

Minutes of Meeting
FY19 Budget Public Hearing
August 29, 2018
6:00 p.m.

The Kootenai County Board of Commissioners: Chairman Marc Eberlein, Commissioner Chris Fillios, and Commissioner Bob Bingham met to discuss the following agenda item. Also present were Clerk Jim Brannon, Chief Deputy Clerk Jennifer Locke, Finance Director Dena Darrow, and Deputy Clerk Ronnie Davisson. Also present was Coeur d'Alene Press Staff Writer Brian Walker, Aquifer Protection District (APD) Chair Leslie Duncan, KCEMSS Chief Christopher Way, and several members of the public.

- A. Call to Order:** Chairman Marc Eberlein called the meeting to order at 6:01 p.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Chairman's Opening Remarks:** Chairman Marc Eberlein led the audience in the Pledge of Allegiance. He then reminded the audience that if they were to speak during the meeting, to please remain civil.
- D. FY19 Budget Hearing Presentation pursuant to *Idaho Code §31-1605*:**

Aquifer Protection District

APD Chair Leslie Duncan said the APD Budget came to a total of \$591,744. Of that, \$36,000 would be their portion to the County for staff and building usage. Further, the community portion of their budget equated to \$555,694, noting it was an increase over the prior year. Ms. Duncan then explained that if any audience member had questions, to please direct them to APD Vice Chair Necia Maiani as she would be exiting the meeting for a family engagement.

Ms. Duncan continued, stating the Idaho Department of Environmental Quality (DEQ) was the second largest expenditure the ADP had, totaling to \$98,818. Chairman Eberlein asked Ms. Duncan if the annual fee had been lowered and Ms. Duncan said that this year it had not been raised because they had decreased it the year prior.

KCEMSS

KCEMSS Chief Chris Way began his budget presentation by stating some of the FY19 challenges they may face: decreasing transportation volume and amount of calls received. Further, the current trend supported a 2.5% increase in patient revenues. He said for FY19, they were not requesting any capital projects or new positions, but were requesting the 3% tax increase, which equated to \$75,361. Chief Way said that if the Board were to approve their budget, their levy rate would also decrease and noted their public hearing was on July 26, 2018 in which the KCEMSS Joint Powers Board passed the budget unanimously.

Chairman Eberlein recessed the meeting at 6:21 p.m. due to technical difficulties.

Chairman Eberlein reconvened the meeting at 6:24 p.m.

Kootenai County

Clerk Jim Brannon introduced Finance Director Dena Darrow and provided an overview of the proposed FY19 Budget. He said that the County Budget was a county effort and thanked each person who helped put the Budget together. Clerk Brannon guided each member of the public through the packet of Budget documents they had received upon entering the meeting and noted that the Proposed FY19 Budget was \$94,125,596. Further, \$47,299,287 of the proposed budgeted amount were Property Tax dollars.

Ms. Darrow said some of the key drivers for the Budget were a 1.5% property tax increase, \$7.8 million for Capital projects, a 2.5% merit wage increase and a 2% increase for the Sworn Officer Matrices.

Ms. Darrow and Clerk Brannon briefed the attendees on the Budget; they explained what a budget was, where the money came from, when and why budget amendments happen, levy rates, Urban Renewal Districts and their impact. Ms. Darrow then showed an example of a Property Tax bill and explained that Kootenai County represented about 12% of the entire tax bill, with Coeur d'Alene Urban Renewal District and Coeur d'Alene City and School District making up roughly 70% of the tax bill. Clerk Brannon pointed out that the Urban Renewal Impact for the County was estimated \$1.158 billion, and if added to the County tax base, would help decrease the levy rate by \$17.27 per \$100,000 of property value.

Clerk Brannon explained the major Capital Expenditures, explaining they did not require any property tax increases, as they would all be funded by Restricted and Assigned Fund Balances. Further, he explained there had been 28 positions requested for the FY19 Budget, but only 7.28 had been funded. He noted there were nine additional positions added during the FY18 Budget season, not including reclassifications, temps, or Jail staffing. Ms. Darrow said the BOCC had tried to keep tax increases lower and explained that open positions greater than 100 days were budgeted at 60%, Fund Balance was used for capital, medical insurance increase and County Assistance Operations.

Ms. Darrow showed a trend on Fund Balance spending and pointed out that over time, the County had begun to rely on Fund Balance to fund their operations. She then noted they would have to begin to consider how to fund sustainable operations for the future.

