

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday – October 25, 2012 – 5:00 p.m.

A special joint meeting of the Knox County Commission and the Knox County Budget Committee was held on Thursday, October 20, 2011, 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: Richard L. Parent, Jr., Commissioner District #2, and Roger A. Moody, Commissioner District #3. *Commissioners not present: Carol L. Maines, Commissioner District #1.*

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, Chief Deputy Tim Carroll, Probate Judge Carol Emery, Probate Registrar Elaine Hallett, Registrar of Deeds Lisa Simmons, Communications Director Linwood Lothrop, Airport Manager Jeff Northgraves, District Attorney Geoffrey Rushlau, and Finance Director Kathy Robinson.

Budget Committee members present were: Ann Matlack, Bob Duke, Lawrence Nash, Randy Stearns, Dorothy Meriwether, Elizabeth Dickerson (*arrived at 5:14 p.m.*), Bill Jones and Mason Johnson.

Also present were: HR Consultant Laurie Bouchard, George Chappell of the *Courier Gazette*, Daniel Dunkle of Courier Publications (*arrived just before 6 p.m.*), Camden Town Manager Pat Finnigan, Washington Selectman Donald Grinnell, Union Selectman Greg Grotton, Thomaston Town Manager Valmore Blastow, Thomaston Selectman Bill Hahn, Thomaston Selectman Greg Hamlin, and Rockland City Manager James Smith.

Knox County Commission and Budget Committee

Joint Meeting Agenda

Jury Assembly Room
Knox County Courthouse
62 Union Street
Rockland, ME 04841

Thursday – October 25, 2012 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Roger Moody for the Knox County Commission)
- II. 5:01 Approve Minutes** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Roger Moody for the Knox County Commission)
 1. Minutes of the Quarterly Budget Meeting of July 26, 2012.
- III. 5:03 Election of Budget Committee Officers**
 1. Chair
 2. Vice Chair
 3. Secretary
- IV. 5:05 Public Hearing**
 1. Chair Duke Opens Public Hearing on 2013 Proposed Knox County Budget.
- V. 5:06 Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2012 Budget** (County Administrator Andrew Hart)
- VI. End of Public Hearing**
 1. Chair Duke closes Public Hearing.
- VII. Adjourn**

I. Meeting Called to Order

The October 25, 2012 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Bob Duke.

II. Approve Minutes1. Quarterly Budget Meeting of July 26, 2012.

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

- Lawrence Nash motioned to approve the minutes as presented. Bill Jones seconded. A vote was taken with 6-0-1 in favor (Meriwether, Johnson, Duke, Jones, Nash, and Stearns) and one abstention (Matlack). The motion therefore passed.

III. Budget Committee Election of Officers1. Chair:

- Randy Stearns nominated Bob Duke for Chair. The nomination was seconded by Lawrence Nash. A vote was taken with 5-0-2 in favor. The motion therefore passed.
 - In favor: 5 (Johnson, Meriwether, Nash, Jones, Stearns)
 - Opposed: 0
 - Abstained: 2 (Duke, Matlack)

2. Vice-Chair:

- Lawrence Nash nominated Randy Stearns for Vice-Chair. There was no second.
- Randy Stearns nominated Lawrence Nash as Vice-Chair. The nomination was seconded by Bill Jones. A vote was taken with 7-0-2 in favor. The motion therefore passed.
 - In favor: 5 (Johnson, Jones, Meriwether, Duke, Stearns)
 - Opposed: 0
 - Abstained: 2 (Nash, Matlack)

3. Secretary:

- Lawrence Nash nominated Bill Jones as secretary. The nomination was seconded by Randy Stearns. A vote was taken with 6-0-1 in favor. The motion therefore passed.
 - In favor: 6 (Johnson, Meriwether, Nash, Matlack, Duke, Stearns)
 - Opposed: 0
 - Abstained: 1 (Jones)

IV. Public HearingQuestion/Comment Period:

The public hearing portion of the meeting commenced at 5:12 p.m.

Greg Grotton – Union Selectman

Mr. Grotton commented that he was asking that the selectmen have a chance to communicate their concerns to the Budget Committee throughout the budget process. The County's process is different from how the towns do theirs, which involves having the budget go before the townspeople for a vote. He said that the selectmen needed to have a voice and be allowed to ask questions.

