

KNOX COUNTY COMMISSION

Regular Meeting

Tuesday – July 13, 2010 – 2:00 p.m.

The regular meeting of the Knox County Commission was held on Tuesday, July 13, 2010, at 2:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. Executive Assistant Constance Johanson was present to record the minutes of the meeting.

Commission members present were: Anne Beebe-Center, 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, Sheriff Donna Dennison, Airport Manager Jeff Northgraves, Jail Administrator John Hinkley, Patrol Administrator Tim Carroll, Finance Director Kathy Robinson, EMA Director Ray Sisk, and Executive Assistant Constance Johanson.

Also present were: Ted Berry of Rockland, Jeff Gallagher of Rockport, Auditor James Wadman, and Wanese Lynch of James W. Wadman's office.

Regular Meeting – Agenda Tuesday – July 13, 2010 – 2:00 p.m.

- I. 2:00 Meeting Called To Order**
- II. 2:05 Public Comment** - Public Comment during other portions of the meeting will only be granted by permission of the chair.
- III. 2:30 Consent Items**
 - 1. Approve Consent Items as Presented:
 - a. Approve Agenda - Non Agenda Items Only Permitted if Emergency in Nature.
 - b. Approve Minutes of Regular Commission Meeting of June 8, 2010.
 - c. Accept Monthly Written Departmental Reports.
 - d. Approve Reserve Withdrawals.
- IV. 2:35 Action Items**
 - 1. Act to Update *Section 3.4 Overtime Compensation* in the Knox County Personnel Policy (A. Hart).
 - 2. Act on Authorize the Finance Director to Fund Pay Period 27 from Surplus (K. Robinson).
 - 3. Act on Approval of Inter-Agency Cooperation Agreement (A. Hart).
 - 4. Act on Approval of K-9 Purchase and Sale Agreement (A. Hart, D. Dennison).
 - 5. Act on Approval of 2011 Knox County EMA Strategic Work Plan (R. Sisk)
- V. 2:50 Discussion Items**
 - 1. Discuss 2009 Audit (J. Wadman).
 - 2. Terminal and EAS Update (J. Northgraves)
- VI. 3:20 Other Business**
- VII. 3:25 Executive Session**
 - 1. Convene in Executive Session to Discuss a Personnel Matter Pursuant to 1 M.R.S.A. §405(6)(A).
 - 2. Convene in Executive Session to Discuss Acquisition of Real Property Pursuant to 1 M.R.S.A. §405(6)(C).
- VIII. Adjourn**

I. Meeting Called to Order

Commission Chair Anne Beebe-Center called the July 13, 2010 regular meeting of the Knox County Commission to order at 2:00 p.m.

II. Public Comment

Commission Chair Anne Beebe-Center asked for public comment. There was none.

III. Consent Items

- 1. Approve Items as Presented:
 - a. Approve Agenda - Non Agenda Items Only Permitted if Emergency in Nature.
 - b. Approve Minutes of Regular Commission Meeting of June 8, 2010.
 - c. Accept Monthly Written Departmental Reports.

d. Approve Reserve Withdrawals.

- A motion was made by Commissioner Richard Parent to approve the consent items as presented. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

Reserve Withdrawals (July 13, 2010):

Courthouse Computer	20000812660	\$11,456.81
	Total	\$11,456.81

IV. Action Items

1. Act to Update Section 3.4 Overtime Compensation in the Knox County Personnel Policy (A. Hart).
The following is the section of the Personnel Policy being considered.

3.4 OVERTIME COMPENSATION

Nonexempt Employees (FLSA)

3.4.2 Overtime will be computed based on hours actually worked. Holiday overtime will not be used to calculate overtime. Hours actually worked shall not include hours compensated but not worked, such as holidays, sick leave, vacation leave, personal leave, and the like. When overtime accrues, the employee shall have the option of receiving either time and one-half at the hourly rate of pay or compensatory time at the rate of time and one-half. It will be the employee's responsibility to record and justify any and all overtime worked on the time sheet.

County Administrator Andrew Hart asked the commissioners to table this agenda item.

- A motion was made by Commissioner Roger Moody to table *Section 3.4 Overtime Compensation* in the Knox County Personnel Policy. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

2. Act to Authorize the Finance Director to Fund Pay Period 27 from Surplus (K. Robinson).

Finance Director Kathy Robinson explained that when the 2010 budget was developed, it was based on 26 pay periods in 2010. The assumption was that the next payroll would be in 2011. When looking at the calendar it became clear that it would actually post in 2010 and therefore, there were 27 pay periods in 2010. The commissioners are being asked to authorize the funding of the additional pay period, which would come from surplus. It was noted that the additional pay period occurs every seven (7) years.

Commissioner Roger Moody asked if the pay periods were the same for all departments including the jail, which was now on a fiscal year. Kathy Robinson responded in the affirmative. She explained that the jail, being on the fiscal year, was not impacted. The jail has 14 pay periods in the first half of their fiscal year (July – December 2010) and 12 pay periods in the second half of their fiscal year (January – June 2011) for a total of 26 pay periods. It was noted that the jail budget will run into this issue in 2012.

The following is a chart of the projected figures for the 27th pay period.

27 th Pay Period to be taken from Surplus	
\$884,208.00	Current General Fund Surplus – 21 % of Expenditures
\$76,500.00	Projected Payroll
\$807,708.00	Adjusted General Fund Surplus – 19% of Expenditures
\$58,219.00	Current Airport Surplus – 15% of Surplus
\$8,500.00	Projected Payroll
\$49,719.00	Adjusted Airport Surplus – 13 % Surplus
\$44,886.00	Current Communications Surplus – 5% of Surplus
\$22,500.00	Projected Payroll
\$22,386.00	Adjusted Communications Surplus – 2.5 % of Surplus

Finance Director Kathy Robinson explained that the auditor recommended having between 10 and 12 percent of expenditures as a guideline for surplus. The general fund surplus is over this amount, the airport surplus is about where it should be, and the communications surplus is low because of funding capital improvements for the department.

- A motion was made by Commissioner Richard Parent to authorize the finance director to fund Pay Period 27 from surplus. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

3. Act on Approval of Inter-Agency Cooperation Agreement (A. Hart).

County Administrator Andrew Hart explained that this agreement had previously been known as the KCLES agreement. Work on redrafting this agreement began in September of 2009. Meetings were held initially with; the municipal police chiefs of Rockland, Thomaston, Rockport, and Camden; the sheriff; the jail administrator; the IT department staff; communications director; the D.A. and the administrative secretary/computer network systems administrator; and legal counsel.

