

KNOX COUNTY COMMISSION

Public Hearing - Budget

Thursday – December 1, 2011 – 6:00 p.m.

A public hearing on the proposed Knox County Budget for 2012 was held on Thursday, December 1, 2011, at 6:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The Knox County Budget Committee and the Knox County Commission met following the public hearing.

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 L. Hart, Administrative Assistant Candice Richards, Sheriff Donna Dennison, Chief Deputy Tim Carroll, Communications Director Linwood Lothrop, EMA Director Ray Sisk, EMA Administrative Assistant Donna Allen, EMA Don Grinnell, Finance Director Kathy Robinson, Probate Judge Carol Emery, Register of Probate Elaine Hallett, Register of Deeds Lisa Simmons, Deeds Clerk Madelene Royer, Patrol Administrator Kirk Guerrette, and District Attorney Geoffrey Rushlau.

Budget committee members present were: Ann Matlack, Dorothy Meriwether, Lawrence Nash, Elizabeth Dickerson, Bob Duke, Tina Plummer, Randy Stearns, Mason Johnson, and Bill Jones (*participated via conference call.*)

Also present were: Laurie Bouchard, HR consultant; Maggie Trout, Resident of Rockland; Steve Betts of the *Herald Gazette*; Donald Grinnell, Washington Selectman; Esperanza Stancioff, Extension Professor of the University of Maine Cooperative Extension; Robert Moors, Resident of Rockport; Gordon Page, Resident of Owls Head; Sumner Kinney, Resident of Thomaston; Wes Daniel, Resident of Washington; John Stewart, Resident of Washington; Cynthia Rosen, Resident of Washington; Charlie Jordan, Resident of Rockland and the Rockland Fire Chief; Ed LaFlamme, Resident of Warren; Karen Poulin, Resident of Union; Greg Grotton, Union Selectman; Andy Vaughn, Resident of Warren; and Grant Watmough, Warren Town Manager.

Knox County 2011 Budget – Public Hearing and Final Budget Meeting

Thursday – December 1, 2011 – 6:00 p.m.

- I. 6:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Roger Moody for the Knox County Commission)
- II. 6:01 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 17, 2011.
- III. 6:03 Opening Remarks – Bob Duke, Chair**
- IV. 6:05 Public Hearing**
 1. Chair Duke Opens Public Hearing on the 2012 Proposed Knox County Budget.
 2. Chair Duke Closes Public Hearing.
- V. Budget Committee Vote on 2012 Budget**
 1. Vote to Approve 2012 Budget and Transmit to Commission.
- VI. Commission Vote on 2012 Budget**
 1. Vote to Approve 2012 Budget.
- VII. Adjourn**

I. Meeting Called to Order

Budget Committee Chair Bob Duke called the December 1, 2011 Knox County Budget Committee meeting to order at 6:00 p.m.

Commission Chair Roger Moody called the December 1, 2011 special meeting of the Knox County Commission to order at 6:00 p.m.

II. Approve Minutes

Approve the minutes of the Budget Review meeting held on November 17, 2011.

- A motion was made by Lawrence Nash to approve the minutes. The motion was seconded by Ann Matlack. A vote was taken with all in favor.
- A motion was made by Commissioner Maines to approve the minutes. The motion was seconded by Commissioner Parent. A vote was taken with all in favor.

III. Opening Remarks

Budget Committee Chair Bob Duke

The following statement was read by Bob Duke:

“The current budget process begins in August with department heads presenting their individual budgets for the calendar year of 2012. In September our County Administrator and Finance Director review each departments request and with some revenues or expenses make changes to their requests. On October 13th the County Budget is released to our committee to begin doing our individual review. Beginning on October 20th and pretty much every Thursday since the full budget review sessions took place with discussion between our Commissioners, our Administrator, our Department Heads, and the Budget Committee.

Unlike most other Counties, the Budget Committee has more control over the final budget. After this hearing our committee will approve either the Budget in its present form or make changes to it. The Board of Commissioners will then either vote our version or may make changes. If changes are made by the Commissioners, the Budget Committee will either approve the Commissioners Budget or override the Commissioners changes.

