

KNOX COUNTY COMMISSION

Special Joint Meeting Knox County Commission and Budget Committee

Thursday – October 29, 2015 – 5:00 p.m.

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

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, Systems Administrator Mike Dean (*left at 6:42 p.m.*), Chief Deputy Tim Carroll (*left at 6:42 p.m.*), Airport Manager Jeff Northgraves, and Finance Director Kathy Robinson.

Budget Committee members present were: Nicholas Lapham, Bob Duke, Lawrence Nash, Randy Stearns, Dorothy Meriwether, Shawn Levasseur, and Gerald Zwick. *Budget Committee members not present: Bill Jones.*

Also present were: Mid-Coast Regional Planning Commission Executive Director Eric Galant; Mark Hedrich, Chair of the Board of Supervisors of the Knox-Lincoln Soil & Water Conservation District; David Bosken, Knox-Lincoln Cooperative Extension Service; Esperanza Stancioff, Knox-Lincoln Cooperative Extension Service; MCEDD Board Chair John Shattuck; MCEDD Executive Director Jeff Kobrock; and Audra Caler-Bell, Assistant City Manager and Economic and Community Development Planner for the City of Rockland.

Knox County Commission and Budget Committee Joint Meeting Agenda Commission Hearing Room Thursday – October 29, 2015 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Dorothy Meriwether for the Knox County Budget Committee, Commission Chair Roger Moody for the Knox County Commission)
- II. 5:01 Approve Minutes** (Chair Dorothy Meriwether for the Knox County Budget Committee)
 - 1. Minutes of the Joint Budget Meeting of August 27, 2015
- III. 5:03 Election of Budget Committee Officers**
 - 1. Chair
 - 2. Vice Chair
 - 3. Secretary
- IV. 5:15 Public Hearing**
 - 1. Budget Committee Chair Opens Public Hearing on 2016 Proposed Knox County Budget
- V. Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2016 Budget** (County Administrator Andrew Hart)
- VI. Budget Review**
 - 1. Mid-Coast Regional Planning Commission (Pg 22)
 - 2. Knox-Lincoln County Extension Service (Pg. 22)
 - 3. Knox-Lincoln Soil & Water District (Pg 22)
 - 4. Midcoast Economic Development District (Pg 22)
 - 5. County Administration & IT (Pg 8)
 - 6. Debt Service (Pg 29)
- VII. End of Public Hearing**
 - 1. Budget Committee Chair closes Public Hearing
- VIII. Adjourn**

I. Meeting Called to Order

The October 29, 2015 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Dorothy Meriwether and Commission Chair Roger Moody at 5:00 p.m.

II. Approve Minutes

1. Quarterly Budget Meeting of August 27, 2015.

- Bob Duke motioned to approve the minutes as presented. Lawrence Nash seconded the motion. A vote was taken with 6 in favor (Bob Duke, Dorothy Meriwether, Nicholas Lapham, Gerald Zwick, Shawn Levasseur, and Lawrence Nash) and one abstention (Randy Stearns). The motion therefore passed.

III. Budget Committee Election of Officers

1. Chair:

- Bob Duke nominated Dorothy Meriwether to serve as Chair for 2015. The nomination was seconded by Randy Stearns. A vote was taken with 6 in favor (Bob Duke, Randy Stearns, Nicholas Lapham, Gerald Zwick, Shawn Levasseur, and Lawrence Nash) and one abstention (Dorothy Meriwether). The motion therefore passed.

2. Vice-Chair:

- Randy Stearns nominated Bob Duke to serve as Vice-Chair for 2015. The nomination was seconded by Lawrence Nash seconded the nomination. A vote was taken with 6 in favor (Dorothy Meriwether, Randy Stearns, Nicholas Lapham, Gerald Zwick, Shawn Levasseur, and Lawrence Nash) and one abstention (Bob Duke). The motion therefore passed.

3. Secretary:

- Lawrence Nash nominated Bill Jones to serve as Secretary for 2015. The nomination was seconded by Randy Stearns seconded the nomination. A vote was taken with all in favor.

