

Minutes of Meeting
Board of County Commissioners
June 17, 2022
11:30 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, Chief Deputy Clerk Jennifer Locke, Deputy Finance Director Keith Taylor, Staff Accountant – Budget Brandi Falcon, Airport Director Steven Kjergaard, Airport Administrative Secretary Kim Stevenson, BOCC Communications Coordinator Jonathan Gillham and Deputy Clerk Tina Ginorio. Also present was Kootenai County Resident Steve Anderson. Commissioner Bill Brooks was excused.

- A. Call to Order:** Chairman Chris Fillios called the meeting to order at 11:30 a.m.
- B. Changes to the Agenda (Action):** There were no changes to the agenda.
- C. Business:**

Financial Review of Airport by Clerk’s Office (Action)

Commissioner Leslie Duncan stated that the Airport’s Fund Balance seemed to be in a state of shortfall at the moment, probably due to a payment timing issue. She said that it would be a good idea to have the Auditor provide a financial review to clarify the question for the Board during the Budget process.

Airport Director Steven Kjergaard reported that the apparent shortfall resulted from the Gulf Stream Road Development. He called attention to the document he provided which detailed the status of the different leases in that development. He stated that Lots 1, 3 and 5 were leased to Stancraft, with payments expected shortly. He said they expected a check for the lease on Lot 4 next week. He reported that Lot 6’s lease agreement had just been approved by Legal and he expected that would be finalized by the end of the month, but they had until September 1, 2022 to make their payment.

Mr. Kjergaard remarked that, between Lots 4 and 6, \$380,000 was accounted for immediately. He provided details regarding the arrangements for Lots 1, 3 and 5, which would account for about another \$500,000. He said that there had been some updated information received for Lot 2, which had caused a delay.

Mr. Kjergaard said that, of the three smaller lots, one lease holder had already paid, while the other was refusing to pay.

Commissioner Duncan confirmed that the Board and Mr. Kjergaard were working on a resolution with the person who was refusing to pay.

Mr. Kjergaard confirmed that he expected all the remaining payments would be received by the end of the fiscal year; if a payment was not received by then, the person would be in violation of the lease agreement.

Mr. Kjergaard concluded that this explained the timing issue which had resulted in an appearance of a shortfall where none actually existed. He predicted that the work on the Extension should be completed by the middle of August, if everything arrived as expected.

Commissioner Duncan moved that the Board request the Clerk's Office do a financial review of the Airport. Chairman Fillios seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Excused

Commissioner Duncan: Aye

Chairman Fillios: Aye

The motion carried.

Mr. Kjergaard and Administrative Secretary Kim Stevenson exited the meeting at 11:38 a.m.

Assessor Motor Vehicle License Fee Increase (Action)

Assessor Bela Kovacs reported that he had received notification in February 2022 from the Idaho Transportation Department (ITD) that they were going to withdraw funding for fees the Counties normally received for processing the online and mail-in renewals. He remarked that this revenue mostly paid for the department's overhead, so this would have a substantial impact. He said he received a financial analysis on this from the Clerk's Office in early April.

Assessor Kovacs provided details of the discussions and negotiations that were ongoing with ITD. He said that the County needed to take action and raise its fees or DMV (Department of Motor Vehicles) would be in a position of needing to request funds from local property taxes for FY23.

Deputy Finance Director Keith Taylor said that there was an estimated \$542,000 shortfall for FY23, due to this issue, despite other fee increases that had been approved recently. He explained that this was the amount the taxpayers would have to cover next year if the requested fee increase did not take place.

Chief Deputy Clerk Jennifer Locke pointed out that foot traffic to DMV had also not reduced.

Assessor Kovacs said that DMV had recently resumed selling the Parks & Rec stickers for boats, snow mobiles and off road vehicles, which had increased the foot traffic. He confirmed that the hope was to cover the whole \$542,000 FY23 shortfall by the proposed fee increases.

Mr. Taylor provided additional details about expenses that would be incurred and needed to be balanced with fees.

Ms. Locke reported that all the counties were waiting to see if DMV foot traffic would slow and what else would happen to affect the situation. She said the first loss to the County would be in on-line revenue for FY23 of about \$302,180 and a second loss of County mail-in revenue in FY24 in the amount of about \$275,749, if ITD continued on this

course. She added that, if dealers became able to do titles online, that would entail a third reduction of about \$60,732.

Commissioner Duncan said she did not think a motion was required at this point, because the Assessor was able to begin the process, with assistance from Legal, and it would be brought to a Business Meeting after it had been appropriately posted in the paper.

Assessor Kovacs stated that it was the Admin Fee that would be adjusted, based on salary savings, personnel hires and other factors.

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 11:48 a.m.

Respectfully submitted,

JIM BRANNON, CLERK

BOCC SIGNATURE

BY: _____
Tina Ginorio, Deputy Clerk