

# KNOX COUNTY COMMISSION



**Budget Review Meeting**

**Tuesday– October 11, 2005 – 4:30 p.m.**

A budget review session of the Knox County Commission was held on Tuesday, October 11, 2005 at 4:30 p.m., at the county courthouse, 62 Union Street, Rockland. Vice-chair Nash being the acting-chair and the deputy county administrator present to record the minutes of the meeting.

**Commission Members Present:**

Anne Beebe-Center - Commissioner District #1  
 Lawrence F. Nash - Commissioner District #3

Also in attendance:

Jane Desaulniers, County Administrator  
 Virginia Lindsey, Deputy County Administrator  
 Linda Post, Treasurer  
 Al Ockenfels  
 Elaine Hallett, Register of Probate  
 Christina Sobran  
 Bill Jones – recommendation  
 Carol Emery – *arrived 4:45 p.m.*  
 Lisa Simmons – *arrived 4:45 p.m.*

**Budget Committee Members Present**

Chip Laite  
 Hal Perry  
 William Packard  
 Bart Virgie  
 John Duncan

### A G E N D A

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| Budget Presentation to Commissioners <ul style="list-style-type: none"> <li>• Overview</li> <li>• Tax Cap</li> </ul> Begin Budget Review Sessions <ul style="list-style-type: none"> <li>• Departmental Budgets                         <ul style="list-style-type: none"> <li>✓ Treasurer's Office</li> <li>✓ Debt Service</li> <li>✓ Registry of Deeds</li> <li>✓ Probate Court</li> </ul> </li> </ul> | -J. Desaulniers<br><br><br><br><br><br><br><br><br><br><br><br><br><br>-L. Post<br>-L. Post<br>-L. Simmons<br>-E. Hallett, C. Emery |
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**BUDGET PRESENTATION TO COMMISSIONERS – J. Desaulniers**

Introductions were made throughout.

It was noted the county was awaiting budget committee recommendations from the towns, before vacancies on the committee could be filled.

**Overview**

The committee was welcomed by the new county administrator. Ms. Desaulniers provided the committee with her recommendations, as outlined herein:

“Unfunded mandates continue to drive cost increases. The Commissioners and Budget Committee will note that this year 63% of the budget (by expenditure) is represented by prison and patrol related expenses. Both the Sheriff and Jail Administrator met with the administrator on several occasions, identified areas where non-mandated costs could be reduced, and made those concessions.

The remaining 34% of the budget (by expenditure) is represented by the remaining departmental areas – including Airport and Communications.

**FY05 SNAPSHOT AND TAX CAP ASSESSMENT**

In FY05, expenditures increased by 3.25%. The budget committee voted to use reserves and surplus to reduce the tax increase to -0.02%. The net effect on the county budget was a deficit of \$209,250 that reduces the base upon which our tax cap limit is calculated.

The tax cap is the percentage that the tax assessment may grow each fiscal year. This is determined by using the average real personal income growth (consistent number statewide – currently 2.58%), and the property growth factor which will vary from town to town depending on new development.

The budget tax assessment for 2005 is \$5,265,974. The property growth factor calculated at 5.84%. Based on these figures, the tax cap limit for 2006 is \$5,573,575 or an overall increase limit of \$307,601.

**SUMMARY OF PROPOSED INCREASES**

Union wages are subject to increase based upon the CPI average that is published by the US Department of Labor effective September 2005, plus longevity in accordance with the union contract currently in effect. These figures are not yet received, but are estimated at 4%. The net effect on union wages will be an increase of 5-6 ½ % overall.

While non-union wages are discretionary, I have recommended an increase of 3% in January, and a delay of longevity until July 2006. Knox County is fortunate to have a stable, highly experienced workforce, and I ask the Commissioners and Budget Committee to consider the benefit to the County of being able to retain these workers in a competitive marketplace.

Other notable increases are primarily related to inmates and the jail budget:

- Board of Prisoners – up 120% from \$125,000 in FY05 to \$275,000 for FY06
- Inmate Medical & Dental – up 25% from \$120,000 in FY05 to \$150,000 for FY06
- Tutoring & Counseling – previously paid for with Community Corrections funds provided by the state; this is a new line item that the county must pay and is proposed at \$55,000 for FY06
- Inmate Medical Prescriptions & Supplies – up 7.14% from \$70,000 in FY05 to \$75,000 for FY06”

C. Laite inquired as to what percentage of inmates were attributed to state prisoners. Ms. Desaulniers said she did not have that answer, but had asked the sheriff and jail administrator to research and provide that information.

