

KNOX COUNTY COMMISSION KNOX COUNTY BUDGET COMMITTEE

Quarterly Budget Committee Meeting Knox County Commission and Budget Committee

Thursday – May 3, 2012 – 5:00 p.m.

A Quarterly Budget Meeting of the Budget Committee was held on Thursday, May 3, 2012, 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: Roger A. Moody, District 3, Commissioner Carol L. Maines, District 1, and Richard L. Parent, District 2.

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, Finance Director Kathy Robinson, Airport Manager Jeff Northgraves, Patrol Administrator Lt. Kirk Guerrette, EMA Director Ray Sisk, DA's Office Victim Witness Advocate Stephanie Laite, DA's Office Victim Witness Advocate Lynn Talbot, EMA Administrative Assistant Donna Allen, Sheriff's Office Administrative Assistant Linda Lasko-Hall, DA Secretary/Systems Administrator Kelly Leland, Deeds Clerk Madelene Royer, Registrar of Deeds Lisa Simmons, Deputy Register of Probate Julie Allen, Patrol Deputy Matt Elwell, Patrol Deputy John Palmer, Airport Maintenance Supervisor Bill O'Brien, Airport Maintenance Worker Mark Kunz, DA Receptionist Roxanne Simmons, Deputy Treasurer Barbie Sylvester, Deputy Register of Deeds Linda Burgess, DA Prosecutorial Assistant Shane Riley, and Finance Clerk Jill DeLaney.

Budget Committee members present were: Committee Chair Bob Duke, Bill Jones, Tina Plummer, Ann Matlack, Lawrence Nash, Mason Johnson, Dorothy Meriwether, Randy Stearns and Elizabeth Dickerson (*left at 6:24 p.m.*).

Others present: Laurie Bouchard, HR Consultant; George Chappell of the Courier Gazette; Pat Finnigan, Camden Town Manager; Eric Belley, MCEA Board Chair; and Audrey Lovering, City of Rockland Director of Community Development.

Quarterly Meeting – Agenda Thursday, May 3, 2012 – 5:00 p.m.

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| I. | 5:00 | Meeting Called To Order (Chair Bob Duke) |
| II. | 5:01 | Approve Minutes
1. Budget Committee Meeting Minutes of March 1, 2012 (Work Session)
2. Budget Committee Meeting Minutes of March 15, 2012 |
| III. | 5:05 | 9% Cap on Salary Increases |
| IV. | 5:25 | Elected Officials - 2012 Compensation Recommendations |
| V. | 5:40 | Maine Coast Economic Alliance - Special Budget Request |
| VI. | 5:50 | Quarterly Budget Review - Discussion Items
1. Review of 1 st Quarter of 2012 (A. Hart)
2. Review Projects/Items of 2012 Budget (A. Hart)
3. Schedule Next Meeting Date for July/August 2012 |
| VII. | 6:15 | Adjourn |

I. Meeting Called to Order

The May 3, 2012 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 Chair Roger Moody.

II. Approve Minutes

1. Budget Committee Meeting of March 1, 2012 (work session).

Chair Bob Duke asked for a motion to approve the minutes.

- Lawrence Nash motioned to approve the minutes as presented. Randy Stearns seconded. A vote was taken with 9 in favor (Duke, Dickerson, Plummer, Jones, Matlack, Meriwether, Johnson, Nash, and Stearns). The motion therefore passed.

2. Quarterly Budget Meeting of March 15, 2012.

Chair Bob Duke asked for a motion to approve the minutes.

- Lawrence Nash motioned to approve the minutes as presented with corrections as suggested by Budget committee members. Randy Stearns seconded. A vote was taken with 9 in favor (Duke, Dickerson, Plummer, Jones, Matlack, Meriwether, Johnson, Nash, and Stearns). The motion therefore passed.
- Commissioner Parent motioned to approve the minutes as presented with corrections as suggested by Budget committee members. Commissioner Maines seconded. A vote was taken with all in favor.

III. 9% Cap on Salary Increases

Committee Chair Bob Duke asked Administrator Hart to give an introduction.

Administrator Hart explained that he had held a voluntary employee meeting on March 30th which was conducted by himself, Commissioner Moody, and HR Consultant Laurie Bouchard. Because of the vote on the 2012 County Budget that took place on March 15th, the employees affected by the 9% cap were all sent a letter stating what had been paid so far, how much money was left, and based on the 9% cap, how much they would make the rest of the year. The purpose of the voluntary meeting on March 30th was to give the employees an opportunity to ask questions and to voice concerns. The meeting was attended by 30 employees, many of whom spoke and asked questions. One concern, brought up several times, was that the public and many employees still do not understand that the wage increases were market adjustments, not raises.

