

# KNOX COUNTY COMMISSION

## Special Meeting

Monday – March 18, 2013 - 6:00 p.m.

A special meeting of the Knox County Commission was held on Monday, March 18, 2013, at 6:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine.

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: Administrative Assistant Candice Richards.

Municipal representation present: (*see below*).

Legislative representation present: (*see below*).

Others present: Andy O'Brian of the Free Press.

### Meeting with Knox County Municipalities – Agenda Monday – March 18, 2013 – 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 6:30 p.m. The following are the meeting attendees:

##### Municipal representation:

- Martin Cates, Camden Selectman, Chair
- Don White, Camden Selectman, Vice Chair
- Pat Finnigan, Camden Town Manager
- Will Clayton, Rockland Mayor
- James Smith, Rockland City Manager
- Larry Pritchett, Rockland City Councilman
- Ken McKinney, Rockport Selectman
- Roger Moody, Rockport Interim Town Manager
- George Mele, Cushing Budget Committee
- Jay Feyler, Union Town Manager
- Marjorie Stratton, Vinalhaven Town Manager
- Donald Burke, Appleton Selectman
- Tammy Willey, running for Selectman in St. George
- Marguerite Cutroi, running for Selectman in St. George

##### Legislative representation:

- Ed Mazurek, State Senator District 22
- Elizabeth Dickerson, State Representative District 47 (*arrived at 6:24 p.m.*)
- Representative Kruger, State Representative District 48
- Representative Welsh, State Representative District 46

- Representative Evangelos, State Representative District 49
- Representative Pease, State Representative District 44

County representation:

- Carol Maines, Commissioner District 1
- Richard Parent, Commissioner District 2
- Roger Moody, Commission Chair District 3

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

Commissioner Maines asked for opening comments from the legislative delegates:

Senator Mazurek stated that the legislature doesn't want the burden to be pushed onto the municipalities. He stated that he has been hearing more and more people talking about the possibility of raising the sales tax by a percent or half of a percent. He serves on the Transportation Committee. Prices have gone up on everything, even simple things in road maintenance. If you want good roads, somehow we're going to have to pay for it. He asked for ideas of ways to raise revenues.

Representative Welsh stated that the process is at the point of all public hearings in front of the Appropriations Committee. The education budget is flat-funded but there are things in that budget that take away from teaching the children, like paying for teacher retirement. We all want to find compromise but there are some very strong and different opinions. We need to find some ways to raise revenues because there are too many cuts.

Representative Pease stated that the proposed budget cuts out revenue sharing, which affects the towns a lot. There will be serious budget cuts in this budget. The legislature needs to find where there can be cuts made in order to save revenue sharing.

Representative Evangelos stated that there are things on the table that will help offset some of the cuts, like taxes on staying in hotels. It's not fair for people on fixed incomes to be taxed when other people making \$200,000 a year are getting tax breaks. The way to balance the budget is not to throw it back to the towns. Ideas like consolidating fire departments when all the firemen are volunteers is ridiculous.

Representative Kruger stated that this budget as proposed takes a searing stab at local municipal budgets that are already barebones. We're not talking about just one set of cuts – there were cuts in the previous budgets. The Appropriations Committee is still at work. The cuts to revenue sharing are unacceptable.

Comments by legislative delegates:

- Municipalities can submit written testimony to a delegate who can then take it to the appropriate committee.
- Each committee has a piece of the budget that they're responsible for. As those come up, people can have their comments submitted. The committees then have to vote on their part of the budget to send it to the Appropriations Committee. If you're talking about increasing revenues, that's the Taxation Committee.
- The Appropriations Committee announced that they're going to be holding some hearings around the state.
- Get your Selectboard to come up with a Resolve and get a true and attested copy to the State Clerk at 2 State House Station. It can be put on the calendar that way and be put on the official house proceedings.
- The legislature needs to make some hard cuts. The leadership is doing the best they can. There are so many moving pieces that it's hard to make early commitments on what will be included in the budget.
- The supplemental budget was negotiated in secret and there was no transparency. The towns have to draft their budgets without having any hard numbers and we're trying to get them some help.

