

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday – December 2, 2010 – 5:00 p.m.

A special joint meeting of the Knox County Commission and the Knox County Budget Committee was held on Tuesday, December 2, 2010, at 5:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The 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, Executive Assistant Constance Johanson, Finance Director Kathy Robinson, Registrar of Deeds Lisa Simmons, and It Assistant Mike Dean.

Budget Committee members present were: Ann Matlack, Bob Duke, Sid Lindsley, Dorothy Meriwether, Elizabeth Dickerson, Tina Plummer, Jim Bowers, and Bill Jones by telephone.

Also present were: Lawrence Nash of Union and Carol Maines of Rockland.

Special Meeting – Agenda Thursday – December 2, 2010 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Ann Matlack for the Knox County Budget Committee, Commission Chair Anne Beebe-Center for the Knox County Commission)
- II. 5:01 Approve Minutes** (Chair Ann Matlack for the Knox County Budget Committee, Commission Chair Anne Beebe-Center for the Knox County Commission)
 1. Minutes of Budget Review Meeting of November 9, 2010.
- III. 5:05 Budget Review**
 1. Executive Office (pgs. 18-20)
 2. Registry of Deeds (pgs. 26-27)
 3. Building Maintenance (pgs. 9-11)
 4. Finance Office (pgs. 21-22)
- IV. 7:00 Adjourn**

I. Meeting Called to Order

The December 2, 2010 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Ann Matlack and Commission Chair Anne Beebe-Center.

II. Approve Minutes

Chair Ann Matlack and called for a motion and a second to approve the minutes of the Budget Review Session held on November 9, 2010.

- A motion was made by Sid Lindsley to approve the minutes of the meeting held on November 9, 2010. The motion was seconded by Bob Duke. A vote was taken with all in favor to approve the minutes.

Commissioner Anne Beebe-Center called for a motion and a second to approve the minutes of the Budget Review Session held on November 9, 2010.

- A motion was made by Commissioner Roger Moody to approve the minutes of the meeting held on November 9, 2010. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor to approve the minutes.

III. Budget Review

Ann Matlack reported that there were a number of changes since the last meeting and asked the county administrator to explain the changes that were being implemented. County Administrator Andrew Hart explained that he e-mailed an updated budget proposal for 2011 as well as a document showing the departments affected by the organizational study. The updated budget proposal for 2011 includes the revised health insurance rates, the revised workers' compensation rates, and changes as recommended by Municipal Resources Inc. (MRI) in the organizational study. These changes include elimination of the executive assistant's position in the executive office and the hiring of a Human Resources (HR) Assistant. The building maintenance staff positions are being eliminated and will be replaced by outsourcing the cleaning services and oversight of the facilities. The hours for one of the clerks in the Registry of Deeds are being reduced from 35 hours per week to 20 hours per week. The support staff in

the Finance Office will each work an additional 10 hours per week to provide for benefits administration. The IT Director's position has been eliminated and the duties of this position will be outsourced along with additional duties. The wages and benefits (\$73,731.00) associated with the IT director's position has been moved to contractual services. The changes result in an increase of \$15,230.00, which includes the unemployment costs for the eliminated positions for 2011 and a cost savings of \$19,414.00 in 2012.

Sid Lindsley asked who would be in charge of the building maintenance if the supervisor's position is being eliminated. The cleaning services are to be outsourced as well as the supervision of the cleaning services and daily repairs. The contract may cover the airport and the law enforcement facilities. Mr. Hart explained that he discussed the outsourcing with the state as the county provides cleaning services for the state side of the building. He also discussed contracting with a company in Bangor for building maintenance services for the county's three facilities. Many of the components of building maintenance can now be done remotely. Contracting the cleaning services is estimated to cost \$67,254.00 for 2011, while the building maintenance contract is estimated to be \$61,171.00. It was noted that the cost of outsourcing the management portion of the building maintenance was \$14,000.00 higher than was currently being paid to the building maintenance supervisor. The contracted manager would be on site 40 hours a week.

Sid Lindsley asked about the changes in the IT department. The IT department had two staff members. The IT director's position was eliminated and the IT assistant's position remains. IT Assistant Mike Dean is present to answer any questions. The county administrator reported working with a consultant to outsource additional 24/7 coverage to assist Mr. Dean in keeping the county's technology systems up and working. Mr. Hart explained that he was not comfortable in reducing the cost for the IT director's position because of the need to have a consultant provide a strategic technology plan for the county.

It was noted that \$48,000.00 was spent on the organization study and there could be some savings, but there remains the question of how much savings and how long it would take to realize any savings. Mr. Hart commented that there was some savings projected, but the estimates did not go further than the second year (2012). Some of the recommendations were for the efficiency of operations.

Elizabeth Dickerson asked how it could be more efficient for county to have building maintenance provided by a company in Bangor rather than having an employee with pride in his work on site. Ann Matlack said the commissioners have reviewed the organizational study's recommendations and taken action on them and therefore the recommendations are not up for discussion. Elizabeth Dickerson said, as a member of the budget committee, she voted to appropriate funds for the study and had some concerns on the intent of the study, the recommendations, the efficiencies, and wondered if there were any real savings. She asked if there was any chance that the building supervisor would be part of the new plan. Mr. Hart said that would be up to the company that was the successful bidder.

Bill Jones recommended having the Request for Proposals be very specific.

Executive Office – including IT

Jim Bowers suggested that the cost for a computer consultant may be less than the proposed \$73,731.00, but probably not in the first year. There could be savings in the second year.

