Montana Coal Board
Meeting Minutes
October 19, 2012
Hampton Inn, Billings, MT

Welcome - Call to order

Chairman John Williams welcomed all present including the Department of Commerce (DOC) staff: Jennifer Olson, Community Grants Bureau Chief, and Joanne Gilbert, Administrative Assistant. Chairman called to order the meeting of the Montana Coal Board at 8:30 a.m.

Roll call:

Jennifer Olson called the Roll. The following board members were present: John Williams, Chair, Dan Dutton, Vice Chair, Loren Acton, Chad Fenner, and Gerald Navratil. Ralph Lenhart was available via conference call.

Others Present:

Rep. Duane Ankney	SHAC Supporter/ Miles City	Keith Holmlund	Custer County
Mark Anner	Miles City	Julie Korkow	SEMDC
Jim Atchison	SEMDC	Dianne Lehm	Big Sky Econ. Dev.
Ed Auker	Big Horn DES	Rep. Bill McChesnie	Miles City
Mike Black	Yellowstone Co. PW	Tim Miller	Yellowstone County
Kelly Bruggeman	SHAC Supporter/ Yellowstone	Jack Nesbit	MC/Custer County
Mike Coryell	MCAEDC	Joe Novasio	SHAC Supporter
Tom Crippen	SHAC Supporter	John Ostlund	Yellowstone County
Michael Fuss	BHCSO	Paula Peplow	SHAC Supporter
Vicki Hamilton	Custer County	Kate Russell	MCAEDC
Mayor Rose Hanser	City of Colstrip	Lu Shomate	SHAC Supporter – Exec. Director
Tony Harbaugh	Custer County	Sue Snider Neiman	SHAC Supporter
Gery Helsby	Broadview Community	Darin Swenson	Yellowstone Co. PW
Bill Hodges	Big Horn Hospital	Kristin Wester	Big Horn County
		Sandy Williams	SHAC Supporter

Opportunity for Public Comment

The Miles City Council encouraged the board to consider the Custer County Jail Assessment Project. The City has pledged $10,000 for a new jail and will contribute $15,000 toward the purchase of a transport van for prisoners.

Mike Coryell, Executive Director of the Miles City Area Economic Development Council (MCAEDC), explained they formed a planning committee to tackle issues related to the impact of coal and oil development.

Jim Atchison, South Eastern Montana Development Corporation (SEMDC) provided pictorial handouts on the 9th Energy Open Conference and Golf Tournament that was held in August 2012.

The Powder River County Growth Policy update is almost completed. It has gone out for public comment and should be adopted soon.

Rep. Ankney expressed his gratitude to the Coal Board and urged everyone to contact their Representatives to support continued funding for the Coal Board.

Mayor Rose Hanser, City of Colstrip, voiced their appreciation of the new firetruck. The Colstrip Fire Department, with 30 volunteer members, has contributed over 2,072 volunteer hours since July. The City will donate their used firetruck to the Ashland Fire District.

Bill Hodges, Big Horn Hospital Foundation, reported the Heritage Acres 99-window replacement project is finished. The generator project started 6 weeks ago and will soon be activated and tested.

Stu Olson, Chouteau County Commissioner, announced the Dean Creek Firehall has been completed. The firetrucks are housed indoors and there are new restrooms near the meeting room. Signal Peak Foundation donated the last $7,500 to complete the project.

Approval of Minutes

Action: Motion made by Mr. Fenner and seconded by Mr. Dutton to approve the minutes of the July 20, 2012 meeting was approved as presented.

Current Project Updates

Jennifer provided updates on current projects:

Currently, there are 52 projects awarded in this biennium and 11 have been closed since the last board meeting. Total amount drawn down is $1.8 million, leaving approx. $3.5 million available for drawing down on those open projects

Mr. Dutton complimented the detailed, compilation report of 2011 projects through this biennium. Since there's been no funds drawn on these projects, he's requested DOC to follow up and present an updated report at next meeting.

Budget & Financial Report

Jennifer Olson presented the Budget & Financial report. For the 2013 biennium, the Coal Board was awarded $5.9 million and currently, there is $251,738 available for award. The total amount requested was $552,433 from the four applications that were presented to the board.

Chairman Williams is also concerned that those projects have not drawn down funds. With only $251,000 available and $552, 000 requested, the Coal Board questioned if new applications should be delayed or tabled until next biennium.

