

**WALDO COUNTY COMMISSIONERS COURT SESSION  
SEPTEMBER 15, 2011**

**PRESENT:** Commissioners William D. Shorey – Chairman, Amy R. Fowler and Betty I. Johnson. Present to take minutes was County Clerk Barbara L. Arseneau.

**Call to Order:** Commissioner Shorey called the court session to order at 9:00 a.m.

Present with the Commissioners at the call to order were Treasurer David Parkman, Deputy Treasurer Karen Trussell,

**TREASURER’S REPORT:**

Present for this report were Treasurer David A. Parkman and Deputy Treasurer Karen Trussell.

**COUNTY BUDGET:**

**REVENUE:**

D. Parkman reported that anticipated revenue for this time of year could be expected at 71% and have received in the amount of 87%. When asked why revenue was so far ahead, D. Parkman explained that most of it is Deeds Fees, and some is Transfer Tax. He noted that Counties are in danger of losing Deeds Fees and that this has always been a big revenue-maker.

D. Parkman reported that Probate Restitution has been received at 74%. This offsets Court Appointment expenditures.

D. Parkman commented that the Commissioners’ Budget is not looking so good. The Advertisement line is overdrawn, for one thing. A. Fowler asked what was going on with Technology, because it is so overdrawn. K. Trussell reminded the Commissioners that \$50,000.00 had been cut from Technology line 1020-7100 and that the \$50,000.00 was to come from the Technology Reserve for technology items in 2011. So far, things have been coded to Technology operating budget with the thought that it would show what the true expenditures were from that line. The Commissioners thought it would be best not to overdraw that line and to pay for anything beyond the operating budget from the Reserve account, then. D. Parkman said this was similar to the Sheriff’s Budget in which vehicles at one time were being paid from a reserve instead of the operating budget. The Commissioners instructed K. Trussell to move expenditures up to \$50,000.00 that were supposed to come from the Technology Reserve and were now overdrawing the Technology operating budget so that line 1020-7100 would not be overdrawn.

D. Parkman noted that the Communications budget was in much better shape than previous years. The Commissioners stated that they were pleased in general with where the overall 2011 budget was compared with what they anticipated to occur at this point in the year.

D. Parkman stated that unappropriated balances are so important because these are what fund the reserve accounts, particularly in recent years when reserves aren’t being funded as part of the budget request.

There was brief discussion on where the budgets stand at this point and if the departments will be able to keep from overdrawing their budgets. The Commissioners stated that the Departments have always worked with the Commissioners in doing what they were asked.

CORRECTIONS BUDGET:

D. Parkman reported that expenditures at this point in the year could be about 20% and are currently only at 11% expended.

RESERVE ACCOUNTS:

D. Parkman submitted specific expenditures from the Reserve Accounts to the County Commissioners. He also noted that Community Corrections money has been moved from the County Restricted Reserve to the M.C.R.R.C. Restricted Reserve.

PROPERTY TAXES RECEIVED:

D. Parkman reported that three Towns have paid their taxes: Freedom, Palermo and Troy have all paid in full.

D. Parkman read accounts from the T.A.N. and what has been borrowed as follows: \$3,360,000.00 has been borrowed from the T.A.N. and the unused portion is \$140,000.00. As of September 14, 2011, the interest was \$8,416.23.

W. Shorey said that not a penny more than necessary should be spent out of the Technology Reserve this year, as there is a switch that will need to be purchased for the new building to purchase an unplanned switch.

When asked what he would like to see funded in the Reserves, D. Parkman said at least \$100,000.00, and that the Technology Reserve in particular needs some funds.

W. Shorey explained the goal of “piggybacking” the radio equipment upgrade for the Communications Center with another lease. The County may need to address technology needs that the Budget Committee has continued not to allow the County to budget for it properly over the years.

D. Parkman said that traditionally, since the budgets have been so tight, the Budget Committee allowed the County to budget \$80,000.00 in Reserves a few years ago. This is why he was requesting \$100,000.00. W. Shorey explained that if the County tried for this lease and it would cost more, but would be smaller amounts spread over several years. The Commissioners would discuss this further with the Treasurer later.

There was brief discussion about the recommendation of the Technology Committee way back on how to set money aside for upgrades and since that time the County has not been permitted to do that.

WARRANTS:

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the August 9, 2011 General Fund Accounts Payable warrant and August 4, 2011 Payroll in the amount of \$113,161.66. Unanimous.**

**\*\*A. Fowler moved, B. Johnson seconded to authorize payment of the August 9, 2011 Capital/Active/Restricted Reserve warrant in the amount of \$113,898.61. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the August 9, 2011 Reentry Accounts Payable warrant and August 4, 2011 Payroll in the amount of \$86,101.00. Unanimous.**

**\*\*A. Fowler moved, B. Johnson seconded to authorize payment of the August 9, 2011 MCRRC Capital/Restricted Reserve warrant in the amount of \$27,127.17. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the August 26, 2011 General Fund Accounts Payable warrant and August 18, 2011 Payroll in the amount of \$225,119.12. Unanimous.**

**\*\*A. Fowler moved, B. Johnson seconded to authorize payment of the August 26, 2011 Capital Active/Restricted Reserve warrant in the amount of \$36,750.01. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the August 26, 2011 Reentry Accounts Payable Warrant and August 18, 2011 Payroll in the amount of \$52,827.87. Unanimous.**

**\*\*A. Fowler moved, B. Johnson seconded to authorize payment of the September 15, 2011 General Fund Accounts Payable warrant and September 1 and 15, 2011 Payrolls in the amount of \$222,069.89. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the September 15, 2011 Capital/Active/Restricted Reserve warrant in the amount of \$249,350.01. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to authorize payment of the September 15, 2011 Reentry Accounts Payable warrant and September 9 and 15, 2011 Payrolls in the amount of \$114,996.51. Unanimous.**

**\*\*A. Fowler moved, B. Johnson seconded to authorize payment of the September 15, 2011 MCRRC Capital/Restricted Reserve warrant in the amount of \$1,208.77. Unanimous.**

**\*\*B. Johnson moved, A. Fowler seconded to file Treasurer's Report. Unanimous.**

#### **2010 AUDIT:**

Present with the Commissioners were Auditors Larry Campbell and Harold Blake. L. Campbell noted that the County's balance sheet has increased since last year. Working capital has improved since the previous year.

L. Campbell commented that he couldn't see anything negative that "jumps out at him" regarding a material weakness or internal controls. He added that when the report is finally put together, there is really nothing negative in the way the staff is operating and there are no audit recommendations that need to be changed. The reliability of preparing the financial records has proven good. The internal controls that were adopted by the County have been tested and found good. Harold Blake and he feel that they can rely on the internal controls.

He noted that there is a certain amount of planning, adding that cash has a lot of risk related to it. Some of the risk lies in theft or fraud and he and H. Blake feel there are enough internal controls in place so that the risks are moderate to low. The department heads approve the process, which reduces risk of coding errors, Commissioners look at warrants, and the Commissioners are vigilant at looking at the line items on the budget.

L. Campbell explained that in the auditing profession, fraud has become a big problem, particularly with municipalities. They routinely ask if anyone has heard of any fraud, suspected any fraud, or if there is a way for a citizen to report fraud, and a process to follow-up on such an accusation. There is a web site that can be used and strips away the personal references. The fraud hotline is also available. He recommended that there be additional discussion about this in the future. The auditors need to be able to render an unqualified opinion that the financial statements accurately represent the