

**Minutes of Meeting**  
**PTO Discussion**  
**March 13, 2013**  
**2:30 p.m.**

The Kootenai County Board of Commissioners: Chairman Todd Tondee, Commissioner Dan Green and Commissioner Jai Nelson met to discuss the following agenda items. Also present were Finance Director Dave McDowell, Chief Deputy Treasurer Laurie Thomas, Chief Deputy Assessor Rich Houser, Solid Waste Director Roger Saterfiel, Judicial Assistant Kathy Booth, and Deputy Clerk Nancy Jones.

- A. Call to Order:** Chairman Tondee called the meeting to order at 2:45 p.m.
- B. Introductions:** There were no introductions made.
- C. Changes to the Agenda:** There were no changes made to the agenda.
- D. Old Business:** There was no old business discussed.
- E. New Business:**

Commissioner Dan Green stated that, since the previous meeting with the Board, the Committee had reviewed their Paid Time Off (PTO) proposal and considered some of the suggested changes. As a result, all references to conversion were removed, as that will be effected as a one-time procedure, not part of the ongoing policy. Changes were also made to address cost reduction concerns and to limit County exposure. One of the most substantial changes is the requirement for employees to carry a minimum balance of 120 hours of acquired leave time in order to participate in the Voluntary Employee Beneficiary Association (VEBA) or Cash Buy Out PTO options. In addition, maximum (VEBA or Cash) Buy Outs would be limited to 80 hours, with the requirement to maintain a minimum of 120 PTO hours after participation. Finance Director Dave McDowell provided an updated Annual Leave Option Information Report, noting that 726 employees currently carry an accrued leave balance. Of those, only 289 of those employees carry a large enough balance to participate in the buyout options under the new proposal. Mr. McDowell went on to explain that only 247 of those eligible employees would qualify for maximum participation. Therefore, the maximum possible Buy Out cost to the County would be \$296,563.07, which represents a 40% reduction from the previous proposal. Mr. McDowell stressed that this amount would only be paid if 100% of all eligible employees chose the maximum (VEBA) Buy Out option, and that the maximum participation at that level is estimated to be 66% of those eligible. Commissioner Green stated that, because this policy would require newer employees to build accrual hours prior to participation, the changes provide both a cost saving mechanism and a stronger incentive program for long term employees. Under this proposal, employees with zero to five years with the County would accrue a maximum of 156 hours of PTO time per year. After ten years with the County, employees would earn maximum accruals of 260 hours per year (reduced from current amounts of 312 hours per year). Commissioner Green and Mr. McDowell stressed that the amount of unfunded liability would be significantly decreased, and that this amount would continue to decrease over time. Chairman Tondee expressed concern about the potential out-of-pocket cost with accruals maintained at the 960 hour Catastrophic (CAT) Account and the 240 hour PTO allowed maximum accumulation. Mr. McDowell noted that 40% - 50% of the County workforce rolls over every five (5) years through attrition, which helps support the cost benefits as detailed in this proposal. Historically, the County pays out between \$100,000 and \$140,000 per year in annual sick leave Buy Outs, which could be reduced up to 50% under this PTO policy. Mr. McDowell suggested that the ability to choose between Buy Out options would

significantly decrease the amount of time deposited to CAT accounts, compared to the 75,500 hours that are currently accrued on the County sick leave rolls on an annual basis. Chief Deputy Assessor Rich Houser pointed out that the combination of reduced time off accruals under PTO (two hours less per pay period), along with the other changes as suggested in this new proposal, give potential savings of nearly \$900,000, with maximum cash Buy Out amounts totaling less than \$300,000. Retirement cash out policies under this proposal would remain the same as in current County policies. Mr. McDowell added that increased productivity is another proven aspect to PTO, which is difficult to quantify despite being a noted benefit. Commissioner Green felt that PTO would help attract new employees to the County. Mr. McDowell felt that the most important aspect of the process would be giving balance control directly to the employees, which would benefit both employees and managers. Solid Waste Director Roger Saterfiel felt that this new policy would also be a substantial tool to help managers address sick leave abuse within the County. Judicial Assistant Kathy Booth indicated that putting control into the hands of employees would reduce the time managers spend monitoring sick and vacation time, and would allow employees more freedom with regard to taking time off from work.

**F. Staff Reports:** There were no staff reports.

**G. Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. There was no public comment.

The meeting was adjourned at 3:43 p.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: \_\_\_\_\_  
Nancy A. Jones, Deputy Clerk