

KNOX COUNTY COMMISSION

Special Meeting

Wednesday – December 10, 2014 - 6:00 p.m.

A special meeting of the Knox County Commission was held on Wednesday, December 10, 2014, at 6:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine.

Commission members present were: Carol L. Maines, Commissioner District #1, and Roger A. Moody, Commissioner District #3. *Commissioners not present: Richard L. Parent, Jr., Commissioner District #2.*

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards.

Municipal representation present: (*see below*).

Legislative representation present: (*see below*).

Others present: Kate Dufour, Tax Policy/Education/General Assistance/LD1 Representative for the Maine Municipal Association; and Kara Hay, President/Chief Executive Officer at Penquis.

Meeting with Knox County Municipalities – Agenda Wednesday – December 10, 2014 – 6:00 p.m.

I. Called to Order

II. Discuss Municipal, County, State and Legislative Issues – Legislative Delegation & Municipal Officials

III. Action List

IV. Adjourn

I. Called to Order:

Commission Chair Carol Maines called the special meeting of the Knox County Commission to order at 6:00 p.m. The following are the meeting attendees:

Municipal representation:

- Pat Finnigan, Camden Town Manager
- Donald Grinnell, Washington Selectman
- Bill Chapman, Rockport Selectman
- Jay Feyler, Union Town Manager
- Dan Staples, Cushing Selectman
- Cheryl Waterman, South Thomaston Selectman
- John Spear, South Thomaston Administrative Assistant
- Donald Burke, Appleton Selectman
- Greg Hamlin, Thomaston
- Joanne Richards, Thomaston Planning Board Chair
- Dorothy Meriwether, South Thomaston Selectman

Legislative representation:

- Chuck Kruger, State Representative District 92
- Joan Welsh, State Representative District 94
- Jeff Evangelos, State Representative District 91
- Gary Sukeforth, State Representative District 95
- Dave Miramant, State Senator District 12

County representation:

- Carol Maines, Commissioner District 1
- Roger Moody, Commission Chair District 3
- Andrew Hart, County Administrator

II. Discuss Municipal, County, State and Legislative Issues:

The Maine Municipal Association had provided a handout with the following information included below:

MMA's Legislative Agenda 2015-2016

Overarching goal: Preserve/restore municipal revenue sharing primarily by educating Maine's lawmakers and general public about what revenue sharing stands for and accomplishes.

- The "Partnership Program" Report
- Educational/Media Campaign
- 2015 State-Municipal Summit

Legislative initiatives: In light of deeply violated revenue sharing program, redesign/define the state-local relationship.

Nine separate legislative initiatives in four categories:

Back off state mandates:

- Give General Assistance Program over to the State Government to administer.
- Make enforcement of the Maine Uniform Building and Energy Code voluntary for the municipalities over 4,000 in population, where it is currently mandatory.

Additional tools for municipalities to preserve tax base and improve local tax burden equity:

- Authority to foul fire districts and establish fees for fire service.'
- Authority to preserve abandoned properties to avoid condemnation, capturing costs by lien.

Pushing back on the 2013-2014 shifts onto the property tax:

- Return the teacher retirement obligation to state government.
- Implement state funding for charter schools.

Ensuring sustainable investments in transportation infrastructure:

- To sustain the Highway Fund, index fuel taxes to mileage performance standards
- Advance adequate transportation bond
- Restore Local Road Assistance Program

Legislation submitted with MMA's assistance but not as part of the Association's agenda:

- Incentivize municipal investments in Internet infrastructure
- Authorize municipal school systems to forego school budget referendum adoption procedure

Bill Chapman explained that the Legislative Policy Committee (LPC) polled towns for what they wanted to see the legislation work on and then the LPC approved the list that was provided to everyone. He explained to the legislators present that the LPC is looking for legislators who would sponsor this kind of legislation.

Kate Dufour from the Maine Municipal Association (MMA) gave a brief overview of the legislation outlined in the handout.