There was union representation at the meeting and it was noted that grievances would occur and possibly litigation. Administrator Hart said that so far he has received four grievances, one of which was filed by the Fraternal Order of Police (FOP) union representing the Sheriff's Department – Patrol Division union employees. He said that he held a grievance hearing with the FOP union on April 19th. He denied their grievance and it is now being grieved to the Commission. He explained that he asked employees from the other three grievances to sign an extension since the discussion of the 9% cap and its effective date would be discussed at this meeting and then potentially voted on by the Commission at their Regular meeting on May 8, 2012. If they still want to pursue the grievance, he would continue the grievance procedure timeline. Administrator Hart said that at the March 30th meeting, the employees had asked for additional meetings to educate employees about the process.

Two informational meetings were held but only five employees attended the first meeting, and only three attended the second. Administrator Hart said that some of the employees chose not to attend because they felt like they already understood the process. The employees expressed a strong desire to share their concerns with the Budget Committee so he spoke to Committee Chair Bob Duke about having that allowed at this quarterly meeting. There are no decisions being made at this meeting; there will be no voting.

HR Consultant Laurie Bouchard explained that the December 1st vote was believed to be a valid vote so action was taken and the approved pay increases were put into effect. It wasn't until later when questions

arose that there was a problem. On March 15th the money was capped at 9 percent so anyone who was getting over 9% the first part of the year ended up with making less than 9% the rest of the year to have it average out at 9% by December 31st. The employees felt that was insult to injury. Not only are they not getting the original pay the County had said they were getting, but now they're being paid even less than that the rest of the year so that the County can get its money back. She said that she was not sure that it was really clear to the Budget Committee that this would happen when they voted to cap the increases. She said that her recommendation was for the Commission to consider funding that amount and not taking back the over-pay during the first 6 pay periods, which is about \$14,340.

Lizzie Dickerson expressed some confusion about what Ms. Bouchard had been hired to do. She thought that Ms. Bouchard worked for Thornton & Associates and she felt it was inappropriate for Ms. Bouchard to be making recommendations to the Budget Committee as they are elected officials. She added that she would prefer if the Committee were just given the facts and let the Committee make the decisions.

Administrator Hart explained that Gary Thornton of Thornton & Associates did the Compensation Study. Ms. Bouchard does not work for Mr. Thornton and did not conduct the study. She was hired as a consultant to assist with human resources in the Administration Office since the County had eliminated the third position in the office and that left a vacancy in staff to do HR tasks.

Bob Duke stated that the reason why the Budget Committee was being pulled into this discussion was because the Committee is part of the money process of this county. He said that the Committee is not making policy decisions and that he was not hearing any policy recommendations from either Ms. Bouchard or Administrator Hart. They are just bringing the Committee up to speed.

Bill Jones asked if Administrator Hart was the one making the recommendation to the Commission rather than Ms. Bouchard.

Administrator Hart responded that he was the one making recommendations.

Ann Matlack commented that having Ms. Bouchard at the meetings to explain things has been invaluable and she thanked Ms. Bouchard for that and for being the cool head and explaining complex issues.

Dorothy Meriwether said that it was her understanding that the County was saving money by hiring Ms. Bouchard instead of filling the full-time position.

Commissioner Moody explained that Ms. Bouchard is really serving as the HR department head. When the County decided to completely re-write the personnel policy manual, it was way beyond the county administrator's time and ability so Ms. Bouchard was needed to help with that. The County is still trying to figure out what should be done with the vacant position.

Randy Stearns asked Ms. Bouchard to explain the \$14,350 to correct the "front-loading" or "claw back". Ms. Bouchard explained that the \$14,350 allows the impacted employees to receive the full 9% for the rest of the year.

Dorothy Meriwether asked where the \$14,350 would come from. Administrator Hart responded that the money would come out of each respective budget because some of them should be able to fund it, but if they can't, the Commission would have to vote on where it would come from. Ms. Bouchard noted that there are only four employees whose pay would cause an impact of over \$1,000.

Bill Jones commented that the Committee should have been more aware that this would happen. It's a mess.

Chair Bob Duke opened up the meeting to the employees to speak.

Shane Riley – DA’s Office

Mr. Riley started out by saying that there seems to be some confusion among the Committee members about what has happened, so he asked them to put themselves in the shoes of the employees. Morale is at an all time low. It seems like it’s one thing after another and the employees can’t get their footing before something else happens. He said that he appreciates the work the Committee and Commission do but that he would like everyone to know how the employees feel. There were some comments made that maybe more employees should have spoken up at the previous hearing in December, but it’s tough for some people to speak in front of a group of people. It doesn’t mean they don’t support it.

This actually started out with an Organizational Study. It was very stressful and everybody worried that people could potentially lose their jobs, but the end result was to make the County more efficient. Through that study, people lost their jobs and money was saved. Employees were still trying to process the first study when the County jumped right into the second study. Employees worked hard going over job descriptions, employee studies, etc. When the report came out, it showed that a lot of employees are underpaid. Everyone hoped to be able to fix that and make the County more efficient. This wasn’t a process where someone called a bunch of businesses and asked what their top paid employees were. The firm was chosen to do a good job and move forward with a good wage scale. At the first public hearing, everybody voted on their knowledge and passed the budget. The employees didn’t know that the Budget Committee would vote for it to be fully funded in the first year. The Commission had originally suggested doing COLA’s and doing wage adjustments to a level more around 50%. Afterwards, it was presented that this was the year to do it all at once with the least impact on the tax payers. Things fell apart after that.