Bob Duke responded that all of the meetings are public and anyone can attend. He added that every town has a representative on the Budget Committee and the person representing your town should be your conduit for your questions.

Randy Stearns noted that each meeting opens with 5 minutes of public comment so the opportunity for the selectmen to speak is already there.

Ann Matlack reminded everyone that the municipalities have representation on both the Commission and the Budget Committee. She also noted that not all municipalities run their budget process the same way - the City of Rockland has a City Council that votes on the budget rather than having the public vote at the end of the process. It all just depends on how it's set up.

Bill Jones commented that he would appreciate it if the towns he represented, Warren and Hope, asked him to come their town meetings to report on what is going on every so often. He said that it would be great to have the selectmen take more interest in what goes on at the County level.

Randy Stearns stated that anyone from Camden represented by him is more than welcome to approach him to ask questions. He added that if anyone felt like they were more comfortable speaking to one Budget Committee member versus another, that's okay. He welcomed hearing from anyone, regardless of what town they lived in, and he said that the Committee just needs to hear from more people.

Valmore Blastow – Thomaston Town Manager

Mr. Blastow read the following statement:

“In reviewing the proposed 2013 Knox County Budget I received last evening, I have interpreted the proposed tax increase to municipalities is in fact an increase of 18.09%, and represents a 9.76% increase to Thomaston taxpayers or \$34,034. In my opinion, the budget before us is a 11.92% increase in tax commitment, not 6.11% as shown on page 7 based on the \$400,058 increase, and with consideration for making up the \$175,000 utilized from Surplus this year. The committed amount increases to 9.03% shown on the bottom of page 7 to be, in fact, an 18.09% increase. My reasoning is simple. Minimally, the capped Jail Budget of \$3,188,700 cannot be factored into the percent of increase, as it is fixed. Therefore, this year's tax committed amount is \$3,353,663 less the \$175,000 utilized from Surplus. The net commitment for all other activities totals \$3,178,663 which is being increased \$575,058, or 18.09%. The \$3,188,700 capped Jail amount is also committed. However, any increase is funded by the State through the Board of Corrections. I am further concerned the capped Jail Budget will have increased \$934,924 by 2015, as you know. If the State fails to fund this exposure, taxpayers in the future will pay for the cost typical of Aid to Education and State Revenue Sharing which has been reduced \$811,000 in Thomaston since 2007-2008.”

Don Grinnell – Washington Selectman

Mr. Grinnell urged the Committee to look hard at the proposed budget and to remember the taxpayers. He said, however, that if the selectmen show up at the beginning of the meeting, they won't know what they needed to comment on yet. They needed a chance to listen to how the information is presented during the meeting and then have time to comment at the end of the meeting.

Bob Duke responded by saying that when a meeting wraps up, there's usually a lot of discussion and if a member of the public asks a question, that person is not going to be ignored by the Committee. The review sessions are pretty informal so he didn't think it was necessary to officially move the public comment portion to the end of the meeting.

Chair Bob Duke closed the public hearing portion of the meeting at 5:25 p.m.

V. Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2013 Budget.

County Administrator Andrew Hart explained that he was out of the office last week because of a death in the family so the process of getting the budget done and distributed was behind schedule. He gave a brief timeline of the budget process so far. He briefly mentioned some highlights in the proposed budget, which also included some of the increases and decreases over the previous budget:

Budget Process

The 2013 budget process began in August of 2012. Department heads were asked to complete budget forms and submit them to the County Administrator by September 7, 2012, along with supporting information and documentation. The completed budget request forms were reviewed by the County Administrator and the Finance Director. Meetings were then scheduled to discuss and review budget requests by department with the department head, the County Administrator, and the Finance Director during the week of September 17, 2012.

General Overview

The CPI-W figure for August 2012 increased 1.7% since August 2011. FICA is set at 7.65% of the wages. Health Insurance is calculated with a 13% increase. The County is waiting for the new rates from the current provider. The new rates aren't established until around mid-November. The retirement program includes the actual plan participation. Resignation/Termination Benefits includes sick leave payments for those that have an excess of 90 sick days by the end of the year. The total budget shows a \$400,508 increase over the 2012 total budget, which is a 6.11% increase. The proposed tax assessment is \$7,081,269. Surplus isn't calculated into this figure as it normally isn't discussed until towards the end of November because that's when the County has a more accurate idea of the amount available to use.

