

# KNOX COUNTY COMMISSION

## Special Joint Meeting Knox County Commission and Budget Committee

Thursday – November 10, 2011 – 5:00 p.m.

A special joint meeting of the Knox County Commission and the Knox County Budget Committee was held on Thursday, November 10, 2011, at 5:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The Administrative Office Administrative Assistant was present to record the minutes of the meeting.

Commission members present were: Carol L. Maines, Commissioner District #1, Richard L. Parent, Jr., Commissioner District #2, and Roger A. Moody, Commissioner District #3.

County staff present included: County Administrator Andrew Hart, Administrative Office Administrative Assistant Candice Richards, EMA Director Ray Sisk, EMA Administrative Assistant Donna Allen, Communications Director Linwood Lothrop, and Finance Director Kathy Robinson.

Budget Committee members present were: Ann Matlack, Bob Duke, Lawrence Nash, Randy Stearns, Dorothy Meriwether, Tina Plummer, Bill Jones, and Elizabeth Dickerson (*arrived at 5:05 p.m. and left at 6:33 p.m.*). *Budget Committee members not present: Mason Johnson.*

Also present were: Building Maintenance Supervisor Don Decker (an employee of MREM); Paul Cook, President of Maine Real Estate Management, LLC; Jesse McCue, Manager, Maine Real Estate Management, LLC; and Maine Coast Economic Alliance Executive Director Justin Holmes (*arrived at 5:12 p.m.*).

### Special Meeting – Agenda

Thursday – November 10, 2011 – 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 Budget Review Meeting of November 3, 2011.
- III. 5:03 Public Comment**
- IV. 5:05 Budget Committee/Commission Comment**
- V. 5:10 Budget Review**
  - 1. Communications (pgs. 32-35)
  - 2. EMA (pgs. 16-18)
  - 3. Building Maintenance (pgs. 11-12)
  - 4. Debt Service (pg. 28)
  - 5. Insurance (pg. 28)
- VI. 6:30 Adjourn**

#### **I. Meeting Called to Order**

The November 10, 2011 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. Joint Budget Meeting of November 3, 2011.  
Chair Bob Duke asked for a motion to approve the minutes.
  - Dorothy Meriwether motioned to approve the minutes as presented. Lawrence Nash seconded. A vote was taken with 8-0 in favor (Plummer, Matlack, Meriwether, Duke, Nash, Dickerson, Jones, and Stearns). The motion therefore passed.
  - Commissioner Richard Parent motioned to approve the minutes as presented. Commissioner Carol Maines seconded. A vote was taken with all in favor: 3-0 (Maines, Moody and Parent). The motion therefore passed.

#### **III. Public Comment**

There was none.

#### **IV. Budget Committee / Commission Comment**

Committee Chair Bob Duke asked the Committee and Commission if any of the members had any matters that needed to be brought up and addressed.

Maine Coast Economic Alliance (KWRED)

There was a brief discussion about the Committee's comments previously about MCEA and whether or not to fund the request at the 2012 amount requested, at the 2011 amount granted, or not at all. There had been some reluctance or reservations amongst the Committee because of a fairly significant change in mission and not all Committee members were sure that they really understood what MCEA actually did for the County.

Time & Tide RC&D

Commissioner Parent brought up the issue of Time & Tide's funding request because he had not been at the meeting the week that Time & Tide was discussed. He said that he found out later that he was apparently supposed to be the one to show up and make the presentation. The Committee had been unaware that Commissioner Parent was the one going to do that and Commissioner Parent replied that he hadn't known either. He asked if he could talk about it today. No one had any objections.

