

**EAST SIDE HIGHWAY DISTRICT  
 MINUTES - August 15, 2016**

Chairman Terry Sverdsten called the board meeting to order at 9:00 a.m.

**Present:** Chairman Terry Sverdsten, Commissioner Addington, Commissioner Fillios, Supervisor Pankratz and Secretary Sieverding

**Guest:** Doug DeAndre, Dan Yake, Lorna Casey-Kaiser, Joe Whipple, and Denny Davis

**2015/2016 Proposed Amended Hearing Budget Hearing:**

	2015/2016 FINAL BUDGET	2015/2016 PROPOSED AMENDED BUDGET - Hearing August 15, 2016 - Rejected	2015/2016 PROPOSED AMENDED BUDGET - Hearing August 29 2016
General Funds & State Treasurer Account	172,324.00	545,583.98	545,594.00
Traffic Mitigation Fees	120,250.00	146,805.43	146,805.00
<b>Funds carried over from Previous Year</b>	<b>292,574.00</b>	<b>692,389.41</b>	<b>692,399.00</b>
<b>ANTICIPATED REVENUE:</b>			
Local Sources	30,250.00	49,045.00	49,645.00
Forest Service Reserve	20,500.00	80,563.68	80,564.00
Highway User's Funds	1,222,044.00	1,222,044.00	1,303,935.00
Local Property & Sales Tax	<b>1,306,190.00</b>	1,246,190.00	1,304,190.00
Grant & ROW Reimbursement	0.00	233,643.57	233,926.00
<b>Total Anticipated Revenue</b>	<b>2,578,984.00</b>	<b>2,889,486.25</b>	<b>2,972,260.00</b>
<b>Previous Year's Carry-Over &amp; Total Anticipated Revenue</b>	<b>2,871,558.00</b>	<b>3,581,875.66</b>	<b>3,664,659.00</b>
<b>ANTICIPATED EXPENDITURES:</b>			
Administration Expense	216,683.00	245,901.38	168,031.00
<b>Commissioner's Per Diem &amp; Expense</b>	<b>29,800.00</b>	<b>29,400.00</b>	29,400.00
Road Construction Projects	150,000.00	333,979.88	336,850.00
Labor Expense	1,057,240.00	1,057,415.24	1,057,415.00
Operation Expense	371,869.00	338,409.00	338,409.00
Direct Road Maintenance	519,500.00	497,500.00	517,500.00
Asset Expense	207,815.00	153,600.00	153,600.00
Transfers to Cities	60,211.00	60,211.00	60,211.00
<b>Total Anticipated Expenditures</b>	<b>2,613,118.00</b>	<b>2,716,416.50</b>	<b>2,661,416.00</b>
Year End: General Funds carried over from previous year (Checking, Savings, State, Match, & Misc.)	127,690.00	708,153.73	846,000.00
Traffic Mitigation Fees	130,750.00	157,305.43	157,233.00
<b>Total Year End Carry-Over</b>	<b>258,440.00</b>	<b>865,459.16</b>	<b>1,003,233.00</b>
<b>Total Anticipated Expenditures &amp; Year End Carry-Over</b>	<b>2,871,558.00</b>	<b>3,581,875.66</b>	<b>3,664,649.00</b>
		<b>Board Rejected the 2015/2016 Amended on August 15, 2016</b>	<b>Republished 2015/2016 Amended Budget Hearing set for August 29th.</b>

Commissioner Addington made a motion to **reject** the **2015/2016 Amended ESHD Budget** as presented and advertised on August 5th and 6th in the Coeur d' Alene PRESS, and to reschedule another 2015/2016 Amended Budget Hearing for August 29th at 8:45 a.m. with the above revised amended budget figures. Commissioner Fillios seconded the motion, which was unanimously approved.

**Previous Minutes:**

Commissioner Addington made a motion to accept the July 18, 2016 minutes as presented. Commissioner Fillios seconded the motion, which was unanimously approved.

Commissioner Fillios made a motion to accept the following Treasury Report: The general checking account expenses and transfers from checking were in the amount of \$258,259.53 covered by checks #15723 and #15761 (includes DD, PR Tax Pmts to Federal & State, & PERSI.) Commissioner Addington seconded the motion, which was unanimously approved.

