The Elmore County Commissioners met in regular session on the above date in the Commissioners Room, basement of the Elmore County Courthouse, 150 South 4th East, Mountain Home, Idaho.

Present at the meeting were Chairman Al Hofer, Commissioners Bud Corbus and Wes Wootan, Civil Attorney Buzz Grant, Clerk Barbara Steele, and Deputy Clerk Shelley Essl.

Motion by Hofer, second by Corbus, to go into Executive Session pursuant to I.C. 74-206(d) – 31-874 to discuss indigent applications. Roll call vote was taken.

Motion carried and so ordered.

Regular session resumed. The following decisions were made as a result of the Executive Session:

K-03-17-03 Motion by Corbus, second by Wootan, to sing the Order of Dismissal as St. Luke’s Regional Medical Center withdrew the application and appeal.

Motion carried and so ordered.

K-05-17-01 Motion by Corbus, second by Wootan, to deny as the applicant was approved for Medicaid to cover the dates on the application.

Motion carried and so ordered.

K-06-17-13 Motion by Corbus, second by Wootan, to approve with a reimbursement order of $200.00 per month and 50% of federal and state tax refunds.

Motion carried and so ordered.

Motion by Wootan, second by Hofer, to approve the minutes for May 5, 2017.

Motion carried and so ordered.
JULY 7, 2017

Motion by Wootan, second by Corbus, to approve the payroll for June 2017 in the amount of $524,129.05.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Corbus, to approve the Ambulance District Expenses in the amount of $7,560.67, payable to Verizon Wireless-$199.78, Mountain Valley Plumbing, LLC-$1,935.00, RTI-$139.98, Pine Resort, LLC-$202.61, Hiler Brothers Company-$45.82, Brian Chevalier-$209.50 and Elmore County-$4,827.98.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to approve the Pest Abatement District Expenses in the amount of $24,410.44, payable to Verizon Wireless-$52.93, Centurylink-$107.40, Bideganeta Construction, Inc-$23,189.64, D&B Supply-$30.75, Express Employment Professionals-$819.13, Norco-$117.81, Office Value-$29.40, Carr’s Home Lumber-$3.38 and Old School Small Engines-$60.00.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Stefanie Kazyaka, Elmore Soil and Water Conservation District appeared to request their annual funding. She explained the programs the district has assisted with in the past year and requested their annual funding in the amount of $8,500.00.

Debbie Shoemaker, Mountain Home Historical Society appeared to request their annual funding. Ms. Shoemaker thanked the board for their past funding support and explained how they use the funding throughout the year. She also stated that they were awarded a grant from the Idaho Heritage Trust Fund to restore the brick and mortar on the front of the building that is in bad condition and they are currently working on a grant to restore the front portico of the building. She requested the annual funding in the amount of $6,000.00.

Darcy Anderson and Jaime Hansen, Family Advocates appeared to request their annual funding. Ms. Hansen reviewed the case load for Elmore County. She stated that they are still in need of volunteers for the CASA Guardians ad Litem, who are appointed by the court to work for the best interest of abused or neglected children involved in the child protection system. She requested the annual funding in the amount of $12,000.00.
Alan Dornfest, State Tax Commission, appeared to discuss House Bill 235 and the effects on Section 63-602NN of Idaho Code. The major provisions include up to a five year exemption of property taxes for new businesses and requires investment during the identified project period. There are qualifications that need to be met for the exemption, but that does not guarantee an exemption. The exemption is at the discretion of the county commissioners. The business requires certain uses. The uses were manufacturing, but the new law now expands to non-retail. The land does not qualify and the purchase cannot be included in meeting investment criteria. 63-602 NN provides an exemption, not a tax cancellation. Exemptions will apply to the value of the property. The exemption may shift taxes to non-exempt properties, which may mean an increase in taxes for the non-exempt properties.

Motion by Hofer, second by Corbus, to recess as a Board of Commissioners and convene as a Board of Equalization.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

An appeal hearing was held for Glenns Ferry Health Center, Inc. for parcel number RPA3S07E304060A and Glenns Ferry Area Rural Health Care Center, Inc. for parcel number RBB0070036007AA. Mary Ferguson appeared and provided written testimony, which was submitted into the record. Chairman Hofer swore in those who were testifying.