The following is a summary of opinions and points raised and questions asked by various meeting attendees throughout the meeting on a variety of topics:

Revenue Sharing

- Right now municipalities are getting 5% and it's been raided since the Baldacci administration. The LePage administration has taken the most and the Governor said he wants to take it all. The Governor claims he's not raising taxes but all he's doing is a tax shift. The way it's designed now at 5% is fair but anything else and towns take a major hit.
- The legislators don't want anything other than the 5% any more than the towns. The legislators need the municipalities' help with finding other sources of revenue. It all comes down to how much money the state has. Legislators can't fix the problem on their own.

- Revenue sharing first came up around the early 1970's before the state started putting forth mandates of things they were requiring the municipalities to do. Revenue sharing was introduced to help offset these mandates.
- Municipalities need push back at the State's assumption that town governments are full of fat waiting to be cut. There's no fat there, but that's what the Governor thinks.
- The Governor has a veto-proof margin. He vetoed 185 bills including the budget. The legislators fought to get everything they could for the municipalities. The 2011 income tax cuts for the wealthy put the State government \$400 million short. This is all just a shift to the towns and the communities. You can try for legislation restoring revenue sharing at 100% of the value, but the governor will just veto it. It might be safer to try for 75%.
- The Governor is also talking about cutting income tax which will be another \$300 million that will have to be found somewhere.
- The pressure has to go towards the Governor – the municipalities already have legislative support.
- A grassroots effort (other than the Maine Municipal Association) from towns pressuring their legislators and the Governor is what makes the difference.
- Income tax doesn't go to the towns and it should.
- Selectmen could take turns calling the Governor's office every week.
- Towns can also find out which legislators vote against revenue sharing and call them to see if they'll change their vote. It's worked in the past.
- The Governor raids the revenue sharing when there's a shortage of revenues. There's been a lot of discussion about expanding sales tax to increase revenues.
- Taxing internet sales is held up in Congress but that would generate some revenue. It's worth doing not only for the revenue but also for the small business impact – some people are shopping online as a way to avoid paying that 5%.
- There are 50 new freshmen in the House of Representatives. There are more freshmen than senior legislators, so the municipalities will need to help educate the new legislators about municipal concerns/issues.
- The Governor said he wants to keep all the excise tax for the state, or at least make sure that the towns spend it on roads and bridges.

Indexing

- Indexing a tax doesn't always mean you're raising taxes; sometimes it means it's actually going down.
- If the state is ever going to raise the gasoline tax, now is the time because the oil prices are going down.
- Cars are using less gas so people are spending less on gas. At the same time, people are using roads more, so there needs to be a way to get more revenues to cover the gap.

Uniform Building Code

- When the legislature passed the Uniform Building code around 6 or 7 years ago, code enforcement officers from around the state that work for more than one town said that it's crazy for them to try to deal with different codes in different towns, and the uniform code fixed that.
- MMA isn't trying to get rid of the uniform code, but rather are looking at making it voluntary for municipalities to enforce it because some municipalities just don't have the ability to enforce it.

- The problem is you either have to enforce all of it, or none of it. Rockport would have to hire at least one full time person if not two just to enforce it.
- The population is growing and the legislature is trying to make sure the towns are safe for the people. Unfunded mandates are a burden but the codes still need to be enforced.
- Some towns do try to share resources, like code enforcement officers, but it doesn't always work out. There are certain areas where the County could move in but you'll have the same issue – the bigger towns will be happy with the way things are so there isn't enough buy in to make the change.
- Towns could always handle enforcing codes in such a way that everyone is expected to build to code with the understanding that someone *may* come to check on you, and if you are found to be out of code, there will be a lawsuit.
- There should be an exception for rural towns.
- If you're going to sell your property, you'd have to make sure that it's known that the building isn't up to code.
- You aren't going to be able to get your property insured if you don't have it built to code.

Fire Services

- There are some towns with fire trucks sitting there with no full-time person around to drive the trucks to the fire. It would be better to have a centrally located station with a couple full-time staff to get to the fire.
- Knox County is a long ways away from having fire services consolidated.
- It could be set up as a service fee based on square footage of buildings, rather than having it come out of property taxes.
- Once the legislation is passed, municipalities can band together and establish fire districts to share services and assess fees. It would be set up like a sewer district, but would be a fire district that assesses fees. Properties with small buildings would pay very little while something big like a hospital will pay a lot more. Every house and every non-profit would then be assessed a fee.
- Fees would also cover capital investment costs of buying a fire trucks, equipment, etc.

