

KNOX COUNTY COMMISSION KNOX COUNTY BUDGET COMMITTEE

Quarterly Budget Committee Meeting Knox County Commission and Budget Committee

Thursday – June 1, 2017 – 5:00 p.m.

A Quarterly Budget Meeting of the Budget Committee was held on Thursday, June 1, 2017, at 5:00 p.m., at the county courthouse, 62 Union Street, Rockland, Maine. The administrative assistant was present to record the minutes of the meeting.

Commission members present were: Richard L. Parent, District 2, and Sharyn L. Pohlman, District 3. *Commissioners not present: Commissioner Carol L. Maines, District 1.*

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, and Finance Director Kathy Robinson (*left at 6:13 p.m.*).

Budget Committee members present were: Lawrence Nash, Dorothy Meriwether (*arrived at 5:07 p.m., left at 6:31 p.m.*), Bob Duke, Nicholas Lapham, Randy Stearns, Gerald Zwick, and Shawn Levasseur. *Budget Committee members not present: Terry Pinto.*

Others in Attendance: Roger Peabody, Resident of Warren; and Wayne Luce, Resident of Warren.

Special Meeting – Agenda Joint Quarterly Budget Committee Meeting Commission Hearing Room Thursday – June 1, 2017 – 5:00 p.m.

- I. 5:00 Meeting Called To Order** (Chair Bob Duke for the Knox County Budget Committee, Commission Chair Carol Maines for the Knox County Commission)
 - II. 5:01 Approve Minutes** (Chair Bob Duke)
 - 1. Minutes of the 2017 Budget Public Hearing of December 8, 2016.
 - III. 5:05 Appointment to the District 7 Budget Committee Seat**
 - 1. Appointment by Budget Committee
 - 2. Confirmation of Appointment by Commission
 - IV. 5:10 Quarterly Budget Review**
 - 1. Review of 1st Quarter of 2017 (A. Hart)
 - 2. Review Projects / Items of 2017 Budget (A. Hart)
 - 3. Other Business
 - 4. Schedule Next Meeting Date for July / August 2017
 - V. Adjourn**

I. Meeting Called to Order

The June 1, 2017 joint meeting of the Knox County Budget Committee and the Knox County Commission was called to order by Budget Committee Chair Robert Duke and Commission Vice Chair Richard Parent at 5:02 p.m.

II. Approve Minutes

1. 2017 Budget Public Hearing of December 8, 2016.

- Lawrence Nash motioned to approve the minutes. Nick Lapham seconded the motion. A vote was taken with all in favor.

III. Appointment to District 7 Seat

Administrator Andrew Hart explained that since no one had run for the District 7 seat in the last election (November 2016), the seat remains unfilled for the 2017 – 2020 term. The Town of Warren offered two names to choose from to fill the District 7 seat, rather than one. Both nominees, Wayne Luce and Roger

Peabody, were in attendance so that the Budget Committee and Commission could ask questions. Administrator Hart invited them to introduce themselves. Both men briefly talked about the other boards and/or committees that they are serving on now or in the past. Commissioner Parent commented that he has worked with both nominees and felt that either one would be a great choice. In order to help decide which nominee to pick, Mr. Peabody and Mr. Luce were both asked questions including their availability for the budget meeting schedule and their opinions on various topics that usually come up during budget review meetings.

Chair Duke called for a motion.

- Bob Duke motioned to appoint Roger Peabody to the District 7 Budget Committee seat, to expire on December 31, 2020. Dorothy Meriwether seconded the motion. A vote was taken with 6 in favor (Bob Duke, Dorothy Meriwether, Randy Stearns, Shawn Levasseur, Gerry Zwick, Nick Lapham) and 1 opposed (Lawrence Nash).
- Commissioner Richard Parent made a motion to confirm Roger Peabody to the District 7 Budget Committee seat to expire on December 31, 2020. Commissioner Sharyn Pohlman seconded the motion. A vote was taken with all in favor.

IV. Quarterly Budget Review:

1. Review of 1st Quarter of 2017

Administrator Hart gave an overview of the first quarter of 2017 thus far.

Year-to-Date report

Administrator Hart noted that there was not really anything that stood out or was cause for concern.

