

KNOX COUNTY COMMISSION KNOX COUNTY BUDGET COMMITTEE

Quarterly Budget Committee Meeting Knox County Commission and Budget Committee

Thursday – August 28, 2014 – 5:00 p.m.

A Quarterly Budget Meeting of the Budget Committee was held on Thursday, August 28, 2014, at 5:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The administrative assistant was present to record the minutes of the meeting.

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

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, and Finance Director Kathy Robinson.

Budget Committee members present were: Bob Duke, Randy Stearns, Ann Matlack, Lawrence Nash, Dorothy Meriwether, Stephen Carroll, Shawn Levasseur, and Bill Jones (*arrived late at 5:52 p.m.*). *Budget Committee members not present: Betty Watts.*

Other people present: Building Maintenance Supervisor Don Decker; Maine Real Estate Management President Paul Cook; Building Envelope Specialists President Scott Whitaker, and Steve Jones, Vice President of Marketing at BES (*left at 6:36 p.m.*).

Special Meeting – Agenda Joint Quarterly Budget Committee Meeting Commission Hearing Room Thursday – August 28, 2014 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Carol Maines for the Knox County Commission)
 - II. 5:01 Approve Minutes**
 - 1. Minutes of the Quarterly Budget Meeting of May 29, 2014
 - III. 5:05 Discussion Items:**
 - 1. Presentation by Building Envelope Specialists – Scott Whitaker, on the Knox County Exterior Building Envelope Including Brick and Granite Repair and Replacement
 - 2. Review of 2nd Quarter of 2014
 - 3. Communications Budget Approval Process
 - 4. Review Budget Calendar for 2015 Budget Process
 - 5. Other Business
 - IV. Adjourn**

I. Meeting Called to Order

The August 28, 2014 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Bob Duke and Commission Vice-Chair Richard Parent at 5:07 p.m.

II. Approve Minutes

1. Joint Quarterly Budget Meeting of May 29, 2014.

- Lawrence Nash motioned to approve the minutes as presented. Dorothy Meriwether seconded the motion. A vote was taken with all in favor.

III. Discussion Items

1. Presentation by Building Envelope Specialists – Scott Whitaker, on the Knox County Exterior Building Envelope Including Brick and Granite Repair and Replacement

Administrator Hart explained that an RFP for brick repairs had been sent out in June, with one bid coming in on time and a second bid that arrived a day late so it was disqualified. At the Regular Commission Meeting on July 8th, the commissioners discussed some concerns that had come up after the bids were opened. There were some repairs being done on windows and some granite had fallen loose and fallen to the ground. Administrator Hart explained that Carmen Bombeke from Gartley & Dorsky came to look at it and she suggested that the County hire Building Envelope Specialists to look at the building and suggest a course of action. He said that he felt that this was going to be a big enough project that this meeting should be held in order to let everyone know the status of the building since it could impact what the County does for courthouse building maintenance projects in the budget in the coming years. There will be no decisions made at this meeting. When asked if there was anything that needed to be done before the winter, Administrator Hart said that some windows had recently been replaced and there are some more that are slated to be done in 2015. Ms. Bombeke thought that the windows scheduled for 2015 should be done this year but it just wasn't possible, so she said it was fine that Don Decker sealed the windows to get them through the winter.

Building Envelope Specialists President Scott Whitaker explained that his company always considers three things when looking at a building:

Criteria to Evaluate a Masonry Envelope

- Are any deteriorated building elements posing a safety issue? (Life Safety)
- Are any deteriorated building elements influencing the envelope's performance? (Function)
- Are any deteriorated building elements influencing the building's appearance? (Cosmetic)

Life Safety

Three specific cases of life safety issues developing currently on the masonry façade:

- Fracture granite jamb stones (recommend someone take down all the loose granite pieces and catalog exactly where it came from so it's kept safe until it can be put back.)
- Joint failure will lead to granite corners rolling outwardly (not an immediate need)
- Bowing of masonry assembly at cornice (not an immediate need, but getting there. It can look really solid and then over just a few years everything starts to move.)

