

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday - November 1, 2012 - 5:00 p.m.

A special joint meeting of the Knox County Commission and the Knox County Budget Committee was held on Thursday, November 1, 2012, 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. *Commission members not present: Richard L. Parent, Jr., Commissioner District #2.*

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

Budget Committee members present were: Ann Matlack, Bob Duke, Lawrence Nash, Dorothy Meriwether, Bill Jones, and Elizabeth Dickerson (*arrived at 5:18 p.m.*). *Budget Committee members not present: Mason Johnson and Randy Stearns.*

Also present were: HR Consultant Laurie Bouchard, MCEDD Executive Director Jeff Kobrock, and George Chappell from the *Courier Gazette* (*arrived at 5:50 p.m.*).

Special Meeting – Agenda

Thursday – November 1, 2012 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Roger Moody for the Knox County Commission)
- II. 5:05 Public Comment**
- III. 5:06 Budget Review**
 - 1. Mid-Coast Regional Planning Commission (pg. 25)
 - 2. Midcoast Economic Development District (pg. 25)
 - 3. District Attorney (pgs. 13-14)
 - 4. Registry of Deeds (pgs. 21-22)
 - 5. Finance (pgs. 17-18)
 - 6. Administration and Information Technology (pgs. 8 - 9)
- IV. Adjourn**

I. Meeting Called to Order

The November 1, 2012 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 Roger Moody at 5:08 p.m.

II. Public Comment

Chair Bob Duke asked for public comment if there be any. There were no members of the public present. Mr. Duke noted that if someone came in during the course of the meeting and had a question, he had no problem with answering it.

III. Joint Meeting with the Budget Committee for Review of the Proposed 2013 Budget.

PROGRAM GRANTS:

Mid-Coast Regional Planning Commission

The Executive Director of MCRPC, Eric Galant, was not in attendance so Administrator Hart explained that MCRPC has been asking for the same exact amount every year for as long as he was aware of, and the services are provided to all municipalities. Mr. Galant had already provided information to the Committee and Commission.

There was a discussion about the value of the work that MCRPC does. Bill Jones said that he has been a supporter of this in the past but there are two things that he finds disappointing. First, the model just isn't nearly as productive as it was supposed to be. Second, Hope's relationship with them when rewriting the land-use ordinances was very disappointing. Ann Matlack voiced her belief that Mr. Galant and MCRPC are an invaluable resource. She said that she had worked with them on a big plan going to the state and the feds, and Mr. Galant was very valuable in that. Other towns use his services too and their meetings are well attended. Lawrence Nash commented that he would support the funding request. He has known the group for probably 40 years and felt they work hard.

5:18 p.m. Elizabeth Dickerson arrived.

Straw vote:

A straw vote for the sake of getting a consensus was taken with all Budget Committee members present in favor of approving MCRPC's budget request of \$2,500 (Nash, Dickerson, Meriwether, Duke, Matlack, Jones).

Midcoast Economic Development District

Jeff Kobrock introduced himself as the Executive Director for MCEDD. The District is about 2 years old and this is the first time MCEDD has asked for funding from the County. The County used to fund EMDC but the recent realignment of districts resulted in Knox now being part of MCEDD. MCEDD serves as a conduit for federal funds. Counties covered by MCEDD: Lincoln, Waldo (portion of), Knox, Sagadahoc, and Cumberland (portion of), from Brunswick to Northport. Mr. Kobrock gave some examples of recent projects that MCEDD has been working on. He noted that the leveraging graph answers the question of where the County's money goes. The organization has been very busy getting set up over the past two years but is now working on community outreach and working to leverage the money in an even greater fashion. When asked how MCEDD decides how much funding to ask for, Mr. Kobrock explained that the formula is blended population and assessed population for all counties served. \$14,245 is the actual budget request even though MCEDD needs \$28,491 for a full year. This is because the County is on a calendar year while MCEDD is on a fiscal year, so MCEDD was just asking for the portion of their fiscal year that is in the County's calendar year. The formula is the same for all of the counties represented.

5:50 p.m. George Chappell arrived.

Ann Matlack asked how many employees MCEDD had. She said that the board seems to be generally made up of the larger communities and she asked if MCEDD was going to put more effort into working with the smaller communities in the future. Mr. Kobrock responded by saying that there were only 2 and ½ employees, so the staff level is small, but he assured the Committee that MCEDD takes great pains in working with the smaller communities and tries to get them to appoint members to the general assembly, though many of those communities simply haven't done so.

Straw vote:

A straw vote for the sake of getting a consensus was taken with three Budget Committee members in favor of approving MCEDD's budget request of \$14,245 (Meriwether, Duke, Matlack), 1 opposed (Nash), and 2 abstentions (Jones, Dickerson). Lawrence Nash noted that while he was opposed to the amount, he was not opposed to the organization itself. Both Bill Jones and Elizabeth Dickerson felt that they needed more time to think it over before making a decision.

