

Minutes of Meeting
FY24 Public Budget Hearing
August 30, 2023
6:00 p.m.

The Kootenai County Board of Commissioners: Chair Leslie Duncan, Commissioner Bruce Mattare and Commissioner Bill Brooks met to discuss the following agenda items. Also present were Clerk Jennifer Locke, Chief Deputy Clerk Grace Blomgren, Finance Director Brandi Falcon, Deputy Finance Director Keith Taylor, Staff Accountant – Budget Arrow Gidney, Elections Manager Asa Gray, KCSO Sheriff Robert Norris, KCSO Undersheriff Brett Nelson, KCSO Captain Kevin Smart, KCSO Lieutenants Zachary Sifford and Justin Arts, KCSO Chief Budget Officer Stephanie Drobny, Assessor Bela Kovacs, Chief Deputy Assessor Ben Crottinger, Adult Misdemeanor Probation (AMP) Director Keith Hutcheson, Solid Waste (SW) Operations Manager Doug Goodwin, SW Business & Finance Manager Angela Burgeson, Human Resources (HR) Director Sylvia Proud, BOCC Administrative Supervisor Leighanna Keiser, BOCC Executive Assistant Sara Masters, BOCC Communications Coordinator Jonathan Gillham and Deputy Clerk Tina Ginorio. Also present were Aquifer Protection District (APD) Board Chair Necia Maiani, Kootenai County Emergency Medical Services System (KCEMSS) Chief Bill Keeley, KCEMSS Director of Finance Tracey Abrahamson and Kootenai County Residents Charity Myser and William Le.

- A. Call to Order:** Chair Leslie Duncan called the meeting to order at 6:00 p.m.
- B. Moment of Silence**
- C. Pledge of Allegiance**
- D. Changes to the Agenda (Action):** There were no changes to the agenda
- E. Chairman’s Opening Remarks**
- F. FY24 Budget Hearing Pursuant to Idaho Code §31-1605 (Discussion)**

Aquifer Protection District

Aquifer Protection District (APD) Board Chair Necia Maiani explained the APD’s history and mission. She stated that they had received eight external requests for FY2024, totaling \$600,752, and were recommending seven, for a total of \$559,752. She said that they also had internal projects planned in the amount of \$142,380. She listed their intended funding plans and noted that they would appropriate \$201,638 from their Fund Balance. She asked the Board to approve their proposed Budget for FY24.

Chair Duncan commended the APD Board for continuing to draw down their fund balance.

Treasurer Steve Matheson entered the meeting at 6:11 p.m.

Kootenai County Emergency Medical Services System (KCEMSS)

KCEMSS (Kootenai County Emergency Medical Services System) Chief Bill Keeley described the resources and responsibilities of their organization. He listed the level of service that his organization had provided over the past year. He indicated that their focus for the coming fiscal year was to provide increases to partner agencies, support the ten-year vehicle and equipment replacement plan, support KCEMSS staff and hire a new Chief Officer, since he planned to retire. He listed challenges they expected to face and their current financial predictions. He asked the Board to approve their proposed Budget for FY24.

Chair Duncan presented Chief Keeley with a 25 year certificate of appreciation and thanked him for his service to Kootenai County.

Kootenai County

Clerk Jennifer Locke thanked the Board, the Elected Officials, the departments and the County employees for their contributions to the Budget. She complimented the Commissioners on the development of a more efficient Budget process. She singled out Finance Director Brandi Falcon, Staff Accountant – Budget Arrow Gidney, Deputy Finance Director Keith Taylor and Chief Deputy Clerk Grace Blomgren for special thanks and praise.

Ms. Falcon reported that the total County Budget for FY2024 was \$141,126,170, broken down into “A” Budget (Personnel) \$89,426,944, “B” Budget (Operations) \$34,976,915 and “C” Budget (Capital) \$16,722,311. She noted that Solid Waste (SW) had been included in these numbers, but as an Enterprise Fund, its finances were tracked separately. She said the total of the SW self-funded budget was \$31,077,359.

KCSO Lieutenant William Klinkefus entered the meeting at 6:28 p.m.

Ms. Falcon provided graphics illustrating the breakdown of the FY2024 Budget by Elected Official. She described the challenges the County faced, including the number of open positions, the need to double its contribution to the Panhandle Health District Fund and the changes involved with the transition of Public Defense to the State. She touched on the unusually large amount of interest revenue earned, as well as the welcome news that no health insurance increase had been required. She reported that there had been a perceptible slowing of State Revenues and Recording Fees received.

