

**WALDO COUNTY PUBLIC HEARING,
FINAL BUDGET COMMITTEE MEETING
& LD 1 TAX CAP MEETING FOR 2012 COUNTY BUDGET
NOVEMBER 30, 2011**

(Due to the length of this meeting, the Public Hearing portion has been transcribed in detail. The rest of the meeting has been summarized.)

PRESENT: Budget Committee Members Bill Sneed (2012 Chairman), David Barrows, Roger Lee, Richard Desmarais, James Bennett, Harry Dean Potter and James Kenney. Also present were County Commissioners William D. Shorey, Amy R. Fowler and Betty I. Johnson; Treasurer David Parkman, Deputy Treasurer Karen Trussell, H.R. Payroll Director Michelle Wadsworth, Various Elected County Officials, a number of County employees, a large number of the public, County Clerk Barbara Arseneau to take minutes and Deputy County Clerk Veronica Spear to track the budget numbers.

PUBLIC HEARING:

Chairman Bill Sneed started the meeting at 6:00 p.m. and asked all to introduce themselves. B. Sneed explained that Peter Curley had a minor operation and could not attend, and explained that Nakomis Nelson has resigned, so if Roger Lee shows up, it will be seven tonight total for Budget Committee.

B. Sneed opened the floor to the public for questions and comments.

1. Robert Metcalf of Northport wanted to know how an 8% tax rate could be justified in the condition citizens are in now. He commented on raises that had not been given in two years, and compared that to social security, which also has not. He commented that a few things were outrageous, including something that was 13%. He said that valuations on homes have gone down but the tax rate has not gone down. He added that government never experiences a recession. He felt that cuts should be made on a local level and perhaps D.C. would catch on.

Commissioner Amy Fowler asked B. Sneed if there would be questions allowed during the process. In the past, generally they went through each budget and allowed questions on the individual departmental budgets.

B. Sneed said they could do that, unless anyone objected. He joked that it was similar to watching sausage made – a lot of it there is just no question – debts have to be paid, audits have to be paid for, etc.

Robert Metcalf asked if he could ask questions on the budgets, then and asked how the County Commissioners could justify an increase of almost 15% for their budget.

W. Shorey said he would respond in a general manner. He explained that the County Budgets for the last three years have been pretty lean and was three quarters of a million dollars over two years under the LD 1 CAP. This year the County is caught in an unusual circumstance; there are commodities such as soil and gasoline that affect the County by almost \$100,000.00. Secondly,

there have been a few years of not funding reserves. There is technology-based equipment that is in the five-to-six-year old bracket and some goes back as far as 2003 and is in serious need of upgrading. This is \$100,000.00 annually on a lease. There were two years in which wage increases had not been figured into the budgets, and that made for a larger increase for 2012. The County has a very efficient risk [health insurance] pool fund that is doing a good job insuring the employees very competitively. \$67,000.00 of the 2011 request for that account was reduced by the Budget Committee to hold down the budget increase, which was the right of the Budget Committee to do, but he did not think it was a good place to take it from. This fund account has not been increasing the way it should have been. Currently there is about \$460,000.00 for about 80 people, which isn't much money. The health insurance managers have told the Commissioners that the County should have between \$750,000.00 and \$1,000,000.00 in this pool to be safe. It was going to start going up last year, especially in view of the employees contributing more on their premiums, and it will go up again in 2012. He commented that this was his fourth year as a County Commissioner and he did not take the job to throw money away and be wasteful but he believed the County was at a point in time that others who manage their entities and they will agree that these budgets can only be held down so long and then there are certain things that you have to do.

R. Metcalf stated that the employees should pay a little bit more toward their health insurance and disagreed with the 13.5% that employees will be paid this year. He expressed that there should not be a big jump in the budget this year, but in small grades.

W. Shorey explained that if money had been put into reserves, if three-quarters of a million dollars hadn't been left on the table over the last two years, and the County hadn't faced the upgrades in technology and Communications Center and hadn't faced an increase in commodities, the budget would have been only 3% increased over 2011.

2. Justin Holmes, Executive Director of what was formerly known as KWRED, now Mid Coast Economic Alliance spoke. He explained that in years past, the former Executive of KWRED made budget requests to the County. He wasn't sure if he had done so last year. He explained the focus and purpose of this organization in serving Knox and Waldo County. They are presently supported by the private sector, by Knox County and the City of Belfast. He apologized for arriving late in the budget process but he had not been aware until recently that the Waldo County budget had not been set yet. He referenced a letter from City of Belfast Manager Joe Slocum dated October 25, 2011 in which he asked the County Commissioners to consider a request of \$25,000.00 for regional economic development efforts and specifically commented that Mid Coast Economic Alliance is an organization that would warrant that investment. Knox County funds it at \$45,000.00. The City of Belfast also contributes in the amount of \$7,500.00. He asked Waldo to fund \$20,000.00 to assist in county-wide efforts. Currently only Belfast is serviced because of their financial support. He referenced local successes such as Athena Health in Belfast and Boston Financial down in Rockland. Waldo County is the only county in the State of Maine that does not have a regional economic development agency dedicated to economic development. He acknowledged that the County is a member of Eastern Maine Development, but that is a multi-county district. It does not have a dedicated focus at the County level. If the County funded this, MCEA could include and expand its efforts for business attraction, expansion and retention to include all 26 communities in the

county. He listed opportunities for growth in specific industry sectors. He requested that this be included in the budget request and stated that he had documents to pass around for future reading and consideration.

B. Sneed explained that the Commissioners propose the budget and the Budget Committee disposes of the budget and the Budget Committee did not have the right to insert money into this budget, the Commissioners do.

A. Fowler responded that the Commissioners do not have the information in front of them at this time.

Commissioner Betty Johnson said that she sits on the Board of the MCEA and agreed that Waldo County is divided, noting that it is divided into three different development groups. She said she personally felt this was an important matter. She explained how the regions were divided up and felt that it is very important that all of Waldo County be represented as a group. She felt it should have some funding and recommended funding the same amount as for Eastern Maine Development, which would be \$5,000.00, and hopefully next year MCEA could make its request earlier in the year. She made the motion to fund them \$5,000.00.

There was some discussion about this request coming in too late and what the process would be, since it is now the Public Hearing and Budget Committee meeting.

Roger Lee agreed that it is the Commissioners' choice but said it was sad that Waldo County spends nothing on economic development and doesn't view it as a County responsibility. He compared this with Belfast's success in this area.

A. Fowler responded that the Commissioners have funded Eastern Maine Development Corporation for years and saw nothing from it.

There was discussion of if the Commissioners did fund MCEA with \$5,000.00 whether or not the County would truly benefit and whether or not \$5,000.00 was enough funding.

R. Desmarais noted that Joseph Slocum has spoken on this before and is here tonight and might want to speak. He commented that it is late to be considering this request and that Eastern Maine had supplied a lot of documentation to support their request.

There was more discussion about the lateness of this request and whether or not it was appropriate to address it at this time. The consensus finally was that it was too late to add any funding requests to the budget.

Mr. Holmes was asked by James Kenney to obtain mailing addresses for the Budget Committee and to submit materials to them for review. J. Holmes left a printed copy of the material as well.

3. Jayne Crosby Giles spoke next and introduced herself as a Belfast citizen and a former State Representative for Belfast, Belmont and Northport for four years. She has been involved with this group for about six years. She has observed what Knox County has done for support

over the years and has always said that Waldo County needs to be having an active role. She felt it was up to this group to reach out and educate the Commissioners and was glad that Commissioner Johnson was participating on behalf of the Board of Commissioners. She related some of the organizations activities and accomplishments in Waldo County.

B. Johnson emphasized the importance of economic development and stated that this was her concern when becoming a Commissioner.

4. Basil Wentworth, resident and Selectman of Knox spoke next, but was not there to represent the Selectmen as a group. He stated that instead of increasing the budget 7% should be decreased by 3 or 4%. He said he had not gone through the budget and didn't want to pick any particular item he agreed or disagreed with. He stated his argument was based on one thing: in the past year, Waldo County government has constructed a building that cost about \$2 million and would like to know where that money came from. In his experience, when you build real estates, you float a bond, borrow the money, go to the public and ask them to vote for it. From what he read, that did not take place and he asked if he was wrong.

W. Shorey explained that the money came from reserves that were set carefully aside for a number of years. The County also had at that time the good fortune, through good foresight of the Sheriff, to change the Jail to a Re-entry Center, which saved the County money. Augusta asked for that money a few times but the County learned it was County money and those funds stayed in Waldo County and assisted in building the new building. Otherwise, that money would be paid to other Jails housing prisoners.

A. Fowler added that the County EMA Director obtained a large grant that assisted in this.

B. Wentworth stated that the Commissioners stripped accounts that were meant for something else and built that building, adding that the Commissioners took a lot of pride in saying that it built that building without going to the taxpayers for tax money, etc. His point was that now, they are in the position where they are going to decide to put money back in the reserve accounts that was taken out to pay for the building. He didn't object to the building itself but how it was done. The two points he wanted to make were, one, maybe that money shouldn't have been there in the first place and, two, now they are voting to replenish the accounts. He argued that the Commissioners didn't need to increase those accounts and possibly should possibly go back to 2 or 3% less than what they put in this year. He requested that they look at the overall budget and consider reducing it.

