

Commissioners' Meeting Minutes - Week of June 26, 2023

***Monday, June 26, 2023, at 9:15 a.m., Commissioners met in regular session with Chairman Tim Bertling, Commissioner Wally Cossairt, Commissioner Ben Robertson, Clerk Glenda Poston, and Deputy Clerk Michelle Rohrwasser.

Commissioners said the Pledge of Allegiance.

Commissioners' agenda topic scheduled for 9:15 a.m. was cancelled. Commissioners addressed their next scheduled topic at 9:30 a.m.

Commissioner Cossairt moved to sign the Property Tax Cancellation Form for tax year 2022 for parcel #RP002800000130A to cancel late fees in the amount of \$32.51, plus interest because the mail delivered the tax notice to the wrong address. Commissioner Robertson second. Motion passed unanimously.

County Civil Attorney Tevis Hull contacted Commissioners via telephone to update them on various matters he's working on. The call ended at 9:51 a.m.

Commissioner Cossairt moved to sign the Property Tax Cancellation Form for tax year 2022 for parcel #RP61N01E034953A to cancel late fees in the amount of \$61.55, plus interest due to personal circumstances. Commissioner Robertson second. Motion passed unanimously.

Commissioner Cossairt moved to designate 85% of Secure Rural Schools (SRS) funds to Title 1 and 15% of SRS funds to Title II. Commissioner Robertson second. Motion passed unanimously.

10:00 a.m., Commissioners held a Board of Equalization Appeal Hearing for Parcel #RP64N02E268990A for property owners Justin and Carol Julian. Present were: Chairman Tim Bertling, Commissioner Wally Cossairt, Commissioner Ben Robertson, Clerk Glenda Poston, Deputy Clerk Michelle Rohrwasser, Assessor Olivia Drake, Appraiser MacKenzie Durette, Appraiser Melissa Kramer, and property owners Justin and Carol Julian. The hearing was recorded.

Chairman Bertling administered the oath to those giving testimony. The appellant did not submit any exhibits. The Assessor's Office submitted an exhibit, labeled as County Exhibit #1, consisting of 20 pages.

Mr. Julian informed Commissioners that they own three pieces, which is the home, a shop and the cabin on the Moyie River. The value of the home and shop have increased, but he is not contesting that. He's strictly addressing the value of the cabin. Mr. Julian said they had appealed the value for this property in year 2020

