

Minutes of Meeting
Fiscal Year 2017 Budget Deliberations
June 14, 2016
3:00 p.m.

The Kootenai County Board of Commissioners: Chairman Dan Green and Commissioner Marc Eberlein met to discuss the following agenda item. Also present were Clerk Jim Brannon, Chief Deputy Clerk Pat Raffee, Finance Director Dena Darrow, Senior Staff Accountants Keith Taylor and Kimberli Price, and Deputy Clerks Alicia Lynch and Randi Davis. Also present was Coeur d'Alene Press staff writer Brian Walker. Commissioner David Stewart was excused.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 3:00 p.m.

- B. Introductions:** There were no introductions.

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

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

- E. New Business:**
Deferred Decisions

There were no Deferred Decisions discussed.

Fiscal Year (FY) 2017 Budget Deliberations with the Auditor's Office

Clerk Jim Brannon presented the current Budget Summary and the Board's preliminary cuts to the A Budget (Personnel), B Budget (Operations), and C Budget (Capital). He advised the Board the Budget was short approximately \$5.4 million and the Board had yet to address salary changes. He informed the Commissioners that the Auditor's staff had better captured the County's revenue sources so there was no additional revenue to be counted.

Chairman Green questioned a discrepancy in the Health Insurance Increase. Senior Staff Accountant Kimberli Price said that Mercer Health & Benefits, LLC provided an estimate to the County, and that their current proposal showed the difference between FY2016's proposal and FY2017's proposal. She explained that the County did not take Mercer's recommendation in FY2016, so the difference between what the County actually budgeted and Mercer's FY2017's proposal was \$1,726,360.

Clerk Brannon opened the discussion regarding how to balance the budget, and raised the topic of tax increases and foregone taxes. Commissioner Marc Eberlein said he would not favor collecting foregone taxes.

The Commissioners discussed whether they would deny the Sheriff's Capital Expense Request for Digital Evidence Storage and Retention. Chairman Green said he was hesitant to cut the purchase because the Board had directed staff to return with more information and he had not received any updated information so far. He added that he was not favorable to funding \$500,000 for the project.

The attendees discussed the following pending decisions and their estimated FY2017 costs:

<u>Pending Decisions</u>	<u>Estimated Increase</u>
6% Pay Band Increase	\$184,000
3%, 2%, and 1% Loaded Wage Increases	\$1.250 million/ \$830,000/ \$416,000
Public Employee Retirement System of Idaho (PERSI) 1% Increase	\$300,000
Department of Labor's New Overtime Ruling	\$104,000
Health Insurance	\$1.7 million

Chairman Green estimated increasing taxes by 3% would collect \$1.2 million in revenue. Commissioner Eberlein asked whether employees' insurance contributions could increase to help offset the County's growing costs for health insurance. Ms. Price informed the Board that Mercer Health and Benefits, LLC would make a presentation on June 27, 2016.

The attendees discussed how Capital Expenses were reflected in the Budget Summary. Chairman Green said he was in favor of funding Capital Expenses from Fund Balances because they were one-time purchases. He added that he was against using Fund Balances for ongoing operational costs. Ms. Price confirmed that shifting the funding mechanism for all Capital Requests would reduce the gap between the Proposed Revenues and Proposed Expenditures. Commissioner Eberlein agreed to fund all Capital Expense Requests from Fund Balances.

Chairman Green said the Board would continue to make Capital Expense cuts. He noted the updated Budget shortfall was now approximately \$2.9 million.

Ms. Price reported that the Fleet Management Task Force would meet on June 28, 2016.

The Commissioners discussed changing the proposed Pay Band Increase from 6% to 4%. Clerk Brannon inquired whether employees would be moved up to their current position in the new pay bands. The Commissioners agreed that would create more problems and they did not favor moving employees within the new pay bands.

- F. Public Comment:** This section is reserved for citizens wishing to address the Board regarding a County related issue. Idaho Law prohibits Board action on items brought under this section except in an emergency circumstance. Comments related to future public hearings should be held for that public hearing. There were no public comments.

Chairman Green adjourned the meeting at 4:02 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: _____
Alicia Lynch, Deputy Clerk