IT Assistant Mike Dean may receive a three percent raise because of additional work. It was noted that a technology strategic plan should have been done, but that is in the past. The network systems are convoluted and it may take a year to get everything fixed. It was noted that a company hired on a contractual basis should be able to contain the cost of service. The consultant will report to the county administrator and be responsible for redesigning the network, backup system and developing a five-year plan, while the IT assistant will maintain computers.

Bob Duke asked about the change in the health insurance budget line. It went from \$51,297.00 to \$41,200.00. Mr. Hart explained that the two positions (executive assistant and IT director) that were eliminated were grandfathered and received full family coverage provided by the county.

Bob Duke asked if the overtime in the administrative office proposed budget for 2011 was designed for the IT assistant position. Mr. Hart explained it was for office staff including call out for the IT assistant and the staff member attending budget meetings and working on minutes. He explained that the amount was estimated to be sufficient because the IT assistant could earn compensatory time. The IT director was salaried and did not earn overtime in 2010. It was expected that a contract would be in place by April to provide additional coverage for the IT assistant.

There was some discussion on the minutes of meetings as to their format. Some thought they were useful and a permanent record, while others commented that they did not refer to them after the first reading. Ann Matlack suggested that the budget committee could discuss the type and/or style of minutes of meetings at their first quarterly meeting in 2011.

Legal fees are down. The county administrator said he made other changes that were not in this revised budget. He reduced the training budget line from \$5,000.00 to \$2,500.00 because there was only one in-house IT staff member. The equipment/computer budget line was reduced to zero. The phone system upgrade was eliminated.

The consensus of the budget committee was to approve the administrator's proposal of \$513,427.00, which is a one percent increase over the 2010 budget and move on to the discussion of the Registry of Deeds budget. It was noted that the two percent wage increase was yet to be approved.

DEEDS

Only change in the proposed Registry of Deeds budget for 2011 is the reduction in hours for one of the clerks' positions. The position will be a 20-hour a week position. Wages for the clerks' positions changed from \$55,843.00 to \$43,418.00. The project revenue for 2011 is \$350,000.00. The department head had estimated the revenues to be \$390,000.00, but agreed to lower the figure to \$350,000.00 because the revenues received, year-to-date by November 2010, was \$345,000.00. The consensus of the budget committee was to approve the administrator's proposal of minus \$107,368.00 and move on to the discussion of the building maintenance budget.

BUILDING MAINTENANCE

As noted on page 9, personnel services, with the exception of unemployment and resignation benefits, were removed from the proposed Building Maintenance budget for 2011. This is due to the recommendation presented in the organizational study. This department will be outsourced in 2011, which resulted in the commodities, capital, and revenue projections being reduced.

County Administrator Andrew Hart explained there were additional modifications with the cell phone line, medical services for staff removed, and uniforms removed, which accounts for a reduction of \$1,800.00. The total net budget for building maintenance is \$339,983.00.

Bob Duke asked if there was still a need for computer supplies considering the department has been eliminated. It was noted there were two computers in the office. One is for office use and the other is used to control the temperature in the building.

Planned projects were noted with the window replacement continuing in 2012. The fire escape is necessary for egress of offices on the third floor. The carpet in the Superior Courtroom needs to be replaced. The cost of this project will be split with the state.

The consensus of the budget committee was to approve the administrator's proposal of \$339,983.00 and move on to the discussion of the finance office budget.

FINANCE Office

The main change is increasing the hours from 30 hours per week to 40 hours per week for the bookkeeper and deputy treasurer, which is an increase of \$23,000.00. This change was recommended by MRI. The purpose was to move benefits management from the executive office to the finance office. The finance director plans on implementing other projects that would take time set up, but ultimately could be cost effective. The increased hours may be reduced in 2012.

Finance Director Kathy Robinson explained that the accounting software needs to be customized for each of the department managers so that they can access the system. This is seen as one time-saver. Another is the setting up e-mail addresses for all employees to eliminate notices being put in with paychecks. There is the possibility that the HR position may not continue as a full-time position. It is expected that HR employee will assist with labor relations to help reduce legal fees.

It was noted that this office's expenditures have grown at a rapid rate over the last few years. Some items have been moved from other areas to this budget, which accounts for some of that growth. A module for HR is being added to the MUNIS software. Ann Matlack asked for a consensus to approve the administrator's proposal of \$230,415.00. Bob Duke said he is not in favor of supporting this budget because it has increased by \$4,100.00 each year for the last three years. Bill Jones said he was concerned with the rapid growth of this department.

Next week's meeting is to finalize the budget. The department heads will be asked to be present. There is the cost of living increase needs to be discussed and a determination made. Surplus and its possible use to reduce the budget needs to be discussed.

County Administrator Andrew Hart reported that the Tax Anticipation Note (TAN) has been reduced from \$30,000.00 to \$25,000.00. This change is based on a revised projection. Mr. Hart explained that the total budget is in an amount of \$6,510,248.00, which is an increase of \$44,687.00 over the 2010 budget and that translates into an increase of .69 percent over 2010.

County Administrator Andrew Hart addressed the issue of surplus by stating that he was reluctant to use any surplus because a shortfall in deeds' revenues would have to be taken from surplus. The balance

was reported to be \$884,208.00 as of December 31, 2009. It was noted that surplus is used sometimes to assist with the airport's reimbursement process. The jail's undesignated funds are returned to the county to increase the county's surplus.

County Administrator Andrew Hart said he needed to know if the intent of the budget committee is to reach a zero increase over the 2010 budget for the proposed 2011 budget. He would have to talk to the department heads in order to make additional reductions.

IV. Adjourn

A motion was made by Sid Lindsley and seconded by Bob Duke to adjourn. A vote was taken with all in favor.

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

The meeting adjourned at 6:59 p.m.

Respectfully submitted,

Constance W. Johanson
Executive Assistant