

**Minutes of Meeting**  
**FY23 Public Budget Hearing**  
**August 31, 2022**  
**6:00 p.m.**

The Kootenai County Board of Commissioners: Chairman Chris Fillios, Commissioner Leslie Duncan and Commissioner Bill Brooks met to discuss the following agenda items. Also present were Clerk Jim Brannon, Chief Deputy Clerk Jennifer Locke, Finance Director Brandi Falcon, Deputy Finance Director Keith Taylor, Elections Manager Asa Gray, County Assistance Manager Shelly Amos, Accounting Supervisor – AP & Spending Lori Shaw, Senior Technical Accountant Rae Ann Fritsche, Staff Accountant – Grants Julina Hildreth, Administrative Assistant Ronnie Davisson, Prosecutor Barry McHugh, Human Resources (HR) Director Sylvia Proud, Assessor Bela Kovacs, Treasurer Steve Matheson, KCSO Sheriff Robert Norris, Undersheriff Brett Nelson, Lieutenants Nancy Ellis, Mark Ellis, Kyle Hutchison, Sergeant Zachary Sifford, Detention Deputy Nick Kerfoot, KCSO Chief Budget Officer Stephanie Drobny, KCSO Administrative Assistant Bridget Gernns, Parks & Waterways (P&W)/Noxious Weeds/Snowgroomers Director Nick Snyder, First Judicial District Trial Court Administrator Karlene Behringer, BOCC Administrative Supervisor Leighanna Keiser, BOCC Communications Coordinator Jonathan Gillham and Deputy Clerk Tina Ginorio. Also present were KCEMSS (Kootenai County Emergency Medical Services System) Chief Bill Keeley, Aquifer Protection District Board Chair Necia Maiani, Coeur d’Alene Press Reporter Kaye Thornbrugh, Post Falls City Administrator Shelly Enderud, Rathdrum City Administrator Leon Duce, Rathdrum Mayor Vic Holmes, Idaho 97 Representative Alicia Abbot, Teresa Borrenphol, James Green, Georgina Rodger-Wilson, Boise Resident Megan Dardis Kunz, Kootenai County Residents Bruce Mattare, Ruben Miranda, Dena Darrow, Michelle Chiaramonte, Erin Barnard, Deborah Rose, Sherry Ransier, Laura Tenneson, Alan White, Bryan Petersen, Linda Bushling, Ryan Peterson, Jeanette Bradley, and Kristy Reed Johnson.

- A. Call to Order:** Chairman Chris Fillios 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**
- D. FY23 Budget Hearing Pursuant to Idaho Code §31-1605 (Discussion)**

**Aquifer Protection District**

Aquifer Protection District (APD) Board Chair Necia Maiani explained the APD’s mission and asked the Board to approve their proposed Budget for FY23.

Chairman Fillios noted that the APD was mandated by state statute.

**Kootenai County Emergency Medical Services (KCEMSS)**

KCEMSS (Kootenai County Emergency Medical Services) Chief Bill Keeley described the resources and responsibilities of the organization. He asked the Board to approve their proposed Budget for FY23.

## **Kootenai County**

Clerk Jim Brannon praised the efforts of the Auditor's Office staff and announced that Brandi Falcon would be promoted from Staff Accountant – Budget to Finance Director. He also recognized the contributions made by Deputy Finance Director Keith Taylor.

Ms. Falcon reported that the FY23 Budget was \$120,476,935, composed of \$83,103,294 for Personnel Expenses, \$31,804,524 in Operating Expenses and \$5,569,117 in Capital Outlay. She described the challenges that had been encountered in the creation of the Budget:

- The inclusion of the COLA (Cost of Living Adjustment) and Wage Study results into the Personnel Budget.
- The impact of House Bill 389, which caused a loss of revenue to the County of \$1,807,814 in FY22 and FY23.
- House Bill 735, which prevented the County from including Public Defense funding in the levy, but compelled it to rely on fixed sales tax distributions from the State and grant revenues.
- House Bill 316, which doubled the County's burden for funding Panhandle Health District, from \$800,000 to \$1.6 million.
- ITD (Idaho Transportation Department) centralization, resulting in a loss of DMV (Department of Motor Vehicles) revenue, which made an increase in fees necessary.

Ms. Falcon reviewed the different funds that were components of the Budget, those which were property tax supported, self-supported via special revenue, enterprise funded and grant funded. She broke down the increases in all three areas of the Budget, and described how the property tax levy was divided among different areas. She also touched on the County's other sources of revenue.

Ms. Falcon closed with the declaration that the County had healthy fund balance reserves and was debt free. She announced that Kootenai County had been chosen as one of seven Counties for the State of Idaho Controller's Office to participate in the "Transparent Idaho" project and had, once again, received an award from the Government Finance Officers Association for outstanding financial reporting.

Chairman Fillios gave a brief explanation of the relation of valuation to actual property taxes charged. He said that, although assessed values had increased sharply in many cases this year, tax bills had not increased by the same proportion.

## **Elected Official Salary – Reduction in Assessor Salary**

Chairman Fillios read a statement into the Record regarding the proposed reduction in the salary of the County Assessor. He indicated that this was an unprecedented situation and one approached with much reluctance. He listed the reasons behind the proposal.

Chairman Fillios stated that public comment would now be accepted and reminded those present of the need to keep such comments to a limit of three minutes, so everyone would have the chance to be heard.