A meeting was held on October 20, 2009 to discuss the draft of this agreement that established a Knox County Public Safety Information Sharing Cooperative Association. The agreement describes the membership and the structure of the association. Another meeting was held on January 11, 2010 to review the recommended changes and was attended by many of the same attendees of the previous meeting including the two communication supervisors. A final meeting was held on February 8, 2010 with the municipal managers of Rockland, Thomaston, Rockport, and Camden. Subsequently, the agreement was sent to the towns for approval.

“The purpose of the Public Safety Cooperative is to create an electronic data base of public safety information to be used by Member agencies in Knox County in order to promote efficiency by providing consolidated computerized access to commonly shared safety information, which will in turn provide for more effective and efficient provision of public safety and law enforcement services to the communities of Knox County.”

Commissioner Anne Beebe-Center commented that she read the portion on membership including the section on withdrawal and expulsion of a member. She asked what happens if a law enforcement agency withdraws and takes their information with them and how would this affect the other agencies and their access to this data.

County Administrator Andrew Hart explained that this was a one of the fine points that the board of directors would have to determine. First, the board has to be established and then the meeting schedule set so the board could start working on specific policies and procedures. A meeting was scheduled for tomorrow, but it has been rescheduled for the first week of August.

The City Council of Rockland has signed the agreement as well as the Town Selectmen of Thomaston, Rockport, and Camden. The District Attorney Geoff Rushlau and Communications Director Linwood Lothrop have signed the agreement on behalf of their departments. The commissioners need to sign the agreement today. Original documents with signatures will be sent to the member agencies.

Commissioner Roger Moody commented that this was an important document that will serve the county and the association member agencies well in the future.

- A motion was made by Commissioner Roger Moody to approve the Inter-Agency Cooperation Agreement. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

4. Act on Approval of K-9 Purchase and Sale Agreement (A. Hart, D. Dennison).

Sheriff Donna Dennison stated that the commissioners have the final document to sign today.

County Administrator Andrew Hart explained that in March of 2009, the sheriff requested the county accept two drug sniffing dogs. Mr. Hart requested medical records and verification that the dogs were in good health. One dog was removed from the request. In May of 2009, a draft agreement was prepared by Attorney Peter Marchesi and provided to Deputy John Palmer, the owner of the dog being considered. There was discussion on several versions of the draft agreement and neither party found the agreement to be acceptable. The draft agreement was set aside.

In May of 2010, Patrol Administrator Tim Carroll requested that the drug detecting dog issue be revisited. Mr. Hart met with the patrol administrator and legal counsel to go over the reimbursement language in the draft agreement. This appeared to be the major obstacle to agreeing to the drug detecting dog purchase and sale agreement. The reimbursement language was removed and current version is supported by Sheriff Dennison, Lt. Carroll, Deputy Palmer, and County Administrator Andrew Hart. The county will own the dog and Deputy Palmer will be the designated dog handler/trainer.

It was noted that the county will be investing in the training the dog known as “Jake”. If Deputy Palmer decides to leave the county’s employ, then the county would have to authorize the sale of the dog back to Deputy Palmer. Mr. Hart reported that Deputy Palmer is committed to the K-9 program and the county.

Commissioner Richard Parent asked that in the event that the county does not have a drug sniffing dog, could the county request the use of a state police drug dog.

Sheriff Dennison responded that a state police dog is at the disposal of the county, but the response time is a problem. The dog could be working on a case at the other end of the state.

Lt. Carroll explained that currently there is no K-9 program in Knox County. This would be the only drug sniffing K-9 in the county.

Commissioner Richard Parent asked why the state police were not included in the Inter-Agency Agreement that was approved today.

Sheriff Dennison commented that she tried to get the state police involved in the discussions on the Inter-Agency Agreement without success. The state police receive calls within Knox County so that it appeared to be a natural progression to have the state police participate. The state police offered to bring a computer to the office to show their system of electronic information and they were to be shown our system as cooperative effort of sharing. The sheriff said she tried to get the state to put information in the current system and was stopped immediately. The end result was that the state police were not included in the agreement.

Commissioner Anne Beebe-Center commented that there are a number of issues and problems with the state police partnering with local police agencies in sharing information.

- A motion was made by Commissioner Richard Parent to approve the K-9 Purchase and Sale Agreement and authorize the county administrator to sign the agreement. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

Note: Jeff Gallagher left the meeting at 2:15 p.m. Ted Berry joined the meeting at 2:15 p.m.

5. Act on Approval of 2011 Knox County EMA Strategic Work Plan (R. Sisk).

EMA Director Ray Sisk commented that the commissioners had copies of the 2011 Knox County EMA Strategic Work Plan along with a list of acronyms used in the plan. The commissioners thanked the director for the list.

Director Sisk reported that there are a number of new items in the 2011 Strategic Work Plan. One is additional planning efforts with Waldo and Lincoln Counties. Bi-monthly meetings are being planned to coordinate and share resources as well as scheduled training sessions and exercises.

Another new item is under the training section. It is item #5 – Pursue Training to be certified as a Master Exercise Practitioner and Planner (MEPP). This is a training course offered through the Federal Emergency Management Agency (FEMA) at their Emmitsburg, Maryland training center. The certification requires three (3) weeks of training over a four (4) month period of time. There are 30 to 40 hours of preparation time involved with the training. The reason for seeking this certification is that one of the Knox County Emergency Management Agency (EMA) goals is to keep the cost of staging exercises down. In the past, EMA has used homeland security grants to fund exercises and pay for an exercise coordinator. The cost of having an exercise coordinator can be as much as \$15,000.00. Mr. Sisk explained that his plan was to be prepared for the eventuality that exercise funds may not be available and that the exercise program will continue with the use of in house staff.

Commissioner Anne Beebe-Center asked what the down side of having the director being a MEPP. EMA Director Sisk responded that the funds to support the conducting of the exercises would probably remain available, but the county would not have to incur the expenses for a trainer/coordinator if he became a certified trainer. Exercise funds could be used for equipment rather than the trainer. There have been several exercises conducted in Knox County. Recently a large-scale exercise held in Camden at the high school was expensive because of manpower hours and some equipment that had to be purchased to support the exercise.

Commissioner Richard Parent asked if the director would be spending time away from the office after obtaining the MEPP certification. Mr. Sisk responded that it would allow him to bring a professional level of training to the local area exercise programs. He reported having some training in this area and has met the prerequisites of the MEPP training course.

Commissioner Anne Beebe-Center asked if other EMA directors were certified MEPPs. Director Risk responded by saying no, but he would recommend that the other county EMA directors pursue the certification because of the likelihood of the funds not being available for trained exercise coordinators. Mr. Sisk commented that he did not see himself as serving as a MEPP for other counties unless it was beneficial to Knox County. As far as exercising with the adjacent counties that participate in mutual aid agreements and joint exercises, he would serve as the exercise coordinator for the three counties. It was noted that there are only 1300 MEPPs nationwide.

