

**WALDO COUNTY FY 2008 BUDGET COMMITTEE**  
**1<sup>ST</sup> MEETING OCTOBER 11, 2007**

**PRESENT:** Budget Committee Members Bill Sneed, James Bennett, Richard McLaughlin, Tim Biggs, Roger Lee and Richard Desmarais; County Commissioners John Hyk, Donald Berry, Sr. and Amy Fowler; Treasurer David Parkman, Deputy Treasurer Karen Trussell, Deputy County Clerk Veronica Stover and County Clerk Barbara Arseneau. Along with other various employees.

B. Sneed opened the meeting at 6:00 p.m. The first order of business was electing a Chairman for FY 2008.

**\*\*R. Desmarais moved, J. Bennett seconded nominating Bill Sneed as FY 2008 Waldo County Budget Committee Chairman. Motion passed with one abstention (B. Sneed.)**

B. Arseneau brought to the budget committee's attention that they could submit mileage for reimbursement. Then B. Sneed explained the budget process for the new budget committee members.

R. Lee: The fiscal year of the County is from when to when?

B. Sneed: January first to December 31<sup>st</sup>.

R. Lee: When is the end of this process or end of meetings?

B. Sneed: Well, we have to be done no later than the 31<sup>st</sup> of December; otherwise the County basically goes into the following year on the previous year's budget.

J. Hyk: I would like to point out to you for your interest; on the first of the year we are usually breathing heavy to borrow money because unlike a town, the County really doesn't have much for money. So we borrow up to three or four million dollars immediately because by the end of January we are out of money. Then we operate on borrowed money until the towns collect their taxes and start sending it to us late summer, early fall.

R. Lee: When do you typically get Belfast's check?

D. Parkman: We normally get Belfast in two payments in October and November.

B. Sneed: One of the departments we are going to cover tonight is the interest on the Tax Anticipation Note and that is the interest paid by the County until they get the money to come up above zero.

R. Lee: So Belfast is paying you ten to eleven months after the fiscal year begins.

D. Parkman: Yes. That is normal. The assessments are not due until October 1<sup>st</sup>.

A. Fowler: I think that we were done this process at the beginning of December last year.

J. Hyk: Earlier than ever.

B. Sneed: That is because Barbara cracked the whip and we were able to get most of the departments ready, lined up and all set to go. We have a smaller number right now. Ms. Page is the first real department in the hot seat tonight.

R. Lee: This year I will be gone from about December 22<sup>nd</sup> through the end of the year. I hope it will be done by then.

B. Sneed: There have been years where we have had a meeting between Christmas and New Year's. It hasn't been recently. We get the budget that the Department heads and Commissioners propose.

**WALDO COUNTY EXTENSION (2005) BUDGET REVIEW:**

Present for the review was Barbara Gould and Jane Haskell.

J. Haskell: The total request for last year with capital outlay was \$50,525.00. The request for this year 2008 is \$49,150.00, which is a decrease. Most of our requests are similar for fuel, cleaning so on and so forth. We were anticipating a slight electricity increase. We did have some reductions in the expenses. Last year you helped us put in a voice activated phone system and our costs have gone down 40%. Some of it is because we get our phone access through the internet, so it routes through Orono and it has decreased our phone bill by 40%. We are finding as we are becoming more efficient, more things are running electronically. We have also increased our request for supplies as well. The University has instituted through the system where we can do bulk ordering. There are many items that are purchased routinely by the University system and if we buy through that particular vendor, than sometimes the costs are 40% – 50% below list price. As we have been doing that over the years, we have decreased our costs quite a bit.

R. McLaughlin: I would like to ask why the Septic Cleaning is not in the 4600 account.

J. Haskell: In the Capital Outlay?

R. McLaughlin: Why is it in the Capital Outlay instead of repairs?

J. Haskell: I am not sure if that was something that Keith Overlock had suggested, or I am not sure.

J. Hyk: It could be simply because it is the only septic system in our system. That is a good question and maybe it does not belong there. Has it always been there. Do you do it every year?

J. Haskell: No. I think like every 5 to 10 years. I am not sure why it is there and it could be one of those things that we did not know where to put it because it is not a constant thing.

R. Lee: I don't know a thing about the Waldo County Extension.

J. Haskell: Before you ask a question, what do we do about the septic tank cleaning? Do we move it?

A. Fowler: Would you feel better if we put it under Contractual Services under 4600 with the trash and snow removal?

B. Sneed: Yes.

R. Lee: What services does Waldo County Extension provide and where do the funds to operate it come from? I am gathering that it is not solely the County.