W. Shorey explained that the money wasn't stripped but was taken from accounts that are controlled and must have permission from the State if they will be used for some other purpose than what they were designated for. Last year, the County on the statement, increased its net worth \$499,000.00 because it had just about a zero budget. There is currently about \$600,000.00 in reserves, and there is about \$450,000.00 to \$500,000.00 in unappropriated reserves. The \$2 million building is completely paid for and did not have to pay interest. He stated that even if this budget passed tonight as requested, it would still be the lowest increase in over four-years since 1989. The Commissioners have not been throwing money around but have been in some

difficult positions of having major expenses that are coming up and have to be addressed and are not wasteful, and are taxpayers as well.

A. Fowler clarified that not all the accounts are being replenished. The Future Land and Buildings fund is not stipulated for the replacement of anything that has to do with the Sheriff's and/or EMA Offices. She referenced the Superior Court requiring maintenance.

B. Sneed stated that he had no idea how the new building had been paid for and would like to know where every penny of that \$2 million came from.

The Commissioners clarified that \$2 million had not been spent on this building at this time and that was not an accurate figure.

B. Sneed claimed it was included in a letter sent by the Commissioners.

W. Shorey said the Commissioners would be glad to show the committee once the project was finished and he reminded everyone that while this building was being built, the County sent \$300,000.00 back to the Towns.

B. Sneed stated that this money wasn't given back; the law requires that this unencumbered funds be given back. This was a requirement of the law, not a gift from the Waldo County Commissioners.

A. Fowler stated that if the media actually quoted properly, the quote would have been accurate because she didn't believe her words were that the Commissioners "gave back". She said she knew what the 20% requirement is.

B. Wentworth stated that with all due respect to the Chairman and his ability to articulate his point of view; he was simply stating and restating that if he were on this board, he would take a serious look at this budget and actually decrease it. He said he realized County government does not have to go to the taxpayers and ask them to vote, but Selectmen do. He commented that the Town simply gets a bill for an amount. He noted that the Town has to account for that. What he had read and what was stated publicly, he was using the building as an example and a representation of County government as a whole. The building was built with money, and while he did not object to the building, he was questioning why the Commissioners did not go before the County as a whole and ask to borrow the \$2 million through a bond process. He said he believes this represents the County's budget process and that there was a problem.

County Treasurer David Parkman stated that he was amazed that anyone would criticize putting up a \$2 million building and paying for it without any new taxes and saving money on interest. The County took funds from reserve accounts that were designed for the Sheriff's building and other buildings. The County didn't take it out of reserves that were not appropriate, such as the reserves for the Courts, vehicles, etc. There was "about \$2 million-three" last year in reserve accounts on certain things. He could not imagine why anyone would want to go out to bid and pay all that interest. He noted that when he was first elected in 2003 as Treasurer, on January 3rd, the Deputy Treasurer notified him that the County already needed to borrow money in the

amount of \$100,000.00 for payroll. Last year there was enough money that the County didn't have to borrow until the second week in May. The cash situation is great in this County and he thought that people would applaud that kind of fiscal responsibility. He spoke about the \$500,000.00 on the LD CAP. The County went from 7.3 last year on the LD 1 and this year the CAP is at 6.8. He said he would guarantee that the citizens are getting the investment-end up with the budget. The budget is different from the County financial statements. If the County has to go with 6.8, there would be departments closed in the County. He explained that the County could not run on that and could not go backwards seven or eight years ago. There reserve accounts in the amount of \$175,000.00 approximately; \$105,000.00 of which is to pay for radios for 911, which has to run that 24/7 every day. Sometimes it is a problem in this County to come up with the money and they do occasionally run "in the red."

B. Sneed recommended waiting until they got to the reserve accounts before discussing that.

D. Parkman said he believed this county is in a very good financial state. The auditor was just in and confirmed that. The County got the money, paid for the building and there were no new taxes on that building. He believed that was the way to do it – pay with what you get.

R. Lee said he wanted to "second" the individual from Brooks. He believed the County budget is up by an amount that is way too high and he believed it should be cut. He stated that he didn't believe the committee did its job last time they met. He will be making motions tonight to cut it piece by piece. He said it wasn't actually 8% and felt it was a little deceptive to look at it that way. There is the fixed \$2.8 million that is just there and cannot go up [referring to the Jail budget]. He said it was really 13% of the amount that the Committee really has any control over.

B. Sneed commented that there was a little bit of fifth and sixth grade arithmetic going on here to make the numbers easier to work with. There is an overall budget of \$8 million. Of that, \$2.8 million is fixed; it doesn't go up or down, so that is always zero. \$2.8 of \$8 million is 35%, so when R. Lee says the budget has increased 13%, it has because what increased by that amount was the departments that the Commissioners have control over. The bottom line didn't go up 13%; it only went up 7.8% because \$2.8 million is held at zero.

R. Lee stated that it is not complicated math. The 2011 budget was \$4.6 million and then it went up to \$5.2 in the current budget and that \$2.8 gets added to both of those, and is zero no mater what. He stated that the budget went up 13%. He suggested that maybe there is a town or city in this county that saw an increase like that in a recent budget but he doubted it.

W. Shorey remarked that he understood math, too, and in the time he's served on the Board of Commissioners, any time he'd heard a final figure, that figure has always included the total budget, including the Jail. He did not have a problem saying how much the budget increased. He was just citing a figure that he's heard every year that he has sat here.

B. Sneed stated that W. Shorey was correct, but the fact is that for the last three years, not only has the Jail been zero, almost all the rest of it has been zero, as well. W. Shorey agreed.

W. Shorey stated that the last three years, the committee saved three-quarters of one million dollars, too.

B. Sneed read from a letter that he wrote back in July. "LD 1 is a CAP on budgets to protect the taxpayers. It is not a minimum level of expenditure that a County or a Town is entitled to. It's there to protect the last pocket in the County." This drumbeat that, "well, you've held us under the cap," well, great! These folks should be applauding you for being held under the CAP because that's what it's supposed to do. It's not something you can just spend up to; that's not the purpose of it. The purpose of it was to bring under control the property taxes, which it has for both towns and counties.

W. Shorey said he'd like to point out that the years prior to this year were the lowest three years of increases in the County budget since 1989 in any three-year period. He said he is not an IT man; the County has a very good IT person who has notified them that this is 2002 equipment, this is 2003 – it's got to be upgraded for \$500,000.00 and the County has to go get a \$100,000.00 lease per year and while you can take commodities and that lease – that makes three cents right there. He said he did not think this group is in the mode to waste money but it is the Commissioners' job to put forth what the County needs to keep it whole. Once the Budget Committee decides, whatever it is, it is; and they will do their best to carry out the committee's wishes.

J. Kenney responded that this was well-spoken. B. Sneed agreed, but he had learned over the last ten years of serving on this committee that no matter what the committee makes the budget, the Commissioners spend what they want and there always seems to be money available. For example, there is about \$528,000.00 in revenues for 2011 and he asked where that went?

W. Shorey responded that it goes into the budget and B. Sneed asked what it does and what the Budget Committee was voting on if half a million dollars was being put in there.

Deputy Treasurer Karen Trussell explained that the way the budget is constructed is to take the total budget and subtract the revenue and it is considered part of the budget. What the Committee approves for the budget is not what the County assesses out in taxes. The revenue has to be taken out. The assessment is different from the actual budget.

B. Sneed asked if anyone else had any comments. There being none, he commented that they would take a break and move on to the "sausage-making" part of the process, which is that the Budget Committee will go through each department line by line until they are finished. He explained that there may be a third part to the meeting, referencing the LD 1 CAP. He inquired about the CAP and Deputy Treasurer K. Trussell responded that the CAP is \$6,969,579. B. Sneed explained that if the County was over the CAP, there would be a joint meeting between the Budget Committee and the County Commissioners, at which point they would to decide how to deal with anything over the LD 1 CAP; whether to exceed or increase.

(15 minute break)

B. Sneed called the meeting back to order. He explained that, through no fault of their own, a dollar amount was left off of the Time & Tide budget request. He recommended starting with that budget – 1080 Advertising and Promotion. He noted that the amount was in there, now, in the amount of \$3,600.00, confirming it with the representatives of that organization.

