

**Minutes of Meeting
Elected Officials
April 21, 2021
9:00 a.m.**

The Kootenai County Board of Commissioners: Chairman Chris Fillios and Commissioner Leslie Duncan met to discuss the following agenda items. Also present were Assessor Bela Kovacs, Clerk Jim Brannon, Prosecutor Barry McHugh, KCSO Sheriff Robert Norris, Treasurer Steve Matheson, Chief Deputy Clerk Jennifer Locke, Deputy Finance Director Keith Taylor, Accounting Supervisor– AP & Spending Lori Shaw, Human Resources (HR) Director Sylvia Proud, HR Generalist – Benefits & Compensation Dorothy Cross, BOCC Communications Manager Nancy Jones, BOCC Senior Business Analyst Nanci Plouffe and Deputy Clerk Tina Ginorio. Commissioner Bill Brooks was excused.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 9:06 a.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

Consideration of Replacement for Idaho Association of Counties Board (Action)

Prosecutor Barry McHugh informed those present that, since jury trials had resumed, he no longer had time to continue as the Kootenai County representative to IAC (Idaho Association of Counties). He said he intended to finish out this Legislative session and asked if someone would be willing to take it on after that.

Commissioner Leslie Duncan volunteered to take over the position. She suggested that Assessor Bela Kovacs, who had expressed an interest, be her alternate.

Assessor Kovacs indicated he was not sure he could commit himself at this time, as there were a great many issues in his department he wanted to address.

Prosecutor McHugh said he could take the alternate position.

Treasurer Steve Matheson asked if the position was a worthwhile commitment of time.

Prosecutor McHugh responded that he thought it was. He said it allowed Kootenai County's interests to be directly represented in any important decisions.

It was generally agreed that this would be placed on May's Elected Officials agenda as an action item.

January 12, 2021 Windstorm Property Damage Casualty Loss Exemption (Discussion)

Assessor Kovacs reported that significant property damage resulted from the January 12, 2021 windstorm. He said that one of his Appraisers had been called out to view a damaged property to see if there would be any impact on the assessment of value. He

explained that the property had been mostly restored when the Appraiser viewed it, so from the Appraiser's point of view, it had been returned to its original value. However, he predicted that more cases of this sort would be brought.

Assessor Kovacs explained the provisions of Idaho Code 63-602X, which related to relief provided for property owners that experienced hardships due to casualty loss. He remarked that this had mainly been applied to fire damage in the past, but could possibly be relevant in other types of damage. He said he wanted to make sure the Board was warned of the potential issue and asked if the Commissioners knew of any report forms that had been used previously.

Commissioner Duncan pointed out the assessments that would be affected would be those after the cut-off date of January 1, 2021.

Assessor Kovacs stated that the statute to which he had referred was intended to apply from January 1 through the fourth Monday of June. He explained that there was a formula included in the statute which would introduce an exemption for the remainder of the year.

Assessor Kovacs reported that after the fourth Monday of June, a different statute, 63-711, would come into effect and would involve a possible cancellation of taxes. He confirmed that the responsibility for the issue belonged to the County, according to the State Tax Commission.

Chairman Fillios thanked Assessor Kovacs for bringing the problem to the Board's attention and assured him they would investigate.

Idaho State Parks and Recreation (ISPR) Request to Resume Titling and Licensing of Recreational Equipment (Discussion)

Assessor Kovacs reported that he had received a request from the Idaho State Parks and Recreation Department (ISPR) for the County Assessor's staff to take back the provision of titles and licenses for recreational equipment. He explained that there had been substantial changes at ISPR and the Idaho Transportation Department that had led to some evolution in their areas of responsibility. He said the state agencies had told him this change did not need to be made immediately; it could be put off until next year if necessary.

Assessor Kovacs expressed his concern that he did not currently have the staff available to take on the additional workload this change would entail, but that he felt it was important that his department take up these duties as soon as could be arranged. He reminded those present that Commissioner Brooks had expressed concern and had spoken of customer dissatisfaction in regard to the DMV (Department of Motor Vehicles) not being able to answer phone calls due to their current workload. He reported that he had been unaware that the DMV phones had not been set up to accept voice mail messages until two months ago. He pointed out that this had created a new workload for his staff after he had IT (Information Technology) change the phone system to accept voice mails.

Assessor Kovacs predicted that he would be coming to the BOCC with a mid-year request for additional personnel for these reasons.

Commissioner Duncan suggested that he ask the state agency if they could provide funding for the additional staff he would need to take the recreational vehicle title and licensing back.

Assessor Kovacs said he would make inquiries of the state for resources. In response to a comment from KCSO Sheriff Robert Norris, he stated that Idaho Statute 67, Chapter 7029 outlined the responsibilities of the state and the county in this area.

