

**Minutes of Meeting
Commissioners' Debriefing
July 22, 2013
2:00 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 Prosecutor Barry McHugh, Assessor Mike McDowell, Chief Deputy Treasurer Laurie Thomas, Solid Waste Director Roger Saterfiel, Civil Deputy Prosecuting Attorneys John Cafferty and R. David Ferguson, and Deputy Clerk Nancy Jones.

A. Call to Order: Chairman Tondee called the meeting to order at 2:05 p.m.

B. Introductions: There were no introductions made.

C. Changes to the Agenda: There were no changes made to the agenda.

D. New Business:

Commissioner Nelson moved that the Board enter Executive Session pursuant to *Idaho Code* §67-2345(1)(f), to communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated, to request legal advice regarding representation of the Assessor's Office and the Board of Equalization. Commissioner Green seconded the motion. There being no further discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson: Aye

Commissioner Green: Aye

Chairman Tondee: Aye

The motion carried.

The Board entered Executive Session at 2:07 p.m.

The Board exited Executive Session at 2:29 p.m.

The Board discussed a proposal from the Idaho Transportation Department (ITD), wherein they would give property to the Worley Highway District (Worley). By this agreement, Worley would then provide a low-cost, long-term lease to Kootenai County (Solid Waste) to place dumpsters on the land.

Commissioner Nelson explained that there is confusion over the ownership of the parcel, because both Worley and ITD believe they have ownership rights to the land. Solid Waste Director Roger Saterfiel stated that while it was generally believed that the land was held by Worley, this process had led to the discovery that ITD was the rightful owner of the land. The attendees discussed potential future uses of the property, and the advantages of having the land transferred to Worley. The Board directed Mr. Saterfiel to move forward with the process, and bring an agreement before the Board for approval.

Civil Deputy Prosecuting Attorney John Cafferty explained that the Black Rock Homeowner's Association (HOA) had responded to a letter from the County, requesting that the past due Association fees be declared as a special assessment on the property. Mr. Cafferty stated that this would potentially allow for the fees to stay in place, even after a sale of the property. Mr. Cafferty was not certain that HOA fees are allowable as a special assessment, regardless of inclusion of this policy in the subdivision CC&R's, but stated that qualifying them as such would fulfill the request of the legal counsel for the HOA, without recourse against the County. Further, Mr. Cafferty noted that even though the HOA again requested that the County pay the outstanding charges, it is County policy to not pay HOA fees or special assessments,

and that he would not support the County paying HOA fees on any tax deed properties. Chief Deputy Treasurer Laurie Thomas stated that the HOA fees are already reflected on the title report for the property as an assessment.

Commissioner Green recused himself from the deliberation at 2:43 p.m.

Ms. Thomas felt that there was a clear precedent for not paying the HOA dues, as part of standard County policy regarding tax deed parcels. Mr. Cafferty presented the various options available in this situation, as well as the differences between this situation and previous, similar issues. Ms. Thomas noted that the County will set the minimum bid amount at the sale, and that statute reflects the amounts that can be included in that total. The Board directed Mr. Cafferty to draft a letter to the Black Rock HOA, instructing them that the County is standing by the decision to not pay the outstanding dues at this time.

Ms. Thomas exited the meeting at 2:57 p.m. Commissioner Green rejoined the meeting at 2:58 p.m.

Mr. Cafferty brought the Board an issue for vote, with regard to Emerald Island Partners. Mr. Cafferty explained that Emerald Island Partners is in Chapter 11 bankruptcy, and that the Board has to vote to allow them to repay outstanding taxes and statutory interest over the course of five (5) years, as part of their restructuring process.

Commissioner Green moved to allow Emerald Island Partners (AIN 213768) to repay outstanding taxes and interest as reflected in their request, and to direct Legal to respond accordingly to the request. Commissioner Nelson seconded the motion. There being no further discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson: Aye
Commissioner Green: Aye
Chairman Tondee: Aye

The motion carried.