1080-4718 TIME & TIDE RC & D:

Vance Wells spoke on behalf of Time and Tide Resource Conservation. He explained that all County Commissioners have been informed that the United States Department of Agriculture last April voted to cut funding and serving the Resource Conservation and Development agency. The Board of Councilors of Time and Tide feel they are a positive impact on this area and want to continue operating. There is about \$50,000.00 in their treasury but they need continual support from the Counties. So far five of the six are supporting them. They are now requesting support from Waldo County. History shows that Time and Tide has been able to double the money that leverages and “keeps the wheels turning” each year. He believed that is a good investment. That money goes back into the County. Last year there was over \$7,000.00 that went into the energizing of needy homes that was contributed by local businesses. Another project near Lewiston was the high tunnel and energy study that saved one man \$37,000.00 annually on the electricity bill. He was not touting that he was an ecologist – he is focusing on the work that goes into this. Historically Time and Tide has been associated with the farmers, but now that USDA has pulled back, they believe they can extend our image and assist other groups. Their mission statement is to service others in organizing their plans and things they’d like to accomplish, assist them in logistical work, finding and getting grants. The plan is to do this through a retired coordinator who has volunteered his time. He will train a student intern. We want to find a student to fill in the clerks’ job with essential computer skills. Time and Tide has recently made a connection with the Belfast Area Transitional Initiative and there are already two or three projects they would like to work on with Time and Tide. This is local and will give the Commissioners and others in this area the recognition for some of the things they do.

There was brief discussion of what the figure requested was. It was \$3,625.00.

****R. Desmarais moved, J. Bennett seconded to fund Time & Tide at \$3,625.00. Four (4) in favor; R. Lee, J. Kenney & B. Sneed opposed. Motion carried.**

James Bennett approached the Chairman and explained that the Budget Committee, in the past, has gone down through the budget and if the people who spoke is who they asked for but if they continue at this rate, they would still be here in the morning.

B. Sneed agreed, stating that WCAP and Eastern Maine Development Corp, as part of the same Advertising and Promotion budget had already been discussed at length during a previous meeting. He noted that the bottom line for the entire departmental budget would be increased by \$3,625.00. making it \$12,125.00.

****R. Desmarais moved, R. Lee seconded to fund the Advertising and Promotion budget (1080) at \$12,125.00. Unanimous.**

The Committee agreed to return to the front of the budget binder and vote on the rest of the budget in order.

(A woman from Eastern Maine Development Corporation thanked the Committee.)

EMA (1010) BUDGET:

B. Sneed noted that this was a zero increase over last year's budget. The Committee thanked him for keeping the budget at zero.

****J. Kenney moved, R. Desmarais seconded to fund the EMA budget (1010) at \$98,224.00 as requested. Unanimous.**

DISTRICT ATTORNEY'S (1015) BUDGET:

B. Sneed stated that this budget was up about 2.3% over the previous year. He inquired about the position that has been upgraded and the quote in the newspaper that this position wouldn't save the County much or cost the County much. District Attorney Geoffrey Rushlau confirmed this statement and described the position essentially as a paralegal. He reported that a law student had served as a free intern and worked with Deputy District Attorney Eric Walker last summer. The other three counties in his district also have a position that is much like this. This position will possess legal abilities that will assist the attorneys in a variety of ways.

R. Desmarais inquired about Metro D.A. Central in Contractual Services being up \$1,000.00. G. Rushlau explained that the department is changing the prosecution software early next year. There is not enough access to bandwidth to accommodate that more modern version of this software. All four counties are budgeting funds to acquire more bandwidth. He noted that Waldo County is different than the other counties because the County itself provides most of the technical assistance, computers, email, etc. The County's IT person will be reviewing this because the County may not need that higher cost bandwidth, but additional bandwidth is needed, however that is accomplished.

R. Lee commented that this increase of 2% seemed reasonable.

****B. Sneed moved, J. Kenney seconded to fund the District Attorney's budget (1015) as requested at \$215,793.00. Unanimous.**

COMMISSIONERS (1020) BUDGET:

B. Sneed noted that this budget had increased 14.3%. R. Desmarais asked why traveling and mileage had increased so much. A. Fowler explained that she, for one, is spending a lot of time in Augusta dealing with bills and legislative that impact the counties, and the other two Commissioners are traveling for a number of other committees they serve on, several of which are not local. J. Kenney clarified that this was not just miles but the fuel cost involved and A. Fowler confirmed it. The Commissioners line for this year is already overspent.

****R. Desmarais moved, B. Sneed seconded to reduce line 4105 to \$7,000.00. Unanimous.**

J. Bennett inquired about lodging. A. Fowler stated that it was high and explained that the Chairman and Sheriff received a prestigious national award through the National Association of Counties. They were able to scrape enough money to send them across the country to receive

that award. NACO holds annual conventions, and this is where that award was presented. NACO is like a larger Governmental lobbying firm that Waldo could greatly benefit from. The Commissioners would like to send one Commissioner to this annual convention. This particular figure has not been in there in the past.

****R. Lee moved, R. Desmarais seconded to keep the figure at the current \$1,040.00. Unanimous.**

R. Lee asked for an explanation of the liability insurance line and whether or not this was a quote or hard information, since it is going up \$3,000.00. The Commissioners explained that this is a quote. That is all they can get at this point in the year. County Clerk Barbara Arseneau said it could change before the end of the year. Last year the County underestimated a little bit, so this year they were sticking with the quote that was given to us.

R. Lee inquired about Advertising, Personnel doubling. A. Fowler explained that to post an ad in the paper is very expensive. When asked about how much is spent each year, B. Arseneau explained that County has gone over budget this year, although not in years past. It is difficult to predict employee turnover. The County does use the free websites that they are aware of and also utilizes an online advertising service for that permits unlimited ads for one price over a three month period. The County does the best it can to keep those costs as low as possible.

****J. Bennett moved, R. Lee seconded to reduce the request to \$1,500.00 for line 4730. Unanimous.**

R. Lee asked why dues were up \$1,000.00. B. Arseneau explained that it includes a quote for Maine County Commissioners Association dues. A. Fowler said she had just learned that the dues for MCCA will not increase, so the amount will not need to be raised.

****R. Lee moved, J. Bennett seconded to keep the dues line 4820 the same at \$10,420.00. Unanimous.**

J. Bennett asked why the Training/School/Supplies line 5375 had gone up from \$700.00 to \$1,210 when it had not all been spent this year. B. Arseneau explained that the main reason this line was not expended was because the staff forfeited courses they had intended to take because the mileage line was already overdrawn. There are trainings that are needed in order to keep up with functions in the office, including Human Resources courses in order to keep up with ever-changing laws.

7011, 7100, 7101, 7102 TECHNOLOGY:

R. Lee asked why the budget had gone up from \$44,000.00 to \$82,000.00. Technology Consultant James Arseneau was asked to speak. J. Arseneau explained that many licenses and fees are done at two-year intervals and 2012 is one of those years. Some things were reduced. He reminded the committee that in 2011, the Commissioner had presented a budget to the Budget Committee and they withdrew \$50,000.00 from these accounts. What has been expended is not a true reflection of what has been spent. As agreed, the 0265 Technology Reserve is paying for \$50,000.00 worth of expenditures. This makes it look like a large increase, but it

isn't. He further explained that the reserve account has not been funded annually the way it had originally been set up and intended, and it was supposed to be for new equipment only. During 2011, it was being used to pay for day-to-day expenses such as fiber optic connections, DSL connections, etc. The difference is that it would now be funded from the 1020 budget, not the reserve account. R. Lee asked what was in the Technology Reserve at this time and W. Shorey explained that some of the funds from the Reserve also needed to be used for Technology for the new building. J. Arseneau added that about \$20,000.00 that has not been expended for licenses that come due in December. The breakdown of the \$82,000.00 was briefly reviewed.

B. Sneed inquired about 7011. J. Arseneau explained that this line was a capital outlay item and not a technology line item.

B. Arseneau explained that it was a photocopier. The Commissioners' current unit is malfunctioning and is having more and more issues. It is nearly 8 years old. This unit was reduced in price after some negotiating. R. Lee asked if there was a reserve for equipment and B. Arseneau explained that this reserve was for unexpected equipment replacements. The staff is doing more printing in-house than they used to. It is much more economical to do it in-house.

B. Sneed stated several times that this was just too much money. J. Arseneau stated that if you look at most of the other counties, they typically spend, just in their personnel line, close to \$130,000.00 for the three people they might have on staff, plus all the equipment. Waldo does quite well for the pricing they get for equipment, how it's used and how it is extended.

The committee looked at the Reserve Budget 2045 and reviewed the Technology Reserve line. The reserve included a lease over a five year period that will cover an upgrade for the servers installed in 2006, allows for some disaster recovery capability that does not exist currently, provides for off-site storage for data in another facility (the new Sheriff's Office will serve as a repository), a new radio system – all the consoles in the 911 Center are seven years old minimum and the equipment cannot be replaced and refreshing PCs in the County offices. The lease is \$105,000.00 each year for five years. There will be a \$1.00 buyout at the end. It spreads the payment over five years because the Commissioners have not been able to fund the reserve as originally planned because they are trying to be frugal with their accounting. There isn't enough money to buy these things outright. Therefore, the lease would be spread over five years at a favorable factor rate through an organization that works with municipalities for a low rate. J. Arseneau explained that the current lease is for \$85,000.00 in 2012. That is the last payment on that, so for 2012; after that, the \$85,000.00 in the Commissioners 1020-7101 account will no longer need to be paid. There will not be as big of a jump except in 2012-2013 but the next three years after that, the budget will pretty much stay at the \$216,000.00 to \$230,000.00 per year.