Commissioner Roger Moody asked if the certification would have to be renewed. Director Sisk explained that as long as the county had an EMA exercise program and he part of the program, the certificate would remain current.

Commissioner Anne Beebe-Center asked what the cost of the certification was. Director Sisk replied that the course was free. FEMA pays for the training, transportation, and lodging for those attending training sessions at their training facility in Emmitsburg, Maryland. The only cost to the county was the meal charge of \$97.00 a week. This training would be in addition to the EMA director's regular work.

Another item of interest in this plan is the increase in incident support capabilities, which would allow for additional support when large-scale as well small-scale incidents occur. The EMA office has been working with a few county employees to have them trained for this additional support portion of the program. Traditionally this has been done by volunteers who may or not have had training. Some part-time employees and grant funded employees have done some of the training. Director Sisk is considering sending some other interested county employees for training to extend the county's capabilities in dealing with emergencies.

Another item of note in the plan was the procurement of a county-wide Reverse 911 system.

Commissioner Anne Beebe-Center commented that previously it was thought that the Reverse 911 system was cost prohibitive.

EMA Director Sisk reported that he wrote a Homeland Security Grant last year that was approved to purchase the Reverse 911 system.

Commissioner Anne Beebe-Center asked what had changed. Director Sisk explained that he did some research and compared in-house systems with out-sourced systems and the in-house system was less expensive. The grant awarded was for the purchase of an in-house system with a three-year maintenance contract. The cost of the system is eligible for the EMA 50 percent reimbursement program, which is the Emergency Management Performance Grant (EMPG).

Commissioner Anne Beebe-Center asked about the maintenance costs after the three-year contract expired. Director Sisk explained that any cost would still be eligible for the EMPG program. He was looking into offering the service on a limited basis to other agencies which would be billed out and could be a source of revenue to cover any maintenance costs. The worst-case scenario would be that the system could cost 37 cents per county resident after the EMGP reimbursement.

Commissioner Anne Beebe-Center asked why the system was always paired with communications. Director Sisk explained that it was because that was the best place for it. The Knox County Communications Center, as it is currently situated, is not set up with sufficient telephones or space. The Reverse 911 systems are typically managed by the communications department. Three other counties have the system managed by their communications departments, but it is an EMA program. Until the Knox County EMA office and the Knox County Regional Communications Center (KCRCC) can be co-located, the system will be an EMA in-house system.

Director Sisk explained that he was holding off on the equipment acquisition until there was a solid plan in place to manage and maintain the system.

Commissioner Richard Parent asked how big the system was. Director Sisk responded that it was basically a server with a couple of dialers attached. The system has the capability to dial into the system through a virtual private network to select the alerting areas from several houses on a block to a county-wide alert.

EMA Director Ray Sisk reported that in talking with Oxford County he learned that if Knox County owns and commissions this system, there are no constraints on what agencies can use the system. The system has a capacity with on-demand feature. There is an in-house eight-line system, which makes eight calls simultaneously. The capacity on-demand feature allows the system to make a county call using off-site dialers that will make as many as a thousand calls per minute. The hybrid system can alert or notify isolated areas, a local community, or the entire county.

The system is a map-based system so it can locate a geographic area, extract the phone numbers for the area, and send the alert to those phone numbers. Predefined lists can be program into the system. The area schools use predefined lists. Director Sisk explained that he had researched the system used by Camden Hills High School and SAD #28 and bought the same system earlier for list calling which was a per-call basis. The cost was reasonable, but the company has been sold and the cost has increased by 500 percent.

EMA Director Sisk admitted that it was a complicated system and the IT department would have to be called upon for their help. Several other counties have the same type of system installed from the same vendor and have offered information on some of the pitfalls.

- A motion was made by Commissioner Richard Parent to endorse the 2011 Knox County EMA Strategic Work Plan. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

The commissioners signed the Knox County Emergency Management Agency Strategic Work Plan.

EMA Director Sisk distributed copies of the Executive Summary of the revised Hazard Mitigation Plan. The plan, a 60-page document, has been submitted to FEMA for approval. The approved Hazard Mitigation Plan will be adopted after its approval by the municipalities and the commission. Director Sisk expects to give a presentation to the commission on the Hazard Mitigation Plan. There are a number of funding opportunities in the plan for municipalities.

V. Discussion Items

1. Discuss 2009 Audit (J. Wadman).

This item was taken out of order and discussed after the airport manager's update on the terminal building and the Essential Air Service (EAS) because Auditor James Wadman had not arrived at the meeting.

Jim Wadman and Wanese Lynch were introduced.

Mr. Wadman stated that he would be going over some of the highlights of the audit itself as he has done in past years. Many pages are required disclosures. The opinion letter is found on pages 1 and 2 and expresses the auditor's opinion of the financial statements and the disclosures that follow. This is a clean opinion, which is a fair presentation of the financial statements as well as the county's compliance with its federal grant programs. Mr. Wadman commented that there were a few issues with the grant programs that will be discussed later.

Mr. Wadman stated that pages 3 through 6 contain the management discussion and analysis, which is a narrative summary of the financial statements. Page 3, "Fund Highlights", shows the county's general undesignated fund balance as \$884,208.00, which represents 21 percent of the county's expenses for the year 2009. This is a good benchmark to track each year. Maine Municipal Association (MMA) recommends government entities maintain between 10 and 12 percent of their expenses for the year as their general undesignated fund balance. It was noted that a year ago the undesignated fund balance was at 18.4 percent with the jail expenditures. This slightly skews the comparison because this year the jail expenses are maintained separately.

It was noted that the county's long-term debt obligations decreased by 100 percent due to the jail bond being retired. The audit report states that no new debt obligations were incurred in the year 2009. In 2010, the county entered into a lease agreement for the communications department's simulcast system that obligates the county to pay this debt off over the next five years.

A comparative balance sheet is on page 4, which shows the current assets, capital assets, and liabilities. The total liabilities and net assets for 2009 are listed at \$24,249,858.00 and for 2008 are listed at \$24,955,373.00. It was noted that there was not a significant change from 2008 to 2009.

Mr. Wadman passed over the required financial statements of the audit and asked if there were any questions regarding this section (pages 6 through 26). He suggested turning to page 27, which is not a required reporting section, but is of some interest. The total revenues for 2009 are over budget by \$83,316.00.

A similar presentation on expenses is shown on pages 28 and 29. It was noted that the total appropriations are shown to be over budget by \$310,210.00. This is due in part to the transfer of funds into reserve accounts.

Page 30 shows the undesignated fund balance, as of January 1, 2009, as being \$1,310,633.00. The undesignated fund, as of December 31, 2009, is \$884,208.00, which is a decrease of \$426,425.00. It was noted in the analysis portion of this report that \$199,531.00 was used to reduce the assessments to the towns.