Nick Lapham expressed some frustration with the format of the 2017 Year to Date report provided from the County Finance Office. The report showed 2017 to date vs. 2016, but he felt that it didn't show enough information and that the chart should show percentages for expenditures and revenues for a quarter of the budget rather than the entire year budget. It was explained by Administrator Hart and Chair Bob Duke that since the budget is an annual budget and various expenditures or revenues occur at different points in the year, it would not make sense to show the information that way. Mr. Lapham wanted to know why all departments except building maintenance are over where they were at this point last year. Administrator Hart noted that some differences are because wages are higher than a year ago, personnel services, such as benefits, are more than a year ago, the costs of utilities and other expenses are higher, and so the numbers in general are going to be higher. He added that the legal line for the jail has already been depleted. Finance Director Robinson explained a few other reasons why expenditures are higher this year compared to last year, including the fact that during the month of March last year, the County was borrowing from the TAN to pay bills, while that was not happening this year during the month of March. Invoices where the County isn't charged late fees are pushed off due to lack of cash flow, if possible, but that hasn't been as necessary this year so more invoices have been paid during the first quarter of the year than in Q1 of 2016.

Mr. Lapham asked about whether there are any departments where expenses are frontloaded and therefore would look lopsided in the reports so the Committee will know what's driving the figures. Mr. Duke stated that the airport is definitely in that category because the money comes in at the end of the year. Administrator Hart noted that the building maintenance budgets for both the courthouse and Public Safety Building are farther along than expected because some things have come up that needed to be fixed that were unanticipated. Not everything can be predicted; you just have to fix it when it happens. He added that adjustments will be made in the 2018 budget.

When asked if there was anything that could put the budget in jeopardy for the year, Administrator Hart said no but that he was a little worried about the jail legal budget. He noted that he and the other staff

are keeping a watchful eye on it. When asked if the internet fiber installation was completed in the first quarter, Administrator Hart answered yes.

2. Review Projects / Items of 2017 Budget

a) Cupola Copper Partial Roof Repair Project

The project was put out to bid back in February and awarded in March. Coastal Copper & Slate had the lowest bid of 85,094. \$24,995 of that will be paid for with the Historic Preservation grant. The project hasn't started yet because of the weather. Coastal Copper & Slate owner Eric Wass is hoping to get the staging set up the week of June 8th. The project to be completed August 1st because the County has to have paid all project-related invoices and submit paperwork to the Historic Preservation Commission by their deadline or the County won't get the grant money.

b) Courthouse Commissioning Project

The County is working with Siemens Industry on this project. The County used to have AAA Energy Service but the State got rid of them on their side of the building, and then the County didn't renew its contract with AAA either. County and State representatives met with Siemens on May 22nd to review the report that Siemens did after the commissioning that was done to determine what's working and what's not with the heating/cooling systems. The County and State each have their own system and the plan is to hopefully have all one system. The HVAC system on the County side doesn't work the way it's supposed to. There will be another meeting on June 5th to talk about potential costs and a plan for moving forward, which might include using a phased approach. The State will pay for their side of the project. Substandard work and/or repairs in the past have caught up to the County and now it needs to be fixed. After a few negative comments from Committee members about the County spending more money on the building, Administrator reminded everyone that he had inherited this problem and didn't cause it. It's either the county fix the issues or things will continue to deteriorate and the end result will be the County having to replace the whole courthouse, which would be far more expensive. It will be put in the budget for 2018, and possibly later years depending on phases. He said that he didn't know the costs yet.

c) Jail Security and Electronics Control System

The County worked with SMRT to put out a Request for Qualifications. County and SMRT representatives with three vendors recommended by SMRT based on their qualifications and experience. Each vendor was invited to do a presentation. Two of the companies, Norris, Inc. and Securadyne, are both Maine companies. Com-tec is based out of Wisconsin. The presentations/interviews were scored with the group unanimously picking Norris, Inc. as having given the best presentation. The County met with Norris reps this morning and was presented with a cost figure that the Commission will vote on at the next Regular Commission meeting. A positive is that the amount is lower than what was expected so the County won't need to do a lease/purchase – the County can fund the whole project. Norris is hoping to start the work in July.

d) Heating Fuel

The County recently locked in the price of heating fuel for 2017 - 2018 at \$1.74 per gallon. The County will continue paying \$1.40 per gallon until end of this month when that contract ends.

e) Jails

There no changes in the status of county jails in Maine. The governor wants to defund all jails. The state take-over bill died in the legislature. There is another bill to get rid of the cap on jail spending increases but the Maine Municipal Association will be fighting that hard. The legislature gets frustrated that the counties can't get on the same page. Most counties don't really work together, but there a few counties that are trying to. It's just not a cohesive effort.