Where our committee spent most of their time discussing:

1. The results and proposed implementation of the Compensation Study, which many of you are here to talk about.
2. The capital expenditure to upgrade the information technology in this building, recommended by the County/s IT vendor.
3. The future expenses of 301 Park Street, which is the former Courier Gazette/Village Soup building, being purchased by the County to house the Emergency Management Agency, the Sherriff’s department, and the E911/Communications department. When will the County actually take possession of the building and when departments will actual occupy the building have an effect on this budget.
4. The further outfitting of the Communications Dept. with the multiple towers and base equipment needed to insure that there are no dead spots for our emergency departments around the county.

That is where we spent most of our time and I can tell you that the Budget Committee has strong feelings on each side of these issues and that is why this Public Hearing is so important.

I will now open the Public Hearing to those of you in the audience to speak either for, against, concerns or questions about any part of the Budget. If your comments are not of a question or concern I will ask both the Commission and Budget Committee to refrain from engaging into a discussion to that point. Any questions or concerns will be answered as best we can. Please wait for me to recognize you and give us your name and town in which you reside.”

IV. Public Hearing

Question/Comment Period:

The public hearing portion of the meeting commenced at 6:09 p.m.

Sumner Kinney from Thomaston

Mr. Kinney stated that he was opposed to the wage scales as presented. He didn’t feel that the Commission or Committee members were considering their constituents when coming up with the numbers. A lot of his tenants are jobless. The EMA Director has a 41% increase which is inappropriate. He expressed some confusion about why department managers gave themselves 6% increases but yet the Commission and Budget Committee had much higher figures. The Sheriff wasn’t receiving an increase at all, and he was not sure if no wage increase is appropriate. Department heads seemed to be getting much higher increases then their employees. He felt that net budgets should be directly proportionate to the number of employees so he did not understand why the EMA budget was so high when there are only two employees. He also felt that since the Sheriff has the largest budget and the most employees she should not be going without an increase.

Bob Duke asked meeting attendees how many people were present because of concerns over the compensation study. A large number of hands went up. Mr. Duke noted that part of the problem was that the media had not attended the budget meetings where a lot of this was discussed. He felt that Steve Betts from the Herald Gazette had “failed” in his news article because if he had attended the meetings, the information wouldn’t have been so misrepresented. Mr. Duke asked Administrator Hart to do a brief presentation because otherwise everyone will have the same questions.

Administrator Hart explained that when the study was started, it included all elected officials. At one point we had an option to provide 2 COLA increases because one wasn’t given in the 2011 budget. The commission and budget committee decided that that money should be used to put the employees on the proper step. Elected officials requested to not be part of the study, so since the COLA’s were removed, it meant the elected officials did not get any increase.

Commissioner Moody asked Administrator Hart to give a brief overview of the compensation study and the process.

Administrator Hart explained that during union negotiations, it was brought up that the employees felt that they were not being paid as much as employees in other counties. At a budget meeting in 2009, it was discussed that it would be a good idea to do a total compensation study (pay and benefits). An organizational study had also been discussed, which the Commission thought should be done first. The organization study was done in 2010. The organizational study resulted in several positions being eliminated and another position was changed to part-time. The compensation study was put in the 2011 budget by the Commission and Budget Committee and was conducted during 2011. After receiving the study report from Gary Thornton of Thornton & Associates, the County looked at employee's related past work experience to calculate the salaries for 2012.

Mr. Kinney commented that the EMA's Director's increase brought him up to the same level as the Sheriff but the Sheriff has a completely different level of responsibility.

Greg Grotton – Selectman for the Town of Union

Mr. Grotton expressed his anger over the increases. He said that he was not saying that the employees don't deserve the money. He has worked with them before and respects them. However, he felt that this is too much to be paid out at once. He asked if it could be phased in over time instead. Town employees in Union haven't had a pay raise in 2 years so he didn't know how he would be able to justify to the Town of Union why the County approved the pay raises. He asked that the Committee and Commission think about it and think about the people. The State has cut back General Assistance and that has to be covered by the town. The County will use up the surplus and then have to pay the employees even more next year if they are given any further increases.

