

**KNOX COUNTY COMMISSION
KNOX COUNTY BUDGET COMMITTEE**

**Joint Quarterly Budget Committee Meeting
Knox County Commission and Budget Committee**

Thursday – August 3, 2017 – 5:00 p.m.

A Joint Quarterly Budget Meeting of the Budget Committee was held on Thursday, August 3, 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: Commissioner Carol L. Maines, District 1, and Richard L. Parent, District 2. *Commissioners not present: Sharyn L. Pohlman, District 3.*

County staff present included: County Administrator Andrew Hart, Administrative Assistant Candice Richards, Finance Director Robinson, Communications Director Linwood Lothrop (*left at 5:40 p.m.*), DA Jon Liberman (*left at 5:53 p.m.*), and Building Maintenance Supervisor Chris Caron (*left at 6:52 p.m.*).

Budget Committee members present were: Lawrence Nash, Dorothy Meriwether, Bob Duke (*arrived at 5:08 p.m.*), Nicholas Lapham, Gerald Zwick, and Roger Peabody. *Budget Committee members not present: Randy Stearns, Terry Pinto, and Shawn Levasseur.*

Others in Attendance: Knox County Attorney James Katsiaficas (*via conference call, legal memo discussion item only, ended at 5:39 p.m.*), Darryl Joudrey from Siemens Industry (*left at 6:52 p.m.*), and Andrew LeBlanc from Siemens Industry (*left at 6:52 p.m.*).

**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 Joint Quarterly Budget Meeting of June 1, 2017.
- III. 5:02 Discussion Items**
 - 1. Budget Question – Legal Memo
- IV 5:30 Courthouse Walkthrough**
 - 1. Walkthrough of County Side of Courthouse with Siemens Industry – HVAC Mechanical & Automation Issues
- V. 6:00 Quarterly Budget Review**
 - 1. Review of 2nd Quarter of 2017
 - 2. Review Projects / Items of 2017 Budget
 - 3. Review Budget Calendar for 2018 Budget Process
- VI. Adjourn**

I. Meeting Called to Order

The August 3, 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 Chair Carol Maines at 5:08 p.m.

II. Approve Minutes

1. Joint Quarterly Budget Meeting of June 1, 2017.

- Lawrence Nash motioned to approve the minutes. Gerry Zwick seconded the motion. A vote was taken with 5 in favor and 1 abstention (Roger Peabody).

III. Discussion Items

1. Budget Question – Legal Memo.

Administrator Hart explained that everyone had been provided with a memo from County Attorney Jim Katsiaficas, who was participating in this portion of the meeting via the conference phone. He said that Budget Committee member Lawrence Nash had been in to talk with him a couple times about the vote the Commission took in December after the 2017 Budget Public Hearing, so he checked with Attorney Katsiaficas about the issue. Based on Attorney Katsiaficas' legal opinion explained in the memo, the Commission will rescind the vote they took on December 13, 2016 at their regular meeting on August 15th. When asked if the money would be moved back, Administrator Hart stated that no money was ever moved or spent. The 2017 budget itself was not increased.

Budget Committee members asked Attorney Katsiaficas questions about the issue of the Budget Committee reviewing the “itemized estimated budget”¹ because they didn't know if that meant the Budget Committee had power to cut specific lines or items from the budget, or whether they still needed to just vote on the bottom line of each departmental budget and make their cuts there. Attorney Katsiaficas explained that the term “itemized” budget is referring to the format of the budget itself, not the authority level of the Budget Committee. The Budget Committee doesn't have the authority to alter specific budget lines, but can provide guidance based on their consensus. The Budget Committee just needs to understand that the Commission doesn't have to abide by that.

Several Budget Committee members re-expressed their feelings that had been expressed at the quarterly joint meeting on June 1st, feeling betrayed and offended by the Commission for their vote after the budget was approved. The commissioners and county administrator were asked to confirm their commitment to rebuild the working relationship with the Budget Committee after having broken the trust of Committee members. Commissioners agreed that the December 13, 2016 vote by the Commission needed to be reversed, but because of state law not allowing the Commission to use undesignated funds the way their vote had intended, not because the Budget Committee was mad about their decision. The County Charter does not prevent this type of thing from happening – State law regarding the use of undesignated funds does². Budget Committee members felt that if it wasn't for the State law, the Commission would have “gotten away with it” and wanted a commitment from the Commission that it wouldn't happen again. A few Committee members had considered quitting because they felt like their time was being wasted if they spent all that time working on the budget only to have the Commission do whatever they want to afterwards. Attorney Katsiaficas explained that to a certain extent, the Commission does have the power to spend or allocate funds during the budget year, without the Budget Committee's consent. The Commission is responsible for the day-to-day spending of County departments, and if emergencies arise, the Commission can chose to use contingency funds and then replenish contingency with undesignated funds balances.

