

Montana Municipal Interlocal Authority
BOARD OF DIRECTORS MEETING
Monday, May 23, 2011
Via Conference Call
MMIA
Helena Montana
Minutes

The Board of Directors of the Montana Municipal Interlocal Authority met on Monday, May 23, 2011 via conference call. The meeting was called to order at 1 :03 pm by Kelly Audet acting for Chair McCandless .

1. Roll Call

McCandless

Members present were Chair McCandless, Secretary Kelly Audet, Jim Nugent, Kevin Myhre, Doris Pinkerton, Jim Nugent, Joe Menicucci, Marlene Mahlum, Chris Kukulski, Duane Larsen, Eileen Joyce and Cal Oraw.

Absent were Tim Magee, Ed Meece and Necile Lorang.

Also in attendance were MMIA staff Alan Hulse, John Craig and Prudence Wigen; Alec Hansen of the MLCT.

2. Minutes

Audet

Jim Nugent made a motion to approve the minutes of the March 25, 2011 Board meeting, second by Duane Larsen. Motion passed.

3. Public Comment

McCandless

There was no public comment.

4. Workers' Compensation Rates

Menicucci

Staff presented information regarding adjusting our final Work Comp rates to account for the impacts of reform. The actuary has studied HB 334 and the cost impact that this legislation might have on the MMIA Work Comp program for next year. Staff would like to discuss this study and decide whether or not we should **lower rates** for FY 2011/2012 based on this analysis. Approval is requested.

Chris Kukulski made a motion to accept staff's recommendation and reduce Work Comp rates by 8.3%, second by Doris Pinkerton .

Jim Nugent asked what this would do to our confidence level on the rates established. It is pointed out in the Actuary report that if we consider the effects of the reform as described and leave rates at the same level we would achieve a 76% confidence level. Staff explained that by taking the rate reduction we would be in the 60% confidence level range. Jim stated he could not accept that and would not support the motion. Staff indicated that we have been below a 70% confidence level for several years (since Bickmore took over) and the goal was to progress toward the 80%. Taking this reduction in rates moves us toward that goal, however staff feels we need to respond to

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the competition and what is going on in the market place. There was much discussion on this issue.

Motion passed unanimously.

5. Purchase of the Century 21 Building

Wigen

Staff updated the Board on the Century 21 Building. Staff is requesting a resolution from the Board authorizing staff to expend the money to purchase the building. Approval is requested.

Jim Nugent made a motion to pass the resolution authorizing the CEO to expend \$1,600,000 for the purchase of the Century 21 building and enter into a lease to lease a portion of the building back to Century 21, second by Joe Menicucci.

Marlene asked who would be moving into the building in year 1, 2, etc. Staff explained the process. Duane Larson asked if we had discussions with MLCT. Alec Hansen replied the discussion was that the League wanted 1,000 sq/ft and would purchase at a fair price. He had not gotten that approved by his Board but planned to have that discussion next month. Jim Nugent asked what would happen if we did not need all the office space? Staff explained the lease indicated we had to option to occupy up to that amount. No further discussion.

Motion passed.

6. Other Items

Staff

There was no other business.

There being no further business, the meeting adjourned at 1:39 p.m. on a motion from Marlene Mahlum, second by Bruce McCandless.

Submitted by

Kelly Audet
Secretary

Alan Hulse
CEO

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