There are also a lot of new legislators that don't understand the history of the county jail system or why things need to change.

3. Other Business

2017 Budget: Budget Committee vs. County Commission

Randy Stearns said that he had thought that the budget process last year went very smoothly, but then he received an email in the middle of December that referenced the December 13th Regular Commission meeting and there were several comments made during that meeting about the Budget Committee. He said that he wasn't pleased to hear second hand, through minutes of a meeting the Committee didn't attend, the opinions of the commissioners about the Committee. In particular he didn't like a comment made by Commissioner Maines, that she was "very disappointed" that the Committee did not "listen to all three of the county commissioners...Administrator Hart..." or the department heads. Mr. Stearns said that the Committee members *did* listen to the commissioners; he felt it was actually more the other way around - that the Commission didn't listen to the Budget Committee. Mr. Stearns was upset that the commissioners discussed with the Sheriff and Chief Deputy at their December meeting about whether the Sheriff's Department could "survive" without the \$16,500 that the Committee had cut from the Sheriff's budget. He wanted to know how the Commission could be asking that before the budget year had even started. The Commission had also discussed with Communications Director Linwood Lothrop about the Committee having cut \$40,000 out of the communications budget, which is a decrease of 3.6%, and the Commission decided to pull money out and put it back in the budget before the budget year has even started. Mr. Stearns wanted to know why the Committee is working on the budget if the Commission is going to override the Committee before the new budget year even starts and said that he thinks it's shameful. He referred to a comment that had been made by Director Lothrop in December that Director Lothrop thought that the Committee members' minds were already made up before he had even presented his budget to him. Mr. Stearns said that this was true, that his mind *was* already made up, but that the issue is that Director Lothrop didn't convince him to change his mind. Mr. Stearns said that he is considering resigning from the Committee, especially if what the Committee does with the budget doesn't matter.

Dorothy Meriwether asked that any time the Commission, County Administrator, and department heads have a problem with the Committee, or a specific Committee member, to bring it up when that person can be there to defend their position. If it wasn't for there being minutes from the December 13th meeting, the Committee wouldn't even know what the Commission had done since no one from the Committee was present.

Mr. Duke stated that this issue was brought to his attention back in December but that he never went back to read the minutes because he knew it would just make him angry. The Committee members are volunteering their time and he said that there are better things he could be doing if the Committee is not being listened to. He demanded to know if the Commission put the \$40,000 put back in just so the County could hire someone to fill the deputy director position. Administrator Hart clarified that undesignated reserves are being used to fund the cut made by the Committee – the Commission didn't change the bottom line of the budget. He stated that the County has advertized but the plan wasn't to hire someone until July anyway. Mr. Duke stated that there isn't a single other county that has a deputy director, to which Administrator Hart corrected him by stating that there are currently *six* counties with deputy directors.¹ Mr. Duke insisted that Director Lothrop had not provided that information.

After derogatory statements were made against Communications Director Lothrop, Administrator Hart stated that the discussion needed to stop because it was inappropriate and that Director Lothrop was not present to defend himself. There were several other heated statements made.

¹ Note: This information had been provided to the Budget Committee at the December 8, 2016 Public Hearing on the 2017 Budget in the form of a chart titled "Comparison of Knox County's RCC to other Counties' Communications Center" after the Committee had asked for information about the other communications centers at the November 17, 2016 meeting.

Before walking out of the meeting, Ms. Meriwether stated that she was considering resigning from the Budget Committee, and the fact that two other Committee members had mentioned thinking about quitting the Committee should be an indication that something was wrong. [*She then walked out of the meeting at 6:31 p.m.*]

4. Schedule Next Meeting Date for July / August 2017
The meeting was adjourned without scheduling the next meeting.

V. Adjourn

- Randy Stearns made a motion to adjourn the meeting. Lawrence Nash seconded the motion. A vote was taken with all in favor.
- Commissioner Richard Parent made a motion to adjourn the meeting. Commissioner Sharyn Pohlman seconded the motion. A vote was taken with all in favor.

The meeting adjourned at 6:33 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

The Knox County Commission approved these minutes at their regular meeting held on June 13, 2017.

The Knox County Budget Committee will approve these minutes at the next Joint Budget meeting.