

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday – October 24, 2013 – 5:00 p.m.

A special joint meeting of the Knox County Commission and the Knox County Budget Committee was held on Thursday, October 24, 2013, at 5:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The Administrative Assistant was present to record the minutes of the meeting.

Commission members present were: Carol L. Maines, Commissioner District #1, Richard L. Parent, Jr., Commissioner District #2, and Roger A. Moody, Commissioner District #3.

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, Probate Judge Carol Emery, Probate Register Elaine Hallett, Register of Deeds Lisa Simmons, Airport Manager Jeff Northgraves, and Finance Director Kathy Robinson.

Budget Committee members present were: Ann Matlack, Bob Duke, Lawrence Nash, Randy Stearns, Dorothy Meriwether, Bill Jones (*left at 6:01 p.m.*), and Stephen Carroll.

Also present were: Rockland resident Shawn Levasseur; Steve Betts of the *Bangor Daily News* (*left at 5:35 p.m.*); and Juliette Laaka of the *Courier Gazette* (*left at 5:50 p.m.*).

Knox County Commission and Budget Committee Joint Meeting Agenda Jury Assembly Room

Thursday – October 24, 2013 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Carol Maines for the Knox County Commission)
- II. 5:01 Approve Minutes** (Chair Bob Duke for the Knox County Budget Committee)
 1. Minutes of the Joint Budget Meeting of July 25, 2013.
- III. 5:03 Election of Budget Committee Officers**
 1. Chair
 2. Vice Chair
 3. Secretary
- IV. 5:08 Appointment to District 3 Budget Committee Seat**
 1. Appointment by Budget Committee
 2. Confirmation of Appointment by Commission
- V. 5:15 Public Hearing**
 1. Budget Committee Chair Opens Public Hearing on 2014 Proposed Knox County Budget.
- VI. 5:30 Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2014 Budget** (County Administrator Andrew Hart)
- VII. 5:55 End of Public Hearing**
 1. Budget Committee Chair closes Public Hearing.
- VIII. Adjourn**

I. Meeting Called to Order

The October 24, 2013 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Bob Duke and Commission Chair Carol Maines.

II. Approve Minutes

1. Quarterly Budget Meeting of July 25, 2013.

Chair Bob Duke asked for a motion to approve the minutes.

- Lawrence Nash motioned to approve the minutes as presented. Randy Stearns seconded. A vote was taken with 6 in favor (Meriwether, Duke, Jones, Nash, Carroll, and Stearns) and one abstention (Matlack). The motion therefore passed.

III. Budget Committee Election of Officers

Budget Committee Chair Bob Duke called for nominations for officers.

1. Chair:

- Lawrence Nash nominated Bob Duke for Chair. The nomination was seconded by Randy Stearns.
- Dorothy Meriwether nominated Ann Matlack for Chair.

There was some discussion about the best procedure for electing officers and whether a vote should be taken on the first nomination or if all nominations should be heard first.

- Randy Stearns withdrew his second of Bob Duke's nomination per Bob Duke's request.
- Lawrence Nash motioned for nominations for Budget Committee Chair cease. Bill Jones seconded the nomination.
- A vote was taken on the nomination of Ann Matlack for Chair with 3 in favor (Ann Matlack, Dorothy Meriwether, Steven Carroll) and 4 opposed (Lawrence Nash, Bill Jones, Randy Stearns, Bob Duke). The motion failed.
- A vote was taken on the nomination of Bob Duke for Chair with 4 in favor (Lawrence Nash, Bill Jones, Randy Stearns, Bob Duke) and 3 opposed (Ann Matlack, Dorothy Meriwether, Stephen Carroll). The motion passed.

2. Vice-Chair:

- Randy Stearns nominated Lawrence Nash for Vice-Chair.
- Ann Matlack nominated Dorothy Meriwether for Vice-Chair.
- A vote was taken on the nomination for Lawrence Nash as Vice-Chair with 1 in favor (Stephen Carroll). No call was made for opposed or abstained votes. The motion failed for lack of votes.
- A vote was taken on the nomination of Dorothy Meriwether as Vice-Chair with 5 in favor (Bob Duke, Lawrence Nash, Ann Matlack, Bill Jones, Dorothy Meriwether). No call was made for opposed or abstained votes. The motion passed.

3. Secretary:

- Dorothy Meriwether nominated Bill Jones as secretary.
- Randy Stearns nominated Stephen Carroll as secretary.

- A vote was taken on the nomination of Stephen Carroll as secretary with 5 in favor (Stephen Carroll, Ann Matlack, Dorothy Meriwether, Lawrence Nash, Bob Duke). No call was made for opposed or abstained votes. The motion passed.

IV. Appointment to District 3 Seat

Chair Bob Duke asked for a motion to appoint Shawn Levasseur to the vacant District 3 Budget Committee seat.