NEW BUSINESS

Application #0720- Yellowstone County – Repair Section of 21-mile Road – Application Tabled

Commissioner Kennedy announced that Yellowstone County would withdraw this application and re-apply next spring or summer. Ms. Olson explained that Coal Board receives funds by July 1, the next fiscal year. Chairman Williams recommended this project warrants "coal impact" and should be tabled. Mr. Acton agreed this road application is well crafted to match legislation.

Action: Motion to table was made by Mr. Fenner and Mr. Navratil seconded. The Board agreed to table until that time.

Application #0721- Big Horn County – RIMS Integrated Public Safety Software Project – Requested and Awarded $75,000

Ms. Olson presented Big Horn County's application to replace the Swift Data system currently used by county dispatchers, sheriff's deputies and emergency services staff with RIMS integrated software. Project also includes training and enhancements for the County central dispatch station. Total cost of the project is estimated at $154,238. The request from the Board is 48.46% of the cost of the project. Big Horn County has committed $79,738 to this project. The County's audit status is current and they use an approved accounting system.

Sidney Fitzpatrick, Big Horn County Commissioner, expressed his support for the project.

The Deputy stressed that RIMS would help with response time. Currently, the SWIFT software for the jail and dispatch system for the entire county is outdated and inefficient.

Bill Hodges, Big Horn Hospital, as Preparedness Coordinator, agreed it would improve pre-staging in case of a contamination event. Currently, the scanner is hard to understand.

Mr. Dutton asked if the system can be linked into the statewide system. The dispatcher explained that state and national information is directly linked into the CJIN system.

Mr. Navratil asked how it integrates with existing hardware. The dispatcher explained that RIMS would be directly linked with the MDT system for officers in patrol cars. RIMS penetrates at a greater speed and increases safety for officers and discretion for victims.

Mr. Acton asked the Deputy if the current server would be compatible with the RIMS systems and he replied it could handle it.

Mr. Acton is concerned with the numerous open grants and contracts for Big Horn County.
Ed Auckner gave an update that new radios have been purchased and the AVL system is being installed. They plan to expend funds about the first week of November.

Mr. Dutton asked the Deputy if any agency in Montana uses the new system. He replied there is not, only in Wyoming and Nevada.

Mr. Fenner asked if there's support in implementing it. The Deputy explained they're a phone call away and if they're not in, they will respond within an hour.

Mr. Acton agreed the proposal was well prepared and is consistent with "coal impact".

Action: Motion made by Mr. Acton to fund the project at the full amount of $75,000. Mr. Navratil seconded the motion. The motion passed with Mr. Fenner abstaining.

Application #0722- Custer County – Jail Assessment and Preliminary Design Study – Requested and Awarded $60,000

Ms. Olson presented Custer County's application to prepare a jail assessment and preliminary design for a new facility in Custer County that will meet the present needs of the community while taking into account future needs as well. Determine cost and funding scenarios to educate community members

and provide factual information to the public. The total cost of the project is estimated at $80,000. The request from the Board is 75% of the cost of the project. The County has committed $10,000 to the project and funding of $10,000 with the City of Miles City is currently pending. The County's audit status is current and they use an approved accounting system.

Julie Korkow, SEMDC, provided handouts demonstrating the 2012-2013 mill rates were higher than the previous year. In addition, the resolution documented that the City was committed to $10,000.

Tony Harbaugh, Custer County Sheriff in Miles City, provided a thorough history of the jail facilities built years ago. Currently, the jail does not meet standards. In June 2012, ACLU toured the jail and sent a letter ordering them to close jail within 30 days. Later, they were granted a 15-day extension. Currently, prisoners are held for 72 hours, and then transported to Glasgow at a minimum of three trips a week.

Commissioner Keith Holmlund reported on Custer County's current financial challenges.

Jim Atchison, SEMDC, addressed the impacts of the Bakken oil development as it has burdened infrastructure and increased highway traffic with I-94, Hwys 12 & 59, and the Tongue River Railroad.

Rep. Kate Russell, MCAEDC and Custer County Planning Board, agreed there's a huge impact as more City facilities are used and crime has increased.

Julie, SEMDC, worked with community resources in seeking funding sources but found they didn't meet criteria.

Rep. McChesnie, working with House Appropriations, explained there's not enough available funding through state programs. There's an increased need for law enforcement in Southeast Montana. There's no reciprocal tax revenue and without an assessment cannot move forward. They are currently working on an oil and gas impact bill.