Airport – Efficiency Maine “Refund”

Dorothy Meriwether brought up the issue of the definition of the money put in the Airport budget that was from Efficiency Maine. She was unhappy with the way it was worded in the minutes from the previous meeting. She didn't think it was a “refund” but rather a “cash incentive program” to put towards projects that support efficiency. She had a problem with it being put under building maintenance anyway and didn't think it should be a refund because she felt it totally skews the line. Ann Matlack explained that Efficiency Maine does do refunds. Other Committee members commented that Efficiency Maine does give you money after you've already spent it up front. Administrator Hart said that if it was expended out of that line and Efficiency Maine gave us cash back it would offset the expense by going back into the line. Insurance works the same way – if you spend money towards an expense and you get money back, it goes back into that line. Finance Director Robinson said it's not like a rebate, so it's not really a true offset. This does not happen very often and this time it just happens to be a large figure so it stands out. With a new building there are going to be a lot of one-time start-up costs that affect the first budget but don't affect future budgets.

**V. Joint Meeting with the Budget Committee for Review of the Proposed 2012 Budget.**

**Departmental Budgets:**

Communications

Communications Director Linwood Lothrop gave an overview of his department's budget:

Contractual services:

- Increase in dues for memberships in organizations,
- Electricity increasing for remote tower sites,
- Maintenance contract \$28,740 for the year for service calls (4-hour turn-around). It's hard to find a company that guarantees a 4-hour turn-around. This is for all tower sites and the communications center.
- Computer GIS maintenance software which is just \$16 more than last year (software licensing etc.),
- Repairs/Other (FCC license) – 4 new licenses.

Commodities:

- Heating fuel is for the LP gas used to run the generators at the remote sites. The fuel has to be airlifted via helicopter, which is done once a year.
- Replace one chair for the communications center each year so that the oldest chair is no more than four years old. They are expensive because they have to be quality, ergonomic chairs since they accommodate a range of weights and sizes of employees, and are used 24/7.

Capital:

Director Lothrop explained that equipment upgrades and replacements are absolutely necessary to maintain the current system but the County also has to be working towards reaching a level of technical capability required by the State in the coming years. There will also be National standards that the County needs to aspire to meet. Some of the money currently listed in the capital section of the budget will be covered by the bond referendum (battery backup and microwave upgrades). The figures were put in the budget in case the bond did not pass, rather than inserting the numbers in later.

Budget some now vs. Budget entirely later for anticipated expenses

There was a lengthy discussion regarding whether it was better to budget each year in anticipation of larger expenses in the future rather than funding it all at once in one budget year. A couple committee members felt that putting money in the budget now for anticipated expenses down the road is creating “slush funds”. Director Lothrop said that he's been criticized in the past for not budgeting in advance for larger expenses he's anticipating down the road.

There were some questions about surplus and how those funds are used and whether or not you can actually see that reflected in the budget. Finance Director Robinson said that surplus funds are often used for expenses not budgeted for so you're not going to see that in the budget unless the entire budget is offset by the surplus to lower the amount of taxes assessed to the towns, like the Committee voted to do a few years ago. The County tries to keep around 10% surplus as contingency. Director Lothrop said that he was trying to keep operating costs from spiking by budgeting a little in advance each year. Ann Matlack said that if you save up for the large purchases moderately over a long period of time you avoid whiplashing the taxpayers when you get to the year when the purchase is actually made. The bond referendum is not going to cover all communications needs and it's wise to budget in advance. Finance Director Robinson commented that Director Lothrop really needs to build his surplus so her suggestion was to put extra money in surplus instead of building up a reserve account for those future expenses.

Tina Plummer suggested reviewing the 5-Year Capital Improvement Plan in more detail at some point in the year. Bob Duke suggested doing it at one of the quarterly meetings.

Straw vote: 7-1

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, Dickerson, and Stearns

Not in support of budget as is: Jones.

**Emergency Management Agency**

EMA Director Ray Sisk did an overview of his department.

Contractual:

Telephone line is up because of the need to increase the number of phone lines to support the CityWatch system. EMA got a homeland security grant to buy the equipment and the system. All the County pays for is the phone lines. If the installed lines are used then there's no cost because the County already own the system. If EMA needed to do a large wide-scale call out to the public where the County would need to use outside phone lines beyond the ones already owned by the EMA office, then the County would have to pay for the use of those lines. Director Sisk said that he hoped to be able to offer the system to schools or municipalities for a small fee to help offset costs. The system would eventually pay for itself.

