

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday – October 31, 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 31, 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, and Roger A. Moody, Commissioner District #3. *Commissioners not in attendance: Richard L. Parent, Jr., Commissioner District #2.*

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, District Attorney Geoffrey Rushlau, Systems Administrator Mike Dean, and Finance Director Kathy Robinson.

Budget Committee members present were: Ann Matlack, Bob Duke, Lawrence Nash, Randy Stearns, Dorothy Meriwether, Bill Jones, Stephen Carroll and Shawn Levasseur.

Also present were: Thomaston resident Betty Watts; Eric Galant, Executive Director of the Mid-Coast Regional Planning Commission; and Jeff Kobrock, Executive Director of the Midcoast Economic Development District.

Knox County Commission and Budget Committee Joint Meeting Agenda Commission Hearing Room

Thursday – October 31, 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 **Public Comment**
- III. 5:03 **Approve Minutes** (Chair Bob Duke for the Knox County Budget Committee, Chair Carol Maines for the Knox County Commission)
 1. Minutes of the Joint Budget Meeting of October 24, 2013.
- IV. 5:08 **Appointment to District 8 Budget Committee Seat**
 1. Appointment by Budget Committee
 2. Confirmation of Appointment by Commission
- V. 5:12 **Budget Review**
 1. Mid-Coast Regional Planning Commission
 2. Midcoast Economic Development District
 3. District Attorney
 4. Finance
 5. Administration & IT
 6. Debt Service
- VI. **Adjourn**

I. Meeting Called to Order

The October 31, 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. Public Comment

Budget Committee Chair Bob Duke asked if any members of the public wished to speak. There was none.

III. Approve Minutes

1. Joint Budget Meeting of October 24, 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 all in favor. The motion passed.
- Commissioner Roger Moody motioned to approve the minutes as presented. Commissioner Carol Maines seconded. A vote was taken with all in favor. The motion passed.

IV. Appointment to District 8 Seat

Chair Bob Duke introduced Elizabeth (Betty) Watts to the Budget Committee and Commission. He asked for a motion to appoint to the vacant District 8 Budget Committee seat.

- Ann Matlack motioned to appoint Elizabeth Watts to the District 8 (Thomaston/Cushing) 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 Elizabeth Watts to the vacant District 8 Budget Committee seat.

- Commissioner Roger Moody motioned to confirm Elizabeth Watts to the District 8 (Thomaston/Cushing) seat. Commissioner Carol Maines seconded the motion. A vote was taken with all in favor.

Bob Duke noted that Ms. Watts would not be an official member of the Budget Committee until she had completed the paperwork from the Bureau of Elections and been sworn in.

Administrator Hart noted that Shawn Levasseur had been sworn in and was now able to vote. Tomorrow a notice would be sent to the Bureau of Elections to let them know that Betty Watts had been appointed to the Budget Committee.

In answer to a question that was raised at the previous joint budget meeting, Administrator Hart briefly explained that he had spoken with Julie Flynn at the Bureau of Elections about the redistricting of the budget committee. There will still be 8 districts even if the towns represented by the districts get changed. He said he hoped to meet at some point with the Congressional District representatives, the Commission, and the Budget Committee members that represent whichever towns being affected by the redistricting. Ultimately it's the Commission that sets the districts and then it goes to the Bureau of Elections and the legislature votes on it. Administrator Hart noted that he would have more information as things progress.

V. Budget Review

Bob Duke asked if the Committee still wanted to take consensus votes at the end of each discussion. He noted that it gives the Committee a chance to find out if Committee members have a problem with a budget so concerns can be discussed with the department head to avoid having department heads surprised by Committee votes at the end of the budget process. The consensus votes are non-binding votes. Everyone seemed in agreement.

Mid-Coast Regional Planning Commission

Eric Galant introduced himself as the Executive Director. MCRPC is located in Rockland and serves the municipalities of Knox County and a small portion of Waldo County. Some of the services include land-use planning, technical assistance, ordinance development, comprehensive planning, a resource library,

development review and economic development, and access to funding. MCRPC has recently been working with Thomaston on improvements to Old County Road. The organization used to be part of government in the 1950's and then separated as a non-profit organization. The budget request has been the same for about the past 10 years. MCRPC provides advice, whether to towns or citizens of a town who ask for help. Assistance is also provided to counties. Participating towns pay \$600 in dues and that gets them 10 hours of assistance. The Board of Directors is made up of participating towns but not all towns that participate will have someone serving on the Board. The only paid employee is the executive director. Some work is contracted out.