B. Sneed stated that he didn't believe that. J. Arseneau reminded him that over the past years, there hasn't been a tremendous increase in the budget for these things and there has been more equipment that's been installed in the County, so rash statements like that are not accurate.

B. Sneed stated he felt it was a lot of money. J. Arseneau said he didn't disagree. He reminded the Budget Committee that the Budget Committee had not stuck with the recommendation from the Committee that Bill Sneed was on. B. Sneed argued that this was ten years ago and that there

was the worst recession in 50 years and alleged that the County had spent money as if nothing was wrong. J. Arseneau and A. Fowler explained that if the reserve account had been funded as originally planned, the increases would not have been as drastic. The reserve account was supposed to be set aside, banked up and then spent. This was for new equipment.

There was discussion of how much would have been spent out of this reserve for the new EMA/Sheriff's Office. It was estimated at about \$35,000.00 for new switches. The rest of the equipment is being moved over.

J. Kenney asked for clarification of the lease and that this \$105,000.00 will be every year for five years and it will be put in a reserve and drawn down every year. W. Shorey explained that there will be \$105,000.00 the first year, the next year a lease expires, which will drop that back to \$60,000.00 and then the following year another lease expires and it will be dropped back to about \$50,000.00. There will still be the same \$150,000.00 but those other leases will have dropped out. J. Kenney said he was understanding that this is a five-year lease for new equipment, instead of one payment in full, and although it's in a reserve account, it is drawn down at \$105,000.00 every year. All those other payments add to cash available in the bookkeeping. The County would be getting \$500,000.00 of equipment but paying it off for \$105,000.00. He was told he was correct.

W. Shorey said he understood that when you see technology figures and their in the thousands, he's heard, "That's too high; someone is making too much money, etc." He had heard all those stories. He performed a two-year evaluation of the invoices with J&B Diversified Associates and he supplied the materials to the other two Commissioners also. It was determined that the County could not afford to hire anyone fulltime in relation to what they are paying now. The equipment has been at cost to the County, with zero markups. All that is being paid is a rate per hour that is very inexpensive compared with rates even in other businesses. This study was performed and it proofed that the County couldn't have hired a fulltime person to do it any more reasonably.

J. Kenney expressed his approval of the lease arrangement, illustrating with the company he worked with.

R. Desmarais asked for clarification of lease. J. Arseneau explained there were three components to it: about \$85,000.00 for consoles to replace at the Dispatch Center, the seven different servers plus the law enforcement server, and then all the PCs and printers. R. Desmarais asked if the Dispatch Center would survive the recommended cuts for 911 Centers and would the same equipment be needed. J. Arseneau explained that these are radio consoles and regardless of whether it is a 911 Center in addition to being a Dispatch Center, it is required equipment. It's not related to 911 – the radios are required for dispatching.

When asked what would happen if the County did not "refresh" the PCs, J. Arseneau explained that all the machines are running on Office 2003, which has worked well. Most of the documentation coming from other agencies is running Office 2007 or 2010. There are programs that won't be able to be installed or upgraded. Most of the major software packages are no longer looking to support even the XP product line, which is the most current. The County buys

the license so what is being paid per user is less than what would be paid going in and getting the office product in the store. He also explained what would happen if the servers were not upgraded. There are 36 disk drives in our servers in the County. They should have been replaced at the five-year mark – this year. 18 drives out of those 36 have already been replaced. As a precaution, he purchased spare drives because some of them are hard to find. The manufacturer, HP, will only maintain a parts supply for so long. Once those parts are exhausted, if the County loses a drive, there is no fixing the machine. As software progresses, memory and processors have trouble keeping up with the demands placed on them. A fair amount has been added just in the Correctional facility; there are four more work stations that had to be utilized at the Reentry Center. The system was designed to support so many machines; the County is now beyond that and that is one of the reasons why it isn't ideal to do things all at once. Unfortunately because replacing the servers has been postponed, the County now has to replace a lot of things at once.

“Cloud” computing was discussed. R. Lee spoke about the City of Belfast utilizing this to handle the need to backup the individual email. His reaction was that the County could get by and put this off by a year. This is what he recommended. He mentioned that the PCs they have are older than the ones the County is going to refresh. He found this all very technical but he felt the County could get by and put this off another year. He felt this was a year that they were stressed with keeping the budget in reason.

J. Arseneau said that while he wouldn't agree, but acknowledged that this is up to the Budget Committee to decide. He had been asked to present what needs to be done. Ultimately the Budget Committee needs to consider that when you look at the computers that the County had back in 2002, there were machines that sat on people's desks just because they were a paperweight and that person might not use it much. Most of the folks in the County today utilize the machines a great deal. If the Sheriff's Office and Communications don't have a computer to use, the work comes to a stop.

R. Lee proposed not funding the Reserve this year and to force the County to wait another year.

J. Kenney said he would oppose that, if it came to a vote.

A. Fowler asked if the Committee was discussing the Reserve budget now and was told by B. Sneed, no. R. Lee said this was just discussion.

J. Arseneau responded to R. Lee's proposal that if the Committee chose not to fund the Reserve, the one place they could not make that sacrifice was the Communications Center. If the radio consoles don't work, you don't get dispatch. People call for 9-1-1 for services. The public will be put in harm's way. That is the only thing he would say that absolutely had to be kept in the budget. B. Sneed asked how much the Comm. Center needed and halted all discussion for a moment.

J. Arseneau responded that the radio consoles were \$85,000.00. B. Sneed noted that there is \$27,000.00 in the Reserve.

The lease was discussed. The factor would be higher because it would be a smaller lease amount.

Communications Director Owen Smith was given the floor. He explained that J. Arseneau just stated why the radio upgrade was “thrown” into the Technology budget, because he couldn’t lease the money as well it can be leased in the Commissioner’s budget for all of the equipment. He explained that he is always nervous when his equipment needs are included in the Technology budget because that budget is always “beaten and battered around” and everyone thinks they know better and everyone wants to do certain things with it. He stated that J. Arseneau is not exaggerating that the radio consoles are “nothing but fancy computers with specialized with specialized software and hardware.” If they were to lose the platform of one, they cannot replace it because the company does not support it anymore. They could “cripple” along, but if they lose two, they would be in trouble. These radio consoles need to be upgraded and they should have been done last year. He noted that technology starts in the Communications Center and it is not all for his department. If those servers fail, it will be his dispatchers who feel the brunt of the problem because after it is fixed, they will have to catch up. The Deputies can go home, Belfast P.D. can go home; they may not have their complaints done today, but when it comes back on, the dispatcher have to catch up, plus stay up. The County cannot afford to let the radio system go down. Every town’s fire, police and ambulance, dog catcher, sewer systems, water systems all come out of that Communications Center. It is not just emergency. He has tried to explain it before and the question has been asked again tonight. Whatever happens to 9-1-1 has no effect on the Waldo County Regional Communications Center. The only thing that would happen if they consolidated 9-1-1 into two centers is the phone bills paid monthly will triple. All the 9-1-1 Center will do is answer the phone and transfer the call and hopefully they will send the call to the right dispatch center. The County, City of Belfast, Town of Searsport, Town of Islesboro and Town of Lincolnville are all in that center and all in this system. All public safety for every town is in the Waldo County Communications Center.

W. Shorey offered a thought for consideration. He believed the reality was that it is \$18,569.00 for a five-year lease. Since the radios are an absolute must, if that’s what we decide to do, if they come back next year, Spillman will be down \$40,000.00. The next priority will be \$42,601.00 that would be available next year because it won’t be due anymore. At that point, the last thing they would be down to is, and he wasn’t sure if they could get to three with the PC’s or not, but it would come down again and it would be \$44,567.00 for the third piece of this puzzle being discussed. He added those totals and said he believed that the support was about 50/50 and rather than see everything lost, ideally, he thought it would be best to capture the radio consoles and it would mean the exposure would be \$18,000.00 lease for five years and the next year, they could almost save the server upgrades from what the County would be saving from Spillman. This might be another way to look at it.

B. Sneed suggested another possibility. There is \$27,622.00 in the Communications Equipment Improvement Reserve. He suggested reducing the bottom line of 1020-7000 by \$27,622.00. When all looked closely at that line, it was not the correct line. It was noted that it was in the Reserve accounts. All agreed to discuss the reserve accounts later.

W. Shorey noted that the County was obligating itself for \$18,000.00 to \$20,000.00 a year for the next four years after this.

J. Arseneau asked for consideration that using the reserve for that, but asked that the Committee keep in mind that the Communications Director also has back-office items, too – the physical radio units that are on the tower, so the reserve account is being built up so that if they have a transmitter failure, they can replace the transmitter, etc. There isn't enough money in there to have all of it pulled out without having exposure to some kind of failure.