J. Haskell: We provide outreach education. Cooperative extension is its own separate department through the University of Maine. There are offices in fourteen counties. Some are combined – Knox and Lincoln, Sagadahoc and Androscoggin are combined. Through the Hatch Act back over 100 years ago, cooperative extension was created to provide that link between the land grant universities in every state so the citizen would not have to go to the University to get education. That was over 100 years ago, which was agricultural based. As times have changed we do a community needs assessment about every 4-5 years and find the issues in the local areas. So the programs that are offered in this County may indeed be different from the other counties. Barbara does have a report that you could have. It is core of Cooperative Extension and we could get you one of the local reports. (To B. Arseneau) Did Mr. Lee get one of those reports?

B. Arseneau: Aren't they in the back?

J. Haskell: Not the long report. I will get one for you Roger. In some counties the University of Maine Extension owns their building or rents it. In this County, the County owns the building. So the County does capital outlay.

R. Lee: Most of my interest is the financial side. Why is it that Waldo has to spend \$43,000.00 for the Extension?

J. Haskell: Other counties may have \$120,000.00 because they have to pay rent for a building.

B. Gould: Extension is a federal and state and then a County cooperative, so that each branch contributes money for different things.

J. Haskell: In other counties there is either rent or has been an effort to get people together to build a building.

R. Lee: Just briefly, the cost that is paid for those services by the State and the University; I imagine a bunch of salaries are paid.

J. Haskell: The salaries, which was established by the Hatch Act back 100 years ago, is that the County would provide the local presence. With the local presence there would be a building to house staff. The educational staff is provided by the University. The support staff is provided by the County.

R. Lee: So basically the County pays for pretty much everything except the salaries and benefits of the educational staff?

J. Haskell: No, I don't think that is true.

B. Sneed: This budget has done nothing but gone down for the last five or eight years. It is time to move on.

**\*\*J. Bennett moved, B. Sneed seconded to accept the Waldo County Extension (2005) Budget at \$49,150.00. Unanimous.**

#### **WALDO COUNTY SOIL & WATER (2035) BUDGET REVIEW:**

Present for the discussion was Kym Sanderson.

**\*\*J. Bennett moved, B. Sneed seconded to accept the Waldo County Soil & Water (2035) Budget at \$19,675.**

Discussion:

B. Sneed: There is nothing under Contractual Services and Commodities that we pay for. We have a second page here that says "Contractual Services" and "Commodities" that is blank; which means either you don't use any of them or someone else pays for them.

R. Lee: What do we get for the \$19,675.00? Is that a portion of someone's salary and benefits?

K. Sanderson: Yes, the only real paid employee in the office is me. This is part of my salary; a major part actually. The rest of the actual cost of running the office is funded by the State and Federal government. I actually serve as the contact or the liaison between County folks and the federal government and federal agencies.

R. Lee: I take it what we do with Waldo County, as far as you know, across the state is the same thing.

K. Sanderson: Each district has to go before the commissioners within their own County. It varies from district to district. Some get less from their district and some get considerably more; I guess it depends on whatever they can afford. We get a huge

amount of the money through grants. We have a person that writes grants for the water quality projects that we do for the soil erosion. We do workshops. All of that money comes from grants that we write and get. There is a large portion of money that comes from the state government that goes directly to the dairy farmers. Although we do help other people as far as farms go, we accept all applications from farmers to use that federal money for. The office supplies, the phones; those types of things the federal and state money help with that. So we really don't require a whole lot. We are lucky that way. If they ever left then we would probably be in trouble.

B. Sneed: There is a motion; all in favor of approving this budget of \$19,675.00? Any opposed?

**Motion passed unanimously.**

**REGISTRY OF DEEDS (1065) BUDGET REVIEW:**

Present for the review was Register of Deeds Deloris Page.

R. McLaughlin: How much money have you made for us this year?

D. Page: I don't think that it is quite as much as last year. Last year was not as busy, this year is so-so. So I think that we will finish up the year with what we have proposed.

K. Trussell: I think that you have already gone over.

D. Page: I think transfer tax made us go over.

D. Parkman: The Registry of Deeds collects 100% of it. But the transfer tax income that you see is only 10%. We only keep 10% and the other 90% goes to the State.