IV. Public Hearing

The public hearing portion of the meeting commenced at 5:04 p.m. No members of the public chose to speak.

V. Public Hearing Closed

The public hearing was closed it at 5:05 p.m.

VI. Joint Meeting with the Knox County Budget Committee for the Presentation of the Proposed 2016 Budget.

For information’s sake, the Commissioners and Budget Committee members and the districts and towns they represent are as follows:

Commissioner	Carol L. Maines	District 1	Owls Head, Rockland, and South Thomaston, and Thomaston
Commissioner	Richard L. Parent	District 2	Cushing, Friendship, St. George, Union, Washington and Warren
Commissioner, Chair	Roger A. Moody	District 3	Appleton, Camden, Hope, Isle Au Haut, Matinicus Isle Plantation, North Haven, Rockport, Vinalhaven, and the unorganized territories of Criehaven and Muscle Ridge Islands
Budget Committee, Chair	Dorothy Meriwether	District 2	South Thomaston, Vinalhaven and Owls Head
Budget Committee	Nicholas Lapham	District 1	Isle Au Haut, Matinicus, North Haven, St. George and Friendship

Budget Committee	VACANT	District 3	Rockland
Budget Committee	Shawn Levasseur	District 3	Rockland
Budget Committee	Randy Stearns	District 4	Camden
Budget Committee	Bob Duke	District 5	Rockport and Hope
Budget Committee	Lawrence Nash	District 6	Appleton, Union and Washington
Budget Committee	Bill Jones	District 7	Warren
Budget Committee	Gerald Zwick	District 8	Thomaston and Cushing

County Administrator Andrew Hart briefly mentioned some highlights in the proposed budget:

Budget Process

The department heads began working on their budget drafts in August and submitted them to the County Administrator and the Finance Director, who then met with departments to review their budget drafts. The Commission met on October 2 with department heads to review the whole budget draft.

General Overview of the 2016 Proposed Budget

The 2016 total budget shows a \$416,158 increase (6.06%) over the 2015 total budget. There are four (4) major reasons for this increase:

1. Surplus is not being used to offset the budget for 2016 because the County’s surplus is below the 20% required in statute. Since \$100,000 was used to offset the 2015 budget, not using surplus in 2016 makes it look like there’s a \$100,000 increase.
2. There are increases in personnel services in all departments based on the wage increase and also the projected increases in health insurance premium, worker's comp. premium, and retirement participation.
3. The projected decrease in the amount of Deeds Revenue is because of the big decrease in Deeds Fees, Deeds Transfer Tax, and Copy Revenue. This is not tracking to the 2015 Budgeted figures. This results in a \$34,000 decrease just in the revenue line.
4. The lease/purchase payment for the building envelope project and window replacement. This amount is \$138,101 (100%). This is a 5-year term lease/purchase and would be paid off in the 2020 budget. This was awarded to Machias Savings Bank who provided Knox County with a 2.14% interest rate on a \$650,000 project with a total of \$40,503.70 in interest over the 5-year period.

Other highlights from the budget:

- No COLA for 2016 because the Consumer Price Index went down instead of up.
- Anyone eligible for the 2% step increase will still get that.
- The budget is under the tax limit by \$209,602.
- The Jail budget is back in the County budget and therefore a part of the budget review process. It is proposed at a 3% increase over the 2015 budget. The County can increase the Jail’s tax cap by the growth factor, or 3%, or whatever’s lower. The growth factor was above 3%, so Knox County has to use 3%.

VII. Budget Review

1. Mid-Coast Regional Planning Commission (MCRPC)

MCRPC Executive Director Eric Galant was present. When asked about whether the GIS services MCRPC offers is the same as the County’s GIS person, Director Galant explained that the two GIS functions were not in competition with one another because MCRPC only provides those services when a town asks for them. He added that if the project is more county-wide vs. a single town project, MCRPC will coordinate efforts with the EMA GIS person.