- Randy Stearns motioned to appoint Shawn Levasseur to the District 3 (Rockland) Budget Committee seat. Dorothy Meriwether seconded the motion. A vote was taken with all in favor.

Commission Chair Carol Maines called for a motion to confirm Mr. Levasseur to the vacant District 3 Budget Committee seat.

- Commissioner Roger Moody motioned to confirm Shawn Levasseur to the District 3 (Rockland) seat. Commissioner Richard Parent seconded the motion. A vote was taken with all in favor.

Administrator Hart noted that Mr. Levasseur’s term would end on December 31, 2016 and that he would not be an official member of the Budget Committee until he had completed the paperwork from the Bureau of Elections and been sworn in.

V. Public Hearing

The Commissioners and Budget Committee members introduced themselves and stated which districts and towns they represented.

Commissioner, Chair	Carol L. Maines	District 1	Owls Head, Rockland, Rockport and South Thomaston
Commissioner	Richard L. Parent	District 2	Cushing, Friendship, St. George, Thomaston and Warren
Commissioner	Roger A. Moody	District 3	Appleton, Camden, Hope, Isle Au Haut, Matinicus Isle Plantation, North Haven, Union, Vinalhaven, Washington and the unorganized territory of Criehaven

Budget Committee, Chair	Bob Duke	District 6	Rockport and Camden south of Route 1 from Camden/Rockport line to the Megunticook River
Budget Committee	Ann Matlack	District 1	Isle Au Haut, Matinicus, North Haven, St. George and Friendship
Budget Committee	Dorothy Meriwether	District 2	South Thomaston, Vinalhaven and Owls Head
Budget Committee	Stephen Carroll	District 3	Rockland
<i>Budget Committee</i>	<i>Shawn Levasseur*</i>	<i>District 3</i>	<i>Rockland</i>
Budget Committee	Randy Stearns	District 4	Camden – north of Route 1 from the Megunticook River
Budget Committee	Lawrence Nash	District 5	Appleton, Union and Washington

Budget Committee	Bill Jones	District 7	Warren and Hope
Budget Committee	VACANT	District 8	Thomaston and Cushing

* Mr. Levasseur will not be an official member of the budget committee until he has been sworn in.

Question/Comment Period:

The public hearing portion of the meeting commenced at 5:17 p.m.

No members of the public chose to speak.

VI. Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2014 Budget.

County Administrator Andrew Hart briefly mentioned some highlights in the proposed budget, which also included some of the increases and decreases over the previous budget:

Budget Process

The 2014 budget process began in August of 2013 with a request made to all department heads to submit a 12-month budget for the 2014 calendar year. Department managers were asked to complete the budget drafts and submit them to the Finance Director by September 6, 2013, along with supporting information and documentation. The budgets were reviewed by the County Administrator and the Finance Director. Meetings were then scheduled to discuss and review budget requests by department with the department manager, the County Administrator, and the Finance Director. These were done the week of September 16, 2013.

General Overview

The CPI-W figure for August 2013 increased 1.5% over the last 12 months since August 2012. FICA is set at 7.65 percent of the wages. Health Insurance is calculated with a 10% increase. The 2014 total budget shows a \$103,991 decrease under the 2013 total budget. This is a 1.56% decrease. The 2014 proposed tax assessment is \$6,663,232 and the 2013 tax assessment was \$6,748,451. This figure included utilizing \$175,000 of Surplus. The use of Surplus funds for the 2014 Tax Assessment includes utilizing an amount of \$230,000.

Administration and Information Technology

The Contractual Services line increased by \$45,095(24%). Legal Fees has increased by \$57,733 (178.9%) as the Commissioners had asked about showing the total legal expenditures within the legal budget line of the Administrative Budget. The total budget has increased by \$58,977 (13%) over the 2013 budget.

Building Maintenance (Courthouse)

Contractual Services line has decreased by \$10,145 (-5%). Grounds Maintenance has decreased by \$3,000 (-13.3%) based on actual cost of the contracts that we have. The Commodities line has decreased by \$5,200 (-5%). The total budget has decreased by \$19,747 (-10%) under the 2013 budget.

Building Maintenance (301 Park Street)

The total budget has increased by \$2,882 (6%). Contractual Services has increased \$3,097 (8%). Warrantees on the building will be expiring so the County will start having to pay for repairs instead of it being covered under a warrantee. Commodities have decreased by \$215 (-2%).

District Attorney

The total budget has increased by \$5,568 (1%) over the 2013 budget.

Emergency Management

Contractual Services has increased by \$3,026 (33%) because of a new budget line entitled Tower rental. This is for the Lenfest Tower Rental and has been transferred from the Communications Budget as it now

only has Amateur (HAM) Radio Equipment on the tower now as all of the KRCC equipment has been transferred from the Lenfest Tower to the Coggins Hill Tower in Union. The total budget has increased by \$3,626 (5%) over the 2013 budget.