Mr. Wadman suggested looking at page 40, which is the first of several pages pertaining to the federal grant funds for the airport. The single audit reports begin on page 44. This portion of the audit is required and pertains to federal grant programs. In any year that there are expenditures in excess of a half a million dollars in federal grants funds additional compliance auditing is required. This requirement has been in place for many years.

Mr. Wadman explained that pages 44 and 45 contain a letter to the commissioners on the auditor's report on internal control over financial reporting and on compliance based on an audit of financial statements performed in accordance with government auditing standards. Pages 46 and 47 contain a letter to the commissioners on compliance with requirements applicable to major federal grant program and on internal control over compliance in accordance with OMB circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These two reports go together.

Page 49 is the Schedule of Findings and Questioned Costs for the year ending December 31, 2009. This page documents the details of compliance issues, which are listed in the Summary of the Auditor's Results. The "Findings", at the bottom of the page, is the Financial Statement of Preparation, which describes the auditor's role in the preparation of the report.

Mr. Wadman explained that page 50 describes the findings related to major federal award projects, which in the case of the airport is the Federal Aviation Administration (FAA) and it's funding of the Airport Improvement Project (AIP). According to the OMB A-133, federal grantees (the airport) involved in construction activities must ensure that the contractors employed on the project are providing wages and benefits according to published federal guidelines. During the course of the audit, 34 employees were selected for testing with one instance that an employee was not being paid the proper rate and formal interviews were not conducted. Without formal interviews, the auditors were not able to verify that the workers were changed from "skilled" to "unskilled" workers on the certified payrolls. The effect of this finding is that Knox County is not in compliance with the requirements of the Davis Bacon Act. The audit report made three recommendations. The first is for the county to establish a procedure to ensure that prevailing wages are paid to all persons covered under the Davis Bacon Act. The second is for the county to review the contractor's hourly rates and fringe benefit payments to employees to ensure they are in compliance with the Davis Bacon Act. The third is for the county to verify that formal interviews are conducted and recorded through monitoring procedures.

Commissioner Anne Beebe-Center asked the airport manager if this problem has been resolved. Mr. Northgraves responded no because technically formal interviews are not required on a small project or a continuation of a project, which was the case that was tested by the auditor. There was a small paving project that took a week to complete. Informal interviews were conducted on that project. The parallel taxiway had a few punch list items to complete in 2009 that used the same employees that were used in 2008 and were formally interviewed at that time. Stantec has not been paid to conduct formal interviews on small or continuing projects. Only informal interviews were conducted by Stantec on those projects.

Mr. Wadman stated that he would like to explain the particular scenario where the problem was encountered. He explained that there was a paving company working at the airport in 2009 and the employees were listed as skilled laborers. The wages paid to these workers were compared to those listed on federal guidelines for skilled laborers and were found to have been inappropriately paid. This was brought to the county's attention. The same computerized payroll sheets were resubmitted to the auditor with "un" written in pen in front of the word "skilled". The workers were now considered to be "unskilled" laborers and thus became appropriately paid. The auditor next looked for documentation on formal interviews to determine if the workers were skilled or unskilled. There was no documentation on interviews. Ms. Lynch commented that she did not believe the auditors were told that formal interviews were conducted in 2008.

Mr. Northgraves said that this was a small paving project overseen by Stantec with Stantec staff on site that week. Only informal interviews were conducted that were not documented because the project was too small in scope. The formal interviews were conducted on the parallel taxiway because it was a large project.

Commissioner Anne Beebe-Center remarked that it appeared that the county was operating in one way and the auditors were conducting their business under a different set of guidelines with the possibility of having the same issues next year. Mr. Northgraves responded in the affirmative. He explained that the auditors were very aggressive and they examine 100 percent of the employees on a project, which is not required. The county pays a lot of money to conduct this audit for each individual project and if that is the way the audit is going to continue to be conducted, then perhaps the county does not need to pay Stantec to manage the projects in terms of assuring that the county is in compliance with the Davis Bacon Act. Mr. Northgraves explained that the contractor is responsible for being compliant and paying the appropriate rates. It was noted that there was only one employee that was paid at an incorrect amount and that mistake was rectified. Mr. Northgraves stated that he was satisfied that Stantec is performing their role as the overseer of the airport projects and Stantec is satisfied that the contractor is abiding by the requirements of their contract, which includes being compliant with the Davis Bacon Act.

Commissioner Anne Beebe-Center asked if the county administrator had any comments. Mr. Hart said the issue was discussed with the auditor, but the discussion was not as lengthy. He suggested

that this issue is a finding in the audit and needs to be corrected. As to the cost of compliance, that was an unknown because it appeared that either stricter methods for over seeing projects should be adopted or the auditors should lessen their test requirements. Otherwise this issue is likely to come up every year.

Mr. Wadman defended his work as an auditor and stated that there were many sub-standard auditing firms. He commented that it appeared that he was being criticized for conducting a more in depth audit than some other auditors that have dealt with Stantec. Ms. Lynch commented that they had to follow the federal guidelines for testing.

Airport Manager Northgraves reported that Stantec was being paid to oversee the airport projects and is not required to do formal interviews on a small project or on continued work from the previous year when the formal interviews had already been conducted.

Commissioner Anne Beebe-Center asked what constitutes a small project. Mr. Northgraves explained that the crack sealing/painting project with eight workers to be completed in a week was considered to be a small project. An example of a large project was the parallel taxiway, which ran over into the following year. There were 34 contracted workers working on projects in 2009 and all were tested. That was 100 percent of those employed in 2009. The airport manager stated that the auditor said they had to test 100 percent of the employees because there was a finding in the previous year, which there was not. Ms. Lynch stated that the auditors are required to test 40 employees and because there was less than that number, they tested all 34. If there is a finding, then the number to be tested goes up to 65.

Commissioner Roger Moody asked how many violations were found in the 34 cases selected for testing. Mr. Wadman stated there was one employee that was not paid correctly and was reimbursed for the discrepancy. The other issue was the determination of skilled or unskilled workers when their rate of pay was checked. This led to the “finding” that no formal interviews were conducted. Mr. Northgraves remarked that the workers were unskilled because they were spraying crack sealant on the runway, which is basic maintenance. The paving company made an error on the payroll sheets as the designation of workers’ skill. Stantec has all the records and presents them the following year to the auditor.

Commissioner Roger Moody commented that the auditor made their determination and it would appear that Stantec would be authorized to make provisions to assure there are no issues of compliance in the future. Mr. Wadman said that many of the engineering firms use printed interview forms for use on federal grant projects and these become part of the file on the project.

Mr. Wadman said the auditors were not specifically looking at the crack sealing project, but rather at a cluster of federally funded airport projects. One of the projects was over \$800,000.00 (the parallel taxiway).