When employees get letters from their employer saying this is what you’re making as of January 1st, the employees assume that’s what they’re getting paid for that year and they make decisions based on that. Then employees find out there’s going to be a revote on the budget, and the employees were confused about what was going on. Most thought that the Committee would pass the budget again since they knew the same information as before. Then the County held the second hearing on March 15th and not even 1% of the population of Knox County attended. The budget was capped at 9%. Employees were like, okay, so it was capped at 9%, but then the employees find out that not only is their wage adjustment capped at 9%, but they will actually be receiving less than that the rest of the year because of front-loading. Why would employees ever anticipate that something like that would happen? It also turned out that hourly employees still got the higher rate for their overtime; there was no take-back with that. That isn’t fair when some employees don’t get overtime and have to take comp time.

Mr. Riley said that what he would like to see is for Committee members to take themselves back before the second vote and to ask themselves why they voted the way they did at the first vote. He said that he would like to see the second vote undone. The study was done by a professional, independent firm. It wasn’t a quick, poorly done study. He added that while he may not agree with what a governmental body does, he respects having a process. However, when he watched the last public hearing, it just seemed like everything worked on and understood at the first hearing was thrown right out the window and the second vote was taken based on emotion.

Lynn Talbot – DA’s Office

Ms. Talbot thanked the Budget Committee for letting the employees speak at the meeting. She said that she was one of the employees who had benefited from a wage adjustment because she was underpaid. She read the following statement:

“I am disappointed in many people. Department heads for not raising a loud and strong voice in support of their employees. The employees themselves for not coming together with more solidarity and a clearer voice. Disappointed in the Budget Committee for listening to what appears to be less than 20 people in a county of 40,000. I am disappointed that there was not an insistence by the Administration and the Commission that there was a better understanding that these were NOT "atta-boy" raises. I did not receive a significant raise because my boss thought I was SO extremely fabulous that I deserved a huge bump. This was, as we all know - whether someone's wage was changed or not – bringing

underpaid employees up to fair market value. This should have been made very, very, very clear - and I do not feel that it was.

And I am disappointed in myself for actually believing that the Administration and the Committee would do the right thing. There is not one, single person who I have spoken with - and I have spoken with community members of both genders, of all ages, some I know well, some I knew not at all, of many professions including attorneys and not one thought that the recovery of the wages between Jan-Mar was fair or just or right.

The Administration made a mistake. I am not judging that a mistake was made as I make them every day - as we all do. They can be simple mistakes like pouring your orange juice in your cereal - that only affects you - to large mistakes that affect a number of people. There are a number of people paying for a large mistake now.

I made a decision - now to my detriment - back in January to do work on my older house that was a long time coming. This is not cosmetic work - this was an entire wall in house heated only by a monitor heater and a woodstove that needed insulation and a severely water damaged ceiling. I have started the work and have a room in the middle of my house ripped out --- and now stalled.

When I was told last week by Andy and Laurie - who to their credit gave me 15-20 minutes of their time - that I shouldn't look at it as you all "recovering your money" but that I DID get a raise, I only got in one quarter - I want to ask you - is that the way the world works when it comes to the paying of bills, the running of a house hold?

If there was a member of the community that spoke at the second public hearing who has had a crime committed against them since the hearing, I am certain they would want their 911 call to be answered by a competent, caring, strong dispatcher. I am certain that they would want a competent, fast acting and non-disgruntled sheriff's deputy investigating the case. I am certain that they would want a caring, well-informed and knowledgeable victim advocate while the case made it's way through the system. Members of the community were listened to who don't even know who we are or what we do - Attorney Gibbons admitted that he had only spent 20 minutes looking at the Wage Study – that probably means 10 minutes.

There is an ex-employee who received over a 9% raise and was paid into the New Year. Are you going to recover your money from her? And if not, how fair is that? Please re-think this second decision. It is leaving a very sour taste in the mouths of employees - and frankly - those folks that were here a couple weeks ago I am sure have moved on and forgotten all about it. We have not. We are living it.”