and this year it's the same issue. Mr. Julian commented that he cannot recall that appraisal, but he met with the Board of Equalization and they reduced the value of the cabin property to \$223,000.00, but the next year it was right back up to \$350,000.00 and this year it is close to \$390,000.00. Mr. Julian said he doesn't have a problem with the big value increase on his home as they've talked about it and understand, but the cabin is unique. In year 2020, and in this Notice of Appeal, they've invited the Assessor out to look around the property, but they declined to come out and he would have been happy to show them the property. There is so much to the property that you cannot tell with a plat or photo. The gas pipeline goes through a lot of the properties along the river, but in most instances it doesn't hurt the property value since the pipeline runs right next to the county road or at the end of the properties. Mr. Julian said in the case of his property, the pipeline bisects it lengthwise 100 feet wide and the area is full of knapweed. Basically, 5.5 acres on the river sounds good on paper, but when you're there, only in the northern corner where the cabin sits is the only place you can do anything with the property. You cannot put up a structure or dig a well due to the pipeline. If the Assessor was on site, they would have a better understanding. Mr. Julian said they cannot deny the gas line company representatives to work on the line so it's like he and his wife don't really own it. The area where the pipeline is located looks almost like a moon scape with a rock surface and knapweed. Mr. Julian said he listed a value on his appeal form and he's not an appraiser, but the amount is what he feels the property is worth due to the gas line. If the gas line was located a little further to the north, he wouldn't be able to have a cabin on the property. As it pertains to the cabin structure, any builder will tell you a house is only as good as its foundation. The cabin doesn't have a foundation; it has rocks and a car jack. The cabin is a 2,200 square foot structure and it was built by a family overtime and they weren't builders. Mr. Julian said he talked to the prior owner about how the cabin was built. Mr. Julian said page 26 of his appeal shows that the foundation is a pile of rocks and a car jack is holding it up. Page 27 shows the upstairs bedroom with a 6-foot level showing what it takes to get it level since there is a 3-inch to 4-inch drop. Mr. Julian said he understands values from year 2003 are not comparable to year 2023. He purchased the property for \$67,000.00 as a bank foreclosure for cash as-is. You cannot get financing on this building now. The access to the property is questionable; part of the property crosses a corner of the National Forest and there is a marker on the far side of the driveway. Mr. Julian said bottom line is that under Title 55, when you sell a property, there is a check list to go through to certify to the buyer if anything was done by a non-professional and he would have to check every box, except for one. The electrical would not pass inspection and the plumbing would be the same. Mr. Julian commented that he would have to tear the cabin down and start over in order to pass code and financing inspection. Two years ago, the five-year-old septic system imploded and KG&T Septic installed a legal tank and leach field so that is the only thing up to code. Mr. Julian said he was given a variance due to the distance of the river, but KG&T Septic so did because he is close. The well will not pass inspection due to iron and it clogs up with iron and chips of rust. Mr. and Ms. Julian said they don't drink the water. Page 34 of the Julian's appeal shows metal and rust chips. The main line coming out of the well is metal and it's not known if it's rotting out or if it was drilled in a rich iron deposit. Mr. Julian said when they bought the cabin in year 2003, it was a question of whether or not to bull doze the cabin down and build a new cabin. He's just made some small improvements to the cabin so it's weather proof and usable. Mr. Julian said he can only sell the property to someone who will accept all of the defects in the report and hand him the cash, because there

is no financing, which diminishes the value significantly bringing it down to \$220,000.00. This property has a glass ceiling as it cannot compare to other properties that can pass an inspection. The value of \$225,000.00 that was set a couple of years ago is the glass ceiling.

Appraiser MacKenzie Durrett read her statement into the record as follows: Regarding the Board of Equalization appeal for parcel #RP64N02E268990A, it's an improved property on 5.5 acres located at 6390 Moyie River Road in Bonners Ferry. The current assessed value is \$387,940.00 which is broken down as follow: \$223,020.00 for land and amenities, plus \$4,370.00 for outbuildings, \$160,550.00 for the residential building with an attached garage. 1.4 acres of this land has a pipeline running through it and has a negative 50% adjustment on it, as do all other properties with the same pipeline running through them. The one-acre homesite that the Assessor's Office has for every parcel also includes a 50% positive adjustment on it for the river view, as does every landowner on the Moyie River. No changes were made to this property besides the county-wide increase that all property owners received. The house and attached garage are valued as cheap. In 2020, the Julians took this property before the Board of Equalization and received a value reduction. Their property was then adjusted to reflect the numbers from that Board of Equalization (BOE). Since 2020, the Assessor's Office has not removed the BOE value. The property value each year has reflected the BOE value with the county-wide increase that every single property owner has received. As you know, Idaho is a market value state and the Assessor's Office uses data from actual market sales that are provided to the county from buyers and sellers. That data is averaged out to find the median number for land and improvements. Since 2020, the market has had a sharp increase in sales from people flooding here from other states. Parcels are selling at the highest rates we have ever seen. The condition of houses and land have not been a factor in high sales as people are so desperate to move here and cash buyers are paying astronomical prices for parcels every day. While the Julians state the house is improperly constructed and included an inspection report from three years ago, a current appraisal of the property has not been provided to us and would've been helpful to show that the Assessor's Office has the wrong value. The county's value is under the actual value this property would have if the regular market value was being used on this property. The Julians are already getting a break in value and I feel it would be inequitable of the Board to award them the even lower value that they are asking for. I believe that if the Julians actually put this property on the market, not only would they ask more than what the county has it valued at, they would receive that amount. Included in the Assessor's exhibit is a local real estate agent's market update for May and you will see that the average listed price for parcels with houses is at an all-time high of \$751,996.00. The average sold price of said parcels is \$490,985.00. The market continues to soar. The Assessor's exhibit also includes some listings that Ms. Durette found: A. 5908 Moyie River Road sits on 0.88 acres with a small cabin. The Assessor's Office has this valued overall at \$331,960.00 and the parcel listed at \$460,000.00. B. 124 Pebble Lane sits on 5.3 acres with an old cabin and garage and the Assessor's Office has it valued at \$255,410.00 and it sold in September for \$405,000.00. C. 384 Earl Lane sits on 1.87 acres and it has a small house with a detached garage. The Assessor's Office has this property listed at \$529,790.00 and it's for sale for \$685,900.00.

