

# KNOX COUNTY COMMISSION

**Public Hearing - Budget**

**Thursday – December 3, 2009 – 6:00 p.m.**

A public hearing on the proposed Knox County Budget for 2010 was held on Thursday, December 3, 2009, 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. Executive Assistant Constance Johanson was present to record the minutes of the meeting.

Commission members present were: Anne Beebe-Center, 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, Executive Assistant Constance Johanson, Sheriff Donna Dennison, Chief Deputy Ernest McIntosh, Communications Director Linwood Lothrop, EMA Director Ray Sisk, Probate Judge Carol Emery, Register of Probate Elaine Hallett, Registrar of Deeds Lisa Simmons, IT Director Jeff Lake, D.A. Geoff Rushlau, Acting Patrol Administrator Tim Carroll, and EMA Clerk Donna Allen.

Budget committee members present were: Ann Matlack, Dorothy Meriwether, Sid Lindsley, Jim Bowers, Elizabeth Dickerson, and Carolyn Ahlstrand.

Also present were: Scot Sabiens of Union, Mason Johnson of Thomaston, Lawrence Nash of Union, Chris Rector of Thomaston, Kevin Soule of Union, Barry Norris of Union, Rebecca Lothrop of Rockland, Mark Hutchinson of Waldoboro, Jan MacDonald of Warren, Alan Hinsey of Cushing and , Eric Belley of Rockport, Robert Hirsch of Owls Head, Dan Bookham of Rockland, George Terrien of Rockland, Michael Phillips of Warren, John Patterson of Camden, Helen Shaw of Rockport, and Dan Dunkle, reporter for *The Herald Gazette*.

## **Knox County 2010 Budget – Public Hearing and Final Budget Meeting**

**Thursday – December 3, 2009 – 6:00 p.m.**

- I. 6:00 Meeting Called To Order** (Chair Ann Matlack for the Knox County Budget Committee, Commission Chair Anne Beebe-Center for the Knox County Commission)
- II. 6:01 Approve Minutes** (Chair Ann Matlack for the Knox County Budget Committee, Commission Chair Anne Beebe-Center for the Knox County Commission)
  1. Minutes of Budget Review Meeting of November 5, 2009.
  2. Minutes of Budget Review Meeting of November 12, 2009.
- III. 6:03 Opening Remarks – Ann Matlack, Chair**
- IV. 6:05 Public Hearing**
  1. Chair Matlack Opens Public Hearing on 2010 Proposed Knox County Budget.
  2. Chair Matlack Closes Public Hearing.
- V. Budget Committee Vote on 2010 Budget**
  1. Vote to Approve 2010 Budget and Transmit to Commission.
- VI. Commission Vote on 2010 Budget**
  1. Vote to Approve 2010 Budget.
- VII. Adjourn**

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

Budget Committee Chair Ann Matlack called the Knox County Budget Committee meeting to order and Commission Chair Anne Beebe-Center called the December 3, 2009 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 5, 2009.

- A motion was made by Jim Bowers to approve the minutes of the Budget Review meeting held on November 5, 2009. The motion was seconded by Sid Lindsley. A vote was taken with all in favor.
- A motion was made by Commissioner Roger Moody to approve the minutes of the Budget Review meeting held on November 5, 2009. The motion was seconded by Commissioner Richard Parent. A vote was taken with two in favor (Commissioner Richard Parent and Commissioner Anne Beebe-Center) and one abstention. Commissioner Roger Moody abstained because he did not attend the meeting.

Approve the minutes of the Budget Review meeting held on November 12, 2009.

- A motion was made by Jim Bowers to approve the minutes of the Budget Review meeting held on November 12, 2009. The motion was seconded by Sid Lindsley. A vote was taken with all in favor.
- A motion was made by Commissioner Richard Parent to approve the minutes of the Budget Review meeting held on November 12, 2009. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

**Opening Remarks**Opening Remarks - Budget Committee Chair Ann Matlack

Ann Matlack opened the December 3, 2009 Public Hearing on the Knox County 2010 Budget by introducing herself as Chair of the Knox County Budget Committee, representing District #1 which is comprised of the municipalities of Friendship, Isle Au Haut, Matinicus, North Haven, and St. George. She introduced Carolyn Ahlstrand from Cushing who will be the new representative for District #8. The other members of the budget committee introduced themselves.