Function

Deteriorated mortar joints resulting from freeze/thaw damage due to moisture infiltration is influencing the envelope's performance. There are wide-open gaps with water pouring in. If the bonding mortar is disintegrated, there's nothing else holding it in place. Masonry needs to be able to breathe so you can't put polyurethane sealant on it because it doesn't allow water out, and then the sun's UV rays will eventually break down the sealant, letting water in to do more damage. Water repellent sealant can be part of the bigger solution but should not be used in lieu of fixing the building.

Cosmetic

It doesn't look good to have chunks falling out of the building. It's affecting a very ornamental piece of the building. It suggests that there is movement going on in the building that needs to be addressed.

Measures to Address Envelope Problems

- Step #1: Perform a comprehensive building envelope assessment.
- Step #2: Develop planning and repair documents/specifications for pricing.
- Step #3: Bid work to a pre-selected group of masonry contractors.
- Step #4: Create a project budget & phased repair plan to address envelope deficiencies.
- Step #5: Contract with selected masonry contractor to perform work within the phased planning document.

Mr. Whitaker explained that Building Envelope Specialists acts as the owner's representative and consultant. BES answers the questions and manage that job for the clients, put together meetings, deal with issues when they come up, work with the contractors on their change orders, and keep the client up to date the entire time. They are on site doing the construction inspections and make sure that the contractors stick to the specifications of the project, holding them accountable. Mortar samples are done regularly and everything is monitored and double-checked. Mr. Whitaker said that they also do surprise inspections, often at the times when quality work tends to go down. He said that if the people working on the site don't do what they're supposed to, BES does a verbal consult, and if that doesn't work, the contractor is written up. If things don't improve, BES gets the contractor off the site, but it rarely gets past the verbal because the masons on BES' vendor list are the best of the best in the state. He noted that the best way to go about it is do your inspections in good weather in the fall, do your drawings over the winter, get everybody ready during the spring, and then do the project in the summer.

Bob Duke asked for worst case and best case scenarios. Administrator Hart then handed out a proposal by Building Envelope Specialists for Masonry Envelope Consulting & Design Services that included budget estimates for repairs to the exterior of the Courthouse.

BES Vice President of Marketing, Steve Jones commented that contractors love when BES is on the job because they get the detailed pictures that tell them exactly what they need to do. If you don't have specifications as detailed as that, you end up getting nailed with change orders because of "unforeseen conditions" that contractors didn't take into account when they submitted their bid. If BES is onsite, they can mitigate these "unforeseen conditions" and prevent the change orders from being so high. BES' assessments, documentation, and services reduce the overall project costs by 15 - 40%.

When asked where the County stood with the windows replacement schedule, Administrator Hart explained that eight windows were replaced this year and more in 2015, 2016, with the remainder of the windows being replaced in 2017. The cost for 2014 was about \$38,000, with about \$11,000 of that representing the labor and the remainder was the cost of the windows themselves. He noted that when the County originally went out to bid on the project to repair the masonry, he really didn't know how bad things were. He said that he felt that the scope of how bad things were was beyond what his staff knew how to deal with, so he felt that that the County needed to stop and get a professional in to help figure things out.

Mr. Whitaker stated that without an assessment done first, you can't really know what needs to be done and you can end up costing yourself more money in the long run because you have to redo projects. He noted that the County doesn't have the worst of the worst situations here; however, if the County plans for the worst, then there will be money to deal with whatever comes up, and the County would then get to be pleasantly surprised when the project ends up costing less than the worst-case scenario estimate, instead of running out of funds in the middle of a project with the building half apart.

When asked how many years would be appropriate for phasing in a project like this if the County couldn't financially do it all at once, Mr. Whitaker responded that it could probably be done at a minimum of 4 years, possibly even up to 6. He noted, however, that if you're going to tackle something, make sure to tackle it 100%. Even if it takes a few years to get it done, just get it done. BES would approach a contractor and ask, "if we stretch this out over a number of years, how much will it cost us?" If it would cost less for the County to borrow money and just get the project completed in one year, the County could choose to do that instead.