Administration and Information Technology

The Total Personnel Services has decreased by \$3,712 (-1 %) because of a proposed 1.7 % increase in Cost of Living and a 2% Step increase as approved in the Salary Administration Policy as well as removing the HR Specialists position and an increase in associated benefits and a 13% increase in health insurance.

Contractual Services decreased by \$5,446 (3%), with Auditing Services decreased by \$2,000 (-15%) to reflect actual expenditures. Consultation Fees increased by \$13,160 (36%) with the HR Specialist removed and the HR Consultant's hours increased from 20 to 30 hours per month. Computer Consultant decreased by \$10,000 (-50%). The County will be working with a new vendor at less cost. Internet Service & Webhosting increased by \$9,844 (60%) which include the e-mail accounts as well as 10 yrs. of email archiving. Computer Repairs and Maintenance decreased by \$13,273 (-29%) as the smaller projects have been completed. Orthoimagery has increased by \$1,272 (15%) and will be paid out in early 2013 for providing base mapping for all towns in Knox County. There will then be an annual amount budgeted each year to update this program. Capital decreased by \$48,935 (-81 %) as all of the major IT Capital Projects that were part of the overall master plan have been completed. The total budget has decreased by \$59,594 (-11%) under the 2012 budget.

Building Maintenance (Courthouse)

Contractual Services decreased by \$2,915 (-1%). Electricity decreased by \$7,500 (-23%) based on the Efficiency Grant Improvements that were made as well as the previous year's usage and expense. Grounds Maintenance increased by \$2,000 (10%) based on small increases in the bids received for services. Heating Repairs and Maintenance increased \$1,784 (22%). Commodities increased by \$8,050 (9%). Heating Fuel increased by \$9,000 (11 %) based on previous years usage and expense, as well as a projected increase in the per gallon price of heating fuel. Knox County is currently paying \$3.02/gallon. Capital is the same as last year. Window replacement will include the replacement of windows on the front side of the Courthouse near Probate. Revenues increased by \$6,402 (7%) because the State's share (reimbursed to the County) has increased. The total budget has decreased by \$1,257 (-1 %) from the 2012 budget.

Building Maintenance (301 Park Street)

The total budget increased by \$18,788 (84%). 2013 will be the first year with County departments in the building. Most items are based on the square footage of the building. The County will know better after

occupying the building for a year what a year's worth of costs will be. The Building Manager currently contracted for the Courthouse will also manage the 301 Park Street facility.

District Attorney

Total Personnel Services increased by \$42,158 (12%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. The total budget increased by \$11,343 (6%) over the 2012 budget.

Emergency Management

Total Personnel Services increased by \$10,090 (5%) because of a proposed 1.7% increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. The total budget increased by \$11,343 (20%) over the 2012 budget.

Finance

Total Personnel Services increased by \$10,090 (5%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. The total budget increased by \$11,157 (5%) over the 2012 budget.

Probate

Total Personnel Services increased by \$13,195 (7%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. Revenues are the same as 2012. The total budget increased by \$15,281 (12%) over the 2012 budget.

Registry of Deeds

Total Personnel Services decreased by \$686 (0%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. An employee with benefits resigned and was replaced with a new employee that started at a lower rate and is not receiving the same benefits. Revenue increased by \$17,000 (5%). Deeds Transfer Tax increased by \$8,000 (13%) based on projections from 2012 figures. Deeds Fees increased by \$6,000 (3%) based on projections from 2012 figures. Copy Revenue has increased by \$1,000 (4%) based on projections from 2012 figures. Internet Access User Fees are the same as 2012. The total revenues over expenditures budget increased by \$22,752 (20%) from (113,977) to (136,729) from the 2012 budget.

Sheriff's Department – PATROL

Total Personnel Services increased by \$150,097 (10%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. Overtime is also a reason for the increase as this line has increased by \$9,000 (8%). Contractual Services increased by \$7,594 (5%), in large part because of the increased expense of Gas. Capital is the same as 2012. Revenues increased by \$27,191 (12%), in part due to reimbursement for contractual services provided by the Sheriff's Department increases and an increase in the number of polygraphs performed for other agencies. The total budget has increased by \$134,360 (8%) over the 2012 budget.

