

**Minutes of Meeting**  
**FY 2017 Budget Public Hearing**  
**August 31, 2016**  
**6:00 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 Clerk Jim Brannon, Treasurer Steve Matheson, Assessor Mike McDowell, Sheriff Ben Wolfinger, Coroner Warren Keene, several citizens, and Deputy Clerk Randi Davis.

- A. Call to Order:** Chairman Dan Green called the meeting to order at 6:00 p.m.
- B. Pledge of Allegiance:** Chairman Green led the Pledge of Allegiance.
- C. Chairman's Opening Remarks:** Chairman Green stated that three budgets would be presented: the Aquifer Protection District (APD), Kootenai County Emergency Medical Services System (KCEMSS), and Kootenai County Fiscal Year 2017 (FY2017). He requested that those who would like to comment during the hearing fill out a public hearing comment sheet, and that public testimony would be limited to three minutes per person.
- D. Changes to the Agenda:** There were no changes to the agenda.
- E. FY2017 Budget Presentation pursuant to Idaho Code 31-1605:** The Board met to conduct a Public Hearing, for which notice was given in the *Coeur d'Alene Press* on August 15, 2016, and August 26, 2016, pursuant to *Idaho Code §31-1605*, for the purpose of receiving public comment on the proposed FY2017 Kootenai County budget.

**FY2017 Aquifer Protection District**

Chairman Green invited APD Board Chair Leslie Duncan to present the FY2017 APD budget.

Ms. Duncan presented the FY2017 APD budget proposal that had previously been submitted to the Commissioners. She noted fee revenue was \$469,518, sourced from a \$7 per parcel fee. She added that statute allows up to a \$12 fee, but the APD committee felt the \$7 fee met the present needs. Ms. Duncan said the APD's largest recurring expense was the Panhandle Health aquifer programs, for \$340,500, and that total recurring expenditures amounted to \$518,241. She also said APD had recommended some additional FY2017 projects that would be one-time expenditures, totaling \$45,972.50. Ms. Duncan concluded her presentation stating that ADP's total FY2017 expenditures were projected to be \$564,213.50.

Chairman Green called for Board comment on the FY2017 ADP proposed budget. The Board made no comments.

### **FY2017 Kootenai County Emergency Medical Services System**

Chairman Green invited KCEMSS Chief Christopher Way to present the FY2017 KCEMSS budget.

Chief Way presented the FY2017 KCEMSS budget proposal that had been previously submitted to the Board in the amount of \$7,604,228. He said that about 30% of the revenues came from taxes, and the remaining 70% came from patients. Chief Way stated that KCEMSS was requesting to take 3% of its taxable amount, which was \$64,000, since KCEMSS call volume had increased 7.5% in the last year. Chief Way added that the Joint Powers board had unanimously approved this budget in July 2016.

Chairman Green invited Board comment on the FY2017 KCEMSS proposed budget. The Board made no comments.

### **FY2017 Kootenai County Budget**

Chairman Green invited County Clerk Jim Brannon to present the County's FY2017 budget.

Clerk Brannon and Finance Director Dena Darrow presented the proposed FY2017 Kootenai County budget and information packets. The Clerk gave recognition to Chief Deputy Clerk Pat Raffee, Ms. Darrow, and Senior Staff Accountant Kimberli Price for their work over the past six months preparing the budget proposal.

Clerk Brannon said the total FY2017 budget was \$96,343,347, of which \$43,843,913 would be funded from property taxes. He stated the proposed budget included a 3% increase in property taxes and new growth. Ms. Darrow pointed out that although property taxes had increased, the levy rate had decreased due to rising property values in the County. She said the budget included four major capital projects, as well as health insurance increases. Ms. Darrow stated personnel increases included a 2% merit increase, a pay band adjustment, and an increase to public safety employees' compensation. Clerk Brannon said the proposed budget increase was to allow the County to continue to meet demand for services.

Clerk Brannon discussed the County's major capital projects. He said \$12 million had been allocated for Jail expansion, \$1.32 million for a shared parking project, and \$673,000 combined for the Post Falls Department of Motor Vehicles expansion and the Sheriff's evidence storage project.