Lawrence Nash suggested that since the request of \$14,245 was ½ of a year's budget, he would be willing to approve \$10,000, which is half of what Administrator Hart had recommended. The consensus was to give Committee members a chance to look over all of the additional information over that Mr. Kobrock had handed out at the meeting and to give it some more thought.

WAGE PLAN OVERVIEW:

HR Consultant Laurie Bouchard gave a brief overview of the process the County went through to develop the Compensation and Wage Plan (Organizational Study, Compensation/Wage Study), implementation of it, where the County is in terms of having it completely implemented, and what remains to be done. She reminded everyone that these were not “pay raises” – they were market adjustments. The County had fallen behind the market in what it was paying some of their employees. The public misunderstood about the pay adjustments and even some of the employees didn't understand either, and there were some hurt feelings. The correct terminology needs to be used to prevent that from happening. Ms. Bouchard explained that a CPI doesn't increase an employee's money but rather it allows them to maintain the living they had the year before because it now costs that much more to live at the same level. Step increases take the place of longevity, which the County no longer does. A step is an increase of 2%, whereas longevity had been an increase of so many cents per hour. The County spent a lot of money to do the wage study because the Commission and Budget Committee felt that the County had fallen behind in the market. She warned that if the Committee didn't approve Step increases, the County's pay will fall back below the market over time and then the County would have to try to catch up again later.

Administrator Hart noted that the amount that the County ended up spending on the wage adjustments above the 9% cap was \$71,434. The County has been able to fund \$41,370 of that from the departments with the exception of the EMA, DA, and Probate budgets, which are all too small to fully fund it. That unfunded amount is currently at \$30,064 but could change before the end of the year because the County will still have invoices coming in. Anything not covered by departmental budgets will come out of undesignated fund balances as approved by the Commission.

There was a discussion about how the wage adjustments above the 9% cap were not added to the 2012 budget – anything over the 9% was just funded from somewhere else in the budget. The Budget Committee had voted on the bottom line and that number didn't change. The bottom line amount will still come out the same because if/when a department overspends their budget, the Commission will cover the overage with undesignated fund balance. Although the budget bottom line didn't change, the actuals will deviate from the bottom line.

When asked why the County would adjust the Steps on the Wage Scale every year, Ms. Bouchard explained that while the Range is adjusted by the cost of living increase, the Step increase is to reward an employee for years of service and working hard. Essentially, the Step increase is a replacement for longevity. The Step an employee is on reflects their years of being in a position. Anyone already above the Range for their position would get the CPI increase but not a Step increase because they can't go above the Range. Right now, all employees not already above their Range would get the step increase because the County doesn't have a merit pay system. In the meantime, if there are employees who aren't at least meeting expectations then that needs to be addressed.

Grandfathered health benefits are being phased out at the rate of 5% per year for five years, starting January 1, 2013. The personnel policy and union contracts have been updated to reflect that.

DEPARTMENTAL BUDGETS:

District Attorney

DA Geoffrey Rushlau said that his department was one of the three departments that just didn't have the money in the operating budget to cover the wage adjustments. He also said that one of his employees is above the Range for the position and would therefore not be eligible for Step increases until the Range

caught up. For this reason he hoped that the Commission could find ways to give stipends to reward those employees already at the top of their salary range and are working hard.

When asked if the DA's office received or got to keep forfeiture money, DA Rushlau replied that the DA's office rarely receives forfeiture money. Typically the people being prosecuted have already blown their money. The Sheriff's Office gets forfeiture money for having participated in the seizing of the goods if there are any, and for participating in the investigations. There aren't a lot of grants that the DA's office can apply for because most of them are for law enforcement. The only time that really applied was when the office upgraded the computer system to hold the database. There is funding in the DA budget every year for maintenance and software upgrades if needed.

There was a brief discussion about DA restitution and the County's audit having said that the program needed to be tracked better. The finance office will be spending a lot of time working on this with the DA's office staff in the future. Right now the program is very paper-intensive. A few things making it more complicated is that the County doesn't actively go after people not paying their restitution money and while the County is taking money in, it's not necessarily paying it back out to the victims right away. The system needs to be automated but it will be very labor intensive to get it set up. It's also possible that some people who are entitled to money have left the area and the County doesn't know where they are. If that happens, the money becomes "unclaimed property" and goes to the state in that person's name.

Straw vote:

A straw vote for the sake of getting a consensus was taken with all Budget Committee members in favor of approving the DA budget as presented.

Registry of Deeds

Revenues, Transfer Taxes, Fees, and Copy Revenues have all increased. Internet Access User Fees are the same as 2012. Register of Deeds Lisa Simmons stated that although some people had thought that Deeds revenues would go down because of the economy, the revenues are actually increasing instead. It was noted that in the past the County had gone to the legislature to ask to keep more of the money collected as fees. This could be done again, but Register Simmons said that the registers of the State as a whole are afraid that the legislature would think that the counties are greedy.

Straw vote:

A straw vote for the sake of getting a consensus was taken with all Budget Committee members in favor of approving the Registry of Deeds budget as presented.

