

IDAHO STATE TAX COMMISSION

COMMISSIONERS' OPEN MEETING MINUTES OF MEETING NOVEMBER 4, 2015

In attendance: Commissioners Richard W. Jackson, Tom Katsilometes, Ken A. Roberts, and Elliot S. Werk; Michael Chakarun, Debbie Coulson, Valerie Dilley, Renee Eymann, Steve Fiscus, Scott Grothe, Roxanne Lopez, Robin O'Neill, Mark Poppler, Chuck Pond, Phil Skinner, Mike Teller, Randy Tilley, Doreen Warren; George Brown, Mat Cundiff, Nathan Nielson, Erick Shaner, Phil Skinner, David Young; Cynthia Adrian, Sherry Briscoe, Alan Dornfest, McLean Russell, Don Williams; Redge Clapp, Teresa Boardman, Scott Janson, and Karl Patton.

Guest: Kay Christensen.

Public Session.

Chairman Richard W. Jackson convened the open meeting and welcomed all those in attendance.

Presentation of Certificates of Service.

Roxanne Lopez, Human Resources Officer, acknowledged the employees receiving a Certificate of Service. Roxanne stated how much their combined total of 70 years of state service was appreciated.

The Certificate of Service recipients were: Scott Janson, Tax Auditor 3 (Audit Division), and Teresa Boardman, Tax Auditor 3 (Audit Division), for 5 years of state service; and Karl Patton, Tax Auditor 3 (Audit Division), for 10 years of state service.

The recipients not in attendance were: Josh Larson, Tax Compliance Technician (Collection Division), for 5 years of state service; Talina Hawes, Tax Compliance Technician (Collection Division), and Christine Valerio, Program Specialist (Collection Division), for 10 years of state service; and Justine Weaver, Senior Management Analyst (Revenue Operations), for 25 years of state service and a thank-you letter from the Governor. Those absent will receive their certificates at a later time.

The Commissioners expressed their congratulations to all the recipients and said how the recipients' combined total of 70 years of dedicated state service was commendable and how the everyday work they do is valued and appreciated.

Business Requiring Vote of the Commission.

Minutes: Open Meetings – October 7, 2015.

Commissioner Tom Katsilometes moved that the minutes of the open meetings held on October 7, 2015, be approved. Commissioner Ken A. Roberts seconded. There were no comments or amendments. All voted in the affirmative and the minutes of the open meetings held on October 7, 2015, were approved.

Resolution 15-10 – ISTC 2016 Proposed Rules.

Michael Chakarun, Tax Policy Manager, presented Resolution 15-10 – ISTC 2016 Proposed Rules. Mike C. noted that the proposed amendments to ISTC's administrative rules were published in accordance with the requirements of the Idaho Administrative Procedures Act in IDAPA 35.

Resolution 15-10 contained all the dockets of the agency's proposed rules for the 2016 legislative session. The dockets are: Income Tax Rules Docket Numbers 35-0101-1501 and 35-0101-1502; Sales Tax Rules Docket Numbers 35-0102-1501, 35-0102-1502, and 35-0102-1504; Property Tax Rules Docket Numbers 35-0103-1503, 35-0103-1504, and 35-0103-1505; Administration and Enforcement Rules Docket Number 35-0201-1501; and Motor Fuels Tax Rules Docket Numbers 35-0105-1502, and 35-0105-1503. Mike C. recommended the Commission adopt Resolution 15-10 – ISTC 2016 Proposed Rules

Commissioner Katsilometes moved that Resolution 15-10 – ISTC 2016 Proposed Rules be adopted, and Commissioner Roberts seconded. There were no comments or questions. All voted in the affirmative and Resolution 15-10 – ISTC 2016 Proposed Rules was adopted.

Commissioner Roberts expressed the commissioners' appreciation for all the rules committees for what they did with rules this year.

There was no more business requiring a vote of the Commission.

Administrative Reports.

Management Services, Mark Poppler.

Mark Poppler, Financial Officer, gave the administrative report for Management Services (MS). The Division of Purchasing is for the first time is trying to gather information from agencies on all of their IT related purchases. Quoting from the request, "At the last Information Technology Leadership Council (ITLC) we discussed creating an IT systems library at the Division of Purchasing listing by agency the various IT business systems used across the State. The purpose for such a library is to identify which systems are aging and will be requiring Division resources for procuring replacements so that better resource balancing can be employed by the Division, and agency purchasing staffs." This seems like a long overdue step to gather useful information. The MS staff is working with Mike Tellers' IT staff to collect the data.