Commissioner Beebe-Center noted there were two levels of state prisoners. The largest population included state prisoners that break probation, who are then sent to the county jail.

B. Virgie noted the state prison used a private CMS, and suggested the county might do something similar. He noted the prison physician did not prescribe medication unless approved.

Commissioner Beebe-Center indicated that the state inmates included people that had already been sentenced; the people in the jail still had their civil rights, which established a different set of rules.

B. Virgie remarked he would like to see inmates that had not yet been sentenced, to be responsible for their own health issues.

The county administrator continued review of her recommendations:

“Shift differentials from Corrections, Patrol and Communications departments were not budgeted in FY05, but are required at a rate of .50/hour additional for certain shifts. The net effect on the FY06 budget is \$10,500. The jail portions totals \$8,000; Patrol totals \$2,500. Dispatch, which is not part of the regular budget (and is therefore not included in the aforementioned total), equals \$5,800.”

W. Packard asked if the shift differential was a new item. V. Lindsey responded by saying the shift differential has been agreed upon between commissioners and the union in their 2005-2006 contract; the item had been new for 2005 but had not been budgeted. Funding for stipends was included in the 2006 county budget proposal.

Ms. Desaulniers continued.

“Another new item for FY06 is a Jail Study Consultant at a cost of \$10,000.”

Ms. Desaulniers explained the jail study committee would be considering the possibility of adding onto the existing facility or building a new jail. She suggested that expansion might be permitted in the maximum security section, but this might not be as good a plan as it was when the building was originally designed. In addition, there are heating issues in the current jail. The heat flow under the doors from the day room does not work well; the doors need to be cut at the bottom so the heat will flow more freely to warm the cells.

The county administrator continued with her written recommendations:

**"MCCA RISK POOL INSURANCE**

New in the FY06 budget is the detailing of the risk pool insurance (RPI). Each departmental budget now contains a line that shows their assessment which is based upon their estimated risk. Overall, we have seen an estimated increase of 30% in the RPI up from \$154,000 in FY 05 to \$200,850 for FY06.

**HEALTH INSURANCE PREMIUMS**

Insurance premiums increased by 12.84% over the FY05 budget. This figure does not include the County's estimated share for the Dirigo Savings Offset Payment (SOP) which represents a cost to the County of \$28,000. The SOP provides the necessary funds to provide subsidies to Dirigo Choice enrollees and also funds the operations for the Maine Quality Forum. The estimated SOP is a "best-estimate" available from Anthem at the time the proposed budget was developed and may increase.

A detailed summary of the County's health insurance premiums and benefit changes from 1997 – the 2006 estimate is included in your budget folders.

**IN CLOSING**

A number of people have participated in meeting the challenge of helping to prepare a fiscally responsive and responsible budget proposal for FY06. My sincere thanks go to Airport Manager Jeff Northgraves, Building Maintenance Supervisor Douglas McKnight, Register of Deeds Lisa Simmons, District Attorney Geoffrey Rushlau, EMA Director Sylvia Birmingham, EMS/Communications Director Linwood Lothrop, Register of Probate Elaine Hallett and Probate Judge Carol Emery, Sheriff Daniel Davey, Deputy Sheriff Todd Butler and Jail Administrator John Hinkley, and Treasurer Linda Post. Each of these individuals demonstrated an extraordinary effort in working with the new administrator. My special thanks go to my Deputy Administrator Virginia Lindsey, and Administrative Assistant Constance Johanson.

My recommendations are set forth on the following pages and details are found in the departmental sections. The full budget can be viewed as well on the County's website at <http://www.knoxcounty.midcoast.com>. Details of budget requests from Eastern Maine Development Corporations, Time and Tide Resource Conservation, Mid-Coast Regional Planning Commission, Knox-Lincoln Soil and Water Conservation District, and Knox-Lincoln County Extension Association can be seen in the separate documents that those agencies produced."

Ms. Desaulniers concluded her statement by saying she looked forward to working with the county commissioners and the budget committee over the next several months. She indicated department heads would be available during the budget review sessions to answer questions pertinent to their departments or offices. Ms. Desaulniers said she was mindful this was not "our money". She said the department heads and their staffs had made the most genuine effort in putting responsible budgets forward for consideration.