The question was raised if by taking a straw vote on the budget was the Committee saying that it agreed with the Step increase and the CPI built into each departmental budget. The general opinion seemed to be that the personnel services are separate from what the department head is asking for. Straw votes aren't binding anyway – they are just a way of getting an idea of how the Committee as a whole was feeling about the budget.

Finance

Finance Director Kathy Robinson was asked about civil processing costs and fees. Director Robinson explained that the person who requested the service pays for both the deputy doing the service and also their mileage. The County has soft costs of processing the paperwork, etc., but also pays taxes on those services.

When asked if the financial software MUNIS was working the way she had intended and whether it was useful, Director Robinson said yes.

The number of hours worked by the other two Finance office employees had been increased for the 2012 calendar year so the question was raised of whether the two employees would stay at the same number of

hours or if would they go back to the lower amount. Director Robinson said that she had wanted to look at decreasing the hours but right now there are still so many projects, some of which are very labor intensive.

The training budget line is a one-year spike because this is the only time this conference is actually within driving distance (Boston). It's very important to be able to receive training on something Director Robinson is using 75% of her time. In the future she wouldn't be able to attend the training because it would cost too much to travel to it.

Straw vote:

A straw vote for the sake of getting a consensus was taken with five Budget Committee members (Meriwether, Matlack, Jones, Nash, Dickerson) in favor of approving the Finance budget as presented, with one opposed (Duke).

County Administration and Information Technology

There seemed to be some confusion among the Committee members about the various services listed under the Internet Service & Web Hosting budget line. Systems Administrator Mike Dean explained that Google Apps covers the costs of the employees' email accounts etc. but it also pays for the archiving of each year's worth of emails for 10 years. This is something that the County needs to do because of the Freedom of Access law. The \$26,362 in the line also includes an increase in internet because the internet is just too slow now to be able to implement all the systems the County uses, including modules that are part of the County's financial software. The County also has so many law enforcement users that the bandwidth needed to be tripled to accommodate that. These figures cover all county departments, not just the admin office. Rather than have each department pay separately for their internet usage and technology costs, the Administrative budget funds the entire cost and it's available for all County departments to use.

It was noted that a lot of projects that would have been contracted out, and therefore cost the County a lot of money, were instead completed by Systems Administrator Dean. He worked a lot of extra hours without making any extra pay since he is salaried, in order to save the County money and to get projects completed.

Administrator Hart explained that the Consultation fees was up because he had eliminated the HR Specialist position and used \$14,000 of that to add to the consultation fees so he could increase HR Consultant Laurie Bouchard's hours from 20 – 30 hours per month. The \$50,000 in the line covers more than 30 hours in case he needs Ms. Bouchard more hours than that.

Several members of the Budget Committee tried to figure out how much Ms. Bouchard was making an hour from the \$50,000. One Committee member suggested he thought it was about \$130 an hour. Administrator Hart noted that Ms. Bouchard also gets paid for her mileage, which is built into the \$50,000. She doesn't get any benefits because she's not a County employee. Administrator Hart stated that \$50,000 for 30 hours a month for one year is \$36,000, but he had placed \$50,000 in the budget line because he felt that he would probably spend more than that. A few Committee members felt that \$50,000 was too much money to have in that budget line, but Administrator Hart noted that Ms. Bouchard saves the County on legal fees because she helps the County avoid lawsuits. The County spends roughly \$100,000 a year on legal fees. He added that he needs someone with her level of expertise. Commissioner Moody commented that Ms. Bouchard is very productive and had put a lot of work into the County's process of moving towards a well developed personnel system. Commissioner Maines asked what the HR Specialist would be making if the County hired one, but Administrator Hart responded that he couldn't remember the figure off the top of his head.

The Computer Consultant budget line was reduced because the County will no longer be using Know Technology. With Know Technology, everything was under a contract that involved the County was paying a monthly fee per device and would only provide help for specific devices. With the new vendor, Harbor Digital of Camden, the County will pay a small fee for having them be available after hours (to provide IT backup and cover when Systems Administrator Dean is out or on vacation) and then be billed

when their services is actually used, instead of paying a large amount of money in advance and possibly not need them.

The question was raised about how money gets to the legal reserve and why the County doesn't just budget more in the legal lines in the budget itself. The Commission votes to put money in legal reserve from surplus. Commissioner Moody noted that he would prefer to have more in the legal line than in legal reserve and put in a true contingency.

Straw vote:

A straw vote for the sake of getting a consensus was taken with three Budget Committee members in favor (Matlack, Meriwether, Jones) of approving the Administration and Information Technology budget as presented, with two opposed (Duke, Nash), and one abstention (Dickerson).

IV. Adjourn

A motion was made by Lawrence Nash to adjourn. The motion was seconded by Bob Duke. A vote was taken with all in favor.

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

The meeting adjourned at 7:44 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Budget Committee and the Knox County Commission approved these minutes at their joint meeting on November 8, 2012.