Ms. Durette added that there are cash only buyers who are buying land everywhere in Boundary County. The market continues to soar. Ms. Durette explained that she personally has only been working as an appraiser for two years and she was not personally on the property since it was gated and posted. There are pictures that show the rough shape, which is why the Assessor's Office kept the value at the Board of Equalization values, so they did not take that value off even though it's only good for one year. Ms. Durette said every property owner received the increase and she believes this value is fair.

Ms. Durette said at this time, she would ask the Board of Equalization to sustain the Assessor's Office values.

Mr. Julian provided a rebuttal. He asked if the comparable properties had a gas line going through them. Ms. Durette said she wasn't sure and she added that she took the 1.4 acres with just the pipeline and devalued it. The Julians can graze and do things with the property, but they cannot build on it since it has to stay open. Every property owner gets a negative adjustment for that.

Mr. Julian said with the Nixon lots and the pipeline that follows the county road, the bulk of that property is along the river and the pipeline doesn't impact that. Rather than mathematical, has the Assessor's Office taken the impact of the pipeline that goes right through the middle of the property? Ms. Durette said she has and she gave an example that North Idaho Energy Logs also has a huge pipeline running through the property. On Eileen Road, there is a pipeline that runs through Bruce Behrman's property and he uses the land for grazing. Each place is unique and the Assessor's Office tries to work with landowners.

Chairman Bertling asked how many acres are on one side of the pipeline. Mr. Julian described the shape of the property and explained that the pipeline runs down the middle for the first 100 feet. As you get closer to the structure, there is land to the right of the pipeline, but it just goes down to a swampy area. The pipeline makes an elbow and then it crosses the river. Mr. Julian said he guesses there is approximately one-half of an acre with the cabin and lawn and a piece of a wedge shape. Everything is separated or isolated due to the pipeline. Mr. Julian said he cannot install a well or a drain field. Commissioner Robertson asked if there is an aerial photo of the property. Assessor Drake explained that the pipeline area cannot be used, but it can be used as a long yard. The pipeline doesn't necessarily cut it off from the property. Mr. Julian said the ground is just like the surface of the moon. It's just a moon scape with knapweed. Assessor Drake said TransCanada Gas would probably let him rake this area. Assessor Drake explained that she didn't raise the structure price at all this year. The Assessor's Office had to raise all land to get within the ratio so land did take a big jump. Assessor Drake added that if you look at the average price, if you took the neighbor's house with the same features so you have the land and house, and the house didn't have structural issues, the house would have a value of \$285,000.00 and it would take an additional \$120,000.00 to bring the house up to an average rating. Mr. Julian showed those present an aerial view of his property via the Onx App on his phone and he said he does have 500 feet of river frontage, but as far as the gas line coming through this property, it has an outsized impact on this parcel. Commissioner Robertson asked if there is a set back off of a pipe line for a structure. Mr. Julian said the piece of land off of the pipeline is steep and swampy and the property is only buildable where