A consensus vote was taken by the Budget Committee on whether to approve Mid-Coast Regional Planning Commission’s budget request of \$2,500:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)

Against: 0

Abstained: 0

A consensus vote was taken by the County Commission on whether to approve Mid-Coast Regional Planning Commission’s budget request of \$2,500:

In favor: 2 (Roger Moody and Carol Maines)

Against: 0

Abstained: 0

2. Knox-Lincoln Counties Extension Service

Knox-Lincoln Extension Educator Esperanza Stancioff explained that the funding is mainly for the support staff and the building the organization is housed in. The building was purchased in 2000 and has a 30 year term so there is another 15 years before the two counties have paid it off. The funding for the three faculty (“Educators”) comes from the University of Maine and not from the two counties. When asked about how much the educators’ salaries were, Ms. Stancioff said that she did not have the figure on her but that she thought the three faculty positions were about \$72,000 each. Dorothy Meriwether asked that the exact figures be provided to the County Administrator so he could forward the information to the Budget Committee and Commission. Ms. Stancioff said she would do that.

There was a brief discussion about the fact that KLCES measures their progress in their annual report and that the organization’s reach to people in communities runs in the thousands. One of the programs people are most familiar with is the 4-H program. The organization started back in the 1930’s. When the new building was built in the year 2000, Knox County essentially made a commitment to the organization. There is also in state statute that encourages counties to have that relationship with an extension service, and all 16 counties in the State of Maine do.

A consensus vote was taken by the Budget Committee on whether to approve Knox-Lincoln County Extension Services’ budget request of \$57,042:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)

Against: 0

Abstained: 0

A consensus vote was taken by the County Commission on whether to approve Knox-Lincoln County Extension Services’ budget request of \$57,042:

In favor: 2 (Roger Moody and Carol Maines)

Against: 0

Abstained: 0

3. Knox-Lincoln Soil & Water Conservation District

KLSWD Board Chair Mark Hedrick handed out a one page document called “2015 District Highlights” and a small pamphlet that explained the technical assistance services and fees provided by the Conservation District. Dorothy Meriwether asked Mr. Hedrick if he was aware that the Commission had recommended reducing the funding amount from this year’s request (\$27,473) to the amount requested last year (\$26,673) since the request this year was handed in a week late. Mr. Hedrick responded that he did know about that and explained that the organization’s budget request was ready prior to the due date but that the office staff person got her days mixed up and submitted it late. When asked if the organization requests the same amount from both counties, Mr. Hedrick said yes and added that they also receive \$25,000 from the State and generate their own funds through doing workshops,

providing technical services, and through other grants. It was noted that Lincoln County had already approved the organization's funding request for 2016.

A consensus vote was taken by the Budget Committee on whether to approve the Commission's recommendation of \$26,673:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)
 Against: 0
 Abstained: 0

A consensus vote was taken by the County Commission on whether to approve Knox-Lincoln Soil & Water District's 2015 budget request of \$26,673 for the 2016 budget:

In favor: 2 (Roger Moody and Carol Maines)
 Against: 0
 Abstained: 0

4. Midcoast Economic Development District (MCEDD)

MCEDD Board Chair John Shattuck and MCEDD Executive Director Jeff Kobrock were both in attendance. Mr. Shattuck explained that MCOG and MCEDD are now fully merged into one organization and are now called MCEDD. He said that since the County's four largest municipalities have already joined, the County just needs to decide whether to buy in to cover the services for the smaller communities (the remaining 14 municipalities). Since the county is on a calendar year and MCEDD is on a fiscal year, the county would pay \$0.75 per capita for the first half of 2016 (Jan – June) and \$1.25 per capita for the second half of 2016 (July – December).

Randy Stearns, who represents the Town of Camden, asked what projects MCEDD was actually involved in and what the activity was because hadn't seen anything happening. He said that MCEDD lays claim to the Ragged Mountain project but that was self-funded. Mr. Shattuck responded that MCEDD did not lay claim to anything and that the organization is charged by its charter to come up with a regional plan that names priority projects within the region. Doing so makes those municipalities eligible for applying for grants relating to those projects.