Maine Real Estate Management President Paul Cook asked Mr. Whitaker how he accounted for hundreds of buildings in Maine that are still standing and yet have never had any of this work done. Mr. Whitaker responded that a lot of buildings qualify for 55% tax credits and receive money through historic preservation. Administrator Hart commented that Knox County doesn't qualify for a tax credit

or receive any funding from the Maine Historic Preservation Commission even though the building is listed in the National Registry of Historic Buildings. Mr. Whitaker answered Mr. Cook by saying that this is all happening now because of the acid rain increasing. The introduction of cements into mortars has slowed the deterioration some, but it is still happening.

Mr. Cook asked Mr. Whitaker what percentage of the building needs attention. Mr. Whitaker responded that 100% of the building needs his attention because right now he was fact-finding and needs to understand the basics of the building and its needs. Mr. Cook asked Mr. Whitaker if he saw a lot of problems that leads him to believe that 100% of the building needs work or if it was more like 25%. Mr. Whitaker responded that he was going to stick to 100% because he knows a lot about the hidden issues that can be in a building. He added that he was not saying that the bricks in the courthouse would have to be taken out and redone, just that re-pointing of specific areas needed to be done. He said that if you get the right depth of pointing in there and do regular inspections, you can stave off having to rebuild for another 35 years or more. He said that the County would be hiring BES to reveal exactly what needs to do to get the project done with as low an expense as possible without losing quality. The better contractor you hire, the less you spend on the management of the project.

Mr. Cook asked what kind of “warranty” there would be that BES will come back to take care of any issues that arise after the project is completed. Mr. Whitaker responded that the contractors on his vendor list don’t want to fall off his list because they want the projects, so if he called them and ask them to come fix something, they come right away and do it. He added that BES will also come inspect the job the four seasons after it’s completed to make sure it’s aging correctly.

Commissioner Moody asked if the installation of the replacement windows has caused or made any of the building issues worse. Mr. Whitaker said that he didn’t know without having done an assessment yet, but he wouldn’t suggest stopping replacing the windows. He said that he would look at the windows as part of the assessment. He noted, however, that the new replacement windows chosen by the County are the ones that he would choose and that they’re very high quality windows.

When asked about timeframe, Mr. Whitaker said that the whole process can go pretty quickly. The assessment would be done in the fall. Drawings would be worked on during the winter. BES would work with whatever contractor wins the bid in the spring and start mobilizing in the middle of April and finish around August. The entire thing could be done in three months if you get in early with the contractors because there is so much work out there so the County would need to get a contractor signed up quick before they get tied up with other projects.

Bob Duke asked to see BES’ references; Mr. Whitaker said that he could provide that.

When asked if BES was talking about fixing the whole building, Mr. Whitaker clarified that he was just talking about the 1875 part, but that he has seen some things that may need to be taken care of in the other sections of the County side. The State owns their side of the building and it’s up to them to fix that side.

2. Review of 2nd Quarter of 2014

Ann Matlack asked if it would be possible to put the 2013 actuals into the finance report so everyone could see the difference between what was budgeted for 2013 and what was actually spent. Finance Director Robinson said that she could do that and then email it out.

When asked about why the airport revenues were so low, Finance Director Robinson explained that the majority of the Airport’s revenue comes in at the end of the year. The FAA money that comes in doesn’t show in the operating budget because it’s federal money and is only used for projects. The operating budget revenues from percentages of sales go up during the summer so the County doesn’t see the money for that until at least August, and a lot of the tenants don’t pay until later in the year.

3. Communications Budget Approval Process

Administrator Hart reminded everyone that a sub-committee had been developed to study the KRCC bylaws and governance. At the joint meeting that the Budget Committee and Commission had with the KRCC Executive Board in January, it was suggested that a commissioner and a budget committee member serve on the sub-committee so Commissioner Moody and Ann Matlack have sat on that committee. The recommendation, to be effective January 1, 2015, is to go back to the wording in the Charter to have both the Commission and Budget Committee review the Communications budget along with the rest of the departments. Although the change itself wouldn't be effective until 2015, the Commission could still choose to follow the process in 2014 for the 2015 budget year.