**TREASURY REPORT:**

Petty Cash	\$	200.00
<b>Umpqua Checking:</b>	<b>\$</b>	
Umpqua Checking .....	\$	242,986.07
State Treasury Account Fund 891.....	\$	1,196,245.34
Less Umpqua Assured Macro-Balance	\$	<u>(1,500.00)</u>
<b>Balance of Working Capital this Date</b>	<b>\$</b>	
<b>Dedicated Funds at State Treasury Office Funds 369 TMF</b>	<b>\$</b>	<u>162,838.86</u>
<b>TOTAL OF ALL FUNDS</b> .....	<b>\$</b>	<b>1,600,770.27</b>

**DISCUSSION ON CORRESPONDENCE, REPORTS, PERMITS: ( See attached)**

**#14** ESHD-"Plaintiff" vs Gregory K. Delavan -"Defendant": The Defendant was granted a motion for a Partial Summary Judgment under Case No. CV 12-3131. A status conference hearing is set for September 20, 2016 at 3:30 p.m.

**#47** The CDA Tribe recently acquired 1,200 acres split between 9 parcels from the CDA Custodial Work Trust out in the Cataldo Flats area. Supervisor Pankratz will be meeting with Rebecca Stevens, the Program Manger/Restoration Coordinator to discuss the access through the ESHD ROW (via, Canyon and Dredge Road)

**OLD BUSINESS: (Follow-up List)**

1. The Board will be holding a Budget Hearing on August 29th followed by a workshop to update the District's Employee Manual and to review the updates for the District's 5-Year Right-of-way map.

**NEW BUSINESS:**

1. At the last board meeting Timothy W. Grothman presented the Board with a Variance Request dated (July 5, 2016) to waive a \$3,500 **Traffic Mitigation Fee** for one additional lot proposed within the **Coeur Ridge Estates, MIN16-0016**. The Board agreed to table the conversation until J-U-B Engineers had reviewed the impact of this proposed plat.

Mr. Grothman delivered a second letter dated (August 10, 2016) requesting a TMF variance mentioning the \$3,500 fee would result in an unnecessary financial hardship for a road that is privately maintained.

The Board reviewed J-U-B Engineers' Minor Subdivision review for comment on the Coeur Ridge Estates and discussed the fact that the portion of road fronting the subdivision is privately maintained public road; however, the leading portion of Grouse Meadow Road is public and publicly maintained, also discussed was the road's possible connectivity to Sky Harbor Drive - a public road. **Action:** Commissioner Addington made a motion to **deny** Timothy W. Grothman **Variance Request** to waive the \$3,500 Traffic Mitigation Fee for the additional lot proposed within the Coeur Ridge Estates and to approve the "draft" letter directed to Kootenai County Community Development listing the Districts' requirements for approval and final signoff on the plat. Commissioner Fillios seconded the motion, which was unanimously approved.

2. Denny Davis with Witherspoon & Kelly represented Mary Lou Reed in her request to share half of the \$3,424 fee for a surveying, monumenting, and adjusting the boundaries of Ms. Reed's property to the east of Fernan Hill Road up to the City view intersection. According to surveyor, the \$3,424 fee imposed is significantly less than what the cost would have been for the road right of way work as a stand-alone project.

Supervisor Pankratz said the District does not have 'Fee-Simple Right-of-Way' adjacent to Mary Lou Reed property on **Fernan Hill Road** but we do have " 50' Prescriptive Easement" for maintenance.

**Action:** Commissioner Fillios made a motion to share half the \$3,424 fee for conducting a survey, monumenting, and adjusting the boundaries on a section of property east of Fernan Hill Road ordered by property owner Mary Lou Reed in exchange for a Quitclaim Deed for full interest in the right-of-way. Commissioner Addington seconded the motion, in which the following roll was taken: Commissioner Fillios - "Yes" ; Commissioner Addington "No"; and Chairman Sverdsten "No". The motion was not approved.

3. Commissioner Addington made a motion **reject Terrorism Risk Insurance Coverage** with understanding that ICRMP Board of Trustees have purchased an excess insurance for their members in the amount of \$50M per year to be shared among any member for acts of terrorism during a policy year. Commissioner Fillios seconded the motion, which was unanimously approved.
4. Visitor Lorna Casey-Kaiser asked the Board to not take a 3% increase in budgeted levied taxes this coming fiscal year. She expressed that tax payers are getting hit hard by all the other taxing agencies and it all adds up.