J. Kenney said that there is an opportunity to have \$525,000.00 worth of new equipment come into the County in this budget cycle, which would cost the County \$105,000.00 to pay it off for five consecutive years. Some of that \$105,000.00 can be offset in part by monies not be expended in the other areas. The people who are "in the know" are making these recommendations. He said he would be extremely uncomfortable if the Budget Committee was trying to tell them how to run things. If these kinds of products are coming into the County for this kind of money, he believed it was a good plan and he supported fully. He asked if the Committee would like to go back to the budget they were working on, which was the Commissioners Budget, 1020.

B. Sneed acknowledged that they were still on that budget and asked if there was any further discussion on the Capital Outlay of 1020.

R. Lee said he didn't have anything to suggest because he was persuaded that they paid for it out of reserves this current year. It went down in 2011 because it was paid for a reserve account, therefore, it wasn't really as big an increase.

B. Sneed agreed. R. Desmarais said he liked W. Shorey's presentation. It is the least "bump." W. Shorey was asked to relate this again.

W. Shorey stated that this was listed under three orders of importance. Radio Console upgrades is \$18,569.95. The next most important was server upgrades at \$42,601.65. The third was PC upgrades at \$44,567.88. This totals \$105,739.00. He supported J. Kenney, who had been battling hard for the whole package, but if that was inevitably going to fail; this might be an alternative.

It was noted that this was the Reserve account, not the 1020 Commissioners Budget. All went back to 1020 Capital Outlay. B. Sneed said that, while he hated to admit it, the two Jim's are probably right. He stated that he doesn't have the time or get paid enough to pick the Technology budget apart, but he believed he could and could bring it down 15% easy.

R. Lee proposed limiting the cuts to those already discussed for the Commissioners Budget. The cuts were listed as follows: \$1,050.00 from Travel, \$1,500.00 and \$1,200.00. The bottom line of 1020 would be reduced by \$37,050.00. The bottom line would now be \$520,889.00.

****R. Lee moved, B. Sneed seconded to approve the 1020 Commissioners Budget at \$520,889.00. Unanimous.**

TREASURER'S (1025) BUDGET:

K. Trussell explained why 7011 had increased, which was because the accounting software had been left out of 2011 Budget.

****J. Kenney moved, B. Sneed seconded to accept the Treasurer's Budget 1025 at \$64,901.00. Unanimous.**

FACILITIES (1030) BUDGET:

B. Sneed commented that Mr. Nealley is right on track with his budget. R. Lee started to inquire about the 7000 lines, but withdrew the question.

B. Sneed asked if the old Sheriff's Building was going to be used for the Facilities Office. K. Nealley said he believed that this was what was negotiated with the City of Belfast. There were some questions about some of the expenses in the Superior Courthouse, particularly the fuel line being over-expended. There was discussion about the current Sheriff's Office building and the new Public Safety Building that the Sheriff's Office will be moving into. K. Nealley said the Old Sheriff's Office building will likely be re-titled for the 2013 budget. The Old building has to be heated and maintained. The County is required to take care of and maintain it. It is attached to the Old Jail and is historic. The Commissioners said that they will be generating a more in-depth discussion with some other parties next year.

****J. Bennett moved, J. Kenney seconded to approve the Facilities Budget (1030) at \$251,637.00. Unanimous.**

REGISTRY OF DEEDS (1065) BUDGET:

R. Lee wanted to know why there was a need for part-time to be added. Register of Deeds Deloris Page explained that she requested that this former full-time position be reinstated and the Commissioners only allowed part-time. As a compromise, she agreed to a part-time position at 25 hours per week.

R. Lee asked the Commissioners why the position was cut and is now back at a part-time level. W. Shorey explained the history of moving the full-time person over to the District Attorney's office on a part-time basis in 2009-10 because that office needed help. With the housing situation being what it was, Deeds had slowed down and the Commissioners decided to remove the full-time position from Deeds and put it in the District Attorney's Office. D. Page has since brought in sufficient information to show that she would like the full-time position reinstated. The Commissioners compromised and provided a person at part-time hours. D. Page confirmed that the registry is busier now than it had been. She explained that she had requested this position and had agreed to a minimum of part-time hours to cover phones, etc. so the rest of the staff can do their work. The Commissioners had allowed her to hire a part-time person for 12 weeks this past summer to help with covering vacations and staffing.

R. Lee asked how many years there were four people in the registry. She said she had five people at one point and then it went to four for about five years.

It was noted that the Registry of Deeds also needs a new photocopier, and it was explained that the photocopier brings in revenue for copies.

****R. Desmarais moved, J. Bennett seconded to approve the Registry of Deeds Budget (1065) at \$221,867.00. Unanimous.**

REGISTRY OF PROBATE (1070) BUDGET:

It was noted that most of the increases were related to personnel. R. Lee asked why Lodging line 4115 was nearly doubled.

Register of Probate Sharon Peavey referred this question to the Judge of Probate. Judge Susan Longley explained she had decreased other budget lines related to the Judge's expenses in order to allow an increase in that line. She noted that since she has been in office, the line items related to the Judge are down by as much as 31% and at least 21%. Basically she was functioning at pre-2005 levels. R. Lee said he didn't dispute it but couldn't see any that had dropped. Specifically he wanted to know why lodging had been raised from \$600.00 to \$1,100.00. S. Longley explained the biggest one is in Conference and Training (5370).

B. Sneed told R. Lee that it was over in some places and down in others.

J. Bennett asked about Officers Fees (4815) going from \$125.00 to \$1,125.00. S. Peavey explained that this was for court security one day a month for court hearings. S. Longley explained that there was a real scare this year and they were alerted that a person might be coming in with a gun. It was not known if the individual wanted to kill either the Judge or the mother of the child. Since then, if it is for the Judge or for anyone, the Probate Court now has security. In Probate Court there is lots of emotion and families in dysfunction. Security also involves the Commissioners Office and District Court. These are difficult times and difficult family matters. She stressed that this security was really important for everyone.

****B. Sneed moved, J. Kenney seconded to fund the Registry of Probate Budget (1070) at \$197,177.00. Unanimous.**

(Bill Sneed called for a 10-minute break.)

SHERIFF'S (1075) BUDGET:

Sheriff Scott Story submitted sheets as requested with up-to-date and revised gasoline costs. He explained that there were two years of errors. Over the years, he had left his projections in instead of the actuals. They are now as accurate as he can make them back to three years since the Sheriff's Office started getting "Right Express." As of November 15, 2011, the gasoline consumption was 27,797.18 gallons. He projected that out based on Julian calendar per day at 87.13 gallons, which projects out to 31,805. He rounded it up a few hundred gallons to 32,000. That is 35,000 that he had. Leaving it the same, \$3.70 a gallon, that drops that number down by \$11,100.00. He also updated maintenance projections. Those came up to \$44,329.00 after he projected it out from the November 15th figure of \$38,743. So that is actually up about \$4000.00 from what he had originally estimated. When he comes up with these projections in June/July to prepare a budget and have it ready for September, it always a bit of a "crap shoot." The November 15th numbers are the most accurate at this point. I think you can safely cut \$7,100.00 from that line comfortably.

B. Sneed asked how the new cars are doing, was there better mileage, lower maintenance, etc. He commented that the actual gallon usage is up quite a bit.

S. Story responded that calls for service are up 10% this year. The deputies are on the road more. He explained that it is only three new cars out of the entire fleet. They are doing better on mileage, but the three new ones he has coming on, there are still three going out of use at the same time. The maintenance is better than it was years ago, with the warranties, but it's still a "wash."

J. Kenney said he spoke with one of the deputies and he said the new car has done everything he wanted it to do. S. Story informed the Committee that he has spoken with another Sheriff and will be looking into pick-up trucks. He used to believe it cost more in fuel and maintenance. He has since found out, the trade-in is much higher. He will do more research on this matter. Other sheriff's have gone to pick-up trucks because even though they use a little more gas, they have a much better trade-in value. There was brief discussion on four-wheel drive vehicles. There is a plow truck and the Sheriff's personal vehicle, which, on a bad night, one of the deputies may come and pick up to use. He explained how the liability insurance worked and the reimbursement arrangement with her personal vehicle.

There was some discussion among the Committee about the potential benefit of having four-wheel drive patrol vehicles.

R. Lee asked why Crown Vics are used – was it for speed? S. Story said that was true, but the smaller Chargers with the 6 cylinders are producing as much horse power as the large V-8's. They also have been designed with good interior and trunk space so that gear can be stowed in trunk space. There was discussion about whether or not the pick-ups handle well in pursuit. S. Story said that this would be part of the research. He noted that high-speed pursuits were very limited and that if the person can be identified and they are not a huge public safety risk, the deputies terminate pursuit and go arrest them later.

There was brief discussion about undergoing changes with radios to narrow band. The Kenwoods are capable of narrowband. EMA Director Dale Rowley spoke to that briefly.