Gordon Page – Owls Head (read a prepared statement)

"My name is Gordon Page of Owls Head. I sent an email last week to the county administrator; to each of the county commissioners; and to the members of the budget committee; to let you all know how I feel about the proposed percentages of the increases. I appreciate the fact that a few of you took the time to respond, either in writing or in person. It is important to me that those who did respond, regardless of your position on this matter, be recognized, because it is clear to me by your response that you are truly interested in what taxpayers have to say. So thank you to Ms. Dickerson; Ms. Matlack; Mr. Stearns; Mr. Duke; Mr. Jones; and Mr. Moody; for reaching out to me. I know some of the people who are Knox County employees who will receive the proposed pay increases. They are fine, hard-working, and dedicated employees of the county. Perhaps they deserve a pay increase. Who doesn't? It is not my intent to get into the job positions, or the personalities, or the respective responsibilities of those involved in these proposed increases, and it's too bad that individuals have been singled out in the local press. But had it not been for the news coverage, most of the taxpayers in Knox County would not know about the reported \$280,000 which is budgeted for pay increases next year. My background is in private sector management, with a wide variety of business experience in different industries. Private companies make decisions related to pay levels throughout the year for any number of people, with the intent to provide fair and reasonable compensation for work performed. Clearly, there are people who are employed by Knox County who are below what might be recognized as fair compensation based on independent studies. But fair compensation adjustments must be balanced with reasonable pay adjustments. My concern is that in your enthusiasm to rectify the situation, those of you who deliberate these matters may be neglecting to consider what is fair and reasonable for the taxpayers of Knox County. In your effort to provide additional income to the handful of employees scheduled to receive pay increases of 10; 15; 20; 25 percent- have you considered the impact on the taxpayers who pay these salaries on behalf of the 40,000 county residents? As I said in my email to you all last week - it is not the dollars I begrudge the employees - it's the percent of the increases I begrudge the county decision-makers. The unusually high increases, as presented, are out of line. Honestly, I am all for anyone earning as much as they possibly can; but any more than 3 to 5% given by management to a non-income generating position in a single year is careless, outrageous, unfortunate, and unnecessary. I urge you to rethink the proposed increases, and I ask you to adjust the increases to levels that are reasonable and fair - for the taxpayers. Thank you."

Cynthia Rosen – Washington

Ms. Rosen first asked if this budget included the debt relating to the bond referendum. The answer from Bob Duke was no because that will be in next year's budget (2013). Ms. Rosen then read off several years worth of census numbers relating to the average yearly wage for residents in Washington, which was dropping every year. She said that Washington made up 38.2% of the population and its citizens can't afford to pay for those pay raises. Every year public assistance increases. The taxpayers have to tighten our belts and so does the County.

Don Grinnell – Selectman for the Town of Washington

Mr. Grinnell expressed some confusion on how to read the first few pages of the budget. He in particular wanted to ask about Page 6, *2011 Tax Cap effect on 2012 Budget*. The copies of the budget

did not show color, which was one indicator of there being a negative number, so Mr. Grinnell misunderstood and thought that the County was going over the LD1 limit, but it is actually under.

Sheriff Donna Dennison

Sheriff Dennison stated that she had concerns about a few of the high raises in the budget. She said that she oversees about 65 employees because the total numbers includes the jail employees. She felt that she could speak for other elected officials about this. She said that they did not mind not getting a raise but that they did not understand why the EMA Director and the Communications Director were getting such high raises. She said that her people put their lives on the line and that they have a hard time finding good people. She also noted that the IT person didn't get a raise either, and asked why that was.