**E. Public Testimony**

Deborah Rose, from Coeur d'Alene, voiced her disapproval of Commissioner Leslie Duncan for suggesting that the Board consider reducing funding to Heritage Health.

Laura Tenneson, from Coeur d'Alene, voiced disapproval of Commissioner Duncan for her suggestion regarding Heritage Health.

Idaho 97 Representative Alicia Abbot also said she disapproved of Commissioner Duncan's suggestion about Heritage Health and called on people to reject "supremacist rhetoric."

Megan Dardis-Kunz, of Boise, Idaho, also said she disapproved of Commissioner Duncan's suggestion and called for continued County support of Heritage Health.

Teresa Borrenpohl praised the efforts of Heritage Health and asked the Board to continue their funding.

Alan White, Rathdrum, criticized the Board for their proposed actions regarding Assessor Bela Kovacs. He voiced his support for Assessor Kovacs.

Post Falls City Administrator Shelly Enderud asked the Board not to have the penalties and interest from late property tax payments retained by the County. She urged that these funds continue to be sent to the taxing districts.

Rathdrum City Administrator Leon Duce voiced his agreement with Ms. Enderud.

James Green indicated his support for Assessor Kovacs.

Kootenai County Resident Linda Bushling also voiced her support for Assessor Kovacs.

Kootenai County Resident Ryan Peterson said he opposed the County's COLA and salary increases for employees, voiced his support for Assessor Kovacs and complained about property tax assessments. He asked why the Board had not implemented impact fees for new development ten years ago.

Kootenai County Resident Jeanette Bradley explained that she had previously been an employee in the Kootenai County Auditor's Office and had regular contact with Assessor Kovacs. She outlined the issues she had encountered with his behavior and described the problems that had occurred which were related to the management of Assessor's Office before she had departed from her position.

Rathdrum Mayor Vic Holmes asked that the County not retain penalties and interest accrued on late property tax payments.

Georgina Rodger-Wilson praised Heritage Health's services and asked that the County continue to fund them.

Kootenai County Resident Kristy Reed-Johnson also urged that the County continue to fund Heritage Health.

Assessor Kovacs provided a defense of his management of the Assessor's Office during his tenure.

Chairman Fillios declared a ten minute recess.

The meeting entered into recess at 7:21 p.m.

Chairman Fillios reconvened the meeting at 7:32.

Commissioner Duncan moved that the Board end public testimony and enter into deliberations. Commissioner Bill Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks:           Aye  
Commissioner Duncan:         Aye  
Chairman Fillios:                Aye

The motion carried.

**F.       Deliberations (Discussion)**

**G.       Adoption of FY23 Budget (Action)**

**Motion Regarding Aquifer Protection District Budget**

Commissioner Duncan moved that the Board approve the Aquifer Protection District Budget for FY23. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks:           Aye  
Commissioner Duncan:         Aye  
Chairman Fillios:                Aye

The motion carried.

**Motion Regarding Kootenai County Emergency Medical Services (KCEMSS)**

Commissioner Brooks moved that the Board approve the Kootenai County Emergency Medical Services Budget. Commissioner Duncan seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks:           Aye  
Commissioner Duncan:         Aye  
Chairman Fillios:                Aye

The motion carried.

**Motion Regarding Kootenai County Budget**

Commissioner Brooks remarked that he felt everyone had worked very hard on the Budget and had arrived at a very good balance for all stakeholders.

Commissioner Duncan asked whether there had been enough money set aside to fund all the adjustments to the matrices.

Ms. Falcon confirmed that there had been enough to cover the matrices. She stated that there was about \$490,000 left in the account which had been set aside for this.

Commissioner Duncan suggested that the Board add \$50,000 to that amount and only raise taxes by 2% instead of 3%.

Commissioner Brooks indicated he would not support that suggestion.

Commissioner Duncan then suggested that they place the \$490,000 into an account to pay for moving staff into the new Kootenai North Building, the former site of Kootenai Electric Cooperative. She added that a satellite Motor Vehicle office could possibly also be paid for from it.

Chairman Fillios reviewed the COLA and wage increases for County staff. He said that taking a 2% instead of a 3% tax increase would not result in a significant savings per property on the tax rolls (about \$5 per property). He added that he would support placing the \$490,000 into a fund earmarked as Commissioner Duncan had suggested.

Commissioner Brooks voiced his agreement.

Commissioner Duncan moved that the Board approve the Kootenai County Budget for FY23. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks:	Aye
Commissioner Duncan:	Aye
Chairman Fillios:	Aye

The motion carried.

Chairman Fillios thanked Ms. Falcon for her outstanding performance. He said that the Budget process had become faster and more efficient each year since he had become a Commissioner. He thanked the whole Auditor's staff also.

#### **Motion Regarding Assessor Salary**

Commissioner Duncan stated that the Board had been reluctant to consider this action, but they felt they must. She expressed her personal regret and added that she would never have proceeded with this unless she felt it was warranted.

Chairman Fillios quoted Idaho Code 31-802 regarding the powers and responsibilities of the Board of County Commissioners. He also expressed his reluctance to take this step.

Commissioner Brooks moved that the Board reduce the Assessor's salary to \$45,000 per year, effective in the next Budget Year, October 1, 2022. Chairman Fillios seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

**H. Adjournment:** Chairman Fillios adjourned the meeting at 7:46 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

BOCC SIGNATURE

BY: \_\_\_\_\_

Tina Ginorio, Deputy Clerk