

**Minutes of Meeting
Elected Officials
August 23, 2013
9:00 a.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 Sheriff Ben Wolfinger, Prosecutor Barry McHugh, Coroner Deb Wilkey, Clerk Clifford Hayes, Treasurer Tom Malzahn, Assessor Mike McDowell, Undersheriff Travis Chaney, Chief Deputy Assessor Richard Houser, Chief Deputy Treasurer Laurie Thomas, Finance Director David McDowell, Human Resources Consultant Wade Larson and Deputy Clerk Pamela Bogaert.

A. Call to Order: Chairman Tondee called the meeting to order at 9:02 a.m.

B. Introductions: There were no introductions made.

C. Changes to the Agenda: Clerk Clifford Hayes requested that the Board add an item to discuss public records requests and Treasurer Tom Malzahn informed the Board that he would be leaving the meeting at 10:00 a.m. and requested that item #5 be discussed first.

Commissioner Green moved to add to the agenda an item to discuss public records requests. Commissioner Nelson seconded the motion. There being no further discussion, Deputy Clerk Bogaert called the roll:

Commissioner Nelson: Aye

Commissioner Green: Aye

Chairman Tondee: Aye

The motion carried.

D. Old Business: There was no old business discussed.

E. New Business:

Clerk Clifford Hayes pointed out that it would be beneficial if one person, preferably an attorney, would be responsible to receive and coordinate responses to public records requests. Sheriff Wolfinger noted that the Sheriff's department has already received over 2,200 requests so far this year. Commissioner Nelson felt that one person could not handle all public records requests due to the volume received. The group agreed that all public records requests would be handled by the appropriate Elected Official with the assistance of Civil Deputy Prosecuting Attorney Jamila Holmes, if needed.

Treasurer Tom Malzahn asked that the Board clarify the procedure for creating a new position. Mr. Malzahn was curious as, recently, a new Long Range Planner position for the Community Development department and a Risk Management Benefits Specialist for the Human Resources department have been approved without going through the budget process, Position Review Committee (PRC) or advertising. Chairman Tondee noted that the Board has the authority to approve new positions if there is an immediate issue or need and Commissioner Green noted that all three Human Resources positions shall be re-rated by the PRC because duties have been rearranged. Chairman Tondee informed the group that there was no new position created in Community Development, merely a change in the existing position, which remained in the same range.

Assessor Mike McDowell asked the Board for more information regarding the issue of Position Review Committee (PRC) meetings being subject to the open meeting laws. Mr. McDowell felt that, were the PRC meetings subject to the open meeting laws, it would only serve to hamstringing the PRC process of scrutinizing positions and holding discussion on highly charged topics. He further felt that no one would be likely to serve if the meetings were open to public scrutiny. Finance Director David McDowell, a member of the PRC, informed the Board that it was important that the PRC feel free to discuss the particular department and full scope of any position being deliberated. Chief Deputy Treasurer Laurie Thomas, also a member of the PRC, advised that the Hay Plan methodology currently being utilized is proprietary. Commissioner Nelson noted that Civil Deputy Prosecuting Attorney John Cafferty advised that the PRC was originally set up to make recommendations to the Human Resources Director, thereby exempting them from open meeting laws. The rest of the attendees disagreed and reported that PRC recommendations have always been made directly to the Board. Prosecutor Barry McHugh noted that the process is still under evaluation by the legal department. Mr. Hayes clarified that the preliminary budget meetings are exempt from open meeting laws as budget recommendations are made by Mr. Hayes alone, with input from the Elected Officials.

Commissioner Nelson presented the group a handout reviewing the last two (2) years' of the preliminary budget process and expressed her concern at Elected Officials publishing a wage adjustment in their preliminary budgets, noting that compensation levels fall to the Board for determination. Commissioner Nelson also noted that this year's budget included a \$6,900,000 shortfall and set forth several recommendations for next year's process such as: present balanced A and B budgets, verify and analyze all operating costs and mandated costs, eliminate line items that are underutilized and develop long term budget planning.

Further, Commissioner Nelson advised the attendees that an addendum to the Fund Balance Policy is currently being drafted which would designate all of the \$21,000,000 currently held. Approximately \$10,000,000 would be designated to a "rainy day" fund, and the rest to capital improvements, Information Systems needs, fleet management and the Facilities Master Plan.