Ms. Darrow said the County's increased health care costs could not continue to be absorbed by fund balance, so an increase in employee contributions was necessary for the first time in many years. Ms. Darrow pointed out that employees would cover 20% of total health care costs, while the County covered 80%.

Clerk Brannon said that the Commissioners received requests for 24 new personnel positions in the FY2017 budget, and eight were tentatively approved. He said all eight would support mandated services. He discussed the FY2017 budget by Elected official, and said the Commissioners portion was 52% of the total because of the one-time

capital expenses. Clerk Brannon pointed out that by using fund balances for one-time capital expenses, the County would remain debt free.

Clerk Brannon asked whether the Board had any questions about the FY2017 budget. Commissioner David Stewart thanked the Clerk and Auditor staff for the work they put into preparing the budget proposal. Chairman Green asked whether the County had under-budgeted for health insurance expenses in FY2015 and FY2016. Clerk Brannon confirmed that it had.

Commissioner Stewart spoke about how he had supported wage increases for the FY2015 and FY2016 County budgets. He stated that recent wage surveys indicated that County employees were 18% to 40% underpaid based on our local market, and he had received word that 15 County deputies were considering leaving the Sheriff's Office to work elsewhere. Commissioner Stewart expressed concern for how this may impact safety in the County. He also said that increases in health insurance should be considered a cost of doing business, and should not reduce County employees' take home pay. Chairman Green said employees would be contributing \$20 more per month for health insurance and their take home pay would not be reduced due to the 2% general pay plan merit increase.

Chairman Green opened the public comment portion of the hearing at 6:29 p.m.

Mr. Steve "Gus" Johnson, 1021 1<sup>st</sup> Street, Coeur d'Alene, said that he was a former County Commissioner and he expressed concern that employees were not a priority in the FY2017 budget, and that some officers could possibly leave the County to work for the City of Post Falls.

Mr. John Robideaux, 351 W. Dalton Avenue, Coeur d'Alene, said he recently read in the *Spokesman Review* that two former County deputies had been hired by Spokane County. He said he also learned from the *Coeur d'Alene Press* that the City of Coeur d'Alene was aggressively recruiting law enforcement. Mr. Robideaux stated that the County was consistently lower than other entities in law enforcement wages and encouraged the Board to consider increasing current wages.

Chairman Green asked Mr. Robideaux how he generated revenue for his private business. Mr. Robideaux replied he trained his employees to produce more labor per work hour. Chairman Green asked Mr. Robideaux whether he charged for his business's services, and he confirmed that he did within certain guidelines. Chairman Green stated that one of the County's primary ways of generating revenue was through property taxes. He said collecting forgone taxes was an option, but he would not support that. Chairman Green pointed out that the County was limited on the methods it had to generate additional revenue. Commissioner Stewart said he understood why County employees would want to earn more for their labor at neighboring entities.

Mr. Ron Nilson, 4761 W. Mill River Court, Coeur d'Alene, stated that a 3% property tax increase was a lot, but was necessary for the County to generate revenue. He said health insurance costs were increasing in the private sector as well, and employees would have to share in the costs. Mr. Nilson also suggested the County conduct a wage

study to retain officers. Chairman Green asked Mr. Nilson whether he would support the collection of forgone taxes, and Mr. Nilson confirmed that he would not.

Commissioner Marc Eberlein asked whether Mr. Nilson would support cutting the Jail expansion project from the budget and to use fund balance to fund ongoing expenses. Mr. Nilson said he would support using a portion of the fund balance. Commissioner Eberlein asked whether Mr. Nilson would support cutting a \$350,000 surveillance camera system that was budgeted for the Jail to fund wage increases. Mr. Nilson said the Sheriff could help the Board make that decision.

Chairman Green pointed out that there were currently approximately 760 County employees, and approximately 170 were guaranteed wage increases because of the Sheriff's matrix. He asked Mr. Nilson what he should tell the other 590 employees who didn't receive the same raises. Mr. Nilson replied that in his opinion, officers should receive a cost of living increase.