the cabin is. Assessor Drake said without a proposed value, the Assessor's Office doesn't have information to go on and she added that she did have the building marked down \$120,000.00 off of average. The Assessor's Office did try to get the building to where it was structurally. Commissioner Cossairt said if the house is average, what is less than average and Assessor's staff said there are rating of average, fair, cheap, poor, and low. There are hardly any residential structures labeled cheap. Everything is based on the cost to rebuild at that quality. Assessor Drake said if the building could be built to an average rating, that is how it would be billed. Commissioner Robertson asked for numbers when downgrading from cheap to poor.

Chairman Bertling asked Mr. Julian what he feels is acceptable. Ms. Durette said most houses are average. Fair is below average, then there is low, then cheap.

Mr. Julian said he felt a value of \$225,000.00 was fair and he added that he feels the value is bumping up against a glass ceiling. He said he understands billionaires will pay cash for this property. Mr. Julian commented that some of the comparable prices are not sale prices and Ms. Durette said they've had one sale price. Mr. Julian said if he is offered \$390,000.00, he would sell it; he doesn't want to, but he would accept that windfall. Assessor Drake listed the process of ratio studies and she said the county was not even close on land sales so that is why the land category increased so much.

Commissioner Cossairt said it's a wild market and it will hold the value for this year, not that he likes it, but that is what it is. Commissioner Robertson said he agrees. Chairman Bertling said he feels he would have to sustain the value because of the market. He sees the way land is going and he knows someone whose house has more defaults than the Julians and that house sold for \$385,000.00 before the boom.

Commissioner Cossairt moved to sustain the Assessor's valuation for parcel #RP64N02E268990A for Appellants Justin and Carol Julian. Commissioner Robertson second. Motion passed unanimously.

The Board of Equalization Appeal hearing for parcel # RP64N02E268990A ended at 10:40 a.m.

10:40 a.m., Assistant Restorium Administrator Diana Lane joined the meeting to give an update on Restorium matters.

Assessor Drake left the meeting at 10:44 a.m.

Ms. Lane presented Commissioners with a report on income and expenses for the Restorium. Those present discussed current resident room rates and proposed room rate increases. Clerk Poston said the census for the Restorium is down, but expenses are up. Ms. Lane spoke of the process of temporarily moving residents to other rooms while the new flowing is being put down. The Restorium currently has six vacant rooms and some of those rooms are double occupancy. Clerk Poston voiced her concern about the occupancy level since the Restorium is supposed to have more residents. Ms. Lane spoke of not knowing what to expect when it

comes to residents since they've had to discharge a few residents once they've began needing a higher level of care and there are residents who have passed away.

11:00 a.m. Commissioner Cossairt moved to go into executive session pursuant to Idaho Code 74-206(1)b, to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student. Commissioner Robertson second. Commissioners voted as follows: Chairman Bertling "aye", Commissioner Cossairt "aye" and Commissioner Robertson "aye". Motion passed unanimously. The executive session ended at 11:18 a.m. No action was taken.

Those present continued their discussion on the number of beds at the Restorium, number of residents, etc.

The meeting with Ms. Lane ended at 11:25 a.m.

Those present tended to administrative duties.

Commissioners recessed for lunch at noon.

1:30 p.m., Commissioners reconvened for the afternoon session with Chairman Tim Bertling, Commissioner Wally Cossairt, Commissioner Ben Robertson, Clerk Glenda Poston, and Deputy Clerk Michelle Rohrwasser.

1:30 p.m., Road and Bridge Department Co-Superintendents Renee Nelson and Randy Morris joined the meeting to give the department report. A written report was submitted and Mr. Morris reviewed work listed in the report.