The reason for the appeal was that the properties lost their exemption as a charitable organization and they feel that they are a charitable organization and the tax exempt status should be reinstated. Ms. Ferguson stated that their mission is to provide quality healthcare to all persons without regard to geographic, economic or cultural barriers. The clinics provide medical, dental and behavioral healthcare and include reduced or free pharmacy and physician services. They are partially funded by a federal grant, but the grant does not cover all expenses and the clinics struggle to meet their annual budgets. The clinics provide “sliding fee prices”, $20.00 per medical visit, $35.00 per medical visit, $20.00 per counseling session and discounted drug programs. In addition to those discounts, uninsured Elmore County residents receive extra help with medications. In 2016 6,561 patients were treated and they had 30,753 patient visits, so the value of the “charity care” which amounts to $1.1 million in “charity care” from the discounted services they provide. Forty one percent of all patients were under the federal poverty level. They are also involved with the community by holding an annual health fair where they provide low cost blood analysis and tetanus shots, free blood pressure checks, skin cancer screening, breast exams, pulmonary function exams and bone density tests. They provide free sports physical exams for community kids. They also participated in the Race for the Cure and helped raise funds for mammograms for uninsured women. They feels they are a charitable organization that provides a public benefit with their sliding fees and mission driven providers who are willing to work for much less than market salary, as the clinics cannot afford to pay higher salaries and they also have a volunteer board of directors. Ms.
Ferguson feels that if the clinics didn’t operate, there would be a less healthy and productive population, increased opioid abuse, increased emergency room activity and cost and increased indigent fund demands. She stated that the properties are used exclusively for charitable services, delivering medical care, dental care and behavioral services and she asked that the board recognize the charitable activities that they provide and requests that the board continue the tax exempt status on the properties.

Assessor Ron Fisher read the following into the record:

The Idaho Supreme Court has held that “In order to be granted an exemption under I.C. Code 63-602C, the organization must first prove that it is a charitable organization, and secondly, that the claimed exempt property is used exclusively for charitable purposes.” Evangelical Lutheran Good Samaritan Soc’y v. Bd. Of Equalization of Latah Cnty., 119 Idaho 126, 131, 804 P.2d 299, 304 (1990).

First: Neither Glenns Ferry Area Rural Health, Glenns Ferry nor Glenns Ferry Health Center, Mountain Home is a charitable organization under the Sunny Ridge analysis. Idaho Code section 63-602C does not provide a definition of a “charitable organization.” In Appeal of Sunny Ridge Manor, Inc, 106 Idaho 98, 675 P.2d 813 (1984), the Court stated that in order to be a charitable organization, an organization need not provide monetary relief to the needy but it needs to provide a gift for public benefit. Sunny Ridge, 106 Idaho at 100, 675 P.2d at 815. In Sunny ridge, the Court identified eight factors to consider when determining whether an organization qualifies as charitable. These factors are as follows:

1. **The stated purposes of it undertaking**…The Idaho Department of State issued a Certificate of Amendment for The Glenns Ferry Area Rural Health Clinic, Inc., a non-profit corporation dated August 10, 1988. It is not registered as a charitable organization.

2. **Whether its functions are charitable**…The Court looks to see if the organization is performing a function which otherwise might be an obligation of the government. Housing Southwest, 128 Idaho at 339, 913 P.2d at 72. The Glenns Ferry Clinic’s APPLICATION FOR PROPERTY TAX EXEMPTION, reflects that even though they charge patients on a graduated scale in accordance to their income based on Federal Poverty Levels, the functions are not charitable because the two Clinics are compensated for the services it provides either by the patient or by the government.

3. **Whether it is supported by donations**…The Court considers outside donations to be an important charitable factor because it reduces the cost to the general public. “Owyhee Motorcycle Club, Inc. v. Ada Cnty., 123 Idaho at 965, 855 P.2d at 50. The applications of the Clinics reflect that they receive no revenue from donations.

4. **Whether the recipients of its services are required to pay for the assistance they receive**…The courts agree that this factor is one, “of great importance…” . The Glenns Ferry Medical Clinics charge a fee based upon a patient’s ability to pay. If a patient falls below the Federal Poverty Level, the patient pays $20 for a medical visit. Those above 100% of poverty
level receive a sliding fee discount based on income. The difference is paid for by the government.

5. **Whether there is general public benefit...**When an organization is subsidized by the government for its services, it does not provide a public benefit. *Housing Southwest, 128 Idaho at 339, 913 P.2d at 72* (citations omitted). Further, the Clinics do not provide a direct benefit to the general public as they provide service specifically only to those people who are cared for at the Clinics and not to the general public. While the general public does receive some benefit from the Clinics being in the communities, these benefits are not as a direct result of the services provided by them.

6. **Whether the income received produces a profit...**Some years they do (as per the application) create a profit, which is used for equipment replacement. There doesn’t appear to be a profit by which the Clinics may reduce the amount patients are required to pay for services, therefore easing the burden to the public.