Stephanie Laite – DA’s Office

Ms. Laite read from a prepared statement:

“My name is Stephanie Laite; I am one of the victim/witness advocate's in the District Attorney's Office. I have been a Knox County Employee for 25 years. First I want to say that I did not benefit from a wage adjustment. After the study the committee felt I was at the pay scale where I should be. My salary will be frozen. I am here to support my fellow co-workers and also express my feelings regarding the decision that was made that brought us here tonight. The study was done for a reason and a lot of time and money went into conducting that study. The end result showed that a lot of Knox County employees were grossly under paid, my co-worker Lynn Talbot being one of them. Actually we were already aware of that as we are members of the Victim/Witness advocate's Association and see what other Advocate's throughout the State make in comparison. When I was hired in 1986 the then seated commissioners at the recommendation of the then District Attorney agreed to start me at a higher rate of pay then originally offered at that time as I have a Bachelor of Science Degree in Social Work and came with 5 years experience in the mental health field. The first 10 years of my employment here employees received yearly evaluations that followed with merit and cost of living

increases. That has not occurred for several years. I have confirmed with some other companies here in Knox County both large and small businesses as to what they do for their employees. They do annual evaluations with raises. They provide 100% insurance coverage for their employees and in some cases for their families. They provide dental insurance, life and disability insurance. They have annual Holiday parties with sometimes an added bonus. They on occasion provide random lunches and or have annual company picnics for employees and their families. They also recognize the employee's employment date. We do not get any of those fringe benefits. My only benefit that I had for being a long term employee here was to have my health insurance covered 100 percent for me and my husband, which you are now discussing taking away. The other benefit which you have already voted to take away was my longevity pay. With those things taken away I will now suffer a pay cut. Yes, as of now we have insurance but the plan we have does not have the greatest coverage I pay on average \$350.00 a month for things not covered as well as benefits I need that are not covered by the county

I am very disheartened that at no time did any department head speak up in support of the wage study and advocate for their employees. Nor did anyone educate the public or correct them when they spoke that these **WERE NOT RAISES THEY WERE WAGE ADJUSTMENTS BASED ON A WAGE STUDY THAT WAS DONE**. It was very hurtful and frankly insulting to hear what some of the members of the public said about us and their opinions of the jobs that we do. I am perplexed that you would make such a decision which in the end is going to have such a large financial and emotional impact after listening to just 10 members of the county out of a population of just under 40,000. The moral here is at its lowest. Yes we are happy we have jobs but you and the public should be happy you have us as what you have here are hard working, loyal, dedicated people with combined over 100 years of experience. We do not all have 8:00 to 5:00 jobs and not all of us have the benefit of getting over time. For Lynn and I, our job does not end at 5:00. We are on call 24/7 .We get calls at home after hours from victims and police officers. We get calls in the middle of the night and have to leave our homes to assist law enforcement with investigations. We also get calls during our vacations. If we are in trial we often do not get lunch as we are either making phone calls to prepare for the afternoon or assisting the prosecutor with meeting with witnesses. Yes we earn comp time which often we do not get to take. Lynn in fact just this week was not able to take a full weeks' vacations as we have Superior Court coming up and I was on the phone 3 days out of my 4 day vacation a few weeks back.

I do not plan to let any of this effect my work performance. After 25 years I still truly love what I do. For me the most important thing at the end of the day has always been about self gratification as well as the respect that I have gained from my family and friends as well as the positive feedback I get from the victims I serve. Thank you for listening.”

Linda Lasko-Hall – Sheriff's Office

Ms. Lasko-Hall stated that she has worked for the County for 13 years and is a tax payer of Knox County. She read from a prepared statement:

“In a recent meeting the county administrator has expressed frustration that he held two informational meetings in April and only a handful of people showed up. He said that he held the meetings because the employees that attended the March 30th meeting had asked for informational meetings to better understand the study. It was my understanding that the 9% cap affected employees were asking to have the OTHER employees of the County educated on the study because there are some employees who still misunderstand the point of the study and what the results truly meant. It's those employees who are being negative and there are rumors that need to be dispelled and clarified. Those affected by the 9% cap are already educated – it's the rest of the employee population that desperately needs a better understanding of everything.

There should have been mandatory meetings as soon as the results of the study came out to explain the executive summary, what it meant, and what the process from thereon out would be so that employees would understand it all. You cannot simply schedule a couple meetings and expect employees to voluntarily leave whatever is happening in their office that day. If a series of meetings had been held at

different times of day and on different days, and if department heads had been instructed to work with their employees and scheduled so that every single employee was required to attend one of the meetings and was given permission by their supervisors to attend, then you could have had the majority of the staff educated....and they would have all received the same information instead of through rumors and misinformation. By only holding two meetings and making it voluntary, you assumed that staff had the ability to leave their station, whatever it may be, at either of those dates and times when maybe it was impossible. You also assumed that employees would either feel like they needed to come hear the explanation, or that they would recognize that they didn't already know the scope of the study and what the results meant. By not holding mandatory meetings, you ended up with employees receiving a variety of portions of the information, which evolved into confusion and in some cases, pure misinformation and rumor. People aren't going to automatically know that the information they have is wrong and may not realize that if they attended the meeting that they would hear something different than what they currently believe is correct.