J. Bennett asked if the pick-up trucks being researched would be two-wheeled or four-wheeled and was told that likely they would be four-wheeled drive, but this would be part of the research.

B. Sneed asked why gas still up. S. Story explained that nobody has been at the academy, so all the cars have been on road for the first time. Calls for service are a large part of this. A. Fowler asked about call-sharing with the State. S. Story said the call-sharing is such that the County is covering 2/3rds of the County and actually now have a deputy in the third slot, as well, because things are busy.

R. Desmarais stated that he had reviewed the figures at home and could not justify in his mind going to \$169,500.00. He thought \$150,000.00 was a more respectable figure. Looking at the price per gallon now, which is \$3.25 to \$3.30 per gallon now, he thought that the gas would fluctuate in the lower \$3.00-dollars.

****R. Desmarais moved, B. Sneed seconded that line 4200 be reduced to \$150,000.00.**

B. Sneed said he had reviewed the last four years, including 2011, he thought by December it would be at about \$24,000.00 in the hole. S. Story said he would have to guess, but thought that might be so. B. Sneed noted that in 2010, they were under budget by \$24,000.00. In 2009, they were \$8000.00 under budget and 2008 it was over-budget by \$15,000.00. S. Story said again that maintenance/gas is a “crapshoot.” He suggested that it might be unwise to budget based on \$3.00 and \$3.20 per gallon. R. Desmarais stated again that he thought \$150,000.00 was more reasonable. S. Story said he would do the best he could to make this work. He noted that this year was the first in year in twelve years as Sheriff that he had gone over on his budget.

W. Shorey stated that he follows the oil market very closely and he has heard factor that for every \$20.00 a barrel, it is .50 cents on a gallon of gasoline. A lot of the figures we’re hearing are when oil was \$80.00 a barrel. Today oil was \$100.00 per barrel. That isn’t reflected in the price at the pump, yet. If this doesn’t come down and this economy stays stable, we will see gas at \$4.00 per gallon.

A. Fowler said that with the projections, the gasoline budget will have been spent at around \$150,000.00 as it is.

B. Sneed commented that the Sheriff’s estimates are quite accurate on his lines from one year to the next. S. Story said that he tried to flat-fund or reduce everything else beyond the personnel lines. He said his biggest costs were personnel and gasoline.

J. Bennett asked why the personnel line was so high. S. Story explained that the previous year, the union contract was not settled yet and he had been directed to flat-fund the personnel line. When the contract was signed, it was 3%. It was missing from last year’s budget and he had to absorb this year’s wages, so it was actually two-year’s wage increases in there. J. Bennett said he didn’t believe that was legal. He claimed that last year’s budget couldn’t be put into the next year. He claimed that the County did not have the right to keep on negotiating and add it, stating that he checked on it.

W. Shorey made the point that negotiations were all over and done with. J. Bennett stated that negotiations were still ongoing during the last budget meeting and the Budget Committee gave the County a budget, and that was what the County was supposed to work with. W. Shorey said he recalled discussion during that last meeting that the Commissioners would consider the wage increases afterward and the sentiment seemed to shift against the Commissioners and word on the street was that the Commissioners would have to figure out how to get by without the money being put in the budget.

B. Sneed stated that this aspect was none of the Budget Committee’s business and the discussion needed to move on.

J. Kenney, in looking at the budget, commented that the figures they see here tonight are the actual salaries and that’s it. What happened last year is history.

J. Bennett argued that they put the money into this year's budget. J. Kenney responded that this was not what the Commissioners had said. There was debate over the salaries and whether or not the increase should have been negotiated in an amount larger than what the Budget Committee had approved last year. J. Kenney reminded all that they could not discuss negotiations that were now closed and that it is not the Budget Committee's issue. S. Story explained that it would actually be illegal for the Budget Committee to set a figure that was either flat-funded or 1% and then give the Commissioners marching orders on negotiations on that. That would defeat negotiating in good faith.

B. Sneed restated that the motion was to reduce line 4200 to \$150,000.00. The bottom line for Contractual Services would be \$174,600.00. **Motion passed with H. Potter opposed and J. Bennett abstaining.**

R. Lee asked why there was such an increase in part-time and over-time. S. Story explained that this was based on the wages, field training, court time, etc. and that is broken down in the documents he provided to the Budget Committee. R. Lee commented that the budget increases were high. The part-time budget went up over 10% and the over-time was up about 15%. S. Story offered to go through that line by line. R. Lee asked if he could just explain why that was so high since he didn't have a man at the academy, etc. S. Story explained that it was broken down by the actual hours of what the department is doing. He reviewed that worksheet in detail. He added that he had a 50% increase in how much time his officers are required to attend court cases. He reminded all that this had been discussed at length the previous year.

S. Story also reminded the Committee that it is hard to predict sick leave needed from one year to the next.

\$19,500.00 had been removed from the Sheriff's budget thus far.

****B. Sneed moved, J. Kenney seconded to approve the Sheriff's Budget (1075) at \$1,303,403.00. Motion passed with R. Desmarais abstaining and J. Bennett & H. Potter opposed.**

COMMUNICATIONS CENTER (1076) BUDGET:

Communications Director Owen Smith noted that the last time the Budget Committee met, they removed \$23,000.00 from his budget. He told the Committee that he had the same concern about his over-time and part-time as was expressed by the Sheriff over his personnel budget. Some of the over-time and part-time are known facts. He said he has to cover 7,120 hours of either over-time or part-time at best guess. This is on an average rate of \$27,072 per hour. These are the "knowns." These hours are posted every month. If they aren't filled, they ask again and then they force people in for over-time.

B. Sneed said in 2007 there were 14 dispatchers, not including O. Smith or the 1/3 Secretary. Now there are 18 people. O. Smith pointed out that some of the names on the budget had no money listed beside them because they have left. There are still 14 people in the budget. He had to show what the people had made the previous year, who left employment and who had been replaced. It is the only way to show the actual budget from one year to the next.

R. Lee asked if the shift supervisor had been hired and asked if the new person would be making the same wage. O. Smith said that the shift supervisor has been hired and at a lower level than what had been estimated in the budget. R. Lee wanted to trim that line and O. Smith said that he would need to recalculate that based on the hourly wage. J. Kenney asked if the Committee was supposed to be discussing the personnel wages. The committee and Deputy Treasurer explained that the Committee could make a cut to the bottom line of the budget.

After brief discussion, O. Smith estimated it would be about \$6,000.00 to \$7,000.00 difference, but wasn't sure. He further mentioned that he was now hiring a dispatcher that was experienced, which would make a difference in that pay, so that needed to be considered, as well.

The budget had been reduced in the Tower Site line (4620) by \$23,244.00. O. Smith asked for half of it back, noting that they are in the middle of union negotiations right now and are working hard at some things that will help slow the over-time and part-time process down. He noted, again, that the hours for these are not "created, they happen."

W. Shorey agreed with O. Smith that negotiations may result in helping with the over-time part of the budget but it will take about two years before those savings are realized. He also requested that half of the \$23,244.00 that was cut be put back in the budget.

O. Smith reminded all that when calls for service are up for the Sheriff's Office, Searsport, etc., they start at the Communications Center. He further explained that while law enforcement is 87% of the Communications Center budget, the other side, EMS, is going up and is the fastest growing part of the budget. The Communications Center handles more than just emergency calls. When people run out of water, they call Dispatch and Dispatch calls the water company. If the sewer lights are on Main Street, Dispatch calls the sewer company.

R. Desmarais said that he thought that with the potential savings in the personnel line, the budget as it had been reduced would be O.K. He acknowledged that the reduction was made in the Tower Line but he wasn't telling the Department Head how to move the money around.

R. Lee asked why the line was dropped by \$23,244.00 in the first place. R. Desmarais said he was just looking to reduce the budget by that amount.

J. Kenney said he had asked where the money would come from and it was more of a talking point and it would be left to the Commissioners and the department head where the reduction would be taken from. J. Kenney said he was hearing was that the \$23,244.00 was not going back in that budget.

O. Smith asked if they were opposed to bringing half of that \$23,244.00 back. R. Desmarais said he believed there was enough money in the budget with that reduction. O. Smith said that the money saved on the shift supervisor may well be used to hire an experienced dispatcher.

****J. Kenney moved, R. Lee seconded to fund the Communications Center Budget (1076) at \$800,000.00. Unanimous.**

ADVERTISING AND PROMOTION:

It was noted that this budget had already been discussed and voted on earlier in the evening.

AUDIT (1090):

****J. Bennett moved, J. Kenney seconded to fund the Audit Budget (1090) at \$8,500.00. Unanimous.**

DEBT SERVICE (1095):

There was no funding requested this year as the County is debt-free.

TAX ANTICIPATION NOTE INTEREST (2000):

Treasurer David Parkman explained that this request was kept the same as last year. He noted that it was at this level because they take the Tax Anticipation Note and pay a lot of the Jail costs with it. The Jail has its own interest line in it. He commented that the County has done really well with the interest. This year the T.A.N. will be closer to \$400,000.00, mostly because of the Jail. He explained that they came very, very close to the T.A.N. of \$3.5 million.