Commissioner Roger Moody asked if Stantec was monitoring projects because of the auditor’s finding. Mr. Northgraves responded that Stantec has been monitoring and overseeing the projects all along and does formal interviews when required. Formal interviews were conducted on the current terminal building project and documented on interview forms. Formal interviews were conducted and recorded for the parallel taxiway in the previous year when most of the work was done on that project. The interviews were done again in 2009, informally, when the project continued with only a few items left to be completed. It was noted that there were only 34 contracted workers on the airport for the whole year of 2009.

Commissioner Anne Beebe-Center asked if the interviews from the year before can be used.

County Administrator Andrew Hart asked if these interviews were available, would that have satisfied the auditor’s requirement of being able to review documented interviews. Mr. Wadman stated that if they had had the ability to review those documents to verify that the workers were unskilled this would have satisfied their testing requirements.

Commissioner Anne Beebe-Center asked about projects scheduled for next year. Mr. Northgraves explained that the terminal building project should be completed. There is a small crack sealant project scheduled for next year as routine maintenance. Stantec is required to do the overseeing of this project, but not to do formal interviews. This type of project is generally completed in a week. Stantec generally does not conduct formal interviews unless there appears to be some reason to believe that a contractor is not in compliance with the Davis Bacon Act.

The availability of documented formal interviews may make the auditor’s work easier, but the FAA does not mandate formal interviews as part of overseeing a project. The FAA manages the compliance with the Davis Bacon Act by having it addressed in the grant assurances. There is a matrix to follow that does not require formal interviews 100 percent of the time.

Mr. Wadman commented that he would have to compare the two sets of guidelines.

There are 420 contracted workers working at the airport in 2010 and this will be a burdensome task to conduct interviews of all 420 workers. Ms. Lynch commented that the auditor's do not do 100 percent on this many workers. Either 40 or 65 workers are selected if there is a finding. It was noted that the crack sealing project may be audited in the same manner with similar results.

County Administrator Andrew Hart asked how difficult was it to do formal interviews with a small number of workers that would be involved with a crack sealing project. Mr. Northgraves explained that each worker had to be taken off the job, sat down, interviewed, and the form completed. The airport manager was asked how much time was involved with this process. The answer was about 10 minutes for each, but the problem was the project was done at night and the Stantec staff person that would be doing the interviews is also the safety overseer. The project, which takes five nights with minimum staff, would have to be shut down in order for interview process to take place. Mr. Northgraves asked what this really accomplishes. It was noted that the expectation was that there would be no findings in the audit.

Mr. Northgraves suggested that an informal group interview and observation would be sufficient to determine the skill level of the paving workers especially on such a small job. Just by watching the workers it would be easy to see what the job entailed and determined the workers were unskilled laborers. By asking each worker verbally whether he was skilled or unskilled would confirm that they were unskilled laborers, which is why formal documented interviews are not required on small jobs. Only if there are problems or issues with what is being observed is there a reason to conduct formal documented interviews.

Commissioner Roger Moody suggested that this was a complicated matter in terms of interpretation, but the county needs to follow federal law for wage payment and the standards for monitoring it. He commented that the airport manager could probably insure that the county is in compliance as other projects are scheduled. He suggested that as this was relatively minor matter since the workers were paid correctly and it was more a matter of having the justification of what transpired available.

Commissioner Anne Beebe-Center asked if there were any additional questions on the audit.

Commissioner Roger Moody commented that he did not understand the jail fund of \$176,200.00 that is shown in the middle of page 9. Ms. Lynch explained that this refers to the community-based program. The county receives a lump sum, of which part is for 2009 and part is for 2010.

Commissioner Roger Moody asked what the unfunded liability that is mentioned in the "Pension Plan" section of page 23. It appears that the unfunded liability has grown over the last few years; from zero in 2007 to \$79,944.00 in 2009. Mr. Wadman explained that this refers to the Maine State Retirement System (MSRS) and this represents county's prorated share of the MSRS's significant unfunded liability. The county has withdrawn from participation in the MSRS for new employees, but must continue to fund the benefits of current retirees and vested inactive members. The county is required to contribute an annual fee based on an actuarial valuation of the entire state plan. The MSRS's investments are yielding less because of the poor economy. This is in the audit report as a required disclosure statement.

Commissioner Richard Parent commented that in his work experience he observed the same issues of compliance regarding the Davis Bacon Act and it was the agency providing the federal funds that was responsible for overseeing any compliance issues. The agency responsible for funneling federal funds to the airport is the FAA and should be responsible for overseeing that all airport projects are in compliance with the Davis Bacon Act with the workers being paid according the federal rate chart. He suggested that if the county's airport was not in compliance, that the FAA would have notified the county of any violations or discrepancies.

Airport Manager Jeff Northgraves explained that the FAA has the responsibility of the oversight of the process and the compliance of the airport project regarding the Davis Bacon Act. Stantec, as the engineers for the airport projects, provides the documentation for the compliance. All documentation has to be provided to the FAA during an airport project and also when it is completed and closed out. If there were issues of compliance the FAA would notify the airport. The amount of auditing done at other airports across the state is minimal. Stantec oversees many airport projects in many states and has tried very hard to provide all documentation requested by Mr. Wadman for his in-depth audit each year.

Mr. Northgraves explained that the FAA has oversight requirements. The state has oversight requirements and goes over every bill meticulously. The county's obligation is to examine and evaluate the contractor's integrity regarding the Davis Bacon Act. What has been happening is that

the county has gone above and beyond what the FAA or state requires for compliance with the Davis Bacon Act because of the auditing firm's demands for documentation.

Mr. Wadman stated that his company is not going to change the way the audit of airport projects is conducted. The airport manager can say that the projects are being over-audited. This issue can be argued at length, but with airport construction projects that are funded by federal grants the most common area of compliance concerns is the compliance with the Davis Bacon Act. Mr. Wadman referred to the payroll document indicating that the laborers were skilled workers; their wages were compared to the federal wage charts, the wages were found to be below those on the chart, the client was contacted with the information, the payroll document was changed to "unskilled" to show that the workers were paid correctly, and asked what the common sense procedure should be. Mr. Wadman explained that when the described incident occurred is when he asked for the formal interview documentation. The purpose of the interviews is so that a contractor can not designate a machine operator who should be earning \$35.00 an hour as a flagger who should be earning \$14.00 per hour. The interviews are designed to prevent the federal government from being defrauded by misrepresenting the skill level of the worker. He stated that the auditors wanted to use the interview documentation to clarify the designation of the laborer as to whether the person was a skilled or unskilled worker. This issue can be argued all day, but the auditors follow programs to do the audit and do not choose excessive methods or test samples at a 100 percent. He ended his response by stating that there are many substandard audits and auditing work in the workplace, but his company does what it has to do and is not going to perform substandard work.