Ms. Falcon went on to describe the different Funds used in the County Budget, their revenue sources and their purposes. She provided details on the adjustments made in the “A” Budget: a 4.5% COLA (Cost of Living Adjustment) for all staff totaling about \$1.9 million, corrections to Matrix Steps for 288 employees totaling about \$2.2 million, the creation of a new 5 Year Matrix for KCSO Patrol and Command Staff totaling about \$1.5 million, an increase to salaries of Elected Officials to 97% of that reported by Canyon County in FY23 totaling about \$177,000 and Matrix Step progression for staff for \$811,000. She said the total increase was approximately \$6.5 million, taking into account a savings of about \$2.6 million related to currently open positions. She reported that 10

new FTE (Full Time Equivalent) positions had been created, for about \$664,000, loaded value, and 52 position changes had been made, for a cost of about \$872,000, also loaded. She said that a Wage Changes Pool in the amount of \$445,000 had been created to fund mid-year changes.

Ms. Falcon provided a breakdown by Elected Official for the Operating Expenses (“B” Budget) and Capital Outlay (“C” Budget), indicating the portion of each that represented Solid Waste. She reviewed the composition of the number representing Total Tax Dollars Available and noted that the FY24 Levy was \$52 less than the final figure reached. She suggested the extra \$52 be placed in the Forgone category. She also provided a breakdown of the property tax burden per fund: District Court, General Fund, Justice, Liability Insurance, Noxious Weeds, Panhandle Health District, Parks & Waterways and Revaluation. She also provided a chart showing the Enterprise Fund’s (SW) revenues and expenses. She reminded those present that SW pays other County departments for services provided to them, which offsets part of the property tax.

Ms. Falcon listed the revenues which made up the County Budget of \$141,126,170: Property Tax - \$59 million (the “levy”), \$61.3 million from State Funds and other fees, \$18.3 million drawn from Fund Balance and \$2 million in grant-funded personnel. She provided charts illustrating the property tax trends from 2021 through 2024 and expenditure categories from 2022 through 2024.

Ms. Falcon noted that there were two Capital Projects planned: The Justice Building Expansion, which would be paid from ARPA (American Rescue Plan Act) money and Fund Balance, and completion of the remaining Jail Pods, which would be fully paid for out of Fund Balance. She clarified the manner in which grant funded projects were handled, as distinct from other expenses. She concluded her presentation with the reminder that all Kootenai County Budget Reports were available on the County website at 222.kcgov.us/211/Financial-Reports.

G. Public Testimony

Kootenai County Resident Charity Myser remarked that she was happy with the Commissioners’ performance during the budget process. She reminded those present that she had spoken during prior budget meetings against the County providing funding to entities which were not County offices. She indicated that she was pleased that two of the three organizations had been removed from this budget. She commended the County’s Chief Budget Officer for the organization and clarity of the meetings and presentations. She said that, as a fiscal conservative, she did not approve of the 3% levy increase but acknowledged the need to attend to staff compensation.

Kootenai County Resident William Le pointed out the changes in BOCC personnel expenses from 2021 through 2024.

Ms. Falcon provided clarification on the manner in which the expenses were grouped, then separated, which had given an incorrect impression.

Chair Duncan confirmed Ms. Falcon’s explanation and offered additional illustration of the method used.

H. Deliberations (Discussion)

Commissioner Bruce Mattare 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 Mattare: Aye
Chair Duncan: Aye

The motion carried.

All three Commissioners agreed that the APD Proposed Budget was acceptable as presented.

All three Commissioners agreed that the KCEMSS Proposed Budget was acceptable as presented.

Commissioner Mattare stated that he felt this Budget would correct several issues that had been ongoing for the last several years. He offered thanks to the Clerk and her team for educating him on the machinery of County Finance. He complimented Ms. Falcon and Ms. Gidney on their outstanding efforts. He also thanked the other Elected Officials for providing the data needed to complete the Budget and his fellow Commissioners for their patience with his learning process.

Commissioner Mattare touched on each of several issues he felt were of special importance this year. He stated that the re-evaluation and adjustment of fees they had done would ensure that property owners were not subsidizing services for which users ought to be paying. He pointed out that Operations (OP-EX, “B” Budget) had only increased about \$38,000 from last year, or about 0.16%, despite the inflation rate being 5% or more. He remarked that this was indicative of the care taken by all departments regarding supplies and services.