Kootenai County Policy 930 (Discussion)

Commissioner Duncan provided a draft of proposed revisions to Policy 930 and explained her purpose in offering the changes were to bring the old policy into alignment with state statute. She added that Elected Officials should gain a bit more flexibility of action in managing their budgets, since one of the proposed changes was to increase the per transaction amount to require that an item be brought before the Board.

Commissioner Duncan called attention to the wording of item 3 of Policy 930: "The use of excess appropriated funds across A, B or C budget categories is prohibited without the express written approval of the Board of County Commissioners." She explained that she interpreted this as saying that if there were excess funds in any of those categories, Board approval would have to be sought in order to use them for other than the originally designated purposes.

Commissioner Duncan stated that most of the changes had occurred in Section B of Policy 930. She quoted the draft language: "Elected Officials and Department Heads may spend up to \$10,000 per transaction within a B budget line item without advance approval from the Board. Expenditures in excess of \$10,000 per transaction shall require express Board approval, unless authorized through a BOCC signed contractual agreement." She offered examples to illustrate the point.

Sheriff Norris asked if Policy 930 had been based on a policy from another county in Idaho. He remarked that he had made inquiries and no one he had spoken to in any other county had heard of a policy like this.

Commissioner Duncan noted that the policy was based on adherence to state law. She stressed that the language of current version of Policy 930 conflicted with state law.

Clerk Jim Brannon asked if there was case law in support of the issue.

Commissioner Duncan said she was not aware of case law in support of or in opposition to the issue at this time.

Clerk Brannon expressed his concern that moving forward with the language as it stood could create the opposite result from what Commissioner Duncan intended. He remarked that she wanted to increase clarity of reporting and transparency, but this could

encourage people to avoid proper line item budgeting in order to avoid the inconvenience of coming before the Board with requests. He offered historical examples of different ways Elected Officials had been treated in the case of overspending a budget: one Elected Official had had to pay the overspent amount back, while two others had more recently had their budgets made whole.

Clerk Brannon described the role of the Auditor and Auditor's Office staff in managing the budgets and presenting payable expenses. He informed those present that the Kootenai County Auditor's Office had been used as a prototype for the new statewide system being implemented by the State Controller to increase transparency.

Clerk Brannon offered the example of the completely unexpected need for the Elections Office to provide a mail-in Election in 2020. He remarked that this interpretation of Policy 930 would compel Elected Officials to budget for events that were unlikely to ever take place. He closed with the request that Commissioner Duncan discuss the implications of these changes with him in his position of County Auditor before proceeding further.

Sheriff Norris expressed his concern that the changes would create more bureaucracy and reduce efficiency. He stated that he opposed the proposed changes.

A discussion followed among those present regarding points of law, interpretation of statutes, the areas of responsibilities of different Elected Officials and technical issues.

Clerk Brannon asked Deputy Finance Director Keith Taylor and Accounting Supervisor – AP & Spending Lori Shaw to give their input on the matter.

Mr. Taylor explained how the Auditor's Office monitored the budget and what level of flexibility the Elected Officials now possessed.

Ms. Shaw explained how she and Accounting Clerk - AP Backup Randi Davis review invoices. She commented that the new requirements under the changes Commissioner Duncan recommended would probably increase their workload, possibly to a point that additional staff could be needed.

Chairman Fillios suggested that Commissioner Duncan provide a copy of the legal opinion she had received to all Elected Officials and that further discussion of the proposed changes be deferred until the next meeting.

Mr. Taylor and Ms. Shaw exited the meeting at 10:07 a.m.

FY22 Compensation Planning and Strategy (Action)

Human Resources (HR) Director Sylvia Proud provided a presentation on the FY22 Compensation Strategy. She explained that HR had been asked to develop matrices for the General Pay Plan, Attorneys and Chief Deputies, in addition to maintaining the Sworn Officer Matrix. She reviewed proposed 14 step matrices for the new plans and shared the estimated costs for each possible option: placement on the closest step of a matrix, placement on the closest step of a matrix with COLA (Cost of Living Adjustment),

placement with a 1 step increase, placement with a 1 step increase and COLA. She also reviewed the estimated costs for three options for Elected Officials' salaries.

Ms. Proud discussed problems the County was having with recruitment and retention of employees and how much it cost the County to replace staff. She noted that Kootenai County's employee turnover rate in 2020 had been about 15.5%, at an estimated cost of \$9,131,986.

Ms. Proud asked direction from the Board on which of the proposed matrices they preferred. She said HR would continue to provide analyses and projections based on the Board's recommendations. She predicted that there would be about an \$800,000 increase in cost for employee health insurance and urged the Commissioners to consider how they wished to deal with that.

D. 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.

E. Adjournment (Action): Chairman Fillios adjourned the meeting at 10:35 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

CHRIS FILLIOS, CHAIRMAN

BY: _____
Tina Ginorio, Deputy Clerk