R. Desmarais asked about the Jail T.A.N. D. Parkman and Deputy Treasurer Karen Trussell explained that this was paid out of the Jail budget.

****J. Kenney moved, R. Desmarais seconded to fund the Tax Anticipation Note Interest at \$20,000.00. Unanimous.**

UNIVERSITY OF MAINE EXTENSION (2005) BUDGET:

****J. Bennett moved, R. Lee seconded to fund the University of Maine Extension Budget (2005) at \$43,589.00. Unanimous.**

EMPLOYEE BENEFITS (2025) BUDGET:

B. Sneed asked about the health insurance line (4724). He asked if the County was self-funded and was told yes. He then asked if this included Jail employees and was told yes, but not in this budget – on the Jail budget. He commented that in 2008, before the Jail was split off, it was \$944,000.00. Two things happened after; the Jail was split off and the County became self-funded. It then dropped to \$585,000.00, which was about 38%. In 2009 it went down by 2.5% and the Jail side went down by 44%. A. Fowler explained that this was because a number of employees were laid off at the Jail. B. Sneed said that what he didn't understand was that the increase from 2011 to 2012 on the County's side is 10.6%. On the Jail side it is only 5%.

Human Resources/Payroll Director Michelle Wadsworth was asked to comment on this. She explained that they requested the same amount as 2011, which had been \$796,000.00. J. Kenney recalled that this was the line that the Budget Committee cut. When asked how that had performed, K. Trussell reported that the County has paid in \$666,601.47 into the health plan this year. The County has paid out \$713,536.19 in claims. The fund is going backwards. It did not work out well. She noted that not all the claims have been paid for the year, yet, either.

B. Arseneau explained that they had to hold the budget request on the Jail side, as there was no choice, in order to keep that budget down. M. Wadsworth said that the staff at the Commissioners Office had set the request at the level they believed it should be at and then the BOC wanted the budget to be reduced by a certain amount and that line was one of the lines that was reduced. K. Trussell and B. Arseneau confirmed this. Just as it was trimmed on the County side last year by the Budget Committee, it was also trimmed on the Jail side.

B. Sneed felt something was wrong because if you go back two years on the County side, the increase of that line from 2010 to 2011 was 26%. That year nothing was cut. On the Jail side, it was 6.2%. He thought it made no sense.

A. Fowler said she did not know how to answer that.

S. Story said he knew that they “dove” into the Unemployment Benefits line to balance the budget because all the people he had laid off he brought back through attrition, but he didn’t recall cutting into the health insurance line, but acknowledged they may have. K. Trussell said it had been trimmed. K. Trussell said it will need to increase for the next year, noting that the Jail’s budget is on a fiscal year, so it only goes to the end of June. July will start a new budget. All thought that this might be part of the reason for the discrepancies between the County budget and the Jail budget.

J. Kenney wanted to know where this conversation was leading. D. Parkman explained that the six months of Jail budget figures would make the difference. B. Sneed said it didn’t make sense for last year’s budget. It might make sense for this year. J. Kenney asked for a repeat of the explanation of what was paid in versus what was spent and was told that what the Committee had cut that budget was about the same amount as what it was behind.

There was additional discussion about being behind on the billing. There was additional discussion on the fact that the budget request is put in the same fund as the claims are paid from. Any remaining funds are left in that account to fund claims. W. Shorey explained that the County was not anywhere near the recommended amount that should be sitting in that fund. If there were any large claims, there would be a big problem. J. Kenney recalled that \$73,000.00 was trimmed from that budget the previous year. It was noted that the Commissioners were asking for the additional \$73,000.00. W. Shorey said that the County was trying to do its best to be frugal but they do need to see that fund continue to grow at the recommendation of the health plan administrator.

R. Lee had questions about how the Maine State Retirement system line was budgeted. It was explained that this is a formulated increase. B. Arseneau explained that the System had increased its rate and sometime does this in the middle of a budget year. She explained that there are two plans. The majority of employees are on the AC Plan. The Deputies are on Special Plan 2C. The Employer Rate for the bulk of the employees, from January to June of 2011 was 4.4% of the gross wages. The employer has to contribute that by law. That is going up in July of 2012 to 5.3% through December 31, 2012. It is unknown whether that rate will change in 2013. For Special Plan 2C, from January to June 2011, it was 6.3% of the employees’ gross wages. It is going up July 1st to 7.5%. These are the figures that are used to budget.

R. Lee asked if FICA taxes have been cut by the Federal government. M. Wadsworth explained that this did not apply to the employer match only the employees' piece.

****H. Potter moved, J. Kenney seconded to fund the Employee Benefits budget (2025) at \$1,232,700.00. Unanimous.** B. Sneed asked for the Commissioners to try and figure out what the disparity was between the Jail and the County percentages.

WALDO COUNTY SOIL & WATER DISTRICT (2035) BUDGET:

****J. Bennett moved, J. Kenney seconded to fund the Waldo County Soil & Water Budget (2035) at \$20,475.00. Unanimous.**

RECORDS PRESERVATION BUDGET (2040):

The Budget Committee skipped this budget as no funding was requested.

RESERVES (2045) BUDGET:

****R. Lee moved, R. Desmarais seconded to fund the Technology Reserves to \$18,000-and-change that would be for the lease payments on the new radios and ask that the County put off until next year the refresh of the PCs. There were three components; one was the PCs, one the servers.**

Discussion: B. Sneed asked if J. Arseneau wished to speak. J. Arseneau said that the \$18,000-plus was part of the \$105,000.00 lease package so he recommended that it be rounded up to \$20,000.00 because the lease factor is going to be greater. **R. Lee amended his motion to \$20,000.00. R. Desmarais seconded the motion.**

J. Kenney asked what will happen to the equipment that was slated to be replaced this year and would it survive appropriately to do the service of the County in 2012. He noted that they will be having the exact same conversation next year and the Committee has delayed what they should have done this year. R. Lee said it would save \$70,000.00 and A. Fowler added, "right now" but next year they'll be back in this same situation. R. Desmarais thought there would be less of an impact because the County will be retiring some of the debt.

D. Barrows said as long as nothing breaks, and they don't have to dig out money from somewhere, it isn't budgeted. R. Desmarais said that was correct. R. Lee said that likely, from what he'd heard, the County would be spending money on disk drives.

B. Sneed commented explained that at the beginning of the year, money is added to the Reserve accounts and that is what he saw this year. Across all of the Reserve Accounts, \$131,300.00 was put into those Reserves in early 2011 from unencumbered funds. He believed money materializes when it is really needed and didn't know where it came from.

B. Sneed said all should be happy that this money materialized because it was, in fact, going to try to be taken. D. Parkman explained that when the Jail was consolidated into the Maine system, there was a fund balance in there was still County money. A large part of that could likely have been taken by the State. The Commissioners made sure that it stayed in the County,

because it was not Jail money. The State is looking hard at what fund balances it can take from counties. Waldo County wanted to protect County money and did so by putting it into the Reserve accounts. He stated that the Audit showed a \$640,000.00 Reserve account. It was on half a year, so \$1.4 million was anticipated revenue in that audit. It wasn't real money – it was anticipated revenue that was coming in.

S. Story explained that when the Jail was turned into a 72-hour hold and a reentry facility, they budgeted to house 32 residents in that. The first year there was about half that. This left a substantial fund balance in the operating budget for that Jail. When the State saw some of those fund balances in various Jails, they immediately enacted a law to state that this money could not go anywhere other than for future Jail budgets. Prior to that law being initiated, the County of Waldo had a fairly substantial fund balance and it was determined that it still belonged to the County for any purpose and was not restricted to the Jail. It was at that time that some of those surplus funds were pulled and brought over into Reserve Accounts. The Commissioners confirmed this. The Commissioners protected that fund balance. At that time it was the County's money to do with as it saw fit. Now that the law is in place, any fund balance is now restricted to Jail operations in the future.

J. Kenney asked the Commissioners if they could find some way, somehow, that this is voted to get the equipment that should have been bought, could they figure out a way to do that. If they walk away with equipment that is not replaced and should be, and there is an expert that has made that recommendation, he thought the committee had not done well for the County and its citizens. If the vote is taken on this question, to cut that phase, can the Commissioners find the money to get the equipment? He stated his objection to reducing the \$105,000.00 to \$20,000.00. It is a cut of \$85,000.00.

R. Lee said the Committee was leaving the amount for the radios in, but not the servers and not the refresh of PCs.

J. Arseneau said that what had been presented was the \$105,000.00 per year as a five-year lease. The servers typically need to be replaced within five years. The radios are the most important, the second most important are the servers. He asked if there was any way if the County did a six-year lease, which would be \$51,000.00 versus the \$105,000.00, the Committee would consider doing the servers for next year and starting that project and holding the PCs off until the following year when the Spillman payment drops off.