- A consensus vote was taken on the MCRPC budget request with all in favor.

Midcoast Economic Development District

MCEDD Executive Director Jeff Kobrock handed out some more handouts to the Commission and Budget Committee. He explained that MCEDD is a relatively new organization so he was trying to give as much information as he could. MCEDD is a federally designated economic development district, one of 7 in the state. The districts are designated by the Economic Development Administration, which is part of the US Department of Commerce. MCEDD serves 53 municipalities and has 117 seats in its General Assembly. MCEDD serves five counties: all of Knox, Lincoln, and Sagadahoc Counties, and then portions of Cumberland and Waldo Counties. A number of Knox County people serve on MCEDD's board, including Commissioner Moody.

Some activities that MCEDD pursues to help the towns includes Mobilize Midcoast Maine, Comprehensive Economic Development Strategy (CEDS), a \$1.2 million loan fund, and technical assistance for grant writing. CEDS are a tool that the federal government uses when making decisions about funding job creation projects throughout the country. For every EDA dollar, MCEDD provides leveraged dollars in services. In the current fiscal year, MCEDD is leveraging their EDA dollars so that for every dollar of the EDA grant, MCEDD is able to supply almost \$11 in services.

Director Kobrock relayed a list of 2013 CEDS Priority Projects in Knox County:

- Ragged Mountain Recreation Area proceeding with a \$6.5 million upgrade in Camden
- City of Rockland proposing to upgrade Harbor Park
- Town of Rockport proposes a sewer extension along Commercial Street

MCEDD has a revolving loan program that fills the gap in commercial projects. This is a job creation program and a small-business program. If commercial lenders can't provide 100% financing to a business because they feel the project is too risky, MCEDD's revolving loan program can fill that cap and loan the business the rest of the money it needs. However, MCEDD uses as little as their own funds as possible to make their dollars stretch farther. MCEDD doesn't want to be in competition with a commercial lender – the idea is for the businesses to go to the commercial lender first. For every dollar loaned, MCEDD gets back \$3 which grows the amount of investment possible in the future.

Director Kobrock referred to the list of Selected Direct Services to Municipal Members in the handout he'd given everyone earlier in the meeting, very briefly touching on a few items on the list including the Solid Waste Management Plan, the Brownfields Assessment Project, and CDB Grant Administration.

Bill Jones asked about Director Kobrock's handout showing that in the past three years, MCEDD has provided \$760,345 in financing, but that doesn't show up in the financial statements. He asked where the money came from and how much MCEDD was getting back. Director Kobrock explained that those funds do not show up in the financial statements because MCEDD partners with another organization, the Mid-Coast Council of Governments, which legally administers those funds, but those funds are deployed throughout the MCEDD region. It's done this way for a practical reason but no one would ever know that unless they were on the MCEDD Board or read financial statements as closely as Mr. Jones had. MCEDD is capitalized a couple different ways. There's some state FAME money but it's primarily US Department of Agriculture money. All of these funds end up as local funds so it is self-sustaining program. The USDA

funds are actually a 30-year loan. The FAME funds MCEDD pays for on an annual basis based on how much is drawn, but it's not a loan. The people that borrow from MCEDD do pay the money back. Although the income goes back to the Mid-Coast Council of Governments, the organization works very closely with MCEDD and even share staff. Customers borrowing the money only care that they get the financial help they need – they don't know or care that the funding originates from another organization.

Randy Stearns commented that the assets drop from \$33,832 in 2011 to \$21,922 in 2012. He said that everywhere he looked he was seeing big drops in money coming in, and in Exhibit C, MCEDD is running in the red. Those numbers are not very promising. He asked if this was a trend that would continue. Director Kobrock responded that MCEDD is very much a start-up organization and suffering growing pains. Randy Stearns then asked what 2013 looks like if MCEDD's numbers went down so much from 2011 to 2012. Director Kobrock responded that 2013 is doing much better. The MCEDD Board takes great care in being actively involved in how to sustain the organization over time.