Commissioner Anne Beebe-Center thanked Mr. Wadman for his presentation.

Note: Jim Wadman and Wanese Lynch left the meeting.

2. Terminal and EAS Update (J. Northgraves).

This item was taken out of order and discussed before the presentation on the audit because Auditor James Wadman had not arrived at the meeting.

Airport Manager Jeff Northgraves had a large computerized rendering of the inside of the new terminal building on display. The airport manager explained the interior layout of the terminal.

The Airport Business Plan Sub-committee and the Airport Terminal Plan Committee met three times with the architects and the engineering firm of Stantec on the interior design of the new terminal building. One material was suggested for the countertops. Cape Air Station Manager Rocky Stenger suggested using local granite for the countertops, which is now the plan.

The terminal building has gone up very quickly. Mr. Northgraves invited those present to tour the terminal by making arrangements through him. The walls are scheduled to be roughed in next week, but one problem is the security system. There are three issues of concern with terminal building project. The first is the security system package. The contractor selected a lower priced security system than what was in the specifications. The system does not communicate with the existing security system, which was one of the conditions in the specifications of selecting an alternative security system. Originally there was a \$86,000.00 difference in price between the cost of a system from the same company that provided the existing system (Cincinnati-Amano) and the one the contractor selected. The contractor was informed that the purchased system would have to be made to work with the existing system and so far that has not taken place.

Airport Manager Northgraves reported contacting the FAA on this matter. The FAA is in agreement that the new security system should meet the specifications. Mr. Northgraves explained that the contractor, before submitting a bid, asked if the security system had to be purchased from Cincinnati-Amano. An addendum to the Request for Proposal (RFP) was sent out that stated that the security system at the terminal was an extension of an existing security system and if another vendor's product was compatible with the existing one, then it could be used. It appeared to be a compromise, but since then it has become apparent the security systems are proprietary for the very reason that they are supposed to be secure; i.e. another system can not break into it. Until this issue is resolved, the cables cannot be laid. Some portions of the walls will have to be left open for the time being.

The second issue of concern is the porous pavement for the parking lot. It was difficult to get just the right mix. Lane Construction now has the correct mix for the asphalt. The parking lot has been a mess and it was hoped that it could be paved earlier so that the new lot could have been used. The first half of the parking lot is now scheduled to be completed by the end of July. It is expected that people should be able to park on that portion the first week of August. Then the second half of the parking lot will be paved.

Commissioner Anne Beebe-Center asked if the project will be completed by October. The completion date and occupancy is the third issue of concern.

Mr. Northgraves reported that the contractor (Sheridan Corp.) has stated twice that the project will be completed by October. Mr. Northgraves remarked that may be, but the security system issue has not been resolved, there are no vendors yet, and there is no contract for cleaning services in place. The original completion date was for December with the understanding that everything would be in place as of the first of the year. It was noted that although the building went up fast, the interior work generally moves at a slower pace. The RFP for vendors will be sent out shortly. The cleaning services will have to wait as it is part of the manpower study being conducted. So although the building may be ready for occupancy in October, the airport manager commented that he may not be ready to move in until December.

Commissioner Anne Beebe-Center asked if the airport manager was pleased with the project. Mr. Northgraves answered in the affirmative and noted that many people contributed suggestions for the interior as well as SMRT having a professional interior designer that lead the discussions.

Commissioner Richard Parent asked if the airport manager planned to dispose of the old terminal structure and manager's office trailer. Mr. Northgraves explained that he would be putting out a RFP on the old equipment to obtain bids on an "as-is" – "where-is" basis which will take care of disposal of all the old equipment. The leased trailer from GE Leasing will be returned to them. The maintenance garage and the equipment storage building will remain on site.

Commissioner Richard Parent asked if the snowblower had been purchased. Mr. Northgraves reported that the snowblower was purchased and delivered. It functions well especially with the broom attachment. The only problem is that with the broom attachment it does not fit through the gate. The new gates will be wider so that should solve the problem.

Airport Manager Northgraves reported that the FAA toured the site today and was extremely pleased with the terminal building project.

Commissioner Anne Beebe-Center asked if there was some way to measure the cost savings on "going green" with energy saving devices installed in the terminal building. Mr. Northgraves explained that because of the energy grant that the county obtained there is a "commissioning" process for of the project. This means that a representative from the Energy Commission monitors the project in terms of what it was designed to do regarding the energy efficiencies. There are baseline figures that can be used to compare with energy use figures once the building is occupied.

Airport Manager Northgraves reported that the U.S. Department of Transportation (USDOT) issued an Order Requesting Proposals for Essential Air Service (EAS) on June 24, 2010. The bids are due on July 22, 2010. It appears that Cape Air is the only carrier that is interested in bidding.

On the second page there is a discussion on the Augusta/Waterville, which is inserted herein for informational purposes.

"Special Discussion Concerning Augusta/Waterville

Based on the most recent 12-month period for which data are available (April 1, 2009, through March 31, 2010). 7008 passengers were enplaned and deplaned at Augusta/Waterville. The annual subsidy amount for Augusta/Waterville is \$2,086,251. Therefore, the subsidy per passenger at Augusta/Waterville is \$298. The Department is prohibited from subsidizing air service at a community where the subsidy per passenger exceeds \$200, unless the community is more than 210 highway miles from the nearest large or medium hub airport.¹ Augusta/Waterville exceeds the \$200 per passenger cap and both are few than 210 miles from a d large or medium hub. Augusta is 167 miles and Waterville is 186 miles from Boston Logan International Airport. Rather than terminate the community's eligibility, at this stage, the Department will solicit proposals for EAS, and evaluate all proposals submitted before committing to a two-year contract or making a final determination on Augusta/Waterville's continuing eligibility. During the 30-day window for proposals, we expect both communities to work aggressively with all potential applicants to mitigate some of the risks that the carriers may face in an attempt to lower their subsidy levels.

¹Congress first established the \$200 ceiling under P.L. 101-164 for fiscal year 1990, and reestablished it in fiscal years 1994-1999. The ceiling was made permanent by P.L. 106-69, the Department of Transportation and Related Agencies Appropriations Act of 2000."

Mr. Northgraves pointed out that because Augusta has to pay their on site firefighters as part of their EAS agreement with Colgan Air the per passenger subsidy is \$298.00. The law requires the subsidy to be \$200 or less. Knox County's subsidy is approximately \$136.00 for the same time period. Augusta/Waterville is being allowed to solicit bids for their EAS and is expected to mitigate their risks or costs of having Colgan as their EAS. It is expected that Cape Air will also bid on the EAS for Augusta/Waterville.