Bob Moors – Rockport

Mr. Moors said that if you look at the bottom line of the budget and you say it's 0.05 percent, that's not really a big deal, but if you look at the salaries paid, how does that match up? It is because the County intends to take it from surplus. There are people who are going to need food and heat and that's where that money should be going. He said that if he was getting a 40% increase, he wouldn't be able to sleep because he knows there are people having trouble eating or having heat. It's why people leave the state. We aren't looking after our fellow man. He said that it bothers him immensely and that maybe Mr. Betts didn't do all his homework but he brought it to light and the people are mad.

Madelene Royer – Rockland – also an employee of Knox County

Ms. Royer said that she had decided to come to the meeting because she was perplexed. In the 2011 budget, a whole department and several employees were cut to save money, as well as another employee was cut back to half time in the Registry of Deeds where she also works. The employees understood that it was a sign of the bad economy. She was wondering what has changed from last year to this year to where the County was able to now hand out all these pay increases. She said that she had thought that the point of the study was to fix things so that the lower paid employees would be brought up to the level they should be. Corrections employees end up leaving here and go work elsewhere for more money. She added that it was insulting that the sheriff isn't getting a raise. Employees like Register of Probate Elaine Hallett aren't getting raises either, even though she's worked here close to 30 years. Ms. Royer said that she was not impressed with the study at all. The County shouldn't insult the people who have worked as long as they have for the County. She said that she didn't see why this year is so different than last year that we're willing to empty out surplus to give raises after making all the cuts the previous year.

Charlie Jordan – Rockland – Fire Chief for Rockland

Chief Jordan asked if the Commission and Budget Committee believe in the results of the study. He said that if they do, then that means that the County has been living off of those employees working for less than what they're worth. If the Commission and Budget Committee don't believe in the results of the study, then clearly the whole process has been so poorly handled that that you have employees who are upset and are now employees are being blamed by meeting attendees for people freezing to death this winter.

Maggie Trout – Rockland

Ms. Trout said that she agreed with what the others have been saying, but that the main reason she was at the meeting was because of Page 27, *Misc*. There is still an allotment being given to Time & Tide but from everything she had read in the minutes and her own research, it seems like a defunct entity. She requested that consideration be given to not giving Time & Tide the funding currently in the budget draft (\$3,625). She hoped that the Committee and Commission have done due diligence and recognize that it's very real money. She added that did not understand why the Maine Coast Economic Alliance is getting any money at all. KWRED has been funded for many years by the County but KWRED/MCEA is not a governmental entity and the kinds of services that they claim to provide, are in fact available through governmental entities. There had been a lot of discussion (based on the minutes) that there were a lot of questions about what MCEA actually does and who they are. It doesn't seem like they have done much to actually enhance the County. Justin Holmes is the executive director and a consultant with Eaton Peabody. Did you see the annual reports and financials to support the Alliance's appropriateness to be given money from the people? We can't just let things continue just because it has. Why is the county giving money that is going to be used for salary and services that is going to be undocumented?

Commissioner Moody said that he would try to answer some of Ms. Trout's questions. He said that in his role as County Commissioner he serves on the Board of Directors for the Maine Coast Economic Alliance, which is made up of municipal and other officials as well as private sector who are interested in economic growth within the County. Some empty buildings in Belfast and Rockland helped with getting businesses move in. MCEA has changed their mission a bit and there has been a discussion about whether or not it's appropriate to give them funding. We wanted to give them another year to see if they're actually effective but didn't want to take away all funding – gave them less than last year. The state is doing less economic development now.

Bill Jones commented that it was not true that all members agree that the reduced amount is appropriate for KWRED. The Committee feels that the County should support economic development but there were some members of the Committee that felt that some of the agencies like MCEA, and even Time &

Tide, are not conducting core County services and therefore the County should not be giving them funds.

Mason Johnson stated that he has served in public service, either at the county or municipal level, for many years. People have a tendency to want to act now on things that will put us in the position that we want to be in, but it doesn't always work out that way. Taxes are going up and health insurance is always going up. If employees are paying high insurance rates, the employer can't be taking away from the wages or the employees can't afford the health insurance. You can't take from both piles. He added that he didn't think the County should be giving agencies money when they didn't bother to even ask for it (*he's referring to Time & Tide*).

