

**Minutes of Meeting
Commissioners' Debriefing
August 16, 2016
3:00 p.m.**

The Kootenai County Board of Commissioners: Chairman Dan Green, Commissioner Marc Eberlein, and Commissioner David Stewart met to discuss the following agenda items. Also present were Treasurer Steve Matheson, Chief Deputy Clerk Pat Raffee, Finance Director Dena Darrow, Senior Staff Accountant Keith Taylor, Staff Accountant Melissa Merrifield, Buildings & Grounds (B&G) Director Shawn Riley, BOCC Administrative Supervisor Nancy Jones, and Deputy Clerk Alicia Lynch. Also present were Fair Board Advisory Chair Gerald Johnson, Fair Board members Zach Bane, Dave Nussear, Linda Rider, Karleen Meyer, Fair Board consultant Mary Richter, citizens Tina Kunishuge, Bob Bingham, Luke Malek, Joe Dobson, Arlene Pischner, Merlin Berger, Bonnie Mitsur, Jeannie Billmill, Mary Larson, Patricia Richardson, Katie Bane, and Chris Holloway, and Coeur d'Alene Press staff writer Ryan Collingwood.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 3:00 p.m.
- B. Changes to the Agenda:** There were no changes to the agenda.
- C. Business:**

Fair Audit Request

Commissioner David Stewart said Clerk Jim Brannon had recommended a forensic audit of the Fair's financial records. Commissioner Marc Eberlein asked what the proposed cost of a forensic audit would be. Commissioner Stewart said he was seeking input from his fellow Commissioners on the recommendation. He said he would support Clerk Brannon's recommendation because the Clerk was financially knowledgeable.

Chairman Green said he was not in favor of a forensic audit because the internal audit report did not contain evidence of malicious intent or intentional accounting deceit. Finance Director Dena Darrow said the internal audit team had reviewed only a small portion of the Fair's books, and the report recommended a full review of the Fair's financials after the books had been reorganized.

Commissioner Eberlein said he wanted more information from the Clerk before making a decision. Chairman Green noted the Clerk was out of town. The Board discussed whether they would revisit the item in early September or if they would postpone the discussion for six months. The Board directed staff to readdress this item at the first available Commissioners' Debriefing in September.

Fair Board Chair Gerald Johnson said the Fair Board viewed the Clerk's recommendation for a forensic audit as continued harassment. He said he thought the BOCC and the Fair's concerns were resolved at the July 13, 2016, Fairgrounds FY2017 Audit & Budget Discussion meeting, though he expressed displeasure with the written minutes of that meeting. Mr. Johnson requested the Commissioners revisit the Fair's bookkeeping practices in six months.

Mr. Johnson also pointed out the Commissioners changed control responsibilities over the Fair's allocated funds for Fiscal Year 2017, and said relations between the Fair Board and County leaders had been deteriorating since the fall, 2015 discussion of relocating the Extension Office to the Fairgrounds. Mr. Johnson asked the Commissioners to assign a different liaison to the Fair than Commissioner Stewart.

Commissioner Stewart asked why the Fair Board requested a new liaison. Mr. Johnson said the Fair Board felt Commissioner Stewart was not representing their interests. Fair Board Member Linda Rider said Commissioner Stewart tended to only be present during the first hour of the Fair Board's meetings, but the meetings tended to last as long as three hours. Commissioner Eberlein commented that three hour meetings were too long, and if he were the Fair's liaison he would not stay for the entire meeting either.

Chairman Green reiterated his support to wait six months for a forensic audit. Commissioner Stewart said he would support a forensic audit due to the Fair's reluctance to share financial information. Mr. Johnson said there were no indicators to substantiate the need for a forensic audit, that the Fair Board had retained a CPA to help them put appropriate financial processes in place, and the County should allow time for those processes to work before any other action was taken.

Commissioner Stewart noted the recent conflict between the County and the Fair Board was because the following actions had been taken by the Fair Board and staff:

- Projects being performed without going through a bid process
- Changing building uses without getting proper building permits first
- And the Fire Marshall threatening to shut down the Fair as a result
- Fair bills going unpaid for months
- The Fair's General Manager taking numerous pay advances

Commissioners Stewart and Eberlein agreed a discussion of a forensic audit would be held in early September, when the Clerk could be present and after the County Fair.

Fair Board Applications

Chairman Green said the internal audit report had recommended adding two additional Fair Board members with greater financial expertise, but Idaho Code precluded expanding beyond the present number of Fair Board members. Chairman Green said several applications had been received for Fair Board membership, and he asked his fellow Commissioners whether they would prefer to appoint alternates or review these applications later in the year when three Fair Board members' terms expired. He said he was not in favor of alternates. Commissioner Eberlein agreed with Chairman Green and supported reviewing candidates in the fall. Chairman Green directed BOCC Administrative Supervisor Nancy Jones to keep all applications on file for the fall review.

Chief Deputy Clerk Pat Raffee exited the meeting at 3:26 p.m.

Sheriff's Campus De-annexation from the City of Coeur d'Alene

B&G Director Shawn Riley reported the City of Coeur d'Alene was proceeding with the de-annexation of the County's Sheriff's Campus. He said the Coeur d'Alene City Council would vote to de-annex the Sheriff's Campus without a public hearing. Mr. Riley requested permission to represent the County at a meeting with the City, and asked if Community Development Director David Callahan or a Commissioner should also attend. Chairman Green said he did not anticipate any strife since the County's relationship with the City was congenial and mutually beneficial. Commissioner Eberlein suggested a Commissioner join Mr. Riley to indicate support of the Board. Commissioner Stewart volunteered to attend the meeting with Mr. Riley on August 24, 2016. Chairman Green and Commissioner Eberlein supported Commissioner Stewart's attendance.

Public Defender Office Security System Upgrade

Mr. Riley presented a quote from Access Unlimited & Security Inc. for \$4,473.66 to upgrade the security system in the Public Defender's Office. He said the project would be funded from the Buildings & Grounds budget.

Chairman Green requested Mr. Riley send a memo to the Commissioners detailing the expenditure.

Hiring of Outside Counsel

Chairman Green reported the Commissioners, Treasurer Steve Matheson, and Clerk Brannon had been subpoenaed by the Public Defender to provide documents related to the Renfro Death Penalty Case. He said because the request was from the Public Defender, the Prosecutor could not offer legal guidance to the Commissioners, Treasurer, and Clerk in this matter. Commissioner Eberlein recommended seeking outside counsel. Treasurer Matheson asked whether each Elected Official was required to have separate outside counsel or if one attorney could aid all five Elected Officials involved. Chairman Green said that would be a question for legal counsel. He said Idaho County Risk Management Program had previously recommended local attorneys Peter Erbland and Scot Nass. Chairman Green suggested sending a letter to Mr. Erbland and Mr. Nass' firm requesting their assistance, and Commissioners Stewart and Eberlein agreed.

- D. 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.

Citizen Bob Bingham said he hoped the Fair Board members would refrain from a mass resignation.

Fair Board Member Dave Nussear emphasized the Fair's outstanding reputation and regional recognition. He said Fair Board members were receptive to County help.

Mr. Bingham asked whether the Prosecutor's conflict attorney funds would be used to pay for the Board's outside counsel. Chairman Green replied that this scenario was outside the parameters of the Prosecutor's conflict attorney funds.

Chairman Green adjourned the meeting at 3:43 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: _____
Alicia Lynch, Deputy Clerk
