



## **LOCAL GOVERNMENT INTERIM COMMITTEE**

### **67th Montana Legislature**

#### **SENATE MEMBERS**

Ellie Boldman  
John Esp  
Sue Malek  
Mark Sweeney

#### **HOUSE MEMBERS**

Larry Brewster  
Geraldine Custer  
Mary Ann Dunwell  
Dave Fern  
Kathy Kelker

#### **COMMITTEE STAFF**

Toni Henneman - Research Analyst  
Julie Johnson - Attorney  
Maie Lee Jones - Secretary

# **MINUTES LOG**

**March 15, 2022**

Room 172/Zoom

Helena, Montana

Please note: This document is a Minutes Log and provides annotation of the time elapsed between the beginning of the meeting and the time at which the item was presented or discussed, a motion was made, or a vote was taken. The narrative presented here is provided only as a guide to the audio or video recording of the meeting. The official discussion, motion, or vote is available on the audio or video archive of this meeting. The Legislature does not prepare a transcript of the meeting activities. The time designation may be used to locate the referenced discussion on the audio or video recording of this meeting.

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#### **MEMBERS PRESENT IN PERSON:**

Rep. Larry Brewster (R)  
Rep. Geraldine Custer (R)  
Rep. Mary Ann Dunwell (D)  
Sen. John Esp (R)  
Rep. Dave Fern (D)  
Rep. Kathy Kelker (D)  
Sen. Mark Sweeney (D)

#### **MEMBERS PRESENT VIA ZOOM:**

Sen. Ellie Boldman (D)  
Rep. Steve Gist (R)

#### **STAFF PRESENT:**

Toni Henneman, Research Analyst  
Julie Johnston, Attorney  
Maie Lee Jones, Secretary

## **AGENDA (Attachment 1)**

## **VISITORS' LIST (Attachment 2)**

## **COMMITTEE ACTION**

### **CALL TO ORDER/ROLL CALL**

- 13:00:24 Presiding Officer Geraldine Custer called the meeting to order at 1:07 p.m. The committee secretary took the roll. **(Attachment 3)**
- 13:03:25 Toni Henneman, Research Analyst, gave an overview of today's meeting.

### **SJ 13: PREVAILING WAGE STUDY**

#### **Washington State Prevailing Wage Compliance Systems**

- 13:05:15 Chuck Ziegert, Prevailing Wage Enforcement Coordinator, gave a presentation on the state of Washington's prevailing wage program.
- 13:19:12 Jamie Blacksmith, Prevailing Wage Operations Manager, discussed Washington's future technological plans to handle complaints.
- 13:21:20 Mr. Ziegert discussed the Awarding Agency Portal in its prevailing wage program.

#### **Questions from the Committee**

- 13:23:08 Rep. Dunwell asked about the return of investment.
- 13:23:46 Mr. Blacksmith and Mr. Ziegert responded.
- 13:25:49 Rep. Kelker asked Mr. Ziegert several questions regarding the prevailing wage forms that businesses are required to post or display, how the forms are distributed, and who pays for the forms.
- 13:30:09 Rep. Gist asked Mr. Blacksmith for examples of the types of fraud that he had mentioned in his presentation.
- 13:34:58 Sen. Esp asked Mr. Ziegert several questions regarding audits that are conducted at the end of the year, whether businesses are required to pay back wages if there is fraud, and whether leniency is given if an employer made a mistake in the process and voluntarily pointed it out.
- 13:39:34 Rep. Fern asked Mr. Blacksmith if he has any data regarding noncompliant contractors vs. compliant contractors.
- 13:49:07 Rep. Dunwell asked about local governments not being able to do some of the public works projects because they can't afford to pay the prevailing wage.
- 13:50:34 Mr. Ziegert and Mr. Blacksmith responded.
- 13:53:00 Rep. Gist asked about tracking the number of union companies vs. non-union companies that are in violation.
- 13:53:55 Mr. Blacksmith and Mr. Ziegert responded.
- 13:56:38 Rep. Custer asked Mr. Ziegert if the prevailing wage and payroll information are available online.

#### **Montana Department of Transportation Payroll Database**

- 14:04:06 Kathy Terrio, Compliance Specialist/Payroll Database, Department of Transportation, gave a presentation on the Department of Transportation's use of the AASHTOWare Civil Rights and Labor (CRL) software to allow for the collection of contractor certified payrolls more efficiently. **(Exhibit 1)** Ms. Terrio

introduced Lisa Durbin, Engineering Operations Bureau Chief, who is available to answer financial questions.

### **Questions from the Committee**

- 14:14:44 Rep. Kelker asked how the AASHTOWare program was developed, what was the source of funding, and if it was an effort from the Legislature or from the Department of Transportation.
- 14:15:10 Ms. Durbin responded.
- 14:16:00 Rep. Kelker asked Ms. Durbin about the modules.
- 14:17:56 Sen. Esp asked Ms. Terrio to explain the duties of a maintenance superintendent.
- 14:19:14 Rep. Custer asked if the AASHTO program is a national program where anyone can access this program and use it for their payroll needs.
- 14:20:11 Ms. Terrio and Ms. Durbin responded.