Maggie Trout – Rockland

Ms. Trout said that she appreciated Commissioner Moody's comments but that what she was looking for is documentation of the value of what the organizations are getting done, what services are being given. She said that she didn't understand why MCEA is getting so much money compared to the other economic development groups.

Bob Duke said that he was the one who said he wouldn't know KWRED (MCEA) existed if he wasn't on the Budget Committee. However, he said that the organization has done a lot of good in the past with getting larger employers into the area, which has created a lot of jobs locally. One bad year of not really understanding MCEA's mission did not make him want to vote against funding the organization. He added that he felt the Committee needed to see how things go with MCEA's change in mission before withdrawing funding.

Andy Vaughn – Warren

Mr. Vaughn stated that he can see a lot of people in the community struggling financially. People are fixing their tractors, not buying new ones. Farmers are hurting. He acknowledged that the KRCC and EMA are all doing a good job providing services but that he would feel better about salaries going up if it was an across the board increase and not just specific people getting significant raises. He felt that it would be a lot better if the corrections officers got raises instead of the department heads. He did not have anything against the EMA or Communications directors but felt that the County should lower their increases and buckle down some.

Eddie LaFlamme – Warren

Mr. LaFlamme said that he had done income studies on his own. He implored the Commission and Budget Committee to realize that there are more liens on properties and more people filing for bankruptcy because people cannot pay their bills. Unemployment is at 8%. He said that 50% of people are either under-employed or have fallen off the unemployment list. He said that while the Committee and Commission are doing a very tough job, their public relations stinks. The people are angry and if the County is going to give a 40% increase to somebody, it should at least be phased in over a three-year period. He added that towns can't give their employees cost of living increases and yet the County spent a ton of money to do the study in the first place and is now giving some employees huge raises.

Lawrence Nash stated that he had a letter from Ken Keiran who was unable to attend the meeting but who wanted to voice his opinion. Mr. Nash asked that the letter be entered into the record:

“My name is Ken Keiran. I own Union Farm Equipment and I am a resident of Appleton. I come before you this evening to voice my vehement opposition to the \$280,000 of pay raises included in the current budget. Considering the nearly 10% unemployment rate and the difficulties many of us are having make ends meet, I think it is obscene that we are even considering an increase of this magnitude. My wife and I have not had a pay raise in four years, and none of the employees of Union Farm Equipment have had a pay raise in two years. However, when asked, I am told that my employees are thankful to have a job with benefits and that we must all work together to get through these difficult times. This same philosophy needs to apply to our County employees as well. I know we are not alone with our salary freeze and since the costs of everyday goods continue to go up, many of the residents of Knox County have less real income this year vs. last year (or the year before or the year before that!). The only way we are going to raise an additional \$280,000.00 is to increase taxes or some other incoming revenue source such as fees. Given the horrid state of the economy, I ask you to consider the increased financial demand this motion will place on the people of Knox County. The newspaper includes countless articles about people reaching out for heating oil assistance, unemployment assistance, food stamp assistance and various other forms of aid. I would think that given the difficulties most people are experiencing, this motion should be, at a minimum, tabled if not simply voted down. Thank you for your time. Please, do the right thing for the residents of Knox County and reject this unreasonable request.”

Karen Poulin – Union

Ms. Poulin said that she had read in the minutes from the October 20th meeting about the two COLA's the Commission had originally put in the budget. She asked if those increases were going to be across the board.

Commissioner Moody explained that this had been a proposal considered early on in the process but was eventually taken off the table.