There was a debate about whether the County Charter needs to be revised so that the language is clearer. Some Budget Committee members felt that the language is clear, while others felt it should be clearer. It was noted about what a long, involved process it is to get the County Charter changed. Two current members of the Budget Committee had served on the Charter Commission when the Charter was written, and neither thought it was a good idea to go through the process to change it.

Committee Chair Bob Duke stated that there is a longer conversation relative to this that the Committee and Commission need to have, but not tonight. The two boards need to have a working relationship so that if there's something the Committee doesn't understand, things can be worked out so this type of incident doesn't happen again. He said that he felt that the system works pretty good in most cases.

¹ Knox County Charter, Article V – Budget Procedures, Section 5 b. Budget Review Process.

² Maine Revised Statutes, Title 30-A: Municipalities and Counties, Chapter 3: County Budgets and Finances, § 921. Capital Reserve Accounts, § 922. Insufficient Appropriations, § 923. Capital Expenditure Accounts to Carry Over, and § 924. Surplus Funds.

After another Committee member persisted with repeating the fear that the Commission would do the same thing again in future budget years and wanted something formal stating that it wouldn't happen again, Nick Lapham stated that the commissioners are acknowledging that they overstepped their bounds. Everyone now knows that the state law is in place and that this can't happen again. Everyone now has the understanding that if there are genuine emergencies, the Commission has the authority to access funds. In the interest of moving forward, the Committee needs to accept that. Otherwise, the County might have to amend the Charter, which no one seemed interested in pursuing.

Chair Duke encouraged Committee members to let it go and move on. The State law protects against a repeat of the vote the Commission took in December. The Committee serves a purpose in reviewing the budget. He asked the Commission to respect that the Committee is doing its job and will sometimes have a different of opinion than the Commission. The two boards need to move forward without animosity.

The conference call with Attorney Katsiaficas was ended at 5:39 p.m.

IV. Courthouse Walkthrough

1. Walkthrough of County Side of Courthouse with Siemens Industry – HVAC Mechanical & Automation Issues.

Administrator Hart introduced Darrel Joudrey and Andrew LeBlanc from Siemens Industry.

Darrel Joudrey explained that the courthouse is on an older steam system. There is a lack of controls to run the system. The problem is compounded by the fact that there are essentially three buildings because of there being two additions to the original building. The State side and County side each have their own system. The County's boiler is on the generator but the pumps aren't so there won't be any water going through the system if the electricity goes out. The chiller is over 20 years old and needs to be replaced. Things aren't wired properly and there are no fire systems in the ductwork. If there's a fire and there's no alarms to shut down the ductwork, the fire is going to move through the building like a racehorse. You need to be able to shut down the air so it doesn't bring any more air in, which would feed a fire. You need time to get people out of the building. Mr. Joudrey said that he thought doing a walkthrough would be the best way to show the commissioners and Budget Committee members the concerns that Siemens has for the building. It doesn't all have to be fixed at once but the County needs to start looking at what can be done now and budget for future fixes. It can be done all at once or as a phased approach.

Chair Duke suggested that a priority list would be very helpful in determining what needs to be fixed first so a budget strategy can be developed. Mr. Joudrey agreed and stated that they are already working on a priority list. The State hasn't asked for that on their side, but the State side is already more up to date than the County side, so the County side is definitely the priority. Right now the State doesn't have a preventative maintenance contract with Siemens like the County does; the State is just paying for time and materials. The State does its budgeting differently so that's just how they've decided to handle their side of the building. Administrator Hart added that the State does pay for repairs on their side including inspections and maintenance, and they also reimburse the County for heating fuel. The State doesn't have to choose the same vendor as the County, but it's helpful if they do.

5:53 p.m. The meeting was paused while meeting attendees went on a tour of the Courthouse with Siemens representatives.

The meeting resumed at: 6:45 p.m.