7. **To whom the assets would go upon dissolution of the corporations...** another tax-exempt corporation engaged in charitable activities to be chosen by the board of directors. Amendments to the Articles of Incorporation VII DISSOLUTION.

8. **Whether the “charity” provided is based on need...**A sliding scale discount is used to determine patient fees based on the Federal Poverty Level. Only this government subsidy factors into the reduction of the fee with no donation on the part of the Clinics.

The Glenns Ferry Health Clinic must satisfy its burden and clearly establish a right to the exemption provided in the statutes before an exemption can be granted. *Evangelical Lutheran Good Samaritan Soc’y, 119 Idaho at 129, 804 P.2d at 302.* While there are facts that weigh in favor of the Clinics, the statute must be strictly construed against the Glenns Ferry Health Clinics which bears the burden of clearly establishing a right to the exemption.

Neither the GLENNS FERRY AREA RURAL HEALTH CLINIC, INC. in Glenns Ferry nor the GLENNS FERRY HEALTH CENTER in Mountain Home have established that right to the property tax exemption I. C. 63-602C and I recommend this exemption be denied.

**Secondly: The use of the property for charitable purposes...**because the Clinics are not charitable organizations, I need not address this second requirement of Idaho Code section 63-602C; however, 65% of the Clinics’ revenue is neither from government subsidy nor donations. That amount would be received from patients who can afford to pay the full amount in required medical fees which is certainly not for charitable purposes.

Commissioner Corbus asked Ms. Ferguson for an explanation of the competitive grant funding they receive from the Health Resources and Services Administration (HRSA). Ms. Ferguson explained that the grant is based on an application to the federal government and based on the funding available and the
needs of the community they will get a determined amount of funding. She stated that the funding does not cover all of the costs of the clinics or the discounted services they provide.

Commissioner Wootan stated that he sees the need for the clinic in Glenns Ferry, but when they opened the clinic in Mountain Home, they became a competitor with the other offices that are trying to perform the same services. Ms. Ferguson stated that there may be a small percentage of the clinic patients that the other providers may want to have, but if private doctors took all of the Medicare and Medicaid patients it would not be sustainable for those doctors, so the clinics are able to relieve that burden. In addition, these patients come with a lot of complexities that private doctors are not equipped to handle.

Assessor Fisher asked where the funds come from for all of the reported charitable services, particularly the sliding scale fees and the discounted drug program. Ms. Ferguson stated that there is a government program that community health centers participate in that allows the centers to purchase the drugs at a discounted price. Assessor Fisher stated that would mean the “charitable acts” are actually reimbursed to the clinics by the government. Ms. Ferguson stated that not everything is covered, such as an extensive office visit. They can only bill for a basic office but the actual cost to provide the service may cost more than they get reimbursed for. She also has providers who are willing to work for less dollars than they can get elsewhere. Assessor Fisher does not feel that those things are considered “charitable acts”.

Chairman Hofer stated that they will make a decision later in the meeting and the hearing was closed.

Appraiser Terry Hughes appeared to discuss a valuation adjustment for parcel #RP05S09E167200A, Trail Family Farms, LLLP and read the following into the record:

The Assessor’s office requests the Elmore County Board of Equalization lower the value from $70,645 to $58,775 for the tax year 2017. It was brought to our attention by Mr. Trail parcel# RP05S09E167200A is being accessed for an improved acre erroneously.

Motion by Hofer, second by Corbus, to recess as a Board of Equalization and convene as a Board of Commissioners.

HOFER ........................................................ -AYE
WOOTAN.................................................. -AYE
CORBUS..................................................... -AYE

Motion carried and so ordered.

Assessor Fisher reviewed three exemption applications. The first was a casualty loss exemption application from Lydia Ann Durrant on parcel # MHTR0000007400A due to a fire. Assessor Fisher recommended to reduce the value for tax year 2017 from $6,581.00 to $3,137.00. The second was a casualty loss exemption application from Nathan Colbert on parcel # RP000140030040 and RP000140020320 due to flooding that has blocked the access to the parcels. Assessor Fisher stated there
was no damage to the improvements and a 15% reduction has been applied to the parcels. The third was a
property tax exemption application for exceptional situations from Karen Halligan on parcel #
RPA01880020060A. Ms. Halligan is having health issues and is concerned that she may not be able to
pay her taxes next year and is asking that her taxes be cancelled. Assessor Fisher stated that her taxes are
paid to date and recommended denying the application as the taxes are not past due.