The unfortunate fact remains that a large portion of the employees still do not understand that the increases given were due to it becoming clear that some employees are underpaid as compared to the current market. These were not raises, and the increases were not given because administration or department heads thought someone "deserved" more money. Those who received increases did not give themselves the increases. Just because they happen to be a department head or a supervisor does not mean they had that ability. It just worked out that a lot of the employees who were found to be underpaid were also those who were department heads, in large part because of the vast years of experience they brought with them to the job.

Those who did not receive an adjustment have expressed frustration because many of them believe they were snubbed and think it's not fair.....and are clearly completely missing the point that it's not fair that they are ALREADY making the correct level of pay, and some are even OVERPAID, and have been all this time, while those who received increases have been UNDERPAID all these years.

It's true, as some have pointed out, that when an employee is hired, if they accept the job, they accept the pay and if they don't like the pay, they can either take the job or not. However, sometimes people accept jobs NOT because they LIKE the pay but because they need a job, and it doesn't mean that they aren't worth a higher rate of pay just because they willingly accepted the job at a lower rate of pay. It is incredibly insulting when members of the public and even some employees have stood up and said that if you don't like your pay, then you can leave and go find another job. For one thing, many of the employees are here because they like their job and because it's something they have done for a long time. For another, the job market is such that it's never so simple as to "just go find another job". Some of the employees have been working together so long, decades even, that they feel like a family.....you can't take that with you if you leave for another job. And besides, how valued are we as your employees if we're told to get out just because we disagree with something? Do you really want us to take our years of experience with us and go?

If you believed in the study, and you believed in the process, then putting a cap on the process so that it's only partially implemented is cutting off your nose to spite your face. It was the Budget Committee's idea to do the wage corrections all in one year. The Commission had originally suggested doing COLA's and doing just some of the wage adjustments. The Budget Committee seemed to forget their choice and why they had made it just as soon as a handful of people spoke out against the increases at the March 15th public hearing. It was the Budget Committee that wanted the study done. It was also the Budget Committee that wanted the wage adjustments all done in one year. The Committee approved the budget on December 1st to fully implement the wage scale and wage adjustments so that the County could move forward knowing its employees were appropriately paid and could compete with other counties for skilled workers.

The fact that the first vote in December was regarded as illegal is completely irrelevant. The events that led to a re-vote being held in March is also irrelevant. Somewhere during the 3 ½ months between the two public hearings, you have forgotten the information that you knew before you voted on December

1st. You've forgotten the years of planning and the work that went into conducting the study and implementing it. For the sake of appeasing a handful of people, many of whom are notorious for complaining no matter what the issue, you decided to compromise the integrity of your previous decision. You gave up. Your vote became one of politics and peer pressure instead of one based on knowledge and understanding.

You tried to force policy onto the Commission when that is not a function of the Budget Committee. You created greater inequities than already existed, and you effectively stopped the wage scale implementation in its track. How can we hire new people into a wage scale when there are people on it in completely incorrect places because you capped them? Do we insult the current employees by hiring new employees at a higher spot on the wage scale? Or does the new employee pay the price for what the Budget Committee has done and wind up with less pay than they should truly be getting because you can't have them higher than staff already working here?

It is also disappointing that instead of standing up to the Budget Committee when they voted to cap the wage adjustments, the Commission simply gave up and went along with it instead of standing up for their employees and the process the Commission themselves had been so involved in. Even if the Budget Committee had over-ruled the Commission, it would have meant a lot to the employees to know that the Commission was willing to fight for their employees and not give up.

You need to fix this and set right the track so that the County can get back on course and move on.”

Ms. Lasko-Hall ended her remarks by adding that no one has taken responsibility for the mistake that was made that started all this, nor has an apology been offered.

Mark Kunz – Airport

Mr. Kunz said that he felt that the first vote in December was based on factual information. A lot of county employees have been underpaid for a long time. Even if the County intended to give employees the rest of their wage adjustment in future years, the years go by and those employees can never get that money back. They will always be behind where they are supposed to be. He said that it was terrific when the Committee decided to implement the wage plan in one year to fix it all at once, but then he saw news articles with headlines that said “pay hikes” and “raises”. The group of people who came to the March 15th public hearing were a knee-jerk reaction based on misinformation in the newspapers. The statements made at the hearing were based on wrong information. This study was supposed to bring employees up to what they're supposed to be making. One gentleman at the March 15th meeting said that County employees are just lucky that they have jobs. Mr. Kunz stated that he was offended by that. He said that he brought skills and quality to the job, and that's why he was hired. That has value to the County. What the employees do for the County and bring with them for knowledge and training has value for the County. The right thing to do is to pay them correctly. The second vote was swayed by public opinion, and the public had been swayed by newspapers. Members of the public had a chance to come to budget meetings and witness the process but nobody showed up until after they saw insulting newspaper articles. County employees are all taxpayers too. The responsible thing to do is to go back to the first vote taken on December 1st. How many years should people go underpaid when they can't get that back?