Ms. Desaulniers also touched upon the tax cap, which was enacted in the last legislative session. The tax cap summary was explained on page 3 of the county budget proposal. Based on the tax assessment from 2005, after applying reserves and not using surplus funds, the county administrator noted her proposal would exceed the tax cap by \$421,208. She further noted there was no exemption to the cap for jail costs (as had been proposed during legislative review sessions), which represented 42% of county expenditures. Ms. Desaulniers further explained the county had actually started in the hole this year, because of the 0.02% reduction in the amount raised in taxes (lower than in 2004). This complicated the base used in the tax cap formula, and handicapped the county. She noted no one had anticipated that LD 1 would be passed or how the formula would work. She suggested if the county hadn't been held to less than zero percent change in taxes, the tax cap would have been easier to deal with.

**BUDGET REVIEW SESSIONS**

**Probate Court** – E. Hallett, Register; C. Emery, Judge – *taken out of order*

Judge Emery indicated she had another meeting to attend, and the commission opted to review the Probate Court budget first.

Commissioner Nash asked if there was anything substantial in the Probate budget proposal to be discussed.

#### Contractual Services

Judge Emery answered by saying everything was pretty much the same; there was very little change with the exception of the inclusion of the MCCA Risk Management Pool insurance fees included in each individual budget.

#### Personnel Services

W. Packard asked the judge to explain her proposal for the requested increase in the department head's budget request for the judge's salary.

Ms. Desaulniers explained she had considered the judge's salary increase request carefully, but in the end had decided to hold salaries of all elected department heads to three percent. The county administrator said she understood the judge's reasons for seeking the salary increase, but acknowledged she did have some concerns.

Judge Emery reported that the Probate judge in Knox County was one of the lowest paid in the state, which she said was not reflective of the position. She further stated that until the county respects the position in an appropriate salary then county government was not doing itself a service. She explained that as a judge she committed people, took away personal liberties, and handled a substantial amount of money. She also indicated she kept a record of the amount of time she spent on county matters as the judge, and compared with superior and district court judges she was compensated far less. Judge Emery asked that her request be given due consideration, and said that even one or two percent over what the county administrator had offered would be appreciated.

Ms. Desaulniers said she didn't doubt that the judge's request was reasonable, however, as a new administrator she had not wanted to give any indication of favoritism to any department head. She further stated she would recommend the budget committee consider some additional increase for the judge.

A. Ockenfels asked if it was possible to get a comparative study, to which the county administrator replied that it was.

#### Revenues

C. Laite inquired about increasing fees. Ms. Hallett reported efforts were ongoing at the legislative level in attempting to get fees increased. Judge Emery urged commissioners to lobby legislators, because as a judge she was not permitted to do so. It was also noted that the Registers of Probate from throughout the state had put together a fee schedule for MACo (Maine Association of Counties). Judge Emery said her pet peeve was that the fees are too low.

Commissioner Beebe-Center explained MACo had gone to the legislature with this, in fact MACo had presented a nice structure to raise all county fees, but in the end the legislature had basically said no to raising most county fees. She noted MMA had spent quite a bit of resources in making sure there were no raises in county fees. However, she said MACo would try again to get legislation in the next two year cycle – to get county fees increased.

In looking at the Probate revenues, Commissioner Nash remarked that the forecast appeared to be nearly \$67,000. He asked if Ms. Hallett dared to raise that figure any higher, to which she said she did not.

#### Contractual Services

Commissioner Nash then said he would entertain questions from budget committee members.

W. Packard commented that on total for contractual services it appeared that they expected to spend about half of what was budgeted. Ms. Hallett noted the increase in this year's budget was due to the MCCA Risk Management Pool insurance. In addition, costs for attorneys' fees were unknown.

Discussion continued.

General Comments

Ms. Desaulniers reported she had met with each department head. Coming from the private sector, but having worked in the public sector, she had been able to look at the budget under a different lens. However, she said the county needed to keep in mind the cost of doing business, including the increasing costs associated with rising gasoline and heating fuel prices. In following economic indicators, she said every prediction was that the consumer goods would increase in the coming year. She reported the county had recently joined the Rockland/Thomaston Chamber of Commerce and would be eligible for a Staples discount, but at this time any savings were unknown. She suggested there might be ways to save money in purchasing office supplies, but it was a little too early to tell (she didn't have the membership detail as yet). In any event, economic indicators pointed to a marked increase in goods needed to deliver service. Recent predictions included gasoline prices reaching \$4 a gallon by spring and fuel oil not that far behind.

Probate Court Budget Review Concluded

There were no further questions or comments concerning the Probate Court budget.

Treasurer's Office – L. Post, TreasurerContractual Services

L Post reported the biggest increase in her budget included the MCCA Risk Management Pool insurance and the Treasurer's bond. It was noted these items had been added to the treasurer's budget because of GASB34 rules. The remainder of the increases, the treasurer stated, were due to an increase in the cost of doing business.