Assistant Rockland City Manager and Economic & Community Development Planner Audra Caler-Bell spoke to the importance of municipalities being members of an economic development district because it gives points towards the weight of grant applications. MCEDD also helps with the application process and helps municipalities get access to EDA funds. When the comment was made that Rockland was already a member of MCEDD and would therefore not receive any benefit from the County also joining, Ms. Caler-Bell acknowledged that this was correct.

Dorothy Meriwether explained to Mr. Shattuck that the Budget Committee has struggled with supporting economic development for years. Now that MCEDD has changed the funding formula, the Committee has become divided on the issue because those members of the Committee representing smaller communities know that if the County doesn't support MCEDD, the smaller communities won't have any economic development help. As a representative of a smaller community, Ms. Meriwether said that she felt like she was being strong-armed into buying in because MCEDD will not provide grant assistance to municipalities that do not pay the amount MCEDD wants. She noted that if the County does buy in on behalf of the 14 smaller municipalities in Knox County, the citizens of the four municipalities that have already bought in end up paying for it twice because the funds covering the 14 smaller municipalities would be divided up to be paid by all County municipalities through county taxes.

Mr. Shattuck stated that he thought Ms. Meriwether's statement was extraordinary considering the change in funding model was done to allow communities to buy in on their own instead of the County having to do it for them. He said that MCEDD was giving the County the opportunity to cover the other

towns not already bought in, and disputed the idea that the four municipalities that are already members would be paying twice. Commissioner Moody explained to Mr. Shattuck that Rockland, Camden, Rockport, and Thomaston would be paying a portion of the funding covering the other 14 municipalities through their tax assessment from the County, *on top* of what they had already paid to buy in for themselves, thus essentially paying twice for the same services.

When the question was asked whether anyone knew for certain that the four municipalities would be buying in again when they do their next budgets in June of 2016, Jeff Kobrock stated that all four have indicated that they are strongly committed to the organization. A few Budget Committee members voiced some concern about what would happen if the 4 municipalities eventually left MCEDD. That would mean that the County would have to pay even more to cover them. That's happened before when the County was a member of KWRED.

Administrator Hart asked about the other counties. Mr. Shattuck stated that Waldo County is proposing to pay \$3,000 and Lincoln County is not participating (*MCEDD did not actually put in a request for funding to Lincoln County*).

A consensus vote was taken by the Budget Committee on whether to approve the Midcoast Economic Development District's full budget request in the amount of \$21,459 (the new amount Mr. Shattuck gave at the meeting):

In favor: 3 (Nicholas Lapham, Bob Duke, and Gerald Zwick)
 Against: 3 (Dorothy Meriwether, Lawrence Nash, and Randy Stearns)
 Abstained: 1 (Shawn Levasseur)

A consensus vote was taken by the County Commission on whether to approve the Midcoast Economic Development District's full budget request in the amount of \$21,459 (the new amount Mr. Shattuck gave at the meeting):

In favor: 2 (Roger Moody and Carol Maines)
 Against: 0
 Abstained: 0

Mr. Shattuck, Mr. Kobrock, and Ms. Caler-Bell left the meeting.

5. Administration & IT

Dorothy Meriwether noted that Administrator Hart's explanation of all of the departmental budgets was well-written and asked if there were any questions.

Human Resources

When asked if the HR consultant (*Laurie Bouchard of LBouchard & Associates*) the County contracts with was still providing a high enough level of services for the amount being paid by the County, Administrator Hart answered yes but suggested that the commissioners be asked for their opinion. He noted that Ms. Bouchard is also going to be conducting an in-house review of the County compensation plan since it's been about 5-years since the original study was conducted. Ms. Bouchard is in the Administrative Office working about three full days a month (two full 8-hour days and two 4-hour days). Commissioner Moody commented that Ms. Bouchard helps keep the County in compliance in labor laws and helps the administrator deal with grievance issues, policy changes, etc.