Motion by Hofer, second by Corbus, to adjourn for lunch.

HOFER ........................................................ -AYE
WOOTAN........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Regular session resumed.

Motion by Wootan, second by Hofer, to approve the expenses in the amount of $377,499.09.

HOFER ........................................................ -AYE
WOOTAN........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Corbus, to approve the Certificate of Residency applications for Heather R.
Dockstader, Samantha J. Feekes, Aubrianna M. Peterson, Robert Reagan, Sidney N. Szfranski,
Christopher L. Benham, Katherine A. Charles, Samantha L. Fraser and Brenda K. Guajardo.

HOFER ........................................................ -AYE
WOOTAN........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to approve the Recorder’s Office Report for the record only.

HOFER ........................................................ -AYE
WOOTAN........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

The Tax Deed Auction was held. All sales will be as is and may be subject to a right of redemption by
the taxpayer or other parties in interest. You may not be able to obtain title insurance upon a sale of the
property. All sales will be to the highest bidder but the county reserves the right to reject any and all bids
and further reserves the right to reject any bid less than the amount of the minimum bid. The purchaser
shall pay all recording and transfer fees. Cash or certified funds must be delivered to the County Clerk on
or before the determined date and time or the sale will be cancelled. Chairman Hofer led the auction.
Pursuant to I.C. 31-808, the Board of Elmore County Commissioners will offer for sale at public auction,
to the highest bidder, for cash, in lawful money of the United States, all payable at the time of sale, the
following described real properties, situated in the county of Elmore, State of Idaho, and described as follows, to-wit:

#1 Name of taxpayer as it appeared in the delinquent tax certificate upon which tax deed was issued:
Keith H. Blonshine,
Property Location: 521 North 11th East, Mountain Home, ID 83647, Parcel #RPA00960020120.
Proceeding from the Elmore County Courthouse, turn right onto E. Jackson Street to stop sign, turn left onto South 10th East to stop light, continue straight for approximately ¼ mile and turn right onto East 8th North, proceed 1 block and turn right onto North 11th East. Parcel is on right on corner lot of East 8th North and North 11th East.
Legal Description:
Approximately .141 Acres, Lot 12 in Block 2 of New Pence Subdivision, Mountain Home, Elmore County, Idaho.

Taxes, Interest, Penalty & Costs $5,165.34
Recording fee for Deed $15.00
*ESTIMATED MINIMUM BID $5,180.34
Sold to Mack Family Trust for $25,100.00

#2 Name of taxpayer as it appeared in the delinquent tax certificate upon which tax deed was issued:
GMAC Mortgage LLC,
Property Location: 1585 East 11th North, Mountain Home, ID 83647 Parcel # RPA01830060010.
Proceeding from the Elmore County Courthouse, turn right onto E. Jackson Street to stop sign, turn left onto South 10th East to stop light, continue straight for approximately ¾ of a mile and turn right onto East 10th North, proceed approximately .40 miles and turn left onto North 16th East, proceed approximately .12 miles to East 11th North, turn left and property is on the left on the corner of North 16th East and East 11th North.
Approximately .314 Acres, Lot 1 in Block 6 of Sierra Vista Subdivision No. Two, Mountain Home, Elmore County, Idaho.

Taxes, Interest, Penalty & Costs $15,903.10
Recording fee for Deed $15.00
*ESTIMATED MINIMUM BID $15,918.10
Sold to Mack Family Trust for $76,500.00

#3 Name of taxpayer as it appeared in the delinquent tax certificate upon which tax deed was issued:
Walter Williams,
Property Location: No listed address on corner of W. 2nd Ave & N. Ada St., Glenns Ferry, ID 83623. Parcel #RPB0099016007A.
Proceeding from the Elmore County Courthouse, turn right onto E. Jackson Street to Stop sign, turn left onto South 10th East to stop light, turn right onto American Legion Blvd to freeway, turn right onto I-84 for approximately 25 miles, exit freeway at Exit 120, turn right onto N. Bannock St. for approximately .42 miles, turn left onto W. 2nd Ave for 1 block, parcel is on the left on the corner of W. 2nd Ave and N. Ada St.

Legal Description:
Approximately .275 Acres, Lots 7, 8, 9 and 10 in Block 16 of North Addition to Glenns Ferry, Elmore County, Idaho.

Taxes, Interest, Penalty & Costs $3,038.43
Recording fee for Deed $15.00
*ESTIMATED MINIMUM BID $3,053.43
Sold to Alan J. Coleman and Shawn M. Coleman for $4,300.00

Motion by Hofer, second by Wootan, to go into Executive Session pursuant to I.C. 74-206(f) to discuss pending litigation. Roll call vote was taken.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Regular session resumed. No decision was made as result of the Executive Session.