The budget committee chair thanked the county administrator and the finance director for their professional financial analysis, fiscal management, and good advice. Candy Johanson and Candice Richards, of the administrative office, were thanked as well for their support throughout the budget process.

The budget committee meets quarterly, at which time the projected budget is reviewed and compared to actual expenditure figures. At one of the upcoming quarterly meetings in 2010, the budget committee will look at several agencies, such as Knox-Lincoln Cooperative Extension, Knox-Lincoln Soil & Water District, and Time and Tide RC that have long been financially supported by the county. It is expected that this review will provide a better understanding of why these agencies are funded at the county level and how the funds from the county are used.

One of the biggest changes for the 2010 budget is that there will be a reduction of \$490,000.00 in the Debt Service budget line. 2009 was the last year for jail bond payments. The budget committee, commissioners, and county administrator agreed last year to take the opportunity of this reduction to do some much needed capital improvements throughout the county facilities. The proposed list of courthouse improvements for 2010 includes; a new roof, window replacements, brickwork re-pointing, and the Superior Courtroom renovations including painting and lighting upgrades. This work has long been postponed and will not only improve this building aesthetically, but will also result in reduced heating bills and provide a safer building.

Included in this proposed budget is \$45,000.00 for an organizational study of the entire county government. Knox County government has undergone dramatic changes over the past few years with the adoption of a Charter, hiring an administrator and finance director, and the state take-over of the jail. When added to other changes such as widespread computerization, a more regional perspective on providing services, and the recent economic downturn; the budget committee believes the commissioners and the county administrator should take a fresh look at how the county is organized. The organizational study will provide the tools to review current structures and make improvements going forward.

The budget committee is also recommending the funding of two new full-time employees; one in the Sheriff's Office and one in the Communications Department. Both departments have long struggled to provide the services that the residents of Knox County demand. With the recent announcement that the Thomaston State Police Barracks will be closing, more calls for assistance will be directed to the Knox County Sheriff's Office. This is not to say that recommendations coming from the organizational study may not suggest better ways to structure these departments, but the budget committee supports giving the sheriff and the communications director the tools they need to do their jobs well.

Another area of concern to be addressed over the next several years is determining an appropriate compensation for the airport manager. While the current manager is not making this request on his own behalf, the Knox County Airport Advisory Committee is concerned that the manager's salary is too low in comparison with similar positions in the state and should be increased so that when the transition to a new manager takes place, hopefully many years down the road, the position will be appropriately funded so the county can continue to attract high quality, experienced, and knowledgeable candidates for the position of airport manager.

Also included in the communications budget is \$57,300.00 for a new simulcast system. It is well-known that communications throughout the county is problematic with the geographical challenges presented by coastal peninsulas, islands, and hilly inland terrain. The \$263,000.00 price tag for the new simulcast system will be spread out over five years.

Departments that will see increases/decreases in the coming year include:

- 15 percent increase in Building Maintenance for capital improvements.
- 27 percent increase in Administrative office increase for labor relations expenses, legal fees, the public safety records management server, and the organizational study.
- 9 percent decrease in Registry of Deeds due to a reduction in anticipated revenues.
- 31 percent increase in the Finance Office due to the appropriate placement of the MUNIS accounting software and a decrease in interest income.
- \$45,000.00 was budgeted for Knox-Waldo Economic Development Council (KWRED) and while the budget committee was divided in their opinion on this request, which was half the requested amount, the budget committee was in favor of funding economic development efforts in the area. Zero funding was allocated for Eastern Maine Development Corporation (EMDC).
- Overall, expenditures for departments, other than the jail, airport, and communications decreased more than five (5) percent from 2009 to 2010 (\$4,375,011.00 to \$4,138,129.00) by an amount of \$236,882.00.
- Revenues also are projected to decrease in 2010 by a little more than 2.5 percent, from \$926,480.00 to \$903,155.00. The Registry of Deeds, which produces most of the revenues generated by the county, is again projecting a reduction in revenues. From a high of \$500,000.00 in 2006 and 2007, the Registry of Deeds' revenues have declined to \$410,000.00. The revenues have decreased by nearly 15 percent in the last two years.