R. Desmarais said he was thinking two things; one, the increase in the budget, which is high, and the second is that he didn't feel the County was in jeopardy with the those radios. The \$51,000.00 was considerably higher than the \$20,000.00 that was in the motion.

J. Arseneau said it would only be one year of the "uncomfortableness" and that would be a real work around. He explained that some other equipment is going to need to be purchased but he didn't want to have the County purchase Windows 7 machines and try to get them to work off a network that wasn't designed for that. The issue becomes that the Budget Committee will tie the County's hands as to what it can do moving forward if the servers are not done. He was asking that the six-year lease be considered. The five-year lease had been presented so that the debt

would be paid off sooner than later. The servers and radios could be done for \$51,000.00 with the six-year lease.

There was some confusion about what was being requested. W. Shorey explained that to do all three items with a six-year lease would be \$89,598.00. For the radios it's \$15,735.00 and the server is \$36,098.00 and the PC upgrades is \$37,764.

J. Arseneau said what he had requested was not all three things, but two; the radios and the server at \$51,000.00.

J. Kenney asked if the Commissioners would be able to find money to do this. W. Shorey asked for clarification. J. Kenney said the motion is to reduce line 0162 in the Reserve Accounts from \$105,000.00 to \$20,000.00. He said he was listening to the Technology expert who was hired in good faith and the recommendation is to bring forth new equipment to the county for five years at \$105,000.00. B. Sneed and R. Lee argued that it might not be necessary and maybe there is a better way to do it. R. Lee commented that there are many organizations that don't replace their servers and PCs every five years. He did not believe it was reckless to make the reduction. J. Kenney disagreed and felt the Committee was making a mistake.

Commissioner Johnson wondered if the Committee would consider the six-year lease at \$89,598.00. J. Kenney said his concern is that they will have the exact same conversation next year, and the year following that. B. Sneed said these conversations have been held since 2002.

Motion passed, with three opposed.

R. Lee wanted to know why there were requests to add money to the other reserves during such a tight budget year. B. Johnson responded that it was because these accounts were not funded the year before. R. Lee asked if money could be moved from one reserve to another and was told, no, the funds in each of those reserves cannot be moved from one account to another.

D. Parkman explained that when the funds are put in each account, they cannot be moved without going before legislation.

R. Lee wanted to know why there was a request for money for Future Land and Buildings and County Planning. A. Fowler said these cannot be used for other things. D. Parkman said it has to go to the Legislature to get it approved to move to another area.

There was discussion of the new building not being completed yet, so more funding would be coming out of various appropriate reserve accounts.

R. Desmarais said it had been very clear when the Commissioners presented the funds for the new building, that the reserves being used would need to be built back up. He believed that this was what they were seeing tonight.

When asked what the County Planning Reserve was used for, W. Shorey illustrated with the Space Study that was taking place for the Courthouses as a shared expense with the State. Money from the County Planning reserve was used for that. He added that the auditor also had been adamant that the Commissioners increase the Severance account to avoid liability issues.

D. Parkman said that they found in the audit that the budgets for the Sheriff and the Registry of Deeds had unfunded liability in their departments that put their budgets actually in the red. He said that the total liability has to be covered. The auditor wanted to see about \$20,000.00 to \$25,000.00 added each year. The Severance reserve is frequently used.

****B. Sneed moved, R. Lee seconded to fund the Reserve Budget (2045) in the amount of \$91,000.00. Motion passed with J. Kenney opposed.**

GRANT WRITING (2050)

W. Shorey explained that the reason the County was not hiring grant writing because Commissioner Johnson went to some training on grant writing and grant research so that she could train others in-house.

The Budget Committee called a short break to check the figures for the budgets.

LD 1 CAP JOINT MEETING:

B. Sneed reported that the 2012 Budget is, indeed, over the L.D. #1 CAP. The CAP is \$6,969,579.00 and the Budget is over by \$388,734.20. He explained that the 2012 Budget is up, overall, 6.4% at the bottom line. The union workers got a 3% and the non-union workers got 2%. Probably 2.5% is personnel cost increase. If that was taken out, the budget is up 4%. He explained that this is why there is a joint meeting between the County Commissioners and the Budget Committee. The meeting is to decide either to exceed the CAP or increase. If the vote is to exceed, next year they would start at this year's value. If the vote is to increase the CAP, next year they would start at whatever they say the CAP is, which would be \$7,934,633.00.

There was discussion of who should make the motion. J. Kenney suggested voting for a chairman. J. Bennett said he made the motion the last time this group meeting was held.

B. Sneed reported that, historically, most Towns vote to exceed the CAP rather than increase it.

W. Shorey stated that in building budgets for the future, it was more realistic to increase, rather than exceed. R. Lee said he agreed with that. B. Sneed added that if the County voted to exceed, that would mean that year after year someone would have to remember what the budget was back when it was exceeded. J. Bennett said that the County had a big increase this year and if it was exceeded, they might not need that big increase another year. K. Trussell reminded all that last year, the County was \$500,000.00 below the CAP. She explained that this was where a lot of the problem was coming from. R. Desmarais agreed with that.

****A. Fowler moved, B. Johnson seconded to increase the LD 1 CAP.** Discussion: R. Desmarais expressed that he thought this was a "double whammy" to the taxpayers. J. Bennett agreed. R. Lee asked for clarification. R. Desmarais said that if it is increased the total thing is

the line you start at the next time. Exceeding kind of pulls you back a little more. He thought they would show more accountability if they exceeded rather increasing. R. Lee said it would seem to him that the budget would have to be cut by \$388,000.00. J. Bennett stated that it wouldn't be cut at all. Exceeding brings it up to whatever it is right now, but next year when you start, you don't start at this figure; you start where you started this year. R. Lee reasoned that even if they came back next year with the same exact budget they had this year, they would have to go back and vote to either exceed or increase, again. All agreed that this would be the case. R. Lee asked if the CAP ever goes down and was told it did the previous year, as a result of continuous cuts in the budgets. D. Parkman explained that the zero-based budget caused that.

J. Kenney explained that the CAP can go down because it is computed as a percentage increase over the previous year's budget. R. Lee asked if they came back with the same budget, would there need to be a vote to increase or exceed and was told yes. B. Sneed asked K. Trussell to read from the LD 1 CAP form that has to be filled out, as that would likely explain it best.

K. Trussell explained that said the 2012 budget is based on the 2011 assessment. The County, according to its CAP, can only increase the assessment \$165,009.00. So if the group voted to exceed, she would have to go back to that original assessment to figure in for the next year when they do it, which will put the County even further behind under the CAP each year doing that. Being \$500,000.00 under the CAP last year hurt the County.

All acknowledged it was a strange law.

W. Shorey said, regarding the motion to increase; whether it is cars or oil, it tends to go up every year. If you are starting with a different number you're trying to stay under, if you did this for three years, and voted to exceed every year, you could really be opening up and awful gap because this inflation isn't accounted for whereas it is accounted for a little bit if it is a vote to increase. Once you stay down to exceed, it is bad news forever.

R. Lee said he supported the increase because the County would have a shot to stay under the CAP if we increase. If they vote to exceed, they have no shot and it's meaningless. J. Bennett commented that it holds the budget down, but R. Lee and B. Sneed argued that it doesn't. R. Lee said if he thought it did hold budgets down, he'd vote for it. J. Bennett said that if the budget is increased, if another budget is brought the following year that is 10% higher, it won't show as much as it would if the budget were exceeded rather than increased.

B. Sneed said that MMA has practically abandoned this LD #1 law because the State never adhered to it and the School Board didn't, either. The only ones who have are the fifteen Counties (Somerset has always gotten a "pass" because of the Jail.) Most of the Towns adhere to LD #1. Everyone else is doing what they please.

D. Parkman reported that in Waldo's history, only once have they increased. They've stayed within their CAP.

W. Shorey said, regarding budgets that are reasonable, Waldo County brought in two budgets that were three quarters of one million dollars under the CAP over two years. That shows that they had a little bit of integrity trying to hold the budgets down.

Motion passed with J. Bennett opposed.

B. Sneed asked if the budget process could go back to a few more meetings rather than a long day on Saturday and was told, yes. W. Shorey agreed to try to come up with a format sometime in June. All agreed it was too hard for new people. He complimented all on working out a meaningful budget.

S. Story said he liked to see the Budget Committee cut a certain line, as they did this year. He would rather be told to cut a specific line for a specific reason rather than be told that nobody cared where it came from, but to take a certain amount off the bottom line. Ultimately, somebody has to share in the responsibility for that decision. He appreciated that the individual lines were picked this year. He knew it was cumbersome, but for the department head, it gives better marching orders. B. Sneed said that the statute requires that any change in a budget must be justified on a line by line basis.

****J. Kenney moved, A. Fowler seconded to adjourn the meeting at 10:45 p.m. Unanimous.**

****Bill Sneed moved, R. Lee seconded to pass the 2012 Waldo County Budget at \$7,934,633.00. Unanimous.**

Respectfully submitted by _____
County Clerk Barbara Arseneau