Mr. Hayes asked Commissioner Nelson to clarify her statement in regard to a budget shortfall and reminded the group that the Auditor's office presented the Board with a balanced budget. The Board agreed, however, and noted that it is the Board's prerogative whether or not to fund the Elected Officials' requests. Mr. Hayes noted that, for Fiscal Year 2012, the Board was presented with a balanced budget that cut all non-mandated funding; however, the Board then reversed those cuts.

Human Resources Consultant Wade Larson gave a PowerPoint presentation to recap the Employee Opinion Survey, the BDPA, Inc. (BDPA) Salary Survey and the Human Resources (HR) Analysis report. Mr. Larson noted that the Employee Opinion Survey was completed to measure employee perceptions and to create key performance indicators to guide future priorities. Mr. Larson noted that 530 out of a possible 700 employees completed this benchmark survey and that the results indicated a high proportion of neutral responses. After compilation of the data, the results were analyzed regarding culture, department, job satisfaction, senior leadership, direct supervisor, pay, recognition and rewards, communication and training. Mr. Larson made six (6) recommendations for improvement: engage employees, implement an employee development program, improve organization communication, align priorities and efforts among Elected Officials, share the survey information with employees and repeat the survey in twelve (12) to eighteen (18) months.

Mr. Hayes noted that 75% of County employees took the survey; 60% responded negatively to the question of compensation; over 60% responded negatively regarding competitive compensation and over 50% had negative responses to the question of being rewarded when they go above and beyond the scope of their position. Mr. Hayes suggested that the Board respond to these issues as the final trouble spot identified was that staff does not believe action will be taken at all.

Mr. Larson moved on to provide an overview of BDPA's Salary Survey results and raised the questions: "Now that the results are in, what are you going to do about the results and what can you do about the results?" BDPA reported overall pay rates of approximately sixteen percent (16%) below the market range, with the midpoint being off eighteen and one half percent (18.5%). The County's benefit package is competitive and within plus or minus one percent (+/- 1%) of the market surveyed. The grade level analysis was found to be inconsistent and inequitable, with grades C-J being less competitive than grades K-O, and that within the four (4) pay plans, the Sheriff and 911 fared better than the Staff and Attorney plans. Mr. Larson went on to recommend a new salary schedule for general employees that would include equity in design, adjustment of the Sheriff and 911 groups by 1%, definition and adoption of a pay philosophy, and analysis of how positions are assigned to particular pay grades.

Assessor McDowell agreed with the survey results and suggested that the Board actively pursue that direction. However, Mr. McDowell asked the Board what could be done this year as, currently, minimal funds have been allocated for pay adjustments. Chairman Tondee advised that \$900,000 plus has been designated for wage adjustments. Also, BDPA has recommended repairing the range structure and increasing staff to the minimum; however, if that path is followed, there would be no funds left for merit raises. Mr. Larson suggested that the range repair be made over time, within the next fiscal year. Mr. McDowell asked the Board to implement an overall plan to make wages competitive in order to attract and maintain quality employees. Further, Mr. McDowell advised that ten (10) staff members have left his department recently and the cost to recruit and train replacements is approximately fifty percent (50%) to one hundred percent (100%) of the salaries being replaced, as well as loss of productivity and overtime paid to remaining employees to make up the lost position. Sheriff Wolfinger noted that the cost of recruiting and training one (1) patrol deputy is \$105,000.

Mr. Hayes noted that the Board could use foregone taxes or reduce services to generate the additional funds required to implement the salary survey. The group discussed both options, as well as a supplemental levy and increase in some user fees.

Commissioner Green announced that he would most likely not support the \$900,000 plus dollars being designated for employee compensation at the Budget Hearing, to be held on Wednesday, August 28, 2013. Commissioner Green noted that by increasing the stop loss insurance coverage, the County saved \$91,000. It was his opinion that the funds saved should not be included in the wage adjustment dollars, but set aside to address the additional risk taken on by the County. Further, Commissioner Green expressed a desire to reduce B budgets, across the board, by one percent (1%).

Mr. Larson agreed to present analysis and additional options in regard to implementing BDPA's Salary Survey at the next Elected Officials meeting. Further, Mr. Larson suggested inviting Mr. Rick Ferguson, from the Idaho Counties Risk Management Program (ICRMP), to share ICRMP's biggest concerns regarding liability and what Kootenai County can do to create consistency and reduce liability.

Mr. Larson updated the group on the progress being made in the recruitment and hiring of a new Human Resources Director.

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 11:35 a.m.

Respectfully submitted,

CLIFFORD T. HAYES, CLERK

BY: _____
Pamela B. Bogaert, Deputy Clerk