Again this year, the Knox County Budget is well under the LD 1 cap. In addition, no reserve funds were used to offset the budget. It is anticipated that the county will have fewer opportunities to set aside reserve funds now that the jail is under the control of the state. It should be noted that the jail continues to produce revenues in excess of \$300,000.00 annually, which now will go to the state.

Overall, 2009 has been a tough economic year throughout Knox County. However, the budget being presented this evening allows the county to provide the services the residents demand at a cost that is not over burdensome.

### III. Public Hearing

#### Question/Comment Period:

Sheriff Dennison explained that the county was responsible for all jail operations. The state is in charge of developing the jail's budget.

Eric Belley, chair of the board for the Knox-Waldo Economic Development Council (KWRED) stated that he would like to thank the budget committee members for approving \$45,000.00 for KWRED in 2010. Many of the KWRED board members are present at this meeting to show their support for the economic development initiatives in the region. Job retention, job attraction, and advocacy for small businesses are all important issues to be addressed by economic development in the area. As a person in the leading industry, he counsels people every day on how to deal with the economic conditions. Having a group like KWRED acting as the face for people to go to in times of economic hardship is important. Copies of a letter of support from many local businesses were available.

Lawrence Nash said he has been attending budget hearings since 1985. He remarked that every morning when he gets up he realizes that his taxes are \$10.72 for that day and every day of the year. He thanked the chair for her explanations of the increases and decreases in the proposed 2010 budgets. He said he supported the creation of the new position in the sheriff's office. Mr. Nash commented that he did not know what the sheriff's office has exactly for vehicles, but for many years the deputies had to patrol using high mileage vehicles. Then a replacement plan was put in effect and over the years a good safe fleet of vehicles was built up. He commented that with only \$26,000.00 in the budget for vehicle replacement, he did not want to see the replacement plan abandoned and a return to high mileage vehicles. This would only lead to having to play "catch up" in the future.

County Administrator Andrew Hart explained that the sheriff had requested \$81,000.00 for patrol vehicles, which is shown under the department's proposal column in the budget. The county administrator's proposal was for \$52,000.00 to purchase two vehicles. There was discussion on using reserve money to purchase the third vehicle. It was determined that \$26,000.00, with the use of money in the reserve account for vehicles, would be sufficient to purchase three new vehicles, which reflects the replacement schedule used for a number of years. It was noted that the purchase of new vehicles occurs near the end of each year after the county receives its revenue from the receipt of tax money.

Mr. Nash commented that the program grants were organizations that offer a lot of programs and the representatives are willing to explain their programs. He commented that he supports funding for these organizations. Then there is KWRED, as the main economic development agency in the area, which had its requested funding lowered to \$45,000.00. He asked if there was a plan or information on what was being provided for the \$45,000.00. He noted that there was a contract available for the original requested funding. The response was that the county was funding KWRED in the amount of \$45,000.00 for 2010. It was suggested that more concrete information be provided on what the county

will receive in terms of services for the \$45,000.00 allocated to KWRED for economic development in 2010.

Mr. Nash continued by stating that he supported the airport's budget and the additional full-time dispatcher in the communications' budget because of the call volume.

Ann Matlack asked if there were any more comments from those present. There were no additional comments or questions. She apologized for having overlooked asking the county administrator for his opening comments on the 2010 budget.

#### Opening Remarks – County Administrator Andrew Hart

County Administrator Andrew Hart commented that his planned remarks were similar to those of the budget committee's chair. Mr. Hart explained that the county owns the jail and runs its operations, but the state sets a cap on the jail budget. Anything over the cap of \$3,188,700.00 has to be brought before the Board of Corrections (BOC) for approval. There is a nine member panel that decides what the expenditures are for the jail budget. It is a savings to the municipalities in terms of their tax bills.

One item of note is the Debt Service line is zero; the jail bond being retired, which allows for the courthouse renovations that the budget committee chair referred to in her presentation. The county anticipates receiving an energy grant in the amount of \$179,400.00 to help offset some of the renovation costs because projects like the replacing the old windows and lights in the Superior Courtroom will make the building more energy efficient.