IT

Commissioner Moody noted that the County had done an IT study a few years ago, which uncovered a lot of problems, but that Systems Administrator Mike Dean has been keeping up with the County's IT plan that keeps systems coordinated, integrated, and more efficient. Systems Administrator Dean noted that he follow industry standards for equipment replacement so no computer should be older than three to five years, depending on what it is being used for. Administrator Hart commented that there have been some problems with having adequate backup for IT so that Systems Administrator Dean can take

vacation time, use sick time, etc. He is the only IT person and he covers all County departments with some that are in operation 24/7. In 2016, the possibility of adding a second IT staff person into the 2017 budget draft will be discussed.

Legal

It was briefly explained that the Jail, Airport, and the KRCC all now have a legal line in their budget to cover their legal costs rather than the Administrative & IT budget paying for everything. The jail is the big driver on legal just because of the number of employees and the nature of the job. Administrator Hart commented that this was true for any county because there is just more exposure with a jail.

Commissioner Pay/Stipends

There was a discussion about the commissioner stipends/pay and whether the Budget Committee felt that the commissioners should receive an increase in 2016. A memo from Administrator Hart was reviewed that showed that Knox County was lagging behind the averages taken of similar counties. Some Committee members expressed interest in creasing the stipends but were concerned about giving the commissioners increases when the employees weren't getting a cost of living increase in 2016. Commissioner Moody agreed with them and said he did not want an increase since the other employees were not getting one either. Commissioner Maines noted that she felt the commissioners should get the increase. Administrator Hart commented that any increase in pay for the commissioners was not his decision to make so he had just put the 2015 amounts in the 2016 draft and it would be up to the Committee to decide what the commissioners would be paid in 2016.

A consensus vote was taken by the Budget Committee on whether to increase the commissions' pay:

In favor: 6 (Nicholas Lapham, Bob Duke, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)
 Against: 1 (Shawn Levasseur)
 Abstained: 0

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$478,073 + increase to commission \$1,750 pay = \$479,823:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)
 Against: 0
 Abstained: 0

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$478,073:

In favor: 2 (Roger Moody and Carol Maines)
 Against: 0
 Abstained: 0

6. Debt Service

Administrator Hart noted that the only change in the debt service is the interest on the bond, which has reduced almost \$400. It goes down every year and will be paid off in 2027.

A consensus vote was taken by the Budget Committee on whether to approve the Administrator's budget recommendation of \$222,132:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)
 Against: 0
 Abstained: 0

A consensus vote was taken by the Budget Committee on whether to approve the Administrator’s budget recommendation of \$222,132:

In favor: 2 (Roger Moody and Carol Maines)
 Against: 0
 Abstained: 0

7. Insurance

A consensus vote was taken by the Budget Committee on whether to approve the Administrator’s budget recommendation of \$99,888:

In favor: 7 (Nicholas Lapham, Bob Duke, Shawn Levasseur, Randy Stearns, Gerald Zwick, Dorothy Meriwether, and Lawrence Nash)
 Against: 0
 Abstained: 0

A consensus vote was taken by the Budget Committee on whether to approve the Administrator’s budget recommendation of \$99,888:

In favor: 2 (Roger Moody and Carol Maines)
 Against: 0
 Abstained: 0

Discussion of Final Votes and Procedure

There was a brief discussion about the procedure for the final votes that are taken at the meeting just prior to the public hearing. Votes will be taken on each individual department and funding request, one at a time. If the Committee feels that a department’s budget is high, a Committee member could make a motion for a smaller amount for the departmental bottom line, similar to how it is done at town meetings. If the committee makes a cut by an amount, it’s up to the department head and Administrator Hart to figure out what lines will be cut – not the Committee.

City of Rockland – County Budget Committee Representation

Administrator Hart noted that the City is likely recommending someone to fill the vacancy from Stephen Carroll’s resignation fairly quickly. If they have done so prior to the next budget meeting on November 5th, the person can be appointed at that meeting. That will put the Committee back to being a full board except that Bill Jones won’t be here again next week.

VIII. Adjourn

- A motion was made by Randy Stearns to adjourn. The motion was seconded by Bob Duke. A vote was taken with all in favor.
- A motion was made by Commissioner Carol Maines to adjourn. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

The meeting adjourned at 6:55 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 12, 2015.