R. Lee: So we are looking at \$60,000.00 and that is 10% of the total?

D. Parkman: If we could keep it all, your taxes would be lowered by 10% throughout the County.

T. Biggs: Is the Deeds fees included?

D. Parkman: That is a separate line.

T. Biggs: What is included in those fees?

D. Page: Recording fees, deeds, mortgages, liens, plans, anything to do with real estate recorded in my office.

B. Sneed: Every time your town records a lien, they get a plus, we get a minus.

R. Lee: Does the State set those fees?

D. Page: The State sets the fees. Do you have any specific questions?

R. Lee: I would like to know if there is any portion of this operation of the County that is paid for by the state.

D. Page: It is all paid by the County. The budget is pretty much the same as last year in most of the categories except for Capital Outlay. I am going to need a plan cabinet this year. The one that I have is almost full. I need a new copy machine; I usually replace it every three to four years. They wear out. We usually do about \$60-65,000.00 a year in copy money.

R. Desmarais: Are you going to purchase that machine? Have you looked into leasing?

D. Page: I have leased before.

R. Desmarais: What seems to work best?

D. Page: Buying. Purchasing, I have leased before.

R. Desmarais: When you purchase, do you purchase a contract too?

D. Page: Yes I do. All of my machines are under one contract.

R. McLaughlin: What are you using for increase of salary percentage?

D. Page: Increase of salaries is 3% that the County set.

R. McLaughlin: Any new employees?

D. Page: No.

T. Biggs: Did you say you have brought in \$60,000.00 in revenue from the copy machines. Where is that reflected in the Revenue Sheet?

D. Page: That is in Fees. I have my own Distribution Report. I have from January through September; almost \$60,000.00. \$15,000.00 of that is income from the Internet service that we have.

R. Lee: It looks to me if you add the three revenues together they come to \$346,000.00 and what is proposed for budget expenditures is about \$145,000.00.

D. Page: It is all Register of Deeds.

J. Hyk: It would be the technology side.

R. Lee: So technology is not here.

J. Hyk: This is how the technology works. Back four or five years ago, when the County was in a different situation we had a committee of professionals within the County. We decided that we did not want each individual department doing technology because it did not make any sense, so all of the technology is in the Commissioners budget. It is all controlled by one place and one person. It has worked pretty well. You might say it has been a little expensive but you can't say that it has been screwed up at all. It hasn't gotten screwed up. That is where part of everyone's budget is going to be.

R. Lee: What about FICA tax and benefits?

J. Hyk: They have their own budgets. The other question you asked; if there was any state help in the budget? The only other place that you are going to see any help is in the Emergency Management, the District Attorney's Budget and then there is some Jail stuff.

B. Sneed: Besides supporting three highly paid commissioners, we have to do the Deeds, Probate, lock up the bad guys, support a sheriff patrol and probably pay Parkman more than he is worth. (He listed the rest of the budgets they needed to go over.)

**\*\*R. McLaughlin moved, B. Sneed seconded to accept the Register of Deeds (1065) Budget at \$243,639.00. Unanimous.**

**TREASURER (1025) BUDGET REVIEW:**

Present for the review was Treasurer David Parkman and Deputy Treasurer Karen Trussell.

D. Parkman: I would like to go over the County's finances while I have about three minutes. This County is very, very tight. If you look at the bottom line on your warrant here we should be at 75% and we are at 76%. That is a tight budget. Last year we had \$88,000.00 of surplus and I think we showed unofficially last year at this time about \$68,000.00. At the end of the year it was \$68,000.00 but the auditor found another \$20,000.00. We have 2006 surplus which is \$88,000.00. That is not much surplus. That is total surplus. Typically we run anywhere from \$100-300,000.00 in surplus money. The last couple of years we have been going down on surplus. This is very tight. Last year we had seven main departments go over budget (Commissioners, Probate, Jail, Sheriff, Interest, Auditor and Communication Center)

B. Sneed: How can the Auditor be over budget? Don't you have a year to year contract?

D. Parkman: Yes we do. They spent a lot of time as we got a new auditor. This year we paid him exactly what it was. I didn't expect they would be going over the budgets.

A. Fowler: In the past we have waited almost a year for our audit report.

D. Parkman: The good news in this County is in two years we will be out of debt. We have three more payments on the Communications Center.

R. Lee: I know in the City government the State allows us to add a certain percentage to what we expect to spend in determining the tax rate.

D. Parkman: The overlay. We have an overlay also.

J. Hyk: The maximum overlay allowable is \$100,000.00.

B. Sneed: Unlike towns and cities you cannot carry money forward.

D. Parkman: That has changed a little bit. We can carry money over but after a certain %, a town is unlimited.

J. Hyk: Five years ago the Bond Council said, "You don't have enough money to operate." So for the last five years we have been trying to build up surplus to get to roughly \$800,000.00, which is a minimal number. The other part of it is by statute the Commissioners are only allowed to spend \$100,000.00, which is what we have in contingency more than what is budgeted for an unanticipated emergency. Once we go past that, the Commissioners have no authority to spend any money on anything.