Jill Delaney – Finance department

Ms. Delaney said that she has been a County employee for 12 years. She said that she has a lot of years of experience and yet has never been paid a livable wage. She has to live on credit cards when unexpected things happen, such as when her car breaks down. She said that she lives paycheck to paycheck. After the December 1st vote, she went home and told her family that she was so excited that the County voted to give employees a livable wage. She was relieved to think that she would be able to get caught up on her bills. It was such a wonderful feeling after 44 years of never being paid well. She said that she is facing retirement in a couple years and having an increase in pay now will help with my social security later. She said that she hoped that she wouldn't ever have to go to the town later for general assistance and say that she needed help because her social security checks don't cover the bills.

So much work and time went into the two studies. The County hired expert consultants and the Budget Committee made an informed vote on December 1st. Ms. Delaney said that her adjustment was a 9.3% increase, so although she was affected by the 9% cap, she wasn't as affected as some of the other employees. She said that she was at the meeting to show solidarity with the other employees. She had wanted to speak at the March 15th hearing but her knees went weak listening to the anger voiced by members of the public. She asked where all this anger was coming from when the total County budget was actually less than the previous year. She expressed frustration that one member of the public actually said that he didn't get a raise and so he didn't want anyone else to get one either.

If employees are paid correctly then they are less likely to need assistance from the towns as much as some others might. Some of these other employees are very underpaid. She said that she couldn't understand why the public was so upset when the increases weren't even affecting the taxpayers because the total budget was actually less than the 2011 budget. Ms. Delaney said that her sincere wish was for the Committee to find a way to implement the study 100% so that Knox County can move forward as it had planned; otherwise, the time and money spent on the two studies has been wasted.

Lizzie Dickerson left the meeting at 6:24 p.m.

Kathy Robinson – Finance Director

Ms. Robinson stated that she was speaking tonight as the County's finance director, not as an employee. She said that this has been the most difficult budget season ever. The County has answered every question, and has come up with every bit of information asked for by the public. The decision made in December was the correct one. The vote in March fell apart because of public pressure. The County needs to get back to where it's supposed to be. From a financial standpoint, fixing this is very small in comparison to the cost in employee morale and what the County is going to see in legal expenses in the coming months. The right decision is to correct this, not just for the sake of the employees, but also because of the potential financial impact.

Ray Sisk – EMA Director

Mr. Sisk introduced himself as "Mr. 40%", or the employee who had the highest wage adjustment. He said that also means that he is the most significantly underpaid County employee. He said that this wasn't something that he used to think about. He enjoys the job that he does and he respects the people that he works for. All of the employees at the meeting bring value to the County in their own way individually. What they do collectively also brings value to Knox County. He said that he didn't think that it was fair that employees have been put in the position where they've been vilified, and even called sexual discriminators. He said that he is losing sleep, getting mad at his administrative assistant for little things that don't even matter, and is getting into arguments with his wife. The morale here sucks. The employees want to keep doing a good job and be here for the County, but the County has to be here for the employees too. The employees are not some disposable group of labor that people can make false accusations against.

Jeff Northgraves – Airport Manager

Mr. Northgraves stated that originally he wasn't going to speak at the meeting because department heads have taken a lot of heat, but he decided that he wanted to make sure the Committee understood why the County is where it is. The County has been trying for the last three years to correct past wrongs. The Budget Committee had been the one to ask for the study. It was practices in the past of not doing COLA's and just doing longevity that has put some employees above the appropriate pay scale for their position because they've worked here so long. One problem was the practice of having a new person hired getting paid 90% of what the previous person. If the first person was at the right scale, the replacement person is lower than the scale, which compounds every single time a new person is hired. You very quickly end up with a pay scale that is completely erroneous and it's impossible to catch up, especially if you don't keep up with the COLA's. He said that he firmly believed that the people in this county and in Maine vote every day based on emotion and not on fact. The Budget Committee's job is to vote on information and fact, not on emotion. The Committee voted based on emotion in March. The Committee also stepped out of its role

– the Committee does not set policy – that’s the Commission’s job. The impact is going to be huge. The County is probably going to see employees leaving, and will end up having huge legal bills because even if the employees don’t take the matter to court, what little savings was gained by capping the wage adjustments will be far surpassed by the amount the County will be paying in legal fees.

Dorothy Meriwether thanked everyone for sharing their feelings with the Budget Committee. She said that she didn’t want everyone to think that the Budget Committee members all voted politically and emotionally. The Committee recognized the value of the study and that’s why she initially voted for it. She said that what occurred for her between the two budget votes was that she came to believe that some of the very large increases were due to a problem in the application in the relevant past experience. Many employees were being placed in the top 25% of paid employees in other counties. She said that her changed vote had nothing to do with anything anyone said at the March 15th hearing. She said that she wanted the employees with huge increases to be looked at again because she felt that they were being given double-credit. She reiterated that her vote was not political.