Mr. Cafferty presented a residency request form to the Board, which was sent to the County by an NIC student, Mr. Park. Mr. Cafferty explained the purpose of the form and detailed specific concerns over the particular form that had been submitted. After discussion, the attendees agreed that the form was not required for Kootenai County, and Chairman Tondee agreed to contact Mr. Park to let him know the Board's determination.

Commissioner Green provided an update on activities with the Hayden Area Regional Sewer Board (HARSB), and informed the Board that the designing phase of the plant has been initiated. Moving forward, all billing will require each interested entity to provide monthly approval of all bills that are submitted by JUB Engineers. Commissioner Green requested that the Board approve him to act as the qualified party to review and approve those submissions on behalf of the BOCC. Chairman Tondee agreed with the request, but noted that all costs must be in line with the already approved limits, with separate approval for any increases and change orders.

Commissioner Nelson moved to give authorization to Commissioner Green to review and approve monthly invoices for the HARSB expansion, provided all approvals are within the contract amount. Commissioner Green seconded the motion. There being no further discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson: Aye
Commissioner Green: Aye
Chairman Tondee: Aye

The motion carried.

Commissioner Green informed the Board that the HARSB FY2014 budget is ready for review and approval, and that an amended FY2013 budget will need to be approved, as well. The group determined that both issues needed to be addressed in conjunction with the general FY2014 budget deadlines, and that they needed to be appropriately noticed as agenda items. Commissioner Green stated that he would add these issues to the next Commissioners' Debriefing agenda, to allow for proper noticing.

Commissioner Nelson raised an issue regarding the terms of Board members for the Fairgrounds. Mr. Cafferty explained that the original statute called for those Board members to fulfill three (3) or four (4) year terms. However, over time terms have been adjusted, resulting in the simultaneous expiration of five (5) Board member terms. Mr. Cafferty shared that a review of previous actions was completed, and he suggested that one Board member term should be extended, in order to reinstate the term expirations in close compliance to the statute. The Board directed Administrative Secretary Teri Johnston to send a letter to Ms. Meyer, informing her of the term extension.

Commissioner Green moved to amend the term of Fairgrounds Board member Karleen Meyer, in order to extend her current term through 2017. Commissioner Nelson seconded the motion. There being no further discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson:	Aye
Commissioner Green:	Aye
Chairman Tondee:	Aye

The motion carried.

Mr. Cafferty exited the meeting at 3:25 p.m. Finance Director David McDowell and Staff Accountant Kristi Graves joined the meeting at 3:27 p.m.

Mr. McDowell came before the Board to provide clarification on fund balance policies and allowable adjustments. In response to inquiries from the Board, Mr. McDowell discussed usage options, clarifications, and restrictions of specific funds. Mr. McDowell noted that some funds are immediately available, because a portion of the balance is an accrual amount that represents uncollected taxes. Focused topics addressed the use of health care fund balances, the schedule of capital appropriation carryovers, and future capital expenditures and replacement reserves. The Board worked to determine fund balance allocations to designated projects, including the Facilities Master Plan, Fleet Management, Information Systems, and Replacement Reserve Acquisition. Mr. McDowell clarified that all fund balances reflect one time dollars.

Mr. McDowell and Ms. Graves exited the meeting at 4:22 p.m.

Commissioner Nelson presented a report that suggested alternative budget ideas, including a review of recent budget adjustments and a one-and-a-half percent (1.5%) tax increase, with reference to on-going expenditures. Commissioner Green acknowledged that about 67% of the budget is allocated for compensation. Chairman Tondee stated that salvage dollars should be considered. The Board also discussed the recent health insurance presentation from Mercer Health and Benefits, including the initiation of increased contributions from employees that are not participating in a wellness program.

The Board determined that a number of department issues had not been addressed, and considered continuing the meeting to address additional topics.

Commissioner Green moved to continue the Commissioners' Debriefing at 10:00 a.m. on Tuesday, July 23, 2013. Commissioner Nelson seconded the motion. There being no further discussion, Deputy Clerk Jones called the roll:

Commissioner Nelson: Aye

Commissioner Green: Aye

Chairman Tondee: Aye

The motion carried.

E. Staff Reports: There were no staff reports.

F. 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 4:58 p.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: _____
Nancy A. Jones, Deputy Clerk