Dorothy Meriwether thanked everybody for coming. She said that despite what a few people have said, the Committee members are elected to represent the voters. Part of the way the study was structured was to totally remove any subjectivity from the process. Knox County was compared to every single county except one, some municipalities and some private companies. Everybody is picking on EMA because of the percentage of increase in the director's salary. The increase is a reflection of the fact that this department has been underpaid, both the current director and the previous one. The problem is, if you single out a few individuals or departments and say you're not give them an increase as much because it's more than someone else's, then every time the County does an increase in the future, those who were still set back from not getting their original increase from the study will continue to be behind. She felt that the public had no idea how much the Committee struggled with this. She said that this was the most equitable use of the funds. If the Committee had applied a COLA increase across the board instead of doing it based on past experience, etc., the Committee would probably have been applying over \$200,000 anyway just for the cost of living increases. Yes, it looks like a lot but this is a unique situation. The overall budget is .05% increase, which is amazing. She said that it's mind-boggling that the department heads have been able to do such a wonderful job at keeping their budgets low. To correct these huge inequalities in employee's pay and yet still have such a low increase in budget, is amazing.

Bob Duke commented that the Committee understands very clearly how many folks are hurting financially. He said that he has been on the Committee for 6 or 7 years and historically the Committee has tried to negotiate down the wage increases every year. The increases in the 2012 budget are the culmination of those decisions from previous years. If the County does not fix this now and get these employees paid the right amount when the County will have the 301 Park Street building to work with next year, then the employees will never get paid at the right level. The increases in the 2012 budget are in part based on the fact that those employees came to work here with a large amount of past experience. This should not be a political decision. The Commission and Committee have managed this budget for years very well and have not had major increases. It's a negative increase this year just like last year.

Greg Grotton – Union

How much surplus did you use to do that, though? Are you going to have that much surplus next year? If you do, then you aren't doing your job to begin with because you're charging us too much! What do I tell the employees of Union when they don't get another raise for three years in a row? If we did a study we would find our employees aren't paid enough either, but we're trying to be realistic. I commend you for having to do this tough process. It's a hard job. We need to look through the glass and look at everybody.

Madelene Royer – Rockland – also an employee of Knox County

Ms. Royer asked if the Union is satisfied with the raises.

Bob Duke said that he wasn't able to answer that.

Ms. Royer said that if the Study was done specifically because of the union employees, then it's important to know what their opinion is.

Administrator Hart commented that it is difficult to answer that question because of new unions being formed at present and the newest union hasn't met with the administration yet.

Dorothy Meriwether commented that she happens to be very concerned with drawing down surplus to dangerous levels. Maine statute determines how much needs to be returned to the voters and she did not believe this was a dangerous drawing down of the County's surplus.

Bob Duke commented that State law requires 20% of our budget be surplus and that is what is there.

Randy Stearns thanked the meeting attendees for showing up. He suggested that in future years, members of the public could come to the meetings prior to the public hearing so they could hear the discussions. He said it would help the public to understand the process and what the Committee is doing. It's a lot of information to wrap your arms around in one night when it's work that the Committee has been working on for the last couple months.

There was no other public comment.

Public Hearing Closed:

The public hearing portion of the meeting was closed at 7:39 p.m.

V. Budget Committee Vote on 2012 Budget

Vote the bottom line – the Budget Committee responsible for setting the bottom line.

- A motion was made by Dorothy Meriwether to approve the 2012 Knox County Budget as proposed in the total amount of \$9,323,507 and a net amount of \$7,479,474 and transmit the 2012 Knox County Budget to the Knox County Commission. The motion was seconded by Ann Matlack.

Committee Chair Bob Duke asked for comments from the Budget Committee.

Lawrence Nash said that the Committee that the department heads submitted their own budgets but the administrator and commissioners decided they knew better. EMA Director Ray Sisk and Communications Director Linwood Lothrop did not give themselves those huge raises in their budgets. They only had increases of 6%. He said that he was not a real fan of studies. He did not feel that he was prepared to vote for it and that he would like to go through the figures and come up with some different numbers.

Randy Stearns commented that he had expressed some heartache over some of the votes. He just couldn't support the salary increases. All he has heard from members of the public is negativity over the budget because of the increases.