Motion by Hofer, second by Corbus, to recess as a Board of Commissioners and convene as a Board of Equalization.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Discussion was held regarding the appeal for Glenns Ferry Heath Center, Inc. Chairman Hofer feels that they clinics are a valuable asset for the people in the communities, but the main point to focus on is if the clinics are considered “charitable organizations”. Commissioner Wootan also feels that the clinics are valuable to the communities, but doesn’t feel they are charitable due to the fact that they also see patients with health insurance that can be billed. Attorney Grant stated that the board needs to decide if, according to statute, the appellant provided clear and convincing evidence that they meet the requirements of a “charitable organization”, if so they should approve the exemption and if they didn’t overwhelmingly demonstrate that then they should deny the exemption. Commissioner Corbus stated that what stood out to him was the statute stating “the property is used exclusively for charitable purposes” and the clinics are not “exclusively” used for that purpose as the clinics also see “paying customers”.

JULY 7, 2017
JULY 7, 2017

Commissioner Wootan made a motion to deny the request for property tax exemptions for Glenns Ferry Health Center, Inc. for parcel number RPA3S07E304060A and Glenns Ferry Area Rural Health Care Center, Inc. for parcel number RBB0070036007AA. The motion died for lack of a second.

Commissioner Corbus feels that the clinics are a very valuable resource in the communities and that many residents depend on the services the clinic provides.

Motion by Hofer, second by Corbus, to approve property tax exemptions for Glenns Ferry Health Center, Inc. for parcel number RPA3S07E304060A and Glenns Ferry Area Rural Health Care Center, Inc. for parcel number RBB0070036007AA for tax year 2017.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -NAY
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to lower the value from $70,645 to $58,775 for the tax year 2017 on parcel # RP05S09E167200A, Trail Family Farms, LLLP.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Hofer, second by Corbus, to recess as a Board of Equalization and convene as a Board of Commissioners.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Wootan, second by Corbus, to deny the property tax exemption application for exceptional situations from Karen Halligan on parcel # RPA01880020060A, as the taxes are currently not three years past due.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.

Motion by Wootan, second by Corbus, to deny the casualty loss exemption applications from Nathan Colbert on parcel # RP000140030040 and RP000140020320, as there was no damage to the improvements and a 15% reduction has been applied to the parcels.

HOFER ........................................................ -AYE
WOOTAN ........................................................ -AYE
CORBUS ........................................................ -AYE

Motion carried and so ordered.
JULY 7, 2017

Motion by Wootan, second by Corbus, to approve the casualty loss exemption application from Lydia Ann Durrant on parcel # MHTR0000007400A and reduce the value for tax year 2017 from $6,581.00 to $3,137.00 due to a fire.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Sheriff Hollinshead appeared to review his budget. He is applying for a grant to purchase bullet proof vests. The grant pays for half the cost and the remaining half of the cost will be split into three payments to be paid once a year for three years. He would like to purchase a triple wide trailer for $170,000 to house detectives and store evidence. The trailer would be put next to the Marine building. He also wants to add two new detective positions and one patrol position and also requested three cars for those positions.

Motion by Hofer, second by Wootan, to approve and authorize Chairman Hofer to sign the Quit Claim Deed of County Property to Mack Family Trust in the amount of $76,500.00 for parcel # RPB01830060010.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to approve and authorize Chairman Hofer to sign the Quit Claim Deed of County Property to Mack Family Trust in the amount of $25,100.00 for parcel # RPA00960020120.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to approve and authorize Chairman Hofer to sign the Quit Claim Deed of County Property to Alan J. Coleman and Shawn M. Coleman in the amount of $4,300.00 for parcel # RPB099016007A.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to add the Elmore County Fair Rodeo Agreement to the agenda as the approval is time sensitive before the start of the fair.

HOFER ........................................................ -AYE
WOOTAN .................................................... -AYE
JULY 7, 2017

CORBUS ...................................................... -AYE

Motion carried and so ordered.

Motion by Hofer, second by Wootan, to approve and sign the Elmore County Fair Rodeo Agreement, subject to legal review.

HOFER .................................................... -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

Motion by Corbus, second by Wootan, to adjourn.

HOFER .................................................... -AYE
WOOTAN .................................................... -AYE
CORBUS ...................................................... -AYE

Motion carried and so ordered.

/S/ ALBERT HOFER, Chairman
ATTEST: /S/ BARBARA STEELE, Clerk