The importance of this development is that two years ago the county was looking at erecting a building to house a fire truck, purchasing a fire truck, and hiring firefighters to provide an on-site fire protection program. The airport manager expressed fear at that time of going this route when the future was unclear as how this would play out or impact the community airport.

It was noted that there has always been a \$200 per passenger ceiling. Augusta apparently was not aware of the present circumstances. Mr. Northgraves sent the Order for Proposal to the Augusta Airport Manager. Augusta had hoped that it would be able to generate enough passenger enplanements to be under the ceiling, but this did not happen. The Augusta airport manager has contacted the FAA to determine if the airport will have to reimburse the FAA for the FAA funds that were received and spent on the fire house and equipment. There is no answer to this matter at this time. The conclusion is that Augusta probably should have gone in the same direction as Knox County and contracted with Cape Air for their EAS. Augusta appears to have other issues with Colgan Air as well.

Bar Harbor is reported to be under the ceiling with 20,000 passengers per year while Augusta reports 7,500 passengers and is struggling. Knox County is doing well with Cape Air as its EAS. Mr. Northgraves recommended inviting Cape Air to the August Commission meeting to do a presentation, which probably will not differ much from the one given earlier this year. It is expected that their bid probably will not differ much from the existing contract other than the cost of rental space in the new terminal. The only other expected change is that Cape Air has expressed interest in obtaining a four-year agreement instead of a two-year agreement. The airport manager commented that he was leaning toward supporting this request and the USDOT would probably agree to it because they are looking at requiring four-year agreements in the future.

Commissioner Anne Beebe-Center asked if there was any information regarding Brunswick's redevelopment plans and its impact on the local airport. Airport Manager Jeff Northgraves explained that the FAA was interested in the redevelopment plans, but so far there were mostly rumors. It is expected that there will be very little impact to the passenger movements. If there is any impact, it will probably be to Downeast Air and the high end users. The impact to Knox County could be a decrease in revenue. The worst-case scenario would be if Downeast Air was driven out of business, but that is not anticipated. The economy has impacted the number of passengers and although Downeast Air's gross revenues were up in May and June, they are still not as high as in 2008. The aviation business is beginning to pick up as indicated by Cape Air's figures. The economy also impacted the air taxi service and fuel sales, and these operations are also improving.

County Administrator Andrew Hart commented that he expected to have Cape Air present at the August Commission meeting. Mr. Northgraves suggested that there probably would not be a decision made at that meeting because the bid results would probably be received later in the month and approval would be requested close to that time.

VI. Other Business

Update on the Realignment of Economic Development Districts (R. Moody)

Commissioner Roger Moody explained that he was on the board of Eastern Maine Development Corporation (EMDC) and also on the board of Directors for the Knox-Waldo Regional Economic Development Council (KWRED). There have been a number of informal discussions held on the realignment of the Economic Development Districts (EDDs) in Maine. He distributed copies of Mark Ouellette's pamphlet on the "Realigning Maine's Economic Development Districts". This document lays out the questions and issues that are being evaluated by the Department of Economic and Community Development (DECD) and the federal Economic Development Administration (EDA).

Page 2 of the pamphlet shows the current economic districts in Maine, which are Northern Maine, Eastern Maine, Kennebec Valley, Androscoggin Valley, Southern Maine, and Midcoast. Knox County is part of EMDC. EMDC is comprised of six counties, which are Piscataquis, Penobscot, Washington, Hancock, Waldo, and Knox. This configuration has been in place for between 40 and 50 years.

There are issues in the state that compel the examination of the districts' membership. The Southern District wants to split. Washington County is considering aligning with Aroostook County to become part of the Northern Maine District. That would leave five counties as members of EMDC. KWRED's Board of Directors voted to support Knox County joining the Midcoast District, which is currently made up of Lincoln County, Sagadahoc County, and the towns of Harpswell and Brunswick.

Commissioner Roger Moody reported that he is not aware of any reason that Knox County should not follow KWRED's suggested move to be a member of the MidCoast Economic Development District (MCEDD). The one question that remains is that of Waldo County and where it should align itself in terms of being a member of an economic development district. As noted during other discussions, Waldo County appears to be split into three sections based on their economic affiliations. The southern

part aligns with Knox County. The western portion including the Towns of Unity and Burnam aligns with Kennebec Valley, while the northern section including the Towns of Winterport and Prospect aligns with the Bangor area and may remain with EMDC.

Commissioner Roger Moody reported that he and Alan Hinsey of KWRED were invited to attend a recent meeting of the Lincolnville Select Board. Lincolnville Select Board sees itself as aligning with Knox and Lincoln Counties. Northport appears to be split with a portion joining with Belfast and the other portion with Knox County. Then there is the question of Islesboro's alignment.

Commissioner Roger Moody commented that he was not sure what exactly the EDA and DECD would propose for alignment and restructuring of Waldo County in terms of economic districting.

Commissioner Anne Beebe-Center commented that one of the questions asked at a previous commission meeting with representatives from EMDC regarding membership was whether or not towns could be members. The response was that EMDC was set up to have counties only as members and not individual towns. She asked if this was only true for EMDC because MCEDD was currently comprised of two counties and two towns.

Commissioner Roger Moody responded that he thought that an economic district could have towns as members. Although the redistricting is complicated, it is possible to have three towns in Waldo County join with Knox County.

Commissioner Roger Moody noted that he did not want to see the county, having paid membership dues to EMDC, be assessed additional dues to join with MCEDD. He continued by stating that this issue would probably be addressed by EDA and DECD at some point.

Commissioner Roger Moody remarked that he was not sure what steps the commissioners should to take at this time. The DECD was asking individual towns for their opinions, but to date had not asked for the county's opinion on the realignment issue. He suggested that this issue could be brought up at the August meeting and perhaps a vote to endorse the county realignment with MCEDD. Another suggestion was to e-mail Mark Ouellette and ask him how the county should proceed.

Commissioner Anne Beebe-Center commented that she saw an endorsement as necessary for the success of KWRED. The language in the correspondence to DECD should reflect the county's support for KWRED.

Commissioner Roger Moody reiterated that KWRED was supportive of the realignment with Knox County becoming part of MCEDD. KWRED expects that the MCEDD staff will be small with possibly only two staff members, which is in contrast to the large staff of EMDC. Lincoln County currently is still contracting with Coastal Enterprises, Inc. (CEI). CEI was approached by KWRED about having a CEI staff member work with KWRED because Alan Hinsey is leaving this fall. CEI was responsive. Commissioner Roger Moody noted that the Lincoln County economic model seems to be working well and has flexibility. It appears that the restructuring of KWRED includes not replacing Director Alan Hinsey, which will be a cost savings measure.