Finance

The total budget has increased by \$2,793 (1%) over the 2013 budget.

Probate

Revenues have increased by \$5,500 (6%) because of the increase in Probate Fees. The total budget has increased by \$1,108 (1%) over the 2013 budget.

Registry of Deeds

Deeds Revenue has increased by \$67,700 (17%). Deeds Fees have increased by \$96,000 (39%) based on projections from the last few years as well as a new law that now allows increased fees of \$6.00/document. Internet Access User Fees has decreased by \$20,000 (-66.7) based on projections that this revenue line will decrease with the new law. The total revenues over expenditures budget has increased by \$77,405 (56%) from (138,794) in the 2013 budget to (216,199) proposed in the 2014 budget.

Sheriff's Department – PATROL

Total Personnel Services line has decreased by \$52,958 (-3%). The biggest reason for this decrease is that the Sheriff is proposing to hire a Part-Time Civil Process Officer and decreased the Civil Process officer line by \$80,000 (-80%). The Contractual Services line has increased by \$10,206 (-7%). The total budget has decreased by \$82,884 (-5%) under the 2013 budget.

Sheriff's Department – JAIL

The jail budget for 2014 is capped at \$3,188,700, as determined by the Board of Corrections (BOC). What this means is that the amount of the jail budget that will be assessed to the Towns will be at the capped amount of \$3,188,700 from now until the law is changed. The taxpayers of Knox County will only pay the capped amount of the jail budget which is \$3,188,700.

Debt Service

The second year of the bond payment of principal and interest for the Knox County Public Safety Building at 301 Park Street appears on the Debt Service Schedule. This is a 15-year note at 1.8669 % and the total payment for calendar year 2014 is \$ 220,932, which is \$16,422 less than the 2013 payment of \$237,354.

Program Grants

- Knox-Lincoln Cooperative Extension Service has requested \$57,042, an increase of \$1,380 (2%)
- Knox-Lincoln Soil & Water Conservation District has requested \$25,897, an increase of 754 (3%)
- Midcoast Economic Development District (MCEDD) has requested \$28,491, an increase of \$14,246 (100%)
- Time & Tide RC&D has requested \$3,750, an increase of \$3,750 (100% - not funded in 2013)
- Mid-Coast Regional Planning Commission requested the same amount as they have since 2010 (\$2,500).

Insurance

The Risk Management Pool figure has increased by \$2,500 (3%) based on the County's actual expense for 2013.

Airport

The Capital line has increased by \$10,000 (100%). Revenues have decreased by \$49,446 (-12%). Federal Reimbursement has decreased by \$55,000 (-52.4%) as the FAA has decreased our eligible reimbursement for Airport Security. The total budget has increased by \$67,171 (100%) over the 2013 budget.

Communications / Dispatch

As explained at the Quarterly Budget Committee Meeting, the Budget Committee will not review the Communications Budget or vote on it. The Communications Budget consists of an assessment to the users of the system (fee for service) and the Budget Committee only reviews budgets that require a county tax. The Knox County Budget submitted to the Budget Committee is for the purpose of assessing taxes. Knox County is not assessing taxes to pay for the services of the KRCC; therefore the Budget Committee would not approve the budget for the KRCC. The KRCC Budget is a user fee that supports the KRCC paid by the users of the system. At the Commission Meeting held on Tuesday September 10, 2013, the Commission voted to not have the Budget Committee review and approve the Communications Budget and that after review and approval by the Advisory and Executive Boards of the KRCC, then the budget would be submitted to the Commission who would take the final approval vote and adoption of the Communications Budget. It has been reviewed and approved by the KRCC Executive and Advisory Boards, which consists of users of the system. It has been reviewed by the Commission and they will vote to approve the Communications Budget at their regular monthly meeting to be held on November 12, 2013.

Tax Cap Explanation

Page 6 of the budget By applying the Property Growth Factor for 2014 (1.52%) to the 2013 base tax assessment (\$3,923,259), the County is allowed to raise the tax assessment to no more than \$3,982,893 or \$59,634 more than the base tax assessment in 2013. The 2014 Knox County Budget, as proposed, calls for a decrease in the allowed tax assessment to \$3,474,532.

Administrator Hart noted that the proposed State Valuations were only just received this afternoon. Owls Head and Thomaston both had increases in valuation so those two towns will see an increase in their county tax while all the other towns will see a decrease.

Discussion:

There was a brief discussion about the County jail system in Maine possibly changing in the future and the current funding practices of the Board of Corrections. Administrator Hart explained that the County is still capped and has been flat funded for the last two years. It is unknown what will happen in the future.

