

**BOARD OF ADA COUNTY COMMISSIONERS
MINUTES OF BUDGET HEARING
WEDNESDAY, JULY 16, 2013
6:00 P.M.**

The Board of Ada County Commissioners (Board) met this date in the Public Hearing Room of the Ada County Courthouse Complex to hear the preliminary budget presentation for the fiscal year 2013-2014. Staff present: Chris Rich, Clerk; Gary Raney, Sheriff; Greg Bower, Prosecuting Attorney; Bob McQuade, Assessor; Erwin Sonnenberg, Coroner; and Vicky McIntyre, Treasurer. Minutes Recorder: Judy Morris.

I. IN THE MATTER OF CALL TO ORDER:

Commissioner David L. Case called the meeting of the Ada County Commissioners to order at 5:59 p.m.

II. IN THE MATTER OF ROLL CALL:

Commissioners David L. Case and Rick Yzaguirre were present.

III. NEW BUSINESS

- Tentative Budget

D. Case introduced the elected officials and recognized the department heads. He explained the budget process and stated that he is proud of the proposed budget which will continue to provide a variety of essential services for the more than 400,000 citizens that live in Ada County. He opened the public hearing and turned the meeting over to Chris Rich to present the 2014 tentative budget.

C. Rich recognized his staff and acknowledged their involvement with the process. He explained that, although the economy is picking up, the County was only able to address the mandatory cost increases and begin to reinforce its finances. He stated that as he presented the tentative budget, he would differentiate the budgetary items that are property tax supported and those that are not. He said that differentiating between departments that are self-supporting and those that are tax supporting played a big role in the process.

He said the proposed FY14 budget is \$208,500,000. He explained the circumstances that compelled or constrained many of the decisions of the Board of County Commissioners. He advised that the circumstances had more influence on the proposed budget than the merits of the departments' requests.

He explained that the County revenues reflect the fact that the economy is improving. The County anticipates more than \$6 million in additional revenue. The various departments are projected to bring in an additional \$2 million dollars; another \$2 million dollars is expected from shared revenue from sales tax distributions from the state; and receipt of approximately \$1.6 million is expected from the new construction roll. He advised that personnel turnovers also create savings. In an effort to utilize those savings in the same year that they occur, salary line items were budgeted at 98%, yielding \$1 million to be used in FY14.

He explained that during the last session, the Idaho legislature approved a Supreme Court request to fund and assign three additional judges to Ada County. He stated that the cost for the additional 14 personnel required to support the new Judges is in excess of \$900,000. He advised that PERSI is increasing the contributions paid by both employees and the County, for an increased cost of \$1 million, and health care expenses are increasing \$2 million. He stated that the lingering effect of the recession has also taken its toll on the County. He explained previous Boards only levied taxes on the new construction roll in an effort to spare homeowners additional taxes. No taxes at all were levied in 2011 or 2012. In those years, the County began paying ongoing expenses with one-time savings. In FY13, the amount of ongoing expenses, supported by savings, hit an unsustainable \$9 million, creating a \$6.3 million shortfall.

He said the FY14 budget requests came in approximately \$20 million higher than FY13. He stated this was reflective of the need to replace aging facilities and expand programs to meet demands. He explained that the County requires a minimum of 3

1/2 months' worth of cash reserves to meet its financial obligations and explained the need for a Fund Balance to meet unexpected expenses. He showed how the cash reserve and the Fund Balance would have been affected by granting all the requests. He said that in an effort to address the shortfall, the Board has adopted a multi-year approach to reducing reliance on one-time money for ongoing expenses from \$9 million in 2013 to \$5.5 million in 2014. Throughout the budget process, if the department did not have an offsetting source of revenue other than property taxes, the Board generally disregarded such request.

Moving to the FY14 budget, he stated that the property tax supported departments requested \$12.6 million of capital projects. Of that, \$1.5 million was approved. A dispatch center for \$7 million was denied, as was a crime lab for the Sheriff; \$1 million for a courtroom to support the three additional judges was postponed as was a \$1 million update to the coroner's building and \$1 million for bike path repairs. The approved \$1.5 million consists of \$1 million for a new Paramedics station in Southeast Boise, which is funded through departmental savings; and \$500,000 for office remodel costs relating to the 14 personnel that will be hired to support the three judges. The \$500,000 is also funded through savings. Self-supported departments requested \$6 million and received those requests as they have no impact on the status of the County's shortfall.

With regard to personnel, he continued, 53 requests were made for new positions by tax supported departments; 23 were approved; 14 of which are related to the three new judges. Most, if not all, of the remaining positions approved were funded by departmental revenue. There were 334 requests for special salary adjustments and promotions; 53 special salary adjustments, supported by property taxes, were approved; 2 new positions and 22 salary adjustments were approved for departments that did not rely on property taxes. He explained that the Board believes a 3% cost of living allowance (COLA) will be an equitable and necessary step to take to help defray the .8% increase in PERSI and the 2% of FICA increase. The COLA will also help keep County salaries from falling further behind in an increasingly competitive job market. The COLA is included in the proposed budget. The proposed increase overall in personnel is \$4,951,000.

He reviewed the changes in the individual department budgets from FY13 to FY14. He also explained the mandatory increases in each department and deducted those expenses to reflect the costs over which the department had control. He then discussed the departments that had noteworthy increases to programs and/or personnel and explained those needs and their funding sources. He advised that the key to the FY14 and FY15 budgets will be the amount of Fund Balance, or savings, the County has at year end.

C. Rich concluded his presentation by stating that the tentative budget would be adopted on Thursday, July 25, 2013, at 1:00 p.m. He said the budget would then be published in the Idaho Statesman on August 1, 2013, and the final budget would be approved by resolution on August 13, 2013, at 9:00 a.m.

D. Case stated that the Board appreciates its employees. He explained the Board has done what they can for their employees while being mindful of the citizens. He said the increase in property taxes is unavoidable. He stated that he is confident that the County is moving in the right direction to continue to offer the services and amenities to its citizens. He then opened the public hearing for comment.

R. Yzaguirre reiterated D. Case's comments and thanked Staff for their work during the budget process.

[There was no public testimony.]

D. Case closed the public hearing.

VI. IN THE MATTER OF RECESS:

There being no further business to come before the Board at this time, the meeting was recessed at 6:25 p.m.

David L. Case, Chairman

ATTEST:

Christopher D. Rich, Ada County Clerk