Bill Jones commented that he was another Budget Committee member who had changed his vote from December to March. He said that he had asked to have the larger raises phased in but his motion failed. Now there’s no promise that those who originally were getting wage adjustments over 9% will never get the rest of it. He said that he was not surprised there are lawsuits. The Budget Committee does not reject the results of the study. He added that he has one more cycle on the Budget Committee but will introduce a motion that another 3rd is given in subsequent years, and will encourage whoever replaces him on the Committee to do the same.

Ann Matlack said that she was sorry that the study wasn’t fully implemented and that she thought everyone deserved the increases. She said that she was sorry that as hard as she fought, it still wasn’t fully implemented.

Commissioner Maines commented that an employee had mentioned earlier in the meeting that the Commission didn’t stand up to the Budget Committee on March 15th. She said that was very true, and that she came into the Administration Office the very next morning and asked the administrator about the possibility of finding the money to fund the increase. She said that she had felt that there would very likely be lawsuits that will wipe out the savings from the 9% cap completely. The Commission had been trying to fix the morale problem by conducting the studies, but now morale is even worse, so that needs to be fixed first. There are multiple situations that come up throughout the year that surpass the \$65,000, and she felt that the County needs to fix this.

Bob Duke commented that people are saying the Committee should re-vote but the Committee can’t do that.

Administrator Hart responded by saying that the Committee is past that process but the Commission has the authority to vote to fund the whole amount if they can find the funding for it. The Commission is considering funding for this and some other things including elected officials pay. At this point, it’s in the Commission’s hands. The employees wanted to be here so that the Budget Committee could hear from them. This meeting was really just to provide the Budget Committee with information; the Committee will not be voting on anything.

Commissioner Maines reminded the Budget Committee that the Commission also had to figure out the elected officials’ compensation so that will add to the amount of money that needed to be found. Commissioner Moody commented that he had been the one to suggest funding it out of contingency.

Ann Matlack commented that the Budget Committee hadn’t wanted to limit the Commission by placing an actual amount in the budget.

Bill Jones said that he was going over his notes from the March 15th meeting and he couldn't say that no one on the Committee was intimidated by the public; however, there were a lot of things said in that meeting that were untrue, or partially true but misleading. Some of it was just nasty.

Bob Duke stated that he felt he was pretty good at reading the feeling of the Committee and there just wasn't the same support for voting to fully implement the study like there had been back on December 1st. He said that he felt the Committee was being vilified for trying to do the right thing. He said that he was amazed to hear how poor the morale is when the County has spent all this money on more wages. He assured the employees that more will be implemented. The Commission should probably do the \$14,350 but what's the public going to think if the entire study is implemented after the Budget Committee already passed the budget?

Randy Stearns said that he heard a number of times during the budget process that if the budget was approved, the budget would only change by half of 1% and that's not much money. He said that people sometimes forget that the County was taking \$175,000 out of surplus, which is really taxpayer money, to apply it to these raises. In next year's budget, the County is going to have to come up with that \$175,000, plus all the raises that have been implemented as well. It isn't a 0.5% for next year; it will be a whole lot more. He said that he has struggled a little bit with this. He said that if my taxes go up a little bit, he could probably go out and make a little extra money, but he represents people who are on fixed incomes and if their taxes go up, they have to cut out other expenses like food, heat, or whatever they have to while trying to pay their bills. It's difficult to go back to people and say "it's just a little bit more you have to pay".

Bob Duke asked how the Committee members felt about the "claw-back".

Bill Jones commented that the Committee has no further power at this point. He said that it has been suggested that the Committee overreached its authority in March, and maybe it did. The Committee might be reaching even further now if it makes a recommendation to the Commission.

Dorothy Meriwether said that she agreed with Mr. Jones on that point, but she said that if the Commission implemented the full study then it isn't just 2012 that's effected.

Bill Jones stated that the Committee just approves the budget. It's up to the Commission to modify it. It happens every year.

Lawrence Nash commented that there's enough blame and mistakes to go around. In six months the County starts working on the next budget. It's time to move forward. The Commission has the power to fix this if they can do it within the budget bottom line that the Committee approved on March 15th.

Ann Matlack stated that the employees should not be the people that pay for the Committee's mistake.

Tina Plummer commented that she really didn't think that it was her job to make decisions for the Commission. She said that she thought the wages should have been implemented in full and she wished that it had happened that way. The problem, she said, is that not everybody on the Committee was going to vote the same in March that they had in December. She said that she had been afraid that if she didn't support the 9% cap in March then the employees wouldn't get any increase at all.

Randy Stearns said that he understood why the increases were done the way they were, even if he didn't agree with it. He said that he would like to see the Commission do what they can to fix this and hopefully the next budget cycle will go smoother. He reminded everyone that the Committee members give up our nights to attend meetings and are trying to do the best they can for everybody.