4. Review Budget Calendar for the 2015 Budget Process

Administrator Hart briefly reviewed the calendar:

Knox County 2015 Budget Calendar

*** ALL DATES ARE SUBJECT TO CHANGE ***

September 5, 2014	Friday		Department Managers' Operating Budgets due in to Finance Director
September 15, 2014	Monday		Department Managers review their Budgets with Administrator & Finance Director
September 16, 2014	Tuesday		
September 17, 2014	Wednesday		
September 18, 2014	Thursday		
September 19, 2014	Friday		
September 19, 2014	Friday		Formal Grant Requests due (including all necessary background info) by 4:00 p.m.
October 10, 2014	Friday		<i>Target date to have Budget Binder notebooks available for pick-up by the Commission and Budget Committee Members</i>
October 23, 2014	Thursday	5:00 p.m.	PUBLIC HEARING Proposed Budget Presented to Commission & Budget Committee; Commissioners submit budget to Budget Committee & Commissioners Review Proposed Budget
October 30, 2014	Thursday	5:00 p.m.	Budget Committee & Commissioners Review Proposed Budget
November 6, 2014	Thursday	5:00 p.m.	Budget Committee & Commissioners Review Proposed Budget
November 13, 2014	Thursday	5:00 p.m.	Budget Committee & Commissioners Review Proposed Budget
November 20, 2014	Thursday	5:00 p.m.	Budget Committee & Commissioners Review Proposed Budget Final Review and Vote on Budget Proposal
<i>November 24, 2014</i>	<i>Monday</i>		<i>Submit Public Hearing Notice to Newspapers</i>
<i>November 27, 2014</i>	<i>Thursday</i>		<i>Public Hearing Notice Appears in Area Newspapers</i>
<i>December 1, 2014</i>	<i>Monday</i>		<i>10 days notice</i>
November 25, 2014	Tuesday	5:00 p.m.	Budget Committee & Commissioners Review Proposed Budget Final Review and Vote on Budget Proposal - only if necessary
<i>December 1, 2014</i>	<i>Monday</i>		<i>Submit Public Hearing Notice to Newspapers</i>
<i>December 4, 2014</i>	<i>Thursday</i>		<i>Public Hearing Notice Appears in Area Newspapers</i>
<i>December 8, 2014</i>	<i>Monday</i>		<i>10 days notice</i>
December 11, 2014	Thursday	6:00 p.m.	Public Hearing - Presentation of 2015 Budget to the Public If Budget Receives Budget Committee and Commission Approval on November 20 Vote by Budget Committee; Budget submitted to Commission Vote by Commission; Budget Approved
			OR
December 18, 2014	Thursday	6:00 PM	Public Hearing - Presentation of 2015 Budget to the Public If Budget Receives Budget Committee and Commission Approval on November 25 Vote by Budget Committee; Budget submitted to Commission Vote by Commission; Budget Approved
December 31, 2014			Completed 2015 Budget submitted to the State Auditor

Administrator Hart noted that representatives of a program called Restorative Justice had asked to be considered as a program grant for the County's 2015 Budget. He said that he had given them information on what would be required of them in order to be considered by the Commission and Budget Committee. They agreed to do so and have been placed on the schedule for review with the other program grants.

Administrator Hart also everyone know that Mid-Coast Regional Planning Commission Executive Director Eric Galant has let the County know that he won't be able to attend the budget meeting the night the program grants are being reviewed because it's the night of the MCRPC annual meeting; however, Mr. Galant has already submitted his budget request to the Administrative Office. Administrator Hart commented that he felt that Mr. Galant not being able attend shouldn't be an issue because Mr. Galant always gives the County the information required and he only asks for \$2,500 every year. The general consensus of the meeting attendees was that Mr. Galant's absence from the meeting wouldn't automatically disqualify him and that his request will be reviewed with all the others.

5. Other Business

There was no other business discussed.

IV. Adjourn

- Lawrence Nash motioned to adjourn the meeting. Dorothy Meriwether seconded. A vote was taken with all in favor.
- Commissioner Roger Moody motioned to adjourn the meeting. Commissioner Richard Parent seconded. A vote was taken with all in favor.

The meeting adjourned at 7:17 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Commission approved these minutes at their regular meeting held on September 9, 2014. The Knox County Budget Committee will approve these minutes at their next Budget Committee meeting scheduled for October 23, 2014.