Ann Matlack stated that she has been on the Budget Committee for several years. She said that she supported the results of the wage study because for many years, going back 10 or 15 years, the employees in this county especially in the Sheriff's Department have been ill-served and are always the bottom paid employees, union or not. There are a lot of employees who are receiving raises that are long overdue. This will help the County to be able to retain and attract very competent employees. Prior acts by the Commissions and Budget Committee over the years has prevented the County from being able to do that. It needs to be corrected. She added that the department heads' budgets were created before the compensation study was done so the salary amounts under the department head recommendations were actually estimates. The insurance amounts were also estimates. She stated that she was fully in favor of the budget as it stood. The Committee has made some cuts including cutting funding from both KWRED (MCEA) and the Building Maintenance budget for the 301 Park Street property.

Bill Jones said that on the whole, he felt that this was a pretty good budget. Not all the facts were in the newspaper which has led to a lot of people misunderstanding the budget. On the whole, he supports the compensation study. It corrects some of the injustices of the past. He trusted that people will now get paid fairly for what they do. The Committee has had some heartburn over some of the increases; however, if a member of the Committee were to make a motion that the larger wage increases be done over three years, he would support that.

Elizabeth Dickerson said that during the budget process, the question that she kept asking herself in order to put things into perspective is what rate of pay she would accept to do a position such as a deputy supervisor in the County, which would require putting her life on the line. She felt that there was so much data to look at and it was very overwhelming. The Committee as a whole has wrestled with it. She asked what amount of money she would accept for managing an airport or running a 911 facility where people's lives are on the line. This is why the Committee needed to look at a study to see what the employees in those positions should be paid. She said that this is the first time that she has heard that there is conflict among the employees because of this. She was not sure that the Committee was really ready to take a vote on the budget. She was concerned about the fact that the employees need to be able to work together and there can't be this kind of conflict.

Tina Plummer commented that she listened to everything that the members of the public present at the meeting have said. She said that she would have liked to have heard from people back in the beginning of the process rather than at the very last meeting. She said that she understood that it was a huge sticker shock for people to see a 40% pay increase for an employee but that there are inequities that have been going on for a long time and it needs to be corrected. The Committee is has to either accept this study as it is or not. If the Committee tries to break it apart and only act on some of it, that keeps the inequity going. She said that she struggles with this because she knows people in the community are hurting financially but that she wishes people had spoken up before the time when the Committee makes their final decision.

Lawrence Nash commented that there had been another public hearing at the first meeting and that at every following meeting time for public input was built in so that the public can speak. Members of the public did not take advantage of the opportunities given at past meetings to speak. He said that his problem with the wage study is that it appears that the study says an employee should get one amount and yet the budget shows a different amount that goes even higher. There are others that are being paid less than what the study says. He asked why that was happening. He also noted that the Sheriff is the highest elected official and yet she's not getting a raise. The Chief Deputy almost makes as much as her. He said that he was not against the study but disagreed with the way the funding was being dispersed.

Bob Duke commented that the larger increases for some employees was due to the large amount of experience that the individuals brought with them to the position. It moves them up the step plan/pay scale. He acknowledged that nobody on the Committee wanted to pay the amount suggested by the

study because it was a lot of money, but the fact remains that it needs to be done. If the market says that's what the person is worth, then that's what the County needs to pay.

Elizabeth Dickerson expressed some confusion about whether some employees felt they had been overlooked during the study process.

Administrator Hart explained that all employees were part of the study, including union employees. The union chose to decertify. All three departments (*Patrol, Communications, Jail*) decertified and currently do not have any approved contracts. If the budget is approved, union employees will get the wages in the study. He added that when he had met with the department heads in September to review their budgets, the study was not completed yet so personnel services were not discussed because the County didn't have any of those numbers yet. This is why department head estimates for wages, etc. are different from what is listed under the Administration proposal column.