B. Sneed: They can't even transfer between departments unless they call all of us back here in the middle of June to allow them to do it.

D. Parkman: The problem with that is, if we run out of money there is no way of going back to get more money because the assessments have already been made.

J. Hyk: \$800,000.00 is a moving target because as your budget goes up, five years ago we had a five million dollar budget. J. Pease said that we needed \$800,000.00 and now we have about an eight million dollar budget. The bigger the budget the more surplus you need.

D. Parkman: We have about half a million dollars in surplus.

B. Sneed explained the fall through mechanism and told R. Lee that it was a law and he could read it if he would like.

D. Parkman: The first week that I was County Treasurer in January 2003, I had to go out and borrow money to pay the payroll. We had to start to borrow money before the budget was approved. That was my first year as Treasurer. Now we are down to the second week in February to borrow money. So it has improved. Also, I would like to quickly review the towns that have paid its, Burnham, Jackson, Knox, Montville, Searsport, Unity and Winterport. I appreciate that very much, if you are from any of those towns. The other towns that have paid on time are Northport, Prospect, Searsmont, Waldo, and Unorganized Territories.

B. Sneed: I guess there is no way to pay Parkman's assistant out of his own salary is there?

D. Parkman introduced his Deputy Treasurer, Karen Trussell, to the Budget Committee members.

B. Sneed: Just out of curiosity John mentioned that computer stuff was under the Commissioners; how come yours is not in there? (Referring to NDS)

K. Trussell: It is only for the finance part of it.

D. Parkman: Everything is just about the same.

R. Desmarais: On salaries on the third page back, the Treasurer recommends 7%, would you explain that?

D. Parkman: Last year we tried to get Karen up with some of the other counties that are paid as deputies and she is the main person and I didn't want to lose her. It was shot down last year so I put it up as a "bump" and it was approved by the commissioners.

R. Desmarais: If one employee goes up to the average of the rest of the counties, are we opening a "Pandora's Box?" Is everyone on the same level playing field?

D. Parkman: Yes

R. Desmarais: How about the other employees of the County?

A. Fowler: Actually, we have done very well at bringing people up to the top of the bottom third.

R. Desmarais: Nobody is going to be saying, "What about me, I am not up at that average."

A. Fowler: No one has come to us. Dave brought a statute before us. (A. Fowler read Title 30-A §154.)

R. McLaughlin: So the Commissioners approve it.

T. Biggs: She has gotten 3% each year and this year you are looking at 7%.

D. Parkman: That is to bring her up to the top of the bottom third. When she was hired, I think she got a six month "bump." She hasn't gotten a "bump."

J. Hyk: Bill, may I address Roger, as he is new here?

B. Sneed: Sure.

J. Hyk: Six years ago when I came on with Jethro Pease, what we tried to do with employees being underpaid; we looked at all of the counties and we said we were going to try and put Waldo County at the top of the bottom third. We are not the richest and we are not even in the middle, we are towards the bottom because we feel that we are a little better off than Washington County, Aroostook and a couple of others. That is the world we are in, is the top of the bottom third.

R. Lee: You would think that some counties would have a larger staff.

D. Parkman: They do. Knox County has a treasurer, a deputy and two other clerks. In this County we have one deputy treasurer that does 95% of work. All I do is sign checks, go to Commissioners meetings and I set the policies as far as how much the TAN note is going to be and how much the mil rate is going to be. The everyday bookkeeping, she does all of the work. We are really talking about a 6.7 million dollar budget and if you add the reserve accounts, it is about a 7-8 million dollar budget. So there is a lot of work.

J. Hyk: She is supposed to do a good job and she does a damn good job. You people see it in the experience that you have had over the last four or five years ago. Six years ago you could not get a straight answer to anything.

R. Desmarais: I don't think anyone is questioning the quality of the job that she does. It's just that 7% stands out.

**\*\*R. Desmarais moved, T. Biggs seconded to reduce the bottom line of the Treasurer (1025) Budget to \$54,700.00.**

Discussion:

R. Lee: I am not comfortable with this and I don't know enough about it. If money is approved at \$54,700.00 then you won't be able to move money from line to line.

(It was explained that this was a sub-department and lines could be moved around within it. Then B. Sneed reminded the Budget Committee members that this is "not carved in stone until after the Public Hearing.")

**Motion was passed unanimously.**

J. Hyk said that he had spoken with Sheriff Scott Story about the Jail board. He said S. Story had written a letter to Commissioner Martin Magnusson of the State of Maine Department of Correction requesting that the jail variance be extended for two more months. He has not heard back from him and if it is not extended then there will be 4 prisoners that will have to be sent out everyday. The Jail budget is up due to the variance and with two months to go, there is only \$38,000.00 left; so some of the bills will have to be paid on next year's budget.