Commissioner Anne Beebe-Center asked if KWRED was well enough established in terms of its relationships, networks, and funding streams to not have a director. Commissioner Roger Moody responded that KWRED is being restructured and may have a director through CEI, but the underlying issue is that Knox County funds KWRED, whereas Waldo County has not always appropriated funds to support KWRED. Currently Knox County is a primary funding source, although businesses have been approached for their support and there other sources of funds through private donations. The City of Belfast is expected to continue their support for KWRED. These funding sources should keep KWRED a viable economic engine for the area. It was noted that although both Belfast and Camden had recently hired their own economic planner, both towns still want regional help with economic issues through KWRED.

Commissioner Roger Moody reported that the realignment of economic districts was a statewide project. As Alan Brigham of EDA said at a previous meeting, the project would be completed sometime this summer and then be presented to the governor for approval. A proclamation from the governor's office would make the new economic districts permanent.

Further Discussion on the Airport Section of the Audit

Commissioner Anne Beebe-Center asked the airport manager what was to be done about the stalemate over the auditing procedures regarding the airport.

Airport Manager Jeff Northgraves invited the commissioners to look at the cost for the auditing of the airport projects. He exclaimed that the cost was "obscene".

Commissioner Anne Beebe-Center asked if it was itemized. Mr. Northgraves explained that all projects eligible for FAA funding or reimbursement had to be itemized. Because the audit of the airport projects was eligible for reimbursement from the FAA, the audit was broken out by project. The auditors considered the audit as part of the airport budget. Regardless of their opinion, the audit is an administrative cost of the airport projects and meets the FAA eligibility requirement. The auditors went further and audited each reserve account that paid for those projects. The amount for auditing a \$15,000.00 reserve account was approximately \$700.00 and the airport manager found this to be excessive and disturbing.

Mr. Northgraves stated that Stantec does what is required. The auditor had stated that 100 percent testing had to be done because there was a finding last year. Mr. Northgraves countered with no the county did not have a finding. The auditor's next response was that it was the year before. Mr. Northgraves informed the auditor that the county did not have a finding that year either. Although the county had previously had a long history of Davis Bacon findings, the last three years were without a finding.

Mr. Northgraves reported that he surveyed other airports on the auditing of projects regarding the Davis Bacon Act. The other airports confirmed that their auditors barely look at compliance with the Davis Bacon Act because Stantec or their engineering firm has the responsibility of oversight. This compliance check is a very small process in the auditing of a business or government entity.

Mr. Northgraves reported that the first write up confirmed that the county is not paying the individual workers. The contractor is paying the individuals and is responsible for complying with the Davis Bacon Act and its wage rates, which translates into the county not violating the Davis Bacon Act. The county's responsibility is ensure that the contractor is aware of the Davis Bacon and is paying the correct wages. Stantec has the oversight of the contractor regarding the Davis Bacon Act and this satisfies FAA requirements. Out of 34 individuals paid by the contractor 2009, one was paid incorrectly and the person was reimbursed for the discrepancy. Mr. Northgraves remarked that the amount of money that the county has paid Stantec, starting a few years ago because of the findings, for its oversight responsibility is not worth the discovering of one underpaid individual in terms of the auditor going such lengths as testing at 100 percent. The conclusion is that if the auditor is going to these lengths and charging these fees, then the county does not need Stantec to do the oversight work. The auditor can examine all the documentation, find any discrepancies in wages paid, have the contractor rectify the mistakes, and thus provide the oversight. Mr. Northgraves concluded that he still was not convinced that this is the way to proceed, it was too much money for the end product, and not much was gained.

It was noted that Mr. Wadman defended his company. Mr. Northgraves reported having many discussions with the auditor on this issue using e-mail. He commented that the auditor has a process and going to use that process to do the audit. One suggestion was to seek references or recommendations from other auditing companies.

County Administrator Andrew Hart recommended that the discussion be curtailed at this time because Mr. Wadman was no longer present at the meeting. One solution would be to go out to bid for the audit next year. It was noted that both the county administrator and the finance director were concerned with the cost of the audit, but the cost might be attributed to the number of airport projects.

Mr. Northgraves explained that there were only two projects, but the auditor audited all the projects on the books, even the ones that were closed and those that had not yet started. If the county is getting what it wants from the rest of the audit, then the airport will concede, but the audit of the airport is not the type of audit that provides the best service to the airport.

County Administrator Andrew Hart suggested having a meeting with the auditor, the finance director, the airport manager, and himself to discuss the concerns with the audit and its process.

Commissioner Anne Beebe-Center commented that perhaps the airport manager could send Mr. Wadman the matrix that was referred to and other documented requirements of the FAA. Mr. Northgraves commented that the matrix and other requirements regarding the Davis Bacon Act came from the auditors and that is where he found that no formal interviews were required on small or continuing projects.

Commissioner Anne Beebe-Center stated that this issue needs to be resolved because the commissioners do not want have any findings on the audit each year. A way needs to be found for the efficient use of county resources.

Mr. Northgraves reported that Stantec is going to conduct formal interviews with the workers on the upcoming paving project.

Commissioner Anne Beebe-Center suggested looking at other auditors that might specialize in airport project auditing as a solution. She commented that she understood a company wanting to do everything correctly and if the requirements are hard and fast then they should be followed. The discussion indicates that there is a difference of opinion as to the requirements, but the end result needs to be no findings in the audit.

VII. Executive Session

1. Convene in Executive Session to Discuss a Personnel Matter Pursuant to 1 M.R.S.A. §405(6)(A).

- A motion was made by Commissioner Roger Moody go into executive session pursuant to 1 M.R.S.A. §405(6)(A) to discuss a personnel matter. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

The executive session convened at 3:55 p.m.

- A motion was made by Commissioner Roger Moody to come out of executive session. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

The executive session concluded at 4:10 p.m.

- A motion was made by Commissioner Richard Parent to authorize the county administrator to hire a temporary full-time airport maintenance worker for no more than six months without benefits to be paid from airport surplus. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.
- A motion was made by Commissioner Richard Parent to authorize the county administrator to hire a previously boarded (*interviewed*) part-time employee for the interim. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

2. Convene in Executive Session to Discuss Acquisition of Real Property Pursuant to 1 M.R.S.A. §405(6)(C).

- A motion was made by Commissioner Richard Parent go into executive session to discuss acquisition of real property pursuant to 1 M.R.S.A. §405(6)(C). The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

The executive session convened at 4:14 p.m.

- A motion was made by Commissioner Roger Moody to come out of executive session. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

The executive session concluded at 4:45 p.m.

VIII. Adjourn

Commissioner Anne Beebe-Center asked for a motion to adjourn.

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

The meeting adjourned at 4:46 p.m.

Respectfully submitted,

Constance W. Johanson
Executive Assistant

The Knox County Commission approved these minutes at their regular meeting held on August 10, 2010.