Clerk Brannon showed a chart that depicted how the \$94 million budget was separated by Elected Official. He said some of the larger increases were driven by Justice Services, like Sheriff, Prosecutor and Public Defender. He also showed a graph that illustrated how property taxes were the highest contributor of County funding, coming in at \$47,299,287, and Fees, Charges and Interest (\$27,250,714) at 29% coming next.

Clerk Brannon then provided an overview of the Expenditures, explaining that 64% (\$59,964,664) of the County Expenditures were equated to Personnel Costs, while Operating Costs (\$26,370,956) equaled 28% and Capital was 8% (\$7,789,976).

E. Public Testimony

Chairman Eberlein asked for public testimony.

Mr. Frank Davis, 5433 Government Way, Coeur d’Alene, discussed budget amendments and stated his concerns about when the budget was amended. He then said the beginning of the fiscal year was when he believed the issues with expenditures would begin, citing “back-room deals”; for example, the purchase of vehicles outside the budget with no corresponding documentation to show the purchases – minutes, memos, etc. Mr. Davis said there was no reason to have a budget if the Commissioners were not going to follow it and opined that it was not fair to all the other Elected Officials that worked hard to remain under budget.

Mr. David Fair, 3875 N. Chase Rd., Post Falls, began by stating the Fairgrounds had successfully completed their highest attended fair, with attendance hitting 85,000. He said the event provided great food, exhibits and entertainment while provided a positive impact to the community and local business owners. Mr. Fair thanked the Board for the \$175,000 support given to the Fairgrounds during the FY18 Budget season; however, even though those monies went to ADA construction projects, there were still projects that were incomplete. He said he realized the Board had to balance the Budget and that every division needed their fair share, but he was requesting the Board consider increasing the Fairgrounds’ portion to \$150,000.

Ms. Deborah Rose, 27145 Dove Haven Lane, Athol, said she might not always agree with the decisions the Board made, but she wanted to thank the Board for their continued efforts and to each of the County staff members for their hard to work to keep the County running smoothly.

Mr. Russ McLain, 2360 E. Hayden View Dr., Coeur d’Alene, said last year there had been discussion on taking more than a 1.5% tax increase. He explained that there had been a situation in Post Falls wherein a person had been arrested for drug possession, who was ultimately released because of how long it took a K9 unit to arrive. Mr. McLain said there were staffing concerns and opined that it was time to take the full 3% tax increase.

F. Deliberations (Discussion)

Commissioner Fillios moved to exit Public Testimony and enter into Deliberations. Commissioner Bob Bingham seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye
Commissioner Fillios: Aye
Chairman Eberlein: Aye

The motion carried.

There were no deliberations.

G. Adoption of FY19 Budget (Action)

a. Motion Regarding Aquifer Protection Budget

Commissioner Fillios moved to approve the Aquifer Protection District Budget as presented. Commissioner Bingham seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye
Commissioner Fillios: Aye
Chairman Eberlein: Aye
The motion carried.

b. Motion Regarding KCEMSS Budget

Commissioner Bingham moved to approve and accept the KCEMSS Budget as presented. Commissioner Fillios seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye
Commissioner Fillios: Aye
Chairman Eberlein: Aye
The motion carried.

c. Motion Regarding Kootenai County Budget

Commissioner Fillios moved to adopt the FY19 Kootenai County Budget as presented for the amount of \$94,125,596. Commissioner Bingham seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye
Commissioner Fillios: Aye
Chairman Eberlein: Nay
The motion carried.

H. Administrative Items (Action)

a. Disclaimer of Forgone Tax Increase

Commissioner Bingham moved to disclaim the unused 1.5% property tax increase in the amount of \$687,982 for FY19 Budget. Commissioner Fillios seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye
Commissioner Fillios: Aye
Chairman Eberlein: Aye

b. Commissioner Compensation Request

Commissioner Bingham said he had made a campaign pledge to not increase taxes and if so, to cut his salary the amount of the tax increase; he then requested to have his salary cut by 1.5%.

Commissioner Fillios moved to approve Commissioner Bingham's request to lower his annual compensation by 1.5% and clarified the salary would be restored to its full amount when the new commissioner candidate would take his place. Chairman Eberlein seconded the motion. There being no further discussion, Deputy Clerk Davisson called the roll:

Commissioner Bingham: Aye

Commissioner Fillios: Aye

Chairman Eberlein: Aye

The motion carried.

- I. **Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There were no public comments.

Chairman Eberlein adjourned the meeting at 6:57 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

MARC EBERLEIN, CHAIRMAN

BY: _____
Ronnie Davisson, Deputy Clerk