L. Post noted the funding for mileage had increased in part because she was on the MACo steering committee; they usually met about once a quarter in Augusta. Also, the treasurer noted she was on the MACo legislative sub-committee, which involved testifying or lobbying for some bills.

W. Packard suggested the mileage should probably be raised to about \$500. When asked about mileage expenses this year, the treasurer noted she had attended a treasurer's meeting last July in Aroostook County, which had added to the expenses for the year.

Ms. Desaulniers indicated she had also discussed looking into teleconferencing and car pooling; recently she and other county department heads had attended a conference and saved over \$300 by traveling together.

C. Laite inquired about video conferencing. Ms. Desaulniers indicated she would like to get into using that type of technology, although acknowledged she hadn't done so as yet. She noted that certain things could be conducted via regular telephone; she said she would look at ways to try and contain the mileage expenses.

After further brief discussion, A. Ockenfels remarked he was glad to hear about the possible use of video conferencing. He said this reminded him about the possibility of using video arraignments that had been looked at several years ago. He encouraged the committee to explore that again with the sheriff. Ms. Desaulniers said there was a pilot program being conducted in Augusta now, and said she had asked the DA to get details on this. Also, she said she would be meeting with someone offering these types of services, and she should have more info before the budget process was concluded this year.

A. Ockenfels suggested the administrator also keep an eye to the security issue as well. He said there had been a number of escapes, which was a problem in every court. He said there would be some value to the security issue in having video arraignments. He noted that with homeland security in force there might be some funding available.

Commodities

After further discussion, the commission and the committee moved on to the review of the remainder of the treasurer's budget.

W. Packard inquired about expenses this year. L. Post noted some of the supply money was higher this year because she had purchased a new computer monitor, and with more work every day – more paper was used.

Reserves

Commissioner Nash inquired about the interest income. The treasurer reported she had spoken to a bank executive recently, and he had suggested the county expect another one percent increase in the cost of borrowing money in the coming year. She suggested the interest earned could also increase accordingly. Commissioner Nash suggested there was a long way to go and figures could change between now and the end of the year.

J. Duncan asked why only budget \$1,500 had been budgeted in interest income. The treasurer replied by saying interest rates had been lower at the first of the year. In addition, the county had been borrowing funds on an as needed basis, which allowed the county only to borrow money when it was absolutely needed.

Further, the treasurer suggested the county should look at requiring airport projects to borrow in anticipation of grants, rather than using county general funds, thereby increasing the county's general borrowing needs. L. Post noted the county had over \$400,000 outstanding in airport projects currently. She suggested this be considered when reviewing the airport budget.

#### **Debt Service**

It was noted there was only four years left to pay off the Jail bond.

L. Post reported towards the end of the year the county might have a better idea of what it will cost to borrow money next year. She noted the county was able to borrow TAN at the rate of 2.5% this year; this was expected to increase by at least another percentage point by year end.

#### **Registry of Deeds – L. Simmons, Register**

##### Contractual Services

L. Simmons reported also the cost of the MCCA Risk Pool insurance (the portion attributed to the Registry) had been added to her budget.

Commissioner Beebe-Center noted also, that counties had never been assessed the full amount of insurance premiums for annual assessments in the past, which was part of this year's anticipated increase. This rate would get the counties closer to a full assessment.

Commissioner Nash advised that Commissioner Beebe-Center represented Knox County on the Risk Pool board.

##### Revenues

L. Simmons noted that recording fees were down, but noted legislation had been enacted this fall increasing the recording fees for each document by five dollars.

C. Laite inquired about the Internet access. L. Simmons reported August was the first full month that county records were on the Internet, and for that month the county had made a profit. She kept the expenses and revenues for the Internet service the same as this year, because it was still an unknown.

J. Duncan inquired further about the increase in fees. L. Simmons explained that on September 19 the cost of recording a document increased by five dollars. Because recordings were actually down this year, the increase in the recording fee should help increase county revenues by year end. She said she was hopeful the Registry would meet this year's revenue predictions.

Commissioner Beebe-Center asked the Register if she thought there was a trend. L. Simmons replied by saying the Registry was still seeing big transfers and a lot of documents; the Registry recorded 16,000 to 17,000 documents each year on average.

Commissioner Beebe-Center then asked why the county administrator's proposal was lower than the Register's. Ms. Desaulniers responded by saying her proposal had been based on the forecast, and being a little conservative.

There were no further questions or comments about the Registry of Deeds budget.