Ms. Deborah Rose, 27145 Dove Haven Lane, Athol, said she understood the struggle the Board faced in balancing the budget, and wanted to thank them for contributing to the University of Idaho Extension fund.

Mr. Jack Beebe, 6661 E. Dewey Circle, Coeur d'Alene, said he believed the Board needed to do whatever it took to take care of its employees.

Ms. Katie Brodie, 10216 Pine Road, Hayden Lake, Idaho, expressed concern about officers potentially leaving the County for better wages and benefits. Chairman Green stated there were currently five out of 70 sworn officer positions currently vacant. He pointed out that the Sheriff's Office received a \$915,000 mid-year wage increase in the prior year in addition to the matrix increases. Commissioner Stewart stated that the officers are still under paid.

Mr. Dave Chapman, 8941 Fitzue Drive, Hayden, said he had volunteered in the Sheriff's Office as a Citizen on Patrol for seven years. He said it took \$100,000 to train a deputy, but it was difficult to hire officers because so few of them passed the background check. Mr. Chapman stated that the amount it cost to train a new deputy was not worth losing the experienced deputies the County currently had. Chairman Green thanked Mr. Chapman for his volunteer work and said he thought new officers had to sign a contract upon hire that required training reimbursement if the officer left the position within a certain length of time. Captain Andy Deak confirmed it was a four year \$14,000 reimbursement contract. Chairman Green asked how the \$14,000 replaced the \$100,000 in training costs that was publicized. Sheriff Ben Wolfinger said the \$100,000 figure came from Human Resources (HR) prior to 2012, and HR factored in wage costs for the 11 month training period for officers at that time. Commissioner Stewart stated the County needed to recognize the value of work experience. Chairman Green said he had the utmost respect for law enforcement.

Mr. Robert Danakty, 1225 E. Royal Avenue, Coeur d'Alene, said there was no substitute for experienced employees, and that he supported wage increases for all employees. Commissioner Eberlein stated that mandated services could not be cut from the budget,

but the Parks fund could. He asked whether Mr. Danakty would support cutting the Parks fund to increase wages. Mr. Danakty stated that only necessary employees should be kept.

Mr. Steve Griffiths, 100 E. Maroon Creek Drive, Hayden, said that the City of Hayden had \$147,000 allocated in its FY2017 budget for a new deputy. He stated he was grateful for the services the Sheriff's Office provided to the City. Commissioner Stewart said it had been a pleasure working with the City to provide more law enforcement.

Mr. Steve Roberge, 6488 N. 4<sup>th</sup> Street, Dalton Gardens, said that as the Mayor of Dalton Gardens he knew how hard officers worked to provide protection throughout the community, and hoped the Board could find a way to prevent officers from leaving to work elsewhere. Chairman Green asked whether Mr. Roberge would support collecting forgone taxes in Dalton Gardens. Mr. Roberge replied that Dalton Gardens collected the full 3% property tax each year and didn't have any forgone.

Mr. Kelly Konecny, 27858 N. Parkridge Road, Athol, said he had not received a wage increase for four years and encouraged the Board to find additional funding for health insurance costs.

Mr. Tad Leach, 4550 W. Mica Shore Road, Coeur d'Alene, stated that new officers were not as savvy in law enforcement as experienced ones, and expressed concerns about experienced officers potentially leaving the County.

Mr. Tom Caines, P.O. Box 3401, Hayden, said he had not received a pay increase since 2008, and suggested the Sheriff's Office use a five year matrix. Chairman Green asked what position Mr. Caines currently held, and whether he had sought promotion. Mr. Caines replied that he was a detention deputy and was comfortable in his position.

Ms. Sheryl McPherson, 420 E. 14<sup>th</sup> Avenue, Post Falls, expressed concerns about rising employee contributions to health care costs and suggested the Board consider using some of the fund balance to cover the increase.

Mr. Shawn Somersher, 31575 N. Stilson Avenue, Spirit Lake, stated that employees should receive a cost of living pay increase if their health insurance contributions were going to increase. He said that experienced employees were invaluable to the County. Chairman Green stated that past and present Elected officials had preferred wage increases to be merit based.

