

**Montana Municipal Interlocal Authority  
Finance Committee Meeting  
Monday, June 13, 2011**

**MMIA  
Conference Call  
Minutes**

The Finance Committee of the Montana Municipal Interlocal Authority met on Monday, June 13, 2011 via conference call. The meeting was called to order at 3 pm by Chair Kelly Audet.

Members present were Chair Audet, Bruce McCandless, Larry Bonderud, Duane Larson, Joe Menicucci and Doris Pinkerton

Absent was Tim Magee.

Also in attendance were MMIA staff Alan Hulse and Prudence Wigen

**2. Minutes Audet**

**Bruce McCandless made a motion to approve the minutes of the June 22, 2009, second by Duane Larson. Motion Passed.**

**Duane Larson made a motion to approve the June 16, 2010 Finance Committee meetings, second by Bruce McCandless. Motion Passed.**

**3. Public Comment Audet**

No Public Comment

**4. Review of the FY 2011/2012 Budget Staff**

Staff presented the proposed budget for FY 2011-2012.

Prudence began by going over the Preliminary Budget Notes. Kelly inquired as to what was anticipated in flood claims. Prudence and Alan said the Reinsurance may come into play if we have a flooding claim in July but most claims occurred in the current fiscal year.

Alan spoke about the Workers' Compensation Assumption of a 2% decrease. Even though the Board approved an 8.3% decrease in rates the overall decrease will amount to 2%. Prudence is being a bit conservative on her IBNR. With the new legislation, the ability is out there to now settle claims jointly and this will be retro-active. This will take the reserves down somewhat. On the flip side there will be a big influx of payouts. Alan felt the new legislation will be good for the program long term.

Bruce inquired about the General Operating Expenses and if there would be some expenses on the follow up to the report Covington did. Prudence doesn't feel the recommended changes will incur more expenses.

Prudence wanted to make a clarification on #3 & #4 under General Operating Expenses. The total increase is 7.2% broken down as 3.6% COLA for existing personnel and 3.6% for additional personnel.

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Alan explained the costs associated with the new building acquisition. The only real costs now are Property Insurance and possibly SID's. Century 21 will pay the maintenance and utility costs.

Any costs associated with the new building will be allocated as follows:

- W/C                34%
- Liability        34%
- Property        10%
- EB                22%

Any revenue would be allocated back the same way.

Prudence went over the Capital Items. She just wanted to list those for us to see. She is not sure at this point if she will expense some of these items.

Bruce inquired about the Local Government Center. Alan explained the funding went away with the legislative process. Staff did include money for other training. At this point the Local Government Center was told that a \$4M discretionary budget amount went to the Board of Regents. The Center needs to go to the Board of Regents and request funds. They apparently had a hearing and Alan is unsure what happened but will follow up.

If they are not funded that will increase our training budgets.

The Center could start charging for services or the MMIA could entertain entering into a relationship like we have with MACO and the Law Enforcement Academy. This would be a Board decision.

Prudence pointed out some changes in the allocation for salaries in Liability and Property. There is less allocated this year in Liability and more in Property as the adjustors are spending more time adjusting property claims.

**Larry Bonderud made a motion to recommend the budgets to the Board of Directors, second by Doris Pinkerton. Motion passed.**

There being no further business, the meeting adjourned at 3:40 p.m.

Submitted by

Kelly Audet  
Committee Chair

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