#### **CLOSING REMARKS**

Ms. Desaulniers remarked that the budgets reviewed this date were some of the best prepared and most conservative budgets. She said she had typically been in agreement with most of the funds requested.

#### Business Plan Questioned

C. Laite inquired about the county's business plan, not having seen a copy in this year's budget notebook.

Ms. Desaulniers noted she had eliminated the business plan from this year's budget, as she had sensed from department heads some confusion as to what a business plan for the county should be. The county administrator said she was looking at training to provide the department heads with some assistance in planning for the future. She further suggested that maybe a business plan wasn't the best tool for the county. She said she would be looking at what might be the "best crystal ball" and something department heads could see as user friendly.

C. Laite said the business plan had been a good idea, as it was one way in looking at anticipated capital items for future years, as well as what the building requirement needs might be for the various departments. Ms. Desaulniers indicated she had asked department heads to be able to talk about their future needs and projects.

#### Televised Meetings Questioned for the Future

In other county matters, C. Laite inquired about having the commissioners' meeting televised. He said he thought the new hearing room might be wired for that purpose. It was noted televised meetings might occur in the future, but other renovation issues had taken precedence.

#### Transfer Tax

Commissioner Nash offered, for informational purposes, that legislation had been introduced (again) to retain more transfer tax. Unfortunately, he reported, this legislation had gotten "smashed". Commissioner Nash said the legislature was not ready to give up any money at the state level; that legislation would need to be reintroduced in the future.

#### Counties Unified

Commissioner Beebe-Center reported counties had made good progress this year in getting heard in Augusta and in showing a unified voice. She noted in years past, county officials often showed up to speak about legislation and found themselves contradicting one another. This year, with the creation of MACo, counties had represented a unified voice; one that was more effective in terms of raising fees and gaining credibility with the legislature.

C. Laite commented that it did not make sense for MMA to oppose counties being able to increase fees. He suggested there needed to be more communications with the towns; with the new administrator on board that could probably begin.

Commissioner Beebe-Center suggested that MMA was beginning to have difficulties among its members. Service centers and rural communities were often on opposite sides of an issue.

#### Tax Cap

B. Virgie inquired about the tax cap. Commissioner Beebe-Center noted that many of the towns had chosen to ignore it.

Discussion ensued.

Commissioner Beebe-Center suggested the legislature would review the tax cap issue again. People didn't understand the cap, and there was a great deal of confusion on the data collected and used.

W. Packard noted in the town of Union a number had been presented at town meeting. If the budget had exceeded that number there would have been a vote to exceed the cap. Instead, town officials had opted to use surplus funds.

Commissioner Beebe-Center commented that had been an appropriate process; but not all towns were following those rules. She went on to explain that MMA had come up with a formula and disseminated it to the towns, to help them determine the growth factor. Ms. Desaulniers noted also a number of communities had undergone revaluations; there were no guidelines for those towns in assessing a tax cap.

General Discussion Concerning Jail Costs

It was noted that jail costs - housing of inmates, detention of female prisoners, dealing with inmates with mental health issues, all contributed to the ever increasing costs of running county jails throughout the state. Commissioner Nash noted Knox County was working on a jail study committee, and had been working closely with Waldo County to determine if there might be ways to consolidate or to share services. It was too early to tell at this time, what the result of the study might be.

Commissioner Beebe-Center commented jails were out of the counties control in terms of containing costs. She said the fourth amendment of the US constitution requires that the inmates maintain their full rights while in county jails, because these prisoners had not yet been sentenced. Sentenced prisoners at state run facilities had different rights because they had already been given a sentence (or punishment) for their crimes.

Commissioner Nash informed the committee that Maine Pretrial Services had saved the county a lot of money, by providing alternative sentencing to inmates that qualified for special programs versus incarceration.

B. Virgie commented that the state prison transported a lot of its inmates now, whereas previously the county might have transported to and from the prison.

Future Meetings Set Up

J. Duncan asked if there was a better arrangement for the tables, so it was easier for presenters to be a focal point at the meetings. He suggested the space was cramped and somewhat awkward. Everyone then agreed it might be better to hold future budget review sessions in the conference room area.

Comment RE: Overall Budget

W. Packard remarked if there was no increase in the jail, then the overall budget was not in too bad a shape. Ms. Desaulniers suggested if not for the jail, the increase would be about half.

**ADJOURNMENT**

The October 11, 2005 budget review session of the county commission concluded at approximately 6:05 p.m.

Attest: \_\_\_\_\_

Virginia B. Lindsey  
Deputy Administrator