Steve Carroll noted that payroll expenses went up quite a bit from 2011 to 2012 but the state planning expense of almost \$80,000 disappeared. Director Kobrock explained that in 2011, MCEDD essentially didn't have any employees. In 2012 there was one employee, and now in 2013 there are three. Even though there were no employees in 2011, there was some payroll in 2011 because there was some contractual work done. Steve Carroll felt that payroll is very important in a new organization and the amount of payroll in the financial records seemed a little excessive for a fledgling company to take on such a high payroll expense. He added that the Committee didn't even have 2013's numbers.

Dorothy Meriwether supported the budget request but with some hesitation because it's still a new structure. She said that next year she wanted to hear from MCEDD more about what the organization had accomplished so far, not what they are going to do. Ann Matlack commented that she was also hopeful for the organization, but very skeptical.

Director Kobrock handed out copies of MCEDD's 2013 budget since more than Budget Committee member wanted to see more current numbers.

Steve Carroll noted that for the three employees in 2013, one gets \$85,000, another \$58,000, and a third \$22,000. Adding in health insurance at \$32,000 and retirement at \$87,000, that's about \$183,000 total in payroll. He felt the organization seemed a little top-heavy. Director Kobrock responded that MCEDD is a service organization and do not really own anything of substance, like capital resources. The employees are the primary resources. Bob Duke commented that for the type of staff this organization needs, you're not going to find employees with the right skills for less than what MCEDD is paying. He added that the way that MCEDD is structured, Knox County is assured to get the attention that the County is paying for. He felt that it was a valuable investment.

Lawrence Nash asked about MCEDD's role in the Ragged Mountain project in Camden. Director Kobrock explained that it was funded through a competitive process. In May of this year Camden needed some extra funding. Commissioner Moody noted that since MCEDD is a conduit for EDA applications, if a town wants to apply for EDA money, the opportunity is here to do that. There's no guarantee of funding, but without MCEDD, you wouldn't even have the opportunity to ask.

Administrator Hart asked why Knox County's funding for the FY2013 not in the MCEDD budget summary. Director Kobrock explained that the budget was approved before Knox granted funding.

- A consensus vote was taken with 4 in favor (Bob Duke, Ann Matlack, Dorothy Meriwether, Randy Stearns), 3 against (Bill Jones, Steve Carroll, Shawn Lévasseur), and 1 abstention (Lawrence Nash).

District Attorney

Knox County District Attorney Geoff Rushlau noted a few items that had either gone up or down in his budget for 2014:

- Overtime line: requested a larger amount in 2013 because of a large project. That won't be needed in 2014.
- Drug and analysis: increased because of the amount of drugs that have to be tested. Trend common throughout the district.
- METRO line: the difference between department head and administrator columns is just a miscommunication. The request should be about \$2,800. He asked to have the budget amended.
- Deferred disposition revenue has gone up.
- DA Witness Advocate Grant: the State changed the grant process and it went down by \$1,000 this year.
- Some lines, like the Witness Expenses, are difficult to predict because it can be affected by how many trials are held in a year.

Commissioner Maines asked Administrator Hart if he was comfortable making that one change in the METRO line that the DA had asked for. Administrator Hart said yes.

Commissioner Moody asked what Reimbursement for Support is. DA Rushlau explained that when the unified computer system (prosecution software) was first set up for use by the four DA's offices that he covers, it was administered by one of the employees here in the Knox County DA's office. The other three counties that use the system give Knox County reimbursement for her work on the system for all four counties.

- A consensus vote was taken on the DA budget with all in favor.

Finance

Finance Director Kathy Robinson explained that she would have actually had a reduction in her budget if not for needing to get a copier. Staff have been using an old copier from another department, and have even tried sharing a copier with another department, but none of that has worked out. She also noted that the training line is down because there was a big training in 2013 that is not happening in 2014. Computer repairs is also down.