Mr. Dutton asked the estimate cost for building a new jail. Julie replied that architects agreed the cheapest option is to incorporate with courthouse offices -- cost approx. $5-$7 million.

Mr. Dutton asked how it would be funded. Julie mentioned that commissioners have looked at possible funding through taxpayers. She discussed the feasibility of what the best option is for community to transport or have facility here.

Mr. Fenner asked if the jail would be about 30-40 beds. Julie explained that as part of feasibility study, they met with 10 agencies to determine what the projected needs are within that region regarding economic development, impact of Otter Creek, and demographic information.

Mr. Navratil expressed the issue of coal impact be addressed with this planning proposal. Jim described there may be a major increase in transportation and crime when Otter Creek development comes in. Sheriff Harbaugh expressed there's need for an analysis of current and projected trends to plan for actual numbers of beds and not to overbuild as other jails may build in those regions.

Mr. Dutton described how coal has impacted all communities and that this is a much needed project.

Rep. McChesnie requested of DOC information for him to present to ensure that the Coal Board maintains its present level or increase in funding.

Mr. Acton agreed the project is valid and worthwhile and he fully supports it.

Action: Motion made by Mr. Dutton and Mr. Fenner seconded. Motion passed by all.

Application #0723- City of Colstrip – Schoolhouse History & Art Center (SHAC) Building Repairs – Requested $68,000 and Awarded $68,000

Ms. Olson presented the City of Colstrip's application to repair the building's foundation and handicap access. This project will implement repairs in accordance with suggested designs from an engineering firm. Total cost for this project was $113,662. The request from the Board is 59.8% of the cost of the project. The Schoolhouse History and Art Center has committed $20,662 to this project. Stevenson Design has donated architectural services and SEMDC donated grant writing services, totaling $10,000. Funding with PPL Montana Electrical, Colstrip for $10,000 and First Interstate for $5,000 is currently pending. The City's audit status is current and they use an approved accounting system.

Jim Atchison, SEMDC, explained that it's community-based, heavily supported by volunteerism, and how the population increases impacted the four counties and the Colstrip area.

Mayor Hanser, City of Colstrip, provided the history of SHAC. In 2001, the City received the Historical Society Community Action Award to restore SHAC. This year the city budgeted $81,000 to support SHAC, as well as $10,000 for insurance and groundkeeping. Emergency Preparedness Plan for Rosebud County has designated this building a "shelter site" .

Lu Shomate, Executive Director of SHAC, explained their process for seeking funding sources. She described how their 13-member board developed an "outreach program" and a "re-use program".

Kelly Bruggeman, Executive Director of First Interstate Foundation, agreed that SHAC brings a "quality of life" into Colstrip.

Joe Novatio, Maintenance Manager for Colstrip area, described the history of building in Colstrip and his support for SHAC.

Rep. Ankney stressed how worthwhile this project is being built for coal miners and to educate their children.

Mr. Acton asked Ms. Olson if there are any limitations for the Coal Board funds being allocated to private organizations. Ms. Olson recited MCA 90-6-208 and found that it is an eligible project because the City of Colstrip is sponsoring on behalf of SHAC.

Mr. Acton asked if SHAC has looked into emergency funds through other agencies. Ms. Shomate commented they have not because it's a small building and might not be used in an emergency.

Rep. McChesnie works with a charitable giving foundation who agreed this is a very worthy project and that SHAC has sought viable funding sources.

Lu said the handicap access is deteriorating and has to be fixed. If the foundation were to be repaired later, it may cost more unless all repairs are done at the same time.

Mr. Acton disagreed that enabling legislation cannot stretch it to cover a private non-profit facility. Chairman Williams explained that SHAC transferred ownership to the City. Only actual operations of programs with arts are maintained by SHAC. Mr. Acton appreciated the clarification.

Mr. Dutton agreed that it's valid for government agencies to support boys/girls clubs, arts centers, etc. and he would support it.

Mr. Navratil felt the institution has provided great service to senior centers and the children of coal country.

Action: Motion made by Mr. Navratil to fund the project at the full amount of $68,000. Mr. Fenner seconded the motion. Mr. Acton opposed. The motion passed with Chairman Williams abstaining.

Adjournment - With no other business, the meeting was adjourned by Chairman Williams at 11:15 A.M. The next meeting will be March 15, 2013 in Helena at the Great Northern Hotel.

Respectfully submitted,
Lisa Huff, Administrative Officer

John Williams, Board Chair

Date 3-22-13

Lisa Huff, Administrative Officer

Date 3/15/13