A few dozen employees still use agency sponsored Diners Club Cards for travel purposes. Mark mentioned a few months ago that the bank that administers the state program has informed us that the state sponsor must agree by the end of November to take joint responsibility for the card liabilities or the program will be ended. MS has contacted nearly all the current users to determine if they are reliant on these cards or if they have personal credit cards that could be used. Several had MS cancel their cards, but a few employees are reliant on the state cards for travel credit. MS is exploring the option of setting a relatively low allowable balance on these cards to minimize the risk to the agency, but still provide the flexibility and ease of use to the employees who need them. Mark will give another report next month on the outcome.

The fieldwork has been completed by the Legislative Services Office (LSO) auditors for another year and they departed a few weeks ago. At this point MS was not aware of any findings or significant issues, but does expect to have the auditors return for a closing meeting with Commissioners and other interested parties when a draft report is ready.

There were no questions.

Collection Division, Debbie Coulson.

Debbie Coulson, Collection Division Administrator, reported that the Collection Division continues to experience an increase in workload since July 1, 2015 up to October 31, 2015. So far this fiscal year 2016 YTD, Taxpayer Services (TPS) received 33,382 calls, handled 30,836 calls, with an abandoned rate of eight percent. While last year in 2015 YTD, Taxpayer Services (TPS) received 26,758 calls, handled 26,016 calls, with an abandoned rate of three percent. That is an increase of 20 percent. In the Automated Billing Unit (ABU), this fiscal year 2016 YTD, ABU had

20,234 calls presented, handled 18,320 calls, with an abandoned rate of nine percent. While in fiscal year 2015 YTD, ABU had a total of 15,135 calls presented, handled 13,924 calls, with an abandoned rate of eight percent. That is an increase of 25 percent. In total Collection received 53,616 calls, handled 49,156 calls, with an average abandoned rate of eight percent.

In fiscal year, 2016 YTD, Collection opened 26,824 cases and closed 30,833 cases, with recoveries amounting to \$41,053,422.90. In addition, there were 1,339 six-month TAP payment arrangements started, and 1,378 eighteen-month TAP payment arrangements. The SCO Vendor Offsets this fiscal year, 2016 YTD, amounted to \$147,462.

Commissioner Elliot Werk inquired if there was a difference in the number of employees. Debbie responded that in 2009 there was 16 full-time TPS staff. Currently the Collection Division has seven full-time TPS staff, and five part-time TPS staff. Also, there are 69 full-time collectors, and seven part-time collectors in fiscal year 2016 YTD.

There were no more questions

There were no more administrative reports.

Reports on Rules Committees.

There were no rules committee reports.

Steve Fiscus, Property Tax Division Administrator, noted that the next Property Tax Rules Committee meeting is on Tuesday, December 1, 2015. Alan Dornfest, Property Tax Policy Bureau Chief, will soon give a presentation on the rules process for the county assessors.

Chairman Jackson again expressed his appreciation for all the efforts of the rules committees.

Other Business.

Debbie and Roxanne Lopez, Human Resources Officer, requested that the open meetings return to beginning at 9:00 a.m., instead of 8:00 a.m. Commissioner Katsilometes moved to have the open meetings return to 9:00 a.m. There was no second and the motion died.

There was no other business.

Public Comments.

Chairman Jackson asked if the guests in attendance had any comments. The commissioners expressed their appreciation for the guests' interest and participation.

There were no public comments.

Recess.

Chairman Jackson recessed the Public Session for five minutes to reconvene for the commissioners to meet with the Commission's legal counsel.

Reconvene Meeting.

Chairman Jackson reconvened the open meeting.

Executive Session.

Commissioner Katsilometes moved to go into the Executive Session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). Commissioner Roberts seconded. A roll call vote was taken by Valerie Dilley, Executive Administrative Assistant. Commissioners Jackson, Katsilometes, Roberts, and Werk all voted in favor and the motion passed.

The Commission met in executive session with its legal counsel pursuant to Idaho Code § 74-206(1)(f) to discuss the current status of litigation to which the Commission is a party, in addition to discuss matters which are exempt pursuant to Idaho Code § 74-206(1)(b). No matters requiring a vote of the Commission resulted from the executive session.

Public Session.

Chairman Jackson declared the Executive Session ended and returned to the public session.

There being no further business, the meeting adjourned.

Valerie J. Dilley
Secretary

Richard W. Jackson
Chairman