### **Montana Contractor Perspectives**

- 14:20:48 David Smith, Executive Director of the Montana Contractor Association, gave his perspective of the AASHTOWare program.

### **Questions from the Committee**

- 14:22:35 Sen. Esp asked Mr. Smith if any of his members were investigated for possible fraud and were found guilty, would they be fined or penalized.
- 14:25:14 Rep. Custer asked if contractors have their own in-house program or is there a national program available that they can use.
- 14:27:30 Ms. Terrio responded.

### **Public Comment**

- 14:29:48 Adam Haight, Labors Local 1686, distributed a handout on Project Labor Agreements (PLA). ([Exhibit 2](#))
- 14:33:55 Jason Rittal, Montana Association of Counties
- 14:38:56 Rep. Gist asked Mr. Haight why PLAs were banned in 1999.

### **DEPARTMENT OF ADMINISTRATION LOCAL GOVERNMENT SERVICES BUREAU Training and Department Capacity Discussion**

- 14:40:33 Danielle Vincent, Local Government Services Bureau Chief, Department of Administration (DOA), discussed the capacity and training that DOA provides. She distributed and discussed the document "Local Government Services Bureau – Entity and Reporting Summary" ([Exhibit 3](#)).

### **Committee Questions of Ms. Vincent**

- 14:55:35 Sen. Esp asked about the situation in Gallatin County.
- 14:56:10 Rep. Kelker asked if there are any rules or structures that have to be implemented in towns and cities to educate the people who are doing the financial reports.
- 14:58:42 Rep. Dunwell asked about the reports from local governments and municipalities not submitted on time.
- 15:02:57 Rep. Gist asked if there were any private companies that could come in and help compile reports for the entities who are delinquent.

15:05:30 Rep. Fern asked if a fully staffed bureau would be able to help those entities who are delinquent in submitting their reports.

**Public Comment**

15:09:55 Kelly Lynch, Montana League of Cities and Towns

15:12:33 Jason Rittal, Montana Association of Counties

15:16:25 Rep. Gist asked Ms. Lynch if the accounting standards requirements are getting more and more complex.

**BREAK** (reconvened at 3:25 p.m.)

**HOUSING AFFORDABILITY PANEL**

**David Fine, City of Bozeman Economic Development Program Manager**

15:29:00 David Fine, Manager of Economic Development Program, City of Bozeman

**Andrea Davis, Homeword, Inc.**

15:38:49 Andrea Davis, Executive Director of Homeword, Inc., and Chair of the Montana Housing Coalition

**Jesse Jaeger, Poverello Center Missoula**

15:53:18 Jesse Jaeger, Director of Development Advocacy, The Poverello Center, Missoula

**Public Comment**

16:05:28 Abigail St. Lawrence, Montana Building Association

16:12:26 Sam Sill, Montana Association of Realtors

**Questions from the Committee**

16:18:21 Rep. Fern said that Mr. Fine mentioned in his presentation that more money should be supplied. He asked Mr. Fine for examples of where that money would come from and how he intends to use that money.

16:21:20 Rep. Kelker asked Ms. Davis if she was aware of the situation where contractors are buying older homes and rehabilitating them, and then selling the remodeled homes at current market prices.

16:26:26 Rep. Gist asked Mr. Fine to distribute his written testimony to the committee.

16:27:10 Rep. Dunwell asked Mr. Fine to elaborate on his ideas to address the conflicts between covenants and city zoning.

16:29:52 Rep. Fern asked Mr. Fine if there might be opportunities for funding sources from the American Rescue Plan Act (ARPA) that might assist with this critical infrastructure issue.

16:32:54 Sen. Esp asked Mr. Fine about the infrastructure that was designed for single family dwellings dealing with zoning requirements, how those zoning requirements are upgraded, and who pays for that.

16:36:21 Rep. Brewster asked Mr. Fine about tax increment financing as it relates to home development.

16:37:41 Rep. Brewster expressed his concern of ignoring the concept of blight or redefining it to make them more workable in other areas. Rep. Brewster said his concern is that at some point there has to be a benefit to the community from revenue generated from the tax increment.

16:45:44 Rep. Fern commented on tax increment financing.

**COMMITTEE WORK SESSION**

16:47:55 Ms. Henneman summarized what she heard from the committee's work session.

16:49:25 The committee members discussed their interests and concerns about the prevailing wage issues. Rep. Kelker suggested looking at what the state of Washington has done with their prevailing wage laws and if Montana needs to change its laws. Rep. Dunwell expressed her interest in the Project Labor Agreements and why they were banned in 1999.

17:02:13 Ms. Henneman discussed what she heard regarding the SJ 13 Study and possible bill drafts.

17:04:01 Rep. Custer said she would like to explore the Department of Transportation's AASHTOWare project and perhaps use that program statewide for prevailing wage compliance purposes.

17:12:01 Ms. Henneman asked if the committee wanted to revisit any other items from today's agenda.

17:12:18 The committee members discussed the affordable housing issue and subdivision zoning.

**RECESS**

17:27:25 Rep. Custer recessed the meeting at 5:27 p.m., to reconvene at 9:00 a.m. on March 16, 2022.