(BREAK)

**AUDITING (1090) BUDGET REVIEW:**

Present for the review was Treasurer David Parkman and Deputy Treasurer Karen Trussell.

**\*\*B. Sneed moved, R. McLaughlin seconded to accept the Auditing (1090) Budget at \$6,000.00. Unanimous.**

**DEBT SERVICE (1095) BUDGET REVIEW:**

Present for the review was Treasurer David Parkman and Deputy Treasurer Karen Trussell.

D. Parkman: The Debt Service is payments for the Communications Center for ten years.

K. Trussell: July 28, 2010 is the last payment.

**\*\*B. Sneed moved, R. Desmarais seconded to accept the Debt Service (1095) Budget at \$70,200.00. Unanimous.**

**INTEREST (2000) BUDGET REVIEW:**

Present for the review was Treasurer David Parkman and Deputy Treasurer Karen Trussell.

D. Parkman: On the Interest we have the same limit, \$4 million dollars on the TAN note. I am thinking that we are going to have about the same amount of money. We have used \$3,450,000.00 and because last week those towns paid us early, we paid off \$1,450,000.00. So we still owe \$2 million. The interest so far is up to \$42,222.00. The interest is 3.52%.

T. Biggs: Is that a floating interest or is that fixed?

D. Parkman: Fixed.

R. Lee: So that must be the same State wide?

D. Parkman: No, we go out every year to the banks in town; there are five or six now.

J. Hyk: You put out a request for service and they come in with little different things for you to nibble on.

D. Parkman: We have worked with Camden National, Bangor Savings, Union Trust and we are now with Camden National. (He explained the Reserve Accounts.)

**\*\*B. Sneed moved, J. Bennett seconded to accept the Interest (2000) Budget at \$50,000.00. Unanimous.**

B. Sneed: Barbara, do you have any idea who is available for next week?

B. Arseneau: Not really. I am not sure exactly.

B. Sneed: Check EMA.

V. Stover: The District Attorney is available.

A. Fowler: The Communications Center? Do you want three or four?

B. Sneed: Facilities as back-up. How about Probate?

D. Parkman: Before we adjourn, on the Revenue Control Report, last year the Probate Restitution was under miscellaneous; this year they have their own line. They estimated around \$6,000.00; they are now up to \$9, 089.00. That really goes against the Court Appointments. She is looking good in that line.

B. Sneed: Is someone going to come in and talk about Records Preservation? Is there a body? Grant Writing?

A. Fowler: Barbara Arseneau.

B. Sneed: Where does Eastern Maine Development Corporation come into this?

B. Arseneau: They are under the Advertising Budget (1080). So you tell me when you want to see them.

B. Sneed: What is Grant Matching? Is there going to be someone there to talk about that?

J. Hyk: Grant Matching is we are expecting some money that isn't being brought in by Eastern Maine Dev. Corp., which is going to require a match.

B. Sneed: Is this Dale's [Rowley, E.M.A. Director] work?

J. Hyk: Yes. I forget what the match is but we don't get the money unless we match it.

B. Sneed: So Grant Matching (2055) should be done at the same time as E.M.A.

J. Hyk: Eastern Maine wants us to put aside money for a grant that hasn't come in and could come in next year.

NEXT BUDGET COMMITTEE MEETING:

Thursday, October 18, 2007 at 6:00p.m.

The following budgets will be reviewed:

- District Attorney

- EMA along with Grant Matching (2055)
- Communications Center
- Back-ups, if needed:
  - Facilities (1030)
  - Probate (1070) – Preferably

T. Biggs: (To B. Sneed) is there any information that we want them to give us about the benefit package that is coming up that they might need to prepare?

B. Sneed: Ask.

J. Hyk: The only information that we have about a benefit package is the letter from Paul Barbera.

B. Arseneau: There is no hard numbers yet for health insurance. The other numbers you have the supplemental information in the back explaining how we arrived at those.

R. Desmarais: That 3% raise for COLA – is that official or are you projecting?

B. Arseneau: That was official at the end of July.

J. Hyk: We have to give them some number so they can prepare their budgets. That is what it was at the end of July.

R. Desmarais: What is your source on that?

J. Hyk: Federal. We use Boston.

**\*\*B. Sneed moved, R. Desmarais seconded to adjourn the budget meeting at 7:30p.m. Unanimous.**

Respectfully submitted by Veronica Stover  
Veronica Stover, Deputy County Clerk