Every employee (other than the Commission, Administrator and the administrative assistant) left except Julie Allen, Kathy Robinson, Lisa Simmons, Maddy Royer, Jeff Northgraves, Jill Delaney, and Barbie Sylvester. Budget Committee Member Mason Johnson also left at this time.

IV. Elected Officials – 2012 Compensation Recommendations

Bob Duke explained that the Commission was asking for Committee members' opinions on this.

Commissioner Moody said that the County has done some work and research and the Commission feels it has come with some solid recommendations.

Administrator Hart reminded everyone that the reason why no money was put in the budget for the three elected officials (Probate Judge, Register of Probate, and Sheriff) was because the Commission was already in the process of working on this. The Committee had been given a memo from Ms. Bouchard explaining what had happened at the Commission's work session with the elected officials. No vote had been taken but it was more of a consensus, with the understanding that the Commission would discuss it with the Budget Committee at the May 3rd quarterly meeting, and take a formal vote on May 8th.

Ann Matlack commented that the Commission had used a good process and that it's hard to come up with compensation for elected officials because the people who evaluate the quality of their work are the people who elected them.

Bob Duke stated that he thought that what the Commission came up with for the elected officials was reasonable.

Eric Belley left at 7:06 p.m.

Lawrence Nash asked Ms. Bouchard if she understood that the Commission doesn't set their own salary; it's approved by the Budget Committee.

Administrator Hart commented that when the Commission had the work session in April, they didn't vote on their salaries.

Lawrence Nash quoted from the charter, specifically *Article 3 County Commission, Section 8 Compensation*:

"Annual salaries of county commissioners shall be in accordance with amounts approved in the county budget."

Commissioner Moody stated that he hoped that everybody recognized that those who said there had been sexual discrimination were incorrect. (*Mr. Gibbons had made that accusation*). The elected officials being left out to the study was completely initiated by them. The Commission had originally included them in the study but the elected officials asked to be taken out of the study.

V. Maine Coast Economic Alliance – Special Budget Request

Barbie Sylvester, Julie Allen, Jill Delaney, Lisa Simmons, and Maddy Royer left at 7:12 p.m.

Pat Finnigan stated that she is the Town Manager of Camden. She said that the Maine Coast Economic Alliance board was completely taken by surprise when the Committee voted to completely defund them at the March 15th meeting. MCEA had an emergency meeting to discuss what to do next. With all funding gone, the contract with Eaton Peabody for Justin Holmes' services was terminated, but MCEA still has one outstanding bill. MCEA does not have any assets of their own as an organization. If the County had paid the first quarter payment as approved back in December, MCEA would have had the money to pay this obligation. MCEA received the services in good faith from Eaton & Peabody and the towns who benefited didn't have the money budgeted to fund that bill. The amount of the bill has been lowered to \$6,571.

Lawrence Nash commented that the Commission needs to find a way to take care of that.

Bob Duke said that probably it should be paid if the Commission can find the money somewhere.

Dorothy Meriwether stated that the bill should be paid.

VI. Quarterly Budget Review – Discussion Items

1. Review of 1st Quarter of 2012

Administrator Hart explained that the Committee was provided with an up to date expenditures and revenues for first quarter (January to March). The County is about where it should be for this time of year. Deeds revenues are a little bit ahead of last year so that's good.

Bob Duke asked if there was anything unexpected. Administrator Hart said not really. He mentioned that the County is locked in until June on heating oil for both the jail and the courthouse. The prices are still pretty high but he hoped to lock in again closer to \$3.00 per gallon.

Ann Matlack asked about when the airport revenues come in during the year. Airport Manager Northgraves Jeff said that some of the revenue doesn't come in until later on in the year.

2. Review Projects/Items of 2012 Budget

Administrator Hart explained that the building at 301 Park Street is empty now. The boiler has been turned off so no money is being spent on heating the building. Gartley & Dorsky presented the County's plans to the Rockland Planning Board. The only thing questioned was the storm water drainage. The City wanted to make sure that the County isn't going to be doing anything to make that current problem any worse. There is a public hearing on Tuesday, June 5th for the public to comment on the project. The communications tower issue is required to go to the ZBA. Rockland hasn't changed the process since the last time the County wanted a tower when looking at 360 Old County Road, so the County still has to submit an application with ZBA. He said that he hoped to have an RFP out for the whole project in July, and hopefully start construction in late July or early August. He said that he also hoped to have the departments moved in by the end of the year.

3. Schedule Next Meeting Date for July/August 2012

No date was set in stone but it was suggested that the County shoot for the first Thursday in July at 5 p.m.

VII. Adjourn

- Bob Duke motioned to adjourn the meeting. Bill Jones seconded. A vote was taken with all in favor.
- Commissioner Maines motioned to adjourn the meeting. Commissioner Parent seconded. A vote was taken with all in favor.

The meeting adjourned at 7:28 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Commission approved these minutes at their regular meeting held on June 12, 2012. The Knox County Budget Committee approved these minutes at their quarterly Budget Committee meeting held on July 26, 2012.