

**Minutes of Meeting  
Budget Deliberations  
May 31, 2023  
2:00 p.m.**

The Kootenai County Board of Commissioners: Chair Leslie Duncan, Commissioner Bruce Mattare and Commissioner Bill Brooks met to discuss the following agenda item. Also present were Clerk Jennifer Locke, Chief Deputy Clerk Grace Blomgren, Finance Director Brandi Falcon, Deputy Finance Director Keith Taylor, Accountant – Budget Arrow Gidney, Staff Accountant – Grants Rae Ann Fritsche, Staff Accountant – Grants Julina Hildreth, Elections Manager Asa Gray, Court Services Manager Kally Young, Deputy Trial Court Administrator Samantha Wallis, Trial Court Administrative Assistant Acacia Hildreth, KSCO Sheriff Bob Norris, KCSO Undersheriff Brett Nelson, KCSO Captains Kevin Smart and Stuart Miller, Treasurer Steve Matheson, Prosecutor Stanley Mortensen, Human Resources Director Sylvia Proud, Human Resources Generalist-Employee Relations Dorothy Cross, Juvenile Diversion Supervisor Douglas Hall, Community Development Director David Callahan, Community Development Planning Manager Ben Tarbutton, Community Development Administrative Manager Reba Grytness, Community Development Planner III Adam Knight, Community Development Certified Building Official Christina Garland, BOCC Senior Business Analyst Nanci Plouffe, Communications Coordinator Jonathan Gillham and Deputy Clerk Rosanna Santiago. Also present was Kootenai County resident John Padula.

- A. Call to Order:** Chair Leslie Duncan called the meeting to order at 2:02 p.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

**FY24 Budget Kickoff Presentation with Finance Director Brandi Falcon (Action)**

Finance Director Brandi Falcon presented the FY24 Proposed Budget. She went over portions of the Budget regarding revenues, expenses, and new requests. She also presented a timeline for Budget Deliberations and options for balancing the Budget.

Ms. Falcon introduced two preliminary summary options. The two options included tax increases in the amounts of 0%, 1%, 2%, or 3%, with alternatives to either keep or partially fund open positions that had been open more than 100 days.

Ms. Falcon said there was a smaller gap between revenues and expenses this year due to several reasons such as, the counties no longer having to levy for Public Defense, the State reimbursing counties for most of the costs of Public Defense, additional revenue that resulted from economic trends and interest rates, reduction in the property tax burden due to the DMV's (Department of Motor Vehicles) increased fees and no increase to health insurance costs. She said that these resulted in approximately a \$9.2 million reduction on property tax burden. However, she clarified that several of these were anomalies and should not be expected to occur each year.

Ms. Falcon explained that revenues were categorized as property tax, non-property tax, and restricted fund balance. She stated that the Auditor relied on values provided by the Assessor to calculate the preliminary levy rate and that the Auditor then would transmit these values to all of the taxing districts for their budgets. She also went over the statutory dates for processing property assess values and provided a brief overview of House Bill 292.

The Budget included expenses for \$83 million in Personnel costs and \$33 million in Operating (OPEX) costs. Ms. Falcon reported that the \$83 million in Personnel costs included the \$8 million costs associated with open positions.

Ms. Falcon noted the new requests made to the Budget. Personnel-related costs included \$1.1 million for new positions, \$900,000 for changes to existing positions, \$1.1 million for salary adjustments to place employees on the correct step on the County Matrix based on time in position, \$1.2 million for a new 5-year salary matrix for Patrol in Sheriff's Department and \$807,000 for placing employees on the next step on the Matrix on their position anniversary date. Operating expense requests totaled \$1.6 million and Capital requests totaled \$17.2 million.

Ms. Falcon reviewed a timeline for Budget Deliberations, noting that the deadline for publishing the preliminary balanced budget and the public hearing date was August 14th. She also said that the public budget hearing had been scheduled for August 30th.

Ms. Falcon presented options for balancing the Budget. These options included increasing taxes from 0%-3%, choosing to accept the URD (Urban Renewal District) returns, utilizing fund balance reserves, and increasing fees. Additional options presented included various Personnel cuts and reviewing individual departmental Operations Budgets ("B" Budget) and new Capital ("C") Budget requests.

There were several uncertainties that could affect the Budget according to Ms. Falcon. These included the funding for the Justice Center Expansion project and the KC North Campus, department relocations, the future PMR Clinic location, and Public Defense expenses and accrual payouts.

Chair Duncan said that the Facilities Group would provide further information at the June 13<sup>th</sup> meeting. She also said that it was their goal for the new onsite clinic to be housed on county-owned property.

Chair Duncan asked about the Public Defender's Office rent and fund balance. Ms. Falcon said that Indigent Fund Balance and sales tax revenue would be allocated for the Public Defender's Office rent.

Ms. Falcon stated that it would be difficult to estimate the revenue lost due to the homeowner tax exemptions that would be granted mid-year.

Substantial discussion followed regarding salaries, COLA (Cost of Living Adjustment), and inflation rates.

Ms. Falcon and Human Resources Director Sylvia Proud were tasked with re-calculating salary matrices after including adjustments for inflation. Commissioner Mattare said that having more options would be better. The Board gave direction to look at bringing Elected Officials' salaries to market. Ms. Falcon said she would calculate a 6% inflationary adjustment to the matrices.

Chair Duncan reported that the public hearing for Community Development fees was scheduled for June 22, 2023 and that those fees might go into effect on October 1, 2023. She said that she was not in favor of a 3% tax increase and that some cuts to the Budget could be made. She also would like the Commissioners to consider returning the revenue collected from the Urban Renewal Districts to the taxpayers.

There was no motion made.

**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):** Chair Duncan adjourned the meeting at 2:37 p.m.

Respectfully submitted,

JENNIFER LOCKE, CLERK

BOCC SIGNATURE

BY: \_\_\_\_\_  
Rosanna Santiago, Deputy Clerk