- When mentioning “the leadership”, the legislative delegates were referring to the Speaker of the House and Leader of the Senate. Those two individuals are generally the ones setting the agenda and deciding what bills are being heard.
- The Circuit Breaker program (\$73 million) and Homestead Exemption (\$18 million) wouldn’t bring in enough money to solve the budget problems, but it would definitely help.
- At the end of the day there are things in the budget that you hate or don’t like, but you get some things that you want. That’s compromise. You’re never going to get everything you want. Both sides have to give.
- The “big monster” – DHHS - federal funds that used to pay the big part of that have decreased. If the state had paid the hospital bills back then, it would have cost \$40 million less than it does now because now the federal support is less than it was back then.
- A 1% sales tax increase would bring in \$140 million. Meals and lodging taxes would bring in roughly \$20 million.
- Everyone needs to push back. The state auditor has said that the state has paid \$61 million in unemployment benefits to people who haven’t submitted their booklet to show they’re looking for a job. There are only two investigators for DHHS so nothing gets investigated. Even when we do know something wrong is happening, we don’t have any way to do anything about it.
- The democrats want the hospitals to change the way procedures are paid for and be much more transparent on their bills, which will help cut costs.
- The final vote on the budget should be by June 18<sup>th</sup>, but it often gets pushed back. If there’s no vote by July 1<sup>st</sup>, government shuts down because that’s when the new budget was supposed to take effect.
- The leadership is working towards avoiding a shut down, but there are too many people who want to see government crash.
- There is a bill being discussed about changing the fiscal year, which would help the towns because then the State budget would be set before the towns had their town meetings.

Comments by municipal and county leadership:

- It sounds like some of the delegates are wavering on revenue sharing. There is no wavering or compromising. It was the state’s responsibility to fund the teacher pensions, not the towns. It’s simply stealing from the taxpayers. The state needs to fully fund revenue sharing.
- For a long time municipalities knew what the partnership was from the state, and knew what they were going to get. For the past 8 years, the towns don’t know. The towns need to know what partnership they have with Augusta.
- Some of the towns are taking their budget votes now and will have to put it up for a town warrant in June. They don’t know what the revenue sharing is going to be and it changes every year. The towns have to make decisions before they know what those numbers are going to be. What’s going to happen when that money doesn’t come in? The services are going to get cut. A local option sales tax would be great but it should be legislated that it comes right to the local governmental entity and not stay in Augusta to ensure that the town get to keep it.
- It sounds like the delegates are saying that all options are on the table, but revenue sharing CANNOT be on the table. If towns don’t have money for services, then they won’t be able to provide those services. If you cut the full-time firefighters, you risk losing a whole block in a fire. If you cut back policemen, you lose ground on all the progress they’ve made fighting crime in the community. Towns have already been nickel and dimed. The state can’t take any more funding from the towns.
- Revenue sharing should be taken off the table. We’re always talking about cuts but the governor never wants to add a tax. Why can’t Maine up the sales tax? That’s a tax that affects everybody. Why just target a certain income bracket?

- This is all about trust, in a way. Towns had this whole philosophy that they've believed in all these years and now it's going away. There's a tax shift to taking money where the State can without raising taxes. Revenue sharing originally was inventory tax and that had been in place for roughly 30 years. Rockport has laid off employees, maintenance of roads have been put off so long they badly need repaving, and buildings need new roofs. People want their taxes cut, but if you ask them what services they want most like good roads and police, they'll admit they want that level of services.
- Let's raise the sales tax. When you call somewhere to make a reservation at a hotel, do you ask what the tax is going to be? Of course not!
- Maine is already extremely dependent on property taxes. The state is just marching further down a road that it's already too far down.
- There would need to be a constitutional amendment to dedicate any revenue to something specific, like education.
- Increase sales tax and earmark it for education. The tourists would be paying for part of it and non-property owners who send their kids to school would also get taxed. If you go to Wal-Mart and spend \$100, an extra \$0.75 cents doesn't hurt your wallet.

Commissioner Maines asked the delegates what top three things that the municipal reps could do. The following were the suggested actions:

1. Sit down with everyone in your department and make a list of all the mandates that are costing you money. Send the information back in to the delegates and show that those are unfunded mandates that were supposed to be funded by the State.
2. Contact your representatives and they will advise you what to do next.
3. Write or come to a committee when it meets because it has more of an impact than just the delegates speaking for you.
4. Invite the schools to the next meeting of the delegates with the County's municipalities

It was asked where the Appropriations Committee was going to be having their hearings when they travel around the state in case any of the municipal leadership wanted to go attend those. The answer given was Brewer and Wells. It was noted that the schedule was probably on the legislative website.

### **III. Adjourn**

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

The meeting adjourned at 7:57 p.m.

Respectfully submitted,

Candice Richards  
Administrative Assistant

**The Knox County Commission approved these minutes at their regular meeting  
held on April 9, 2013.**