Mr. Morris said they got the generator set up and it started smoking again before the engine shut down. The generator was tested at the Caterpillar shop and it ran fine so it must have gotten water in it. Mr. Morris said they drained it and changed the filter and it seems to be running. Chairman Bertling questioned how many tons of rock are crushed in a year. Brian Wood of Woods Crushing and Hauling had talked to Chairman Bertling and told him he could crush rock at \$5.00 per ton. Ms. Nelson asked if Woods can crush a variety of rocks. Chairman Bertling said Mr. Wood had told him the advantage of having their own crusher is keeping the crew going in the spring. Ms. Nelson spoke of testing the rock chips need to go through for the oil. Chairman Bertling said it's \$55.00 per load for 11 yards.

Those present reviewed work listed in the department report and Mr. Morris spoke of ditching old Highway 2 Loop and Herman Lake, and picking up the traffic counters.

Marty Martinez joined the meeting at 1:38 p.m.

Mr. Morris informed Commissioners that Road Foreman Brad Barton is taking the traffic control technician course.

Road and Bridge will soon get started chip sealing Brown Creek Road.

Ms. Nelson said the 60% plans for the Sunrise Road – Kootenai Tribe of Idaho project were submitted to the Idaho Transportation Department (ITD) for the approach permit and she also sent it to County Civil Attorney Tevis Hull for wording for the easement. Most of the comments ITD made were about a raised divider at Sunrise Road for right in and right out turns. The right-of-way will be widened as much as possible. ITD would like to have the county's comments prior to July 14th. Those present spoke of requesting a review of any revised plans from the engineer to ITD.

Ms. Nelson asked Commissioners if a couple Road and Bridge crew members could drive a Road and Bridge truck in the July 4th parade. Commissioners approved.

Those present discussed proposed revenue for the next budget. Ms. Nelson will review and update the descriptions for vehicles, projects, bridges, reimbursements, safety improvements and itemize those out.

Ms. Nelson spoke of a funding program for counties and ITD will administer the application. The period for applications opens July 1st and it closes September 31st. Boundary County will fit into Category 2. Ms. Nelson said she will need to figure out what project Road and Bridge has that meets the criteria.

Commissioners asked about the Myrtle Creek Bridge project. Ms. Nelson said the Myrtle Creek Bridge is a Federal Lands Access Program (FLAP) project and it's still moving forward. The program for the Myrtle Creek Bridge project has no match. Road and Bridge is working on the Blume Hill/Roosevelt Road intersection and there is a division triangle issue due to trees on private property. Road and Bridge is looking at possible different traffic control options and maybe the County Civil Attorney can help out with the vision triangle. Ms. Nelson said Road and Bridge is looking into options with stop signs. Speed bumps are not an option. Transverse rumble strips are an option, but the point of rumble strips is to wake people up, both physically and for the noise. It will also be noisy for the residents to the east so does the noise out-weigh the safety benefits? There is also a power pole right on the corner. A question was raised about offering to have the trees relocated farther back.

Chairman Bertling spoke of cars coming out of the Unboxed driveway onto the highway and he asked about a frontage road to the Dollar Store.

Those present discussed chip sealing and it was said it takes approximately 220 yards of rock to chip seal one mile.

Commissioner Robertson said if Road and Bridge filled two vacancies, would it be possible to have a five-day work week or four tens with a split crew. Mr. Morris said he had wondered about that when it comes to mowing. Road and Bridge needs to have two flaggers unless they're just mowing. Ms. Nelson said she would need to pencil out how many crew members are needed for the tasks.

The meeting with Ms. Nelson and Mr. Morris ended at 2:08 p.m.

Commissioners tended to administrative duties.

The Board of Equalization appeal hearing for parcel #RP006530000370A set for 2:00 p.m. was cancelled by the appellant.

There being no further business, the meeting adjourned at 2:15 p.m.

TIM BERTLING, Chairman

ATTEST:

GLENDIA POSTON, Clerk

By: Michelle Rohrwasser, Deputy Clerk

Date:

Tuesday, July 11, 2023 - 10:45