

**Minutes of Meeting
Airport Audit Update
August 18, 2014
11:00 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 Clerk Jim Brannon, Staff Accountant Melissa Merrifield, Airport Director Greg Delavan, Airport Senior Secretary II Linda Leigh, and Deputy Clerk Brandie Bradley.

- A. Call to Order:** Chairman Tondee called the meeting to order at 11:10 a.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:**

Airport Director Greg Delavan updated the Board as to the items that have been completed in response to the internal audit recommendations as made by the Auditor's Department. The items discussed included:

 - (1A) Lapsed or Missing Insurance Certificates: Airport Senior Secretary II Linda Leigh advised that they have obtained all but three (3) certificates. Ms. Leigh also provided a copy of the procedures that were established to ensure future compliance.
 - (1B) Outdated Liability Limits: Liability limits were reviewed with Legal and they are appropriate.
 - (2A) Confusion on Billing Information – New Tenants: A tenant information form has been developed, which contains all of the necessary billing information. This form will be sent to the Auditor's Office with the lease and accompanying documents. Ms. Leigh advised that she has been working with Applications Systems Manager Carrie Cole to include access to the Airport PaperClip files through Logos. This access should be available by the end of September 2014.
 - (2B) Auditor's Office Sewer Fee Notification: The Auditor's Office will be able to access this information on the tenant information form and the Airport will send the Auditor's Office an email that continues this information for each tenant.
 - (2C) Untimely Lease Addendums: The Airport staff will notify tenants and provide the Auditor's Office with written notification of new lease rates prior to the July billing period each year. Invoices for back-billing have been sent out to all applicable tenants and the Airport provided a list of the tenants that received these invoices and the current payment status.

- (2D) Master Sewer Records – Ms. Leigh advised that these records have been reconciled with the Hayden Area Regional Sewer Board (HARSB), but advised that there is still a discrepancy of one (1) Equivalent Residence Unit. The Board advised that if there is still a discrepancy then this has not been reconciled and directed the Airport staff to reach an agreement with HARSB or locate the missing unit and bring their findings back before the Board.
- (3) Fuel Flowage System Lacks Accountability: Ms. Leigh stated that Fuel Flowage Procedures have been established and that Audit Authorization Releases have been returned from all of the Airport’s tenants, except Southfield Fuel and Panhandle Helicopter. Ms. Leigh explained that Southfield Fuel has been non-responsive and she shared other concerns that she had about this tenant with the Board. Commissioner Green advised that he will follow-up with Southfield Fuel. Panhandle Helicopter has declined to sign the Audit Authorization Form, but agreed to have Airport staff do an on-site audit of their fuel purchase records.
- (4 – 4C) File Organization: Ms. Leigh stated that she is currently organizing and scanning all files. She stated that she should have this project completed by May 2015.
- (5) Deficiency of Procedures: The Airport staff has completed their process procedures and have received a copy of the Auditor’s procedures. Airport Staff is working on merging these two (2) documents.
- (6) Auditor’s Office Lack of Documentation in Logos: Ms. Leigh advised that this item requires completion by the Auditor’s Office and not the Airport.
- (7) Lack of Inspections on Property: Mr. Delavan stated that inspections will be performed as necessary, that documentation will be completed on each inspection, and a copy of the inspection will be placed in the tenant’s file. Mr. Delavan explained that inspections are usually only completed when a compliance issue has been identified. Mr. Delavan shared his concern that without good cause, inspections could be perceived as intrusive or offensive.
- (8) Incomplete Lease Termination: Lease termination procedures and a Mutual Rescission of Lease Agreement form have been established. These documents will be included in each tenant’s file.
- (9) Untracked Services from Lakes Highway District: A process has been established to track meter hours and material costs that are provided by Lakes Highway District, in lieu of lease fees. Chairman Tondee informed Mr. Delavan that he has received information from the Highway District indicating that they may just want to enter into a regular lease agreement and eliminate the in-kind trade. Mr. Delavan agreed to discuss this option with Lakes Highway District.
- (10) Unpaid Property Taxes: Ms. Leigh stated that she is currently working with Board of County Commissioners’ Administrative Assistant Nancy Jones, the Treasurer’s Office, and the Assessor’s Office to resolve this issue. The Board directed staff to have this project completed no later than October 15, 2014.

The Board explained to Ms. Leigh and Mr. Delavan that several of the items on this list that they had indicated were completed require additional follow-up. The Board directed the Airport Staff to continue their efforts to complete the following items: (1A) Lapsed or Missing Insurance Certificates, (2A) Confusion on Billing Information, (2C) Untimely Lease Addendums, (2D) Master Sewer Records, (3) Fuel Flowage System Lacks Accountability, (5) Deficiency of Procedures, and (9) Untracked Services from Lakes Highway District no later than September 30, 2014.

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 12:13 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

TODD TONDEE, CHAIRMAN

BY: _____
Brandie Bradley, Deputy Clerk