General Assistance

- Some people believe that the State would be better able to handle general assistance.
- Others believe that if the State or Knox County hires staff to handle general assistance for the towns, the towns would essentially be paying twice for it because their municipal staff would still be involved.
- Regionalizing general assistance is going to cost the towns more.
- The Penquis organization is worried about what it would mean for those receiving general assistance if it ends up being taken over by the State. Penquis is willing to work with towns in any way it can to help.
- If the town's general assistance person spends hours getting help for a person and then hands it off to Penquis, the town wouldn't get any money back. The town would just have to eat the cost.
- It would not be a good idea to have general assistance centralized. Municipal staff have a much better pulse on what's going on in the smaller communities. There won't be any cost savings if the state does it.
- Local town staff are more likely to be able to figure out if someone is trying to abuse the system.
- The poor can be taken care of much better locally. If it goes to the state you'll have some people who really need the help but fall through the cracks, and others who know how to abuse the system and get the money.

Charter Schools

- Every time the state cuts back on funding, the things that get cut back are pencils, supplies, etc. If the Governor is diverting funding to charter schools, the local schools are going to be decimated.
- If you've got a bunch of students going to a charter school, that population of students isn't all coming out of the same class or even the same grade, so schools will still need the same number of classes and teachers and resources. The money follows the student.

State Bonds

- It's frustrating when the State lumps multiple projects into one bond. Projects should be on the ballots as separate bonds instead of having them combined in the hopes that the whole thing will pass.

Reducing Expenses

- The legislature needs to see what can be done to cut expenses because that's the other side of revenues.
- The State really doesn't have the ability to cut any more. Services have already been cut at the State level simply because the State just doesn't have the funding.
- The State could cut back fuel costs because fuel prices are going down.
- Maine could end up losing the ability to sell shellfish to other states because the Department of Inland Fisheries and Wildlife has been cut back so much it doesn't have the biologists on staff to tell the Feds that the State is doing everything it's supposed to. The problem isn't just from budget cuts for one year, but more like a decade of cuts.

Penquis Services

Commissioner Maines invited Penquis President Kara Hay to explain about what Penquis does. Ms. Hay stated that she liked what she was hearing about partnering, bipartisanship, and fighting tooth and nail for what you believe in. She said that she knows that having Penquis and its services locally controlled is important to the municipalities. Penquis is bringing dollars into Maine, not just spending them. She handed out what she called a snapshot of Knox County. She said it was to show the municipalities the situations the children and lower-income families of Knox County are dealing with. Transportation is a huge barrier. There are families in homes that aren't winterized and many that went without heat for a period of time until they got assistance. Penquis brings \$3.5 million of assistance into Knox County and helps with assisted living, heating assistance, senior citizen partnering, food banks, and early education. Penquis has been in existence for 50 years but only been in Knox County for less than 10. Penquis hopes to do better in Knox County and to partner with municipalities more, especially in rural areas. Ms. Hay stated that if the State were to try to take over general assistance, Penquis would make sure to tell the state that doing general assistance at the state level will make it too hard for Penquis to help the poor locally.

County Jails

Administrator Hart gave everyone an update on the situation with the County jails system. The governor was so upset that his veto on the Board of Corrections got overturned that he refused to appoint two people to serve on the Board. That means that the BOC has been running with three people when it's supposed to be five. Some attorneys are saying that the BOC is holding illegal meetings because there are only three people on the Board. The governor wants the burden of the jails to go back to the counties, which would mean the assessment to the towns wouldn't be capped anymore. That would result in a huge increase to the County budget. The County is also concerned about the fact that the Knox County Jail's budget keeps getting cut back. The County looked at cutting back staff, which creates a dangerous situation for both inmates and staff, but ended up freezing wages for 2015 instead. The County may still end up having to cut positions anyway.

III. Action List:

Commissioner Maines stated that a notice will be sent out letting everyone know when the group will meet again.

IV. Adjourn

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

The meeting adjourned at 8:01 p.m.

Respectfully submitted,

Candice Richards
Administrative Assistant

The Knox County Commission approved these minutes at their regular meeting held on January 13, 2015.