Administrator Hart explained that he didn't plan to present any cost figures at this meeting because Siemens and County staff are still putting the information together. It will be reviewed quite a bit during the budget process. He asked if the Budget Committee wanted to have another meeting to hear

the information Siemens is going to present once their report is finished. Chair Duke stated that he believed that Administrator Hart was rushing things by having additional meetings in order to put the repairs in the 2018 budget. Commissioner Parent said that the County needs to start making decisions. At least some of the repairs need to be done sooner rather than later because of the safety issues. He said that the Commission is not saying when it all has to be done but rather that it has to be done, period. The “when” part can be figured out in future discussions. Chair Duke said that he had to leave for an appointment and would leave it up to the rest of the Committee to decide whether they wanted to have another meeting.

Bob Duke left at 6:54 p.m.

When asked if any decisions would be made at this meeting, Administrator Hart stated that it would just be an informational meeting to give everyone a chance to ask questions if they have any. No decisions are being made yet.

Budget Committee members debated whether it made sense to have the Budget Committee attend a Special Commission meeting so the Commission and Budget Committee could all hear the same presentation of the report by Siemens. Administrator Hart and several Committee members felt that it would be a good idea because then everyone will have the same information, and the Committee would be able to start off the budget process in October already knowing information about the project, rather than hearing it all for the first time. The consensus of the Committee was to move forward with the meeting.

One Committee member demanded to know why the Committee was only told about new repair projects just after the prior one was finished and wanted to know whether the County Administrator had any other projects that he hadn't told the Committee about yet. Administrator Hart was also asked if there were any other major projects that he can foresee that he has not told the Committee about. Administrator Hart assured the Committee that he is not waiting to spring new projects on them and that he makes them aware of repair projects as soon as he is made aware of them. He said that he is not currently aware of any future projects other than routine maintenance that needs to be performed on the building every few years. He didn't want to guess on what might be needed in the future. The Courthouse was built in 1878 so it's not a new building. You don't always know something needs to be fixed until it stops working. He reminded the Committee that the County didn't have a capital improvement plan when he started working at the County and the Budget Committee hasn't been putting money away to fix things. Now parts of the Courthouse have to be fixed with no money set aside to fix them, so the County is going to have to find a way to pay for the repairs. Commissioner Parent commented that he would only support fixing everything at once if the County would save a lot of money that way but most of the time it makes more sense to fix it in pieces as we go.

Vice-Chair Lawrence Nash asked Administrator Hart to go ahead and schedule a meeting. Administrator Hart said that a date hadn't been picked yet but that he would get that information to everyone soon.

V. Quarterly Budget Review:

1. Review of 2nd Quarter of 2017.

Administrator Hart gave a brief overview of the second quarter of 2017. He was asked if there were any surprises. He said no. He said that every year the County wrestles with the building maintenance budget at the public safety building in part because there is no revenue to offset the expenses. Recently there have been some HVAC problems but the County is hoping to have it covered by insurance.

2. Review Projects / Items of 2017 Budget.

Jail Security System

Norris, Inc. has started installing the jail's security system. McCormick & Associates was subcontracted to build the IT room. Norris will be the company that maintains the system once it's complete. The jail will be a lot safer with doors that work and cameras that work. The project should be done by first week of November.

Cupola Copper Roof Replacement/Down Spouts Repairs Project

The replacement of the copper roof on the cupola has completed. Coastal Copper is currently working on repairing the downspouts and in some cases changing their placement and/or angles to improve water drainage. That portion of the project will likely be complete in another week.

3. Review Budget Calendar for 2018 Budget Process.

The budget process calendar is just a draft that the Commission will formally approve at their regular meeting on August 15th. Department managers had suggested moving the program grant presentations to the last night because the numerous discussions about those seem to slow down the process. Administrator Hart said that he agreed with the department managers and noted that it will be discussed by the commissioners at the August 15th meeting.

Nick Lapham asked if it was okay for him to meet with department managers again this year to learn more about their budgets. Administrator Hart said that was fine and noted that new Committee member Roger Peabody is doing that as well.

VI. Adjourn

- Dorothy Meriwether made a motion to adjourn the meeting. Nick Lapham seconded the motion. A vote was taken with all in favor.
- Commissioner Richard Parent made a motion to adjourn the meeting. Commissioner Carol Maines seconded the motion. A vote was taken with all in favor.

The meeting adjourned at 7:21 p.m.

Respectfully submitted,

Candice S. Richards
Administrative Assistant

**The Knox County Commission approved these minutes at their regular meeting
held on August 15, 2017.**

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