Ann Matlack commented that the elected officials (*Probate Judge, Register of Probate, Sheriff*) chose to not be part of the study so therefore the County does not have Steps to include them on. This is why they are not getting increases because no CPI is being applied. When the Committee originally talked about the CPI increases, the members looked at having two CPI's but thought that would be unfair to do that and *then* try to put people on their steps. It was decided that it was more important to get employees onto the correct step. There are some employees who are already on the correct step and so they aren't getting increases. Some employees are getting larger increases because they aren't currently on the right step. There isn't an across the board raise so those who are already where they're supposed to be aren't getting any raises. The County has taken too long to avoid paying people what they should be and the Committee needs to just bite the bullet and do it because it's the right thing to do.

Dorothy Meriwether asked about the idea of trying to implement some of the larger increases in increments over more than one year. She asked if there was an equitable way to do that. If you take one position and cut the increase way back and you do increases across the board the next year, doesn't that keep pushing that person even further back?

Bill Jones suggested taking any increases over 6% and divide it by three and so that the increase is done over three years.

Dorothy Meriwether asked if that would keep the employee behind where they were supposed to be. Other members of the Committee said that it would keep the employee behind because it's not getting the employee's base rate in line from the beginning so the employee never catches up.

Ann Matlack said that she wanted to address Time & Tide issue. She said that the agency missed the deadline for requesting funding. There have been some changes in that the federal government has pulled out their funding, but the Committee heard from Commissioner Parent who has a great deal of knowledge and has explained that Time & Tide is still an existing agency. She explained that the Committee did not simply choose to continue funding it for "old time's sake" as someone had suggested earlier in the meeting.

- Bill Jones motioned an amendment to the motion on the floor that the bottom line of the budget as proposed be adjusted so that every County employee whose base salary increase is more than 6% will receive that increase over three years with 1/3 in 2012, 1/3 in 2013, 1/3 and 2014. Lawrence Nash seconded the amendment. (*Note: this would mean that someone with a 6% increase would receive a 2% increase for each of the three years.*)

Ann Matlack noted that the Committee needed to vote on what had been presented.

Dorothy Meriwether commented that next year the Committee will be dealing with the impact of the bond that the voters approved (*debt service*) and it would be better to solve the wages issue now.

Bill Jones commented that anyone with an increase of 6% or higher would just have to hope they still worked here for more than three years or they would never see all 6% of it.

- A vote was taken on the amendment with 2 in favor (Nash and Jones), and 7 opposed (Matlack, Peabody, Plummer, Meriwether, Johnson, Stearns, Dickerson). The amendment to the motion on the floor did therefore not pass.
- A vote was taken on the original motion on the floor to approve the budget as presented with 5 in favor (Matlack, Peabody, Plummer, Meriwether, Jones), and 4 opposed (Nash, Johnson, Stearns, Dickerson). The motion therefore passed.

VI. Commission Vote on 2012 Budget

- A motion was made by Commissioner Parent to approve the 2012 Knox County Budget as presented in the total amount of \$9,323,507 and a net amount of \$7,479,474. The motion was seconded by Commissioner Maines.

Commissioner Moody said that he appreciated the comments and concerns but that he felt the County needed to be a fair employer.

Commissioner Maines commented that she was quite disappointed to hear a department head suggest that there ought to be raises according to the study in that particular department, but not in another department. The Commission did not look at individuals when conducting the study. The study looked at the positions, not personalities, and the job that is done as well as their past experience. She said that she was disappointed that any County department head would say that their own staff should get raises but employees in another department shouldn't.

Commissioner Parent stated that the study was as fair a way as the Commission could come up with to treat the employees of the County fairly. It puts everyone on a fair playing field.

- A vote was taken with all in favor.

The 2012 Budget was therefore passed.

VII. Adjourn

- A motion was made by Randy Stearns to adjourn the meeting. The motion was seconded by Ann Matlack. A vote was taken with all in favor.
- A motion was made by Commissioner Maines to adjourn the meeting. The motion was seconded by Commissioner Parent. A vote was taken with all in favor.

The meeting adjourned at 8:28 p.m.

Respectfully submitted,

Candice Richards
Administrative Assistant

The Knox County Commission approved these minutes at their regular meeting held on January 10, 2012. The Knox County Budget Committee will approve these minutes at their next quarterly meeting during Quarter 1 of 2012.