayor Clarin:

The Town Council of Saco would like to go on record as supporting your resolution to change the law pertaining to police retirement funds. We feel that this is a change that will greatly benefit third class cities and towns. In this economy the smaller cities and towns need all the tax relief help that is available. If you need any help please let us know.

Sincerely,
Town Council of Saco

Town of Winnett

Box 225 Ph. 429-5451

Winnett, Montana 59087

December 13, 1990

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 16

DATE 2-5-91

BILL NO. HB-163

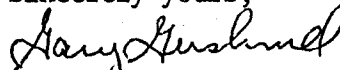
Donald Clarin, Mayor
Town of Circle
P.O. Drawer Q
Circle, Montana 59215

Dear Mayor Clarin:

This is to assure you that our town is in full support
of your proposal pertaining to police retirement funds.

If a letter or phone call will be of assistance in
achieving this change, please let us know.

Sincerely yours,



Gary Gerשמel,
Mayor

TOWN OF JOLIET

JOLIET, MONTANA 59041

January 14, 1991

Town of Circle
Mayor Donald Clarin
P.O. Drawer Q
Circle, Montana 59215

SENATE LOCAL GOVT. COMM.

EXHIBIT NO. 17

DATE 7-5-91

BILL NO. HB-163

Dear Mayor Clarin,

The Town of Joliet would like to give their support to the changing of the law pertaining to police reserve funds that is received from the State.

We would like to see this fund used for other than police retirement and training; such as equipment, salaries for substance abuse enforcement.

Sincerely,



S.P. Shelton, Mayor