EMA is using more vehicle fuel than before because EMA now has its own response vehicle. Towing the response trailers uses a lot more gas than just using the vehicle to attend meetings. Not a lot of big increases to the budget overall.

Straw vote: 8-0

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, Dickerson, Jones and Stearns

Not in support of budget as is: None.

**Building Maintenance**

Administrator Hart introduced the Paul Cook, Jesse McCue, and Don Decker from Maine Real Estate Management, LLC, which is the contractor currently providing building management services to the courthouse and the airport. He then gave a brief overview of the building maintenance budget.

Contractual:

- Cleaning and building maintenance contracts are 3-year contracts with a set price for each year.

Capital:

- A lot of projects were completed in 2011 with the help of Energy Efficiency and Conservation Block Grant. The Commission also voted to pay for Cupola and Chimney repairs out of the Courthouse Building Reserve.
- Picking away at replacing the worst windows in the courthouse. Paul Cook said that with a 30-year return on those, they shouldn't necessarily be a priority compared to some of the more pressing projects that need to get done sooner.

Straw vote: 7-0

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, Jones and Stearns

Not in support of budget as is: None.

*(Note: Elizabeth Dickerson had left the meeting by this point and was therefore unavailable to vote.)*

**Building Maintenance – 301 Park Street**

Administrator Hart explained that some expenses will have to be paid right away while others will be all year, or maybe just later on in the year. It's unknown at this time when the three departments (Patrol, EMA, and the KRCC) will end up moving in. The County can't start working on the building until actually taking ownership of it. It's also not yet known when Village Soup will end up moving out.

Mr. Cook commented that these numbers are based on industry standard usage numbers for one year, and are not prorated. Finance Director Robinson said that there are no incidentals (like white boards, buckets, clocks, etc.) built into this budget. Some of this money will be used immediately in January.

Straw vote: 6-1

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, and Jones  
Not in support of budget as is: Stearns.

**Debt Service**

Finance Director Robinson explained that the amount shown in the budget should actually be \$15,000 (rather than the \$25,000 that's currently in printed copy of the budget).

Straw vote: 7-0

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, Jones and Stearns  
Not in support of budget as is: None.

**Insurance**

Administrator Hart explained that this is the premium for the County's insurance through the MCCA Risk Pool. It is down 8% this year. All counties in Maine use this insurance. There are some counties looking to find other pricing, but the problem is, if some counties pull out of the Risk Pool, it could affect the pricing for the counties that stay. Knox County has also been approached by independent agencies who indicated interest in offering insurance but never returned for the information they had requested to be able to give the County some prices, which didn't inspire much confidence.

Straw vote: 7-0

In support of budget as is: Plummer, Matlack, Meriwether, Duke, Nash, Jones and Stearns  
Not in support of budget as is: None.

**Health Insurance**

Administrator Hart said that he emailed the Commission and Committee previously to let them know that the health insurance is at 8.8% instead of the projected 16% so that will be reflected in the next draft of the budget.

**Upcoming meetings**

Administrator Hart said that the Commission and Budget Committee could meet the 17<sup>th</sup>, the 22<sup>nd</sup>, or both. The Commission is meeting Monday the 14<sup>th</sup> to look at funding options for the personnel services but it was uncertain how clear things will be to be able to make any decisions to bring before the Committee. It was agreed to meet on the 17<sup>th</sup> and if the administrator feels prior to the 17<sup>th</sup> that things are not ready, the Committee and Commission will meet on the 22<sup>nd</sup> instead.