Sheriff's Department – JAIL

The jail budget for 2013 is capped at \$3,188,700, as determined by the Board of Corrections (BOC), which is the amount that will be assessed to the Towns.

Debt Service

The first year of the bond payment of principal and interest for the Knox County Public Safety Building at 301 Park Street is on the Debt Service Schedule. This is a 15-year note at 1.8669 % and the total payment for calendar year 2013 is \$237,354.

Program Grants

- Knox-Lincoln Cooperative Extension Service requested \$55,662, an increase of \$1,092 (2%).
- Knox-Lincoln Soil & Water Conservation District requested \$25,143, an increase of 5,722 (29%).
- Midcoast Economic Development District (MCEDD) requested \$28,491 (100%).
- Time & Tide RC&D requested the same amount as they have since 2011 (\$3,625).
- Mid-Coast Regional Planning Commission requested the same amount as they have since 2010 (\$2,500).

Insurance

The Risk Management Pool figure has increased by \$1,673 (1 %) based on the actual expense for 2012.

Airport

Total Personnel Services increased by \$4,568 (5%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. Capital increased by \$19,000 (8%) for Knox County's funding of 5% of the Airport Improvement Plan (AIP) projects. The County's 5% share of entitlement is now \$52,632, every year. Revenues increased by \$46,471 (13%). Vehicle Parking increased by \$7,000 (35%). Budget Rental increased by \$8,500 (43%). Federal Reimbursement increased by \$15,000 (7%). The Aviary Cafe Rent, % share, and Electricity increased by a total of \$11,950 (100%) because of the rental of the cafe space within the terminal building. The total budget decreased by \$10,263 (-9%) under the 2012 budget.

Communications / Dispatch

Total Personnel Services increased by \$12,675 (2%) because of a proposed 1.7 % increase in Cost of Living, a 2% Step increase as approved in the Salary Administration Policy, an increase in associated benefits, and a 13% increase in health insurance. Contractual Services increased by \$27,730 (27%). Pagers & Tower Rental has increased by \$34,500 (221 %). Capital decreased by \$15,000 (-23%). The total budget increased by \$25,405 (3%) over the 2012 budget.

Tax Cap Explanation

By applying the Property Growth Factor for 2013 (1.95%) to the 2012 base tax assessment (\$3,848,218), the County is allowed to raise the tax assessment to no more than \$3,923,259 or \$75,040 more than the base tax assessment in 2012. The 2013 Knox County Budget, as proposed, calls for a decrease in the allowed tax assessment of \$30,690 to \$3,892,569.

Discussion:

It was briefly discussed that after the Budget Committee had placed a 9% cap on the wage adjustments on the 2012 budget back in March, the Commission voted to fund the full wage adjustments by telling departments to find ways cover the expense within the approved budget amount. Any wage adjustments that simply couldn't be funded in the operating budget would have to be covered with undesignated funds and voted on by the Commission. It is too soon to know how much of the wage adjustments can not be entirely covered by the operating budgets. Department heads had been asked to put off expenditures to 2013 or later to help cover the wages within the 2012 budget.

Administrator Hart noted that he had received a call from Warren's Town Manager, Grant Watmough, regarding the prison population affecting the communications funding formula. A bill had been passed that removed the prison population from the Town of Warren, which changes the funding formula for all County towns.

When asked about the status of union negotiations, Administrator Hart explained that the patrol union contract was completed but the contract for the corrections and dispatch employees had been voted down twice by union membership. He said that he was trying to schedule a meeting to find out why. In the meantime, those employees are still operating off the current expired AFSCME union contract.

It was noted that the Committee had been expecting Deeds revenues to eventually start going down but instead they have been going up.

HR Consultant Laurie Bouchard gave a brief explanation of the County's new Wage Scale Plan and how it was set up to put every employee on a Grade and a Step. When a CPI is approved, it moves up the whole salary range. Only employees not already above the range for their job will be eligible for a Step increase.

VI. Public Hearing Closed (*taken out of order*)

VII. Adjourn

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

The meeting adjourned at 6:22 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Budget Committee and Knox County Commission approved these minutes at their meeting on November 8, 2012.