Mr. Gary Nystrom, 7194 W. Big Sky Drive, Post Falls, suggested replacing the current Sheriff's matrix with a pay scale. He said that the private sector was experiencing increased health insurance costs, just as the County was.

Mr. Jon Brandel, 7903 N. 15<sup>th</sup> Street, Dalton Gardens, said crime was currently at a low in the County because of officer wage increases over the years. He said all employees deserved a cost of living increase.

Mr. Scott Maxwell, 5500 Government Way, Coeur d'Alene, expressed concerns about his monthly health insurance contribution increasing. Chairman Green said it would increase \$20 for a single employee, but spouses were statistically the highest cost user of medical care.

Assessor Mike McDowell, 3311 Augusta Court, Coeur d'Alene, stated that Mercer had said significant savings could be found by the County if it was to shop the market for health insurance. He suggested the Board consider using the fund balance to cover some of the increased health insurance costs until those savings could be found. Chairman Green said some of the savings Mercer had projected would come through a voluntary health savings account.

Mr. Kevin Mumford, 8473 E. Ohio Match Road, Hayden, encouraged the Board to give employees pay increases each year.

With no further public comment, Commissioner Stewart moved to close the public hearing and enter deliberations. Commissioner Eberlein seconded the motion. There being no further discussion, Deputy Clerk Davis called the roll:

Commissioner Stewart: Aye

Commissioner Eberlein: Aye

Chairman Green: Aye

The motion carried.

Chairman Green closed the public hearing for the FY2017 Kootenai County budget and called for a recess at 8:17 p.m.

Chairman Green reconvened the meeting and opened deliberations at 8:32 p.m.

Commissioner Eberlein said he was unsupportive of using more of the fund balance or collecting forgone taxes. Chairman Green agreed. Commissioner Eberlein also said he was unsupportive of a 4% wage increase.

Commissioner Eberlein proposed cutting the \$350,000 proposed vacation buyout and adding it to the merit pool. He included sworn officers in the merit pool, but excluding Elected officials. Commissioner Eberlein also proposed reducing the B budget (operations) by 1% across the entire County, and adding that amount to the merit pool. In addition, Commissioner Eberlein proposed to cut the Solid Waste B budget (operations) by \$47,292. Chairman Green expressed concerns about cutting the vacation buy back and Solid Waste B Budget.

Commissioner Stewart stated that health insurance increases were a cost of doing business. He said he would support a 3% wage increase and no increase to health insurance for employees. Commissioner Stewart added that he thought the County's capital projects should be completed through a multi-year plan.

Commissioner Eberlein moved to adopt the FY2017 Kootenai County Budget with the following changes: the \$350,000 vacation buyout would be transferred to the A Budget (personnel). Chairman Green clarified that the \$350,000 was a loaded (benefits included) figure. Commissioner Eberlein continued his motion that the B Budget (operations) would be cut by 1% and those funds transferred to the A Budget (personnel) for the merit pool for all employees, excluding Elected officials. Chairman Green clarified that the 1% cut included all departments equally. Chairman Green further clarified that the dollars that were being transferred to the A Budget (personnel) would be added to the merit pool to be distributed to employees at each Elected official's discretion, and Commissioner Eberlein agreed.

Commissioner Stewart suggested using those dollars to cover the health insurance increase so that there would be no increase to employees. Commissioner Eberlein stated that health insurance was projected to continue to increase in the years to come. He added that the County would possibly have to collect 3% property tax and forgone each year to fund continued health care increases. Chairman Green seconded Commissioner Eberlein's motion.

There being no further discussion, Deputy Clerk Davis called the roll:

Commissioner Stewart:       Nay  
Commissioner Eberlein:       Aye  
Chairman Green:             Aye

The motion carried.

**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 9:27 p.m.

Respectfully submitted,

JIM BRANNON, CLERK

DANIEL H. GREEN, CHAIRMAN

BY: \_\_\_\_\_  
Randi Davis, Deputy Clerk

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