Steve Carroll asked about the 3.5% increase in staff wages. Director Robinson explained that the 3.5% comes from the 1.5% CPI increase and the 2% Step increase that is spelled out in the Wage Plan implemented by the County in 2012. For health insurance, the County has Maine Municipal Employees Health Trust (MMEHT) as the current provider. The Commission had voted to move to a higher deductible plan which will save the County money. Employees will be paying more out of pocket. It was noted that the grandfathering on health benefits that some employees had is being phased out so that those with 100% paid dependent coverage are starting to pay more towards that coverage each year.

- A consensus vote was taken on the Finance budget with all in favor.

Administration & IT

Administrator Hart explained that as he had mentioned before at the previous meeting, the major change in the Administration budget is the increase in the legal line. This was done because the commissioners had discussed having more budgeted rather than taking so much out of the legal reserve so that it would be more transparent. He said that he used an average of 5 years worth of legal expenditures to come up with the estimate of \$90,000. There is no way of knowing how many grievances or lawsuits, etc. that could arise in 2014. It's generally the jail and sheriff's department that create the legal expenses.

There was a discussion about the fact that the pay for the commissioners is set by the Budget Committee. The commissioners are not on the County's step plan and have not received a CPI increase like the other three elected officials (Judge of Probate, Register of Probate, and the Sheriff) had in 2013. Commissioners in other counties make more than in Knox but it's often because their role is different, especially if they don't have an administrator like Knox.

When asked how the Commission arrived at the level of compensation agreed to for the elected officials in 2013, Administrator Hart explained that the County looked at what other counties were paying and had a discussion with the elected officials and reached an agreement. He added that it's hard to lump the commissioners in with the other three elected officials because the commissioners aren't salaried employees of the county. They're really more on call, as needed.

Bob Duke asked to see where the Knox County Commissioners stand compared to other counties (and also whether there's an administrator there performing the functions). The amount Knox's commissioners make has changed very little.

When asked why Orthoimagery was at zero in the budget, Administrator Hart explained that the project was done in the 2013 budget and the County wouldn't need to budget again for that for another five years, unless the Budget Committee wanted to budget a portion of the expense each year. It will probably be around \$25,000 total.

Steve Carroll asked what the Google Apps listed in the budget was. Systems Administrator Mike Dean explained that this was the County's email system and it's also the email backup which allows for 10 years of archival. The County needs to archive it's email for 10 years to protect itself. It's also not just email but also the full suite which has allowed the County to not have to buy the full Microsoft Office suites for all of the computers at the Sheriff's Department. It's "cloud" based (web-based) so any computer or device that can connect to the internet can access it. Any email sent or received is archived. The County is licensed for 150 seats (users). Every full-time employee and the three commissioners all have email addresses. Part-time employees do not have an email address.

Dorothy Meriwether asked about consultant fees for the HR consultant. Administrator Hart explained that Laurie Bouchard is in the office every Monday and on an as-needed basis. She is also available by email and cell phone. Ms. Bouchard is still working on updates to the personnel policy. She has been working on personnel issues that the County has and she has also been involved in some grievance hearings. Administrator Hart noted that he felt comfortable with the amount that he's spending. He said that Ms. Bouchard still needs to finish the manager's handbook and has been doing some training of employees during the time that she's already on site. He noted that Ms. Bouchard is a contractor, not an employee.

Lawrence Nash commented that he would like to know what selectmen and city councilmen get for stipends.

- A consensus vote was taken on the Administration & IT budget with 7 in favor (Matlack, Stearns, Meriwether, Duke, Jones, Levasseur, Carroll) and 1 abstention (Nash).

Debt Service

Administrator Hart noted that the bond payment principal amount is the same.

- A consensus vote was taken on the Debt Service budget with all in favor.

Insurance – Risk Pool

Bob Duke explained that it's the County's liability insurance through the Maine County Commissioner's Association. Administrator Hart added that it's for both vehicles and liability claims.

- A consensus vote was taken on the Insurance – Risk Pool budget with all in favor.

VI. Adjourn

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

- A motion was made by Commissioner Roger Moody to adjourn. The motion was seconded by Commissioner Carol Maines. A vote was taken with all in favor.

The meeting adjourned at 7:25 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 November 14, 2013.