Secretary Sieverding explained that the East Side Highway District levies are less than all the other three highway district in Kootenai County but the ESHD is faced with the highest number of graveled road. Last year tax payers were paying \$64.80 per \$100,000 assessment to ESHD for road maintenance- which is approximately 5% of an individual tax bill. Of all ESHD road projects completed only 12% or those dollars come from the ESHD's local budget, the remaining funds come from Federal/State Grants and/or mediation funds.

The ESHD does not have foregone taxes they can revert back to and the District has always been very conservative in the amount they have levied the tax payers.

The 2016/2017 ESHD Proposed Budget has been set for August 29, 2016 at 9:00 a.m.

**Action:** Commissioner Addington made a motion to **approve the 2016-2017 Proposed Budget** which will include the following:

- An increase in the employee's wages to equal to the current average for the Kootenai County Associated Highway wage plus 3% increase; and
  - To take an increase of 3% in the Districts' budget levy and new construction.
- Commissioner Fillios seconded the motion, which was unanimously approved.

5. The District has maintained **Lilac Lane** which is in within the city of Coeur d' Alene boundary. The right-of-way was dedicated to the public in the Foss Addition under the recording of Book D, page 99 and then later a portion of this said road was vacated in September 23, 1957. The District has not receive Highway Users Funds on this road.

**Action:** Commissioner Fillios made a motion to relinquish the maintenance of **Lilac Lane** effective September 1, 2016 and annex into the city of Coeur d' Alene. Commissioner Addington seconded the motion, which was unanimously approved.

Chairman Sverdsten called for a recess at 10:20 a.m. The meeting resumed back into order at 10:30 a.m.

#### **SUPERVISOR PANKRATZ:**

1. The District has been working on the following seal coating projects: Blue Creek Rd, Alder Creek Rd, and Capt. John Mullan Trail, Borley Rd, Bonnell Rd and Mullan Trail Rd.
2. There has been a few dust complaints-mostly on the **Latour Creek Rd**. A resident in this area has shown an interest in participating in a cost-share program to improve the road beyond the portion the District has planned to improve this Fall.
3. The slope repair project on Burma Road between Carlin Bay Road and State Highway 97 is coming along.
4. Supervisor Pankratz has been having some discussion with the CDA Trust on the "Common Use Area" on Canyon Road. If the CDA Trust is going to remediate this area it will not be acceptable to a lesser surface than what is in place today.
5. Supervisor Pankratz has sent the District's attorney pictures of some unauthorized signs-covering the District's signage- on the **Boothe Park** Dedication board.

KC Park and Recreation is a fee based operation and they are not receiving funds to maintain the bathroom facilities at Boothe Park. This Park is under the ownership of the ESHD; therefore, the Board may want to think of how they could assist KC Park and Recreation in covering the expense to maintain the bathroom facilities.

6. The new trucks the District ordered are ready for delivery- we are just waiting for Larry Parrott to finish up the paper work.

7. The seal coating portion of the **Fernan Lake Road Safety Grant Project** should be in process today. Poe Asphalt Paving, Inc. was awarded the bid on this project. The District's match contribution on this project required a 7.34 % match to improve a five mile stretch of the roadway.
8. The Board was given ITD's response to the conditions for the State to relinquish the ESHD the portion of Coeur d' Alene Drive that falls outside the existing Coeur d' Alene city limits. The Board agreed to review and later comment.
9. The crews have completed some much needed grading with the rain we recently received.

**COMMISSIONER FILLIOS:**

No comment.

**COMMISSIONER ADDINGTON:**

No comment.

**CHAIRMAN SVERDSTEN:**

1. The back end of Killarney Lake Road is in need of more material and grading. The Boat Launching area off Killarney Lake Rd is under BLM Jurisdiction.
2. Chairman Sverdsten has received a number of calls on the dust concern on Latour Creek Road, one being, resident Tom Dickerson.
3. The equipment recently purchased from Lake Highway District is being titled. Pankratz will be meeting up with the foremen to discuss their needs for their subdistricts.

Commissioner Addington made a motion to adjourn the board meeting at 12:05 p.m. Commissioner Fillios the motion, which was unanimously approved.

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**COMMISSIONER FILLIOS  
SUB-DISTRICT #1**

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**CHAIRMAN SVERDSTEN  
SUB-DISTRICT #2**

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**COMMISSIONER ADDINGTON  
SUB-DISTRICT #3**

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**SECRETARY/TREASURER  
SIEVERDING**