**Health Insurance – Grandfathering**

The issue of employees being grandfathered was brought up again. Some of the comments were that this should be corrected while making the other changes with the compensation plan so that employees could finally all be treated equally at once. It was suggested that if now was not the time to make that change then employees should at least be notified of when the change would take place so that they will be aware that the change is coming. Currently there are 26 out of about 110 employees getting full family coverage. Those employees are being treated at a higher level than other employees just because they've been working here longer. The grandfathering has lasted for ten years. It was suggested that a good date for that to end might be January 1<sup>st</sup>, 2013.

Commissioner Maines commented that the Commission had agreed that it wouldn't be right starting it January 1<sup>st</sup>, 2012 because that is too quick of a change, but felt that it would need to be looked at as happening fairly soon in the future.

**Time & Tide RC & D**

Commissioner Parent explained that Time & Tide has undergone some major changes in the last six months. There used to be two full-time Federal employees that provided grant-writing, which is a big part of the organization. There also used to be a federally paid receptionist. Individuals would come to Time & Tide with an idea for a project and then the grant writers would go looking for grants. Everything is now being done by volunteers. Time & Tide is hoping to hire someone to help with grant writing on a project by project basis. The Federal government also took away the office space it was supporting so now Time & Tide no longer has an office. The money the organization depends on is going to be stretched even farther. There are a lot of projects currently being worked on and although the organization is struggling financially, it is definitely not going away. There are six counties that are being covered by Time & Tide: Androscoggin, Sagadahoc, Waldo, Knox, Kennebec and Lincoln. Lincoln County has agreed to fund it and Waldo probably will too. Time & Tide has asked for the same amount of funding from each of the six counties.

\$3,625 is the request for 2012, which is the same as 2011.

Administrator recommends: \$0

Straw vote: 5-1-1

In support of budget of \$3,625: Plummer, Matlack, Meriwether, Duke, and Nash

Not in support of budget of \$3,625: Jones.

Abstained: Stearns

#### Maine Coast Economic Alliance

Dorothy Meriwether asked about the straw vote taken on MCEA at the October 27<sup>th</sup> meeting. Bob Duke said that he had been reluctant to support it at the level asked for but felt he would go with the overall opinion of the group and was swayed by Dan Bookham, Executive Director of the Penobscot Bay Regional Chamber of Commerce. Randy Stearns expressed his difficulty of supporting economic development at the county level when Camden is already spending money on an economic development director and a town manager with an economic development background. He felt that it was redundant. Bob Duke commented that there are smaller towns that do not have the money to pay for additional economic development support that need the entire Committee to have more of a global outlook beyond a single municipality.

Commissioner Moody commented that economic development is really in layers/levels. Some organizations have a more regional outlook while others focus on rural or others focus on urban areas. We need to be looking more regional instead of towns only worrying about themselves. There may be some duplication that needs to be streamlined but we're discovering that we can't do this as individual towns but rather as districts. Bill Jones said that he didn't think that these economic development groups are as effective as people think they are. He felt that the Committee needs to focus on what county government does – to run the Sheriff's patrol, the airport, pay the employees what they should be paid, and fund what it is that the County should be funding. He didn't feel that the County should be funding MCEA or Time & Tide.

MCEA Director Justin Holmes offered to tell the Committee and Commission what he worked on in the last week just to give an idea of what he does. He said that he worked with three different businesses in smaller communities with completely different needs. Those communities did not have the financial ability to be providing those types of services to those businesses. MCEA helps local economic development directors to think more regionally. If we don't all work and think regionally we lose whatever edge we might have over other counties or states. Dorothy Meriwether asked if MCEA is in communication with the town level economic development directors. Mr. Holmes replied that they are in contact with each other and they meet monthly. He added that he is making an official request to Waldo County thanks to the Belfast economic development director pointing to Knox County and the work being done here.

## **VI. Adjourn**

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

The meeting adjourned at 7:54 p.m.

Respectfully submitted,

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Candice S. Richards  
Administrative Assistant

**The Knox County Budget Committee and Knox County Commission approved these minutes at their joint meeting on November 17, 2011.**