Commissioner Mattare said that the primary focus of the FY24 Budget had been on Personnel needs. He reported that, according to research he had done, it cost KCSO about \$105,962 to bring each trainee from recruitment to full capability at about five years of service. He noted that this investment was lost every time a KCSO employee departed. And stated that, going back over the last ten to twelve years, 33 of about 62 new hires had departed, costing the County about \$3.5 million. He said that the increase in Patrol Deputy wages to within 3% of the City of Coeur d’Alene Police Department and compression of the previous Matrix to five years should help retain staff up to and past that five year mark. He concluded that he expected to see improvements in productivity and savings in recruitment and training expenses as a result. He added that he did not feel it was fiscally rewarding to debate minor expenses such as on-call pay.

Commissioner Mattare reported that the Pay Matrices for other County employees had been brought into line with position responsibilities, with annual steps determined in

response to satisfactory performance. He indicated that he would have high expectations of staff but expected that increased satisfaction would bring improved performance naturally. He acknowledged that there had not been a formal policy regarding Elected Official salaries in the past and said he intended to see one developed which would include triggers to show when the policy needed to be reviewed, a formal methodology for determination of salaries and a set of criteria to indicate when a given Elected Official would receive a pay adjustment.

Commissioner Mattare stated that a Mid-Year Adjustment Pool in the amount of about \$445,000 had been created, which would assist the Board by providing the flexibility needed throughout the year. He said that his goals were to keep government small and keep bureaucracy in check. He added that, as they had addressed Personnel issues this year, he hoped that next year the Board could address technology upgrades which would increase efficiency and reduce long term costs. If one of the other Commissioners chose to vote against the Budget, he challenged that person to decline the proposed raise for Elected Officials. He confirmed that he would join in declining that raise as a sign of solidarity, if one of his colleagues chose to make that stand.

Commissioner Brooks praised the services of County staff, particularly in KCSO and Solid Waste. He said he supported the increases in staff compensation and assured the public that the Board tried to put "your money where we believe YOU want it to be."

Chair Duncan voiced her support for improving pay for employees in order to attract and keep those who provided excellent service. She remarked that she had always tried to put employees first, having voted for staff pay raises every year but one since she joined the Board. She said that she felt that County government was a service industry and it was vital to prevent employee turnover in order to provide the best service possible.

Chair Duncan admitted she had reservations about paying employees differently under different Elected Officials. She said she felt a strong policy outlining the reasoning behind such decisions was critically important. She stated that this was why she had an issue with offering on-call pay to some, but not others, despite the fact that other groups had on-call duties as part of their job descriptions.

Regarding pay for Elected Officials, Chair Duncan said she looked forward to reviewing Commissioner Mattare's proposed policy. She said she would challenge all the Elected Officials to join her in refusing this Budget's proposed salary increases. She remarked that people run for office knowing the compensation offered and stated that, in the absence of a finalized policy, she would recommend offering a Cost of Living increase instead, at this time. She also stated that, while she supported adjustment of the KCSO Matrix, she felt she could not approve it until a completed set of metrics was provided to show what individuals needed to achieve in order to proceed up the Matrix Steps.

Commissioner Mattare remarked that he expected that they would receive the completed metrics for the KCSO Matrix progression before the beginning of the new Fiscal Year. He said that statutory deadline constraints imposed had not allowed enough time to complete them before this Public Hearing.

Chair Duncan said she was prepared to entertain motions to approve the presented Budgets. She reminded those present that this was a two-step process and that the Budgets would then be officially adopted in the meeting planned for Friday, September 1, 2023.

I. Approval of FY24 Budget

Approval of Aquifer Protection District FY24 Budget (Action)

Commissioner Mattare moved that the Board fix and determine the Aquifer Protection District FY24 Budget. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye
Commissioner Mattare: Aye
Chair Duncan: Aye

The motion carried.

Approval of Kootenai County Emergency Medical Services System (KCEMSS) FY24 Budget (Action)

Commissioner Mattare moved that the Board fix and determine the Kootenai County Emergency Medical Services System FY24 Budget. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye
Commissioner Mattare: Aye
Chair Duncan: Aye

The motion carried.

Approval of Kootenai County FY24 Budget (Action)

Commissioner Mattare moved that the Board fix and determine the Kootenai County FY24 Budget. Commissioner Brooks seconded the motion. There being no further discussion, Deputy Clerk Ginorio called the roll:

Commissioner Brooks: Aye
Commissioner Mattare: Aye
Chair Duncan: Nay

The motion carried.

J. Adjournment (Action): Chair Duncan adjourned the meeting at 7:15 p.m.

Respectfully submitted,

JENNIFER LOCKE, CLERK

BOCC SIGNATURE

BY: _____

Tina Ginorio, Deputy Clerk