The simulcast system upgrade for communications is being partially funded through a homeland security grant in the amount of \$45,000.00. The communications 2010 budget has a proposed figure of \$57,300.00 for the simulcast upgrade, but with the grant funding there will be a savings of \$12,300.00 in 2010. It is anticipated that the remaining cost of the upgrade will be through a lease/purchase agreement with a local bank over the next five years.

Mike Phillips thanked the budget committee for approving funds for the new deputy position and asked if this would provide for 24-hour coverage for the county or would additional deputies be needed. Mr. Hart responded that only one deputy was requested and the proposed schedule with this new position would provide 24-hour coverage.

Chief Deputy Ernie McIntosh explained that there were two deputies leaving for military duty, which would create vacancies that would have to be filled before the 24-hour coverage schedule could be in place.

Mark Hutchinson from the Knox-Lincoln Cooperative Extension Service and said he would like to thank the budget committee and commissioners for their support. He provided informational materials on the services provided by the Extension Service. He explained that the state mandated the counties to provide funding.

Commissioner Roger Moody thanked the administrator and department heads for applying for grants, which eases the budget and would encourage seeking grants and other means to ease the financial burden to taxpayers. Commissioner Anne Beebe-Center thanked the department heads for working together. Commissioner Richard Parent thanked the budget committee for their long hours of work and input during the budget process.

#### Public Hearing Closed:

The public hearing portion of the meeting was closed at 6:34 p.m.

#### **IV. Budget Committee Vote on 2010 Budget**

County Administrator Andrew Hart explained that there was \$57,300.00 in the budget for the simulcast upgrade and with the today's receipt of approval of the grant of \$45,000 there would be a savings of \$12,300.00. The lease/purchase agreement has not been bid out yet, but the county administrator reported speaking with several banks to get an idea of the interest rate. The interest rate could be four (4) percent with a payment schedule over five (5) years with no prepayment penalty. This changes the proposed budget to a total amount of \$8,979,218.00 and a total net budget of \$7,351,512.00. The total net budget reflects the anticipated revenues.

- A motion was made by Sid Lindsley to approve the 2010 Knox County Budget as proposed in the amount of \$8,979,218.00 and a net amount of \$7,351,512.00 and transmit the 2010 Knox County Budget to the Knox County Commission. The motion was seconded by Dorothy Meriwether. A vote was taken with all in favor.

Elizabeth Dickerson asked where KWRED was located. KWRED Director Alan Hensley responded that he had an office at home in Cushing and there is also office space available in Belfast, Rockland,

and Camden to meet with people or he can arrange to meet with people at their place of business. There is a new phone listing and KWRED was also connected with the Chamber of Commerce(s) in the area.

**V. Commission Vote on 2010 Budget**

Commissioner Anne Beebe-Center asked for a motion to approve the 2010 Knox County Budget as presented in the total amount of \$8,979,218.00 and a net amount of \$7,351,512.00.

- A motion was made by Commissioner Richard Parent to approve the 2010 Knox County Budget as presented in the total amount of \$8,979,218.00 and a net amount of \$7,351,512.00. The motion was seconded by Commissioner Roger Moody. A vote was taken with all in favor.

Commissioner Roger Moody commented that this proceeding may make the budget process look like it went quickly, but the process took many hours of work with important discussions on the budget proposal.

**VI. Adjourn**

Ann Matlack called for a motion to adjourn.

- A motion was made by Sid Lindsley to adjourn the meeting. The motion was seconded by Jim Bowers. A vote was taken with all in favor.

Commissioner Anne Beebe-Center called for a motion to adjourn.

- A motion was made by Commissioner Roger Moody to adjourn the meeting. The motion was seconded by Commissioner Richard Parent. A vote was taken with all in favor.

The meeting adjourned at 6:44 p.m.

Respectfully submitted,

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Constance Johanson  
Executive Assistant

**The Knox County Commission approved these minutes at their regular meeting held on May 11, 2010. The Budget Committee approved these minutes at their quarterly meeting on May 6, 2009**

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Anne H. Beebe-Center, Chair – Commissioner District #1

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Richard L. Parent, Jr. – Commissioner District #2

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Roger A. Moody – Commissioner District #3