Three times during the meeting, Administrator Hart was asked, again, to explain why the Budget Committee would not be reviewing the Communications budget. Some members of the Budget Committee voiced disagreement with the way the County was handling the approval of the Communications Budget. One Budget Committee member commented that EMS, Police, and Fire officials (who serve on the KRCC Advisory Committee and Executive Boards) represent a special interest group within the towns and he didn't want to hand the Communications budget over to a special interest group. Commissioner Moody noted that the Budget Committee has still received the information on the Communications budget in their binders. It was possible that the Communications budget could be handled differently in future years. It was suggested that although the Budget Committee wasn't reviewing the Communications budget at these meetings, Committee members could still offer opinions to the commissioners outside the meetings. It was noted that the Commission would be voting on the Communications budget at the Regular Commission meeting on November 12th.

Ann Matlack asked for a five-year plan for fixing the rest of the windows on the courthouse and any other building maintenance repairs. She asked for an idea of what's available for surplus and reserve funds.

There was a discussion about the State's redistricting of commissioners and budget committee members after Ann Matlack asked for an update. Administrator Hart explained that he was still waiting for the Bureau of Elections to get back to him about how it would affect budget committee members. The redistricting is done every 10 years by statute and the state didn't communicate with the counties at all. Commissioner Maines commented that the change doesn't take effect until January 1, 2015. All three commissioners explained how it would affect them:

- Commissioner Maines will lose Rockport and gain Thomaston.

- Commissioner Moody will gain Rockport and lose Washington and Union.
- Commissioner Parent will lose Thomaston and gain Washington and Union.

Shawn Levasseur asked if the tax cap limit is something the State imposes upon the County. Administrator Hart explained about the State's LD1 Assessment Limit, which is imposed on counties and municipal government, but not state government.

There was a very brief discussion about surplus. It was noted that in 2013, the Commission voted to lower the overlay from the usual 2% down to 1.5%. It was also noted that using the \$230,000 in surplus towards the 2014 budget brings the amount of County surplus down to the 20% limit.

Commissioners were asked if they had a goal or target they'd like to see the budget come in at this year. The commissioners noted that while there wasn't a specific goal that they had strived for, the 2014 budget is lower than the 2013 budget and they were pretty satisfied with it.

There was a brief discussion about health insurance. Finance Director Robinson explained that the County was changing to a higher deductible plan with the County's current provider. More will be explained at a later meeting.

There was a discussion regarding the number of meetings scheduled for the budget process. Some members of the Committee wondered if there needed to be as many meetings held since the Communications budget was not going to be reviewed and the budget was already cut by the Administrator and Finance Director. Members of the Committee also voiced concerns that the Committee still had a job to do and would use as much time as was necessary to properly review the budget. Time would tell how many meetings were ultimately needed to do that. It was noted that Committee members were elected to carefully review the budget even if the Administrator and Finance Director had made the Budget Committee members' jobs easier by presenting a lean budget. The Committee still has an important responsibility to perform.

Randy Stearns commented that he wanted to see the figures for what the department heads had originally asked for so that the Budget Committee could compare those figures against what the Administrator was recommending. He said that what they were looking at was the Administrator's and Finance Director's vision for what the budget should be. He said that the budget draft wasn't a reflection of what the departments wanted because the Administrator had already gone through it and told the departments what they could and couldn't have. Administrator Hart responded that the budget shows both what the department heads asked for, as well as his recommendations, and also shows the difference between the two sets of numbers. In some cases, the numbers are the same. He added that if the Budget Committee wanted different figures shown, he could do that.

Steve Carroll expressed some concerns that the County's budget process was similar to the Rockland City Council's process in that most of the work is already done and he wasn't sure what there was left for the Budget Committee to do. He said that he got involved in the process because things need to get to the point where people can afford to pay their property taxes. It's going to take more than cutting \$5 here and there to reduce taxes; the County needs to look at things like benefits, payroll or legal costs, and find ways to cut larger amounts like \$1 million dollars.

Ann Matlack commented that it was unrealistic to think you can cut a million dollars from this budget. You'd have to cut services, cut departments. The County is legally required to provide certain services. For a long time this County wasn't "professionally run" in the sense that there wasn't an administrator. It resulted in a County where morale was low, services were problematic, and turnover was frequent. Knox County has worked towards professionalizing the services that are here, such as paying people what they're worth, providing benefits that encourage talented, experienced people to come work here, making changes in technology like digitizing Deeds and Probate records, etc. If the County is going to provide the services that the people want, then you have to pay for them.

VII. Public Hearing Closed

Budget Committee Chair Bob Duke closed the public hearing at 6:19 p.m.

VIII. Adjourn

- A motion was made by Lawrence Nash to adjourn. The motion was seconded by Randy Stearns. A vote was taken with all in favor.
- A motion was made by Commissioner Richard Parent to adjourn. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

The meeting adjourned at 6:19 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Budget Committee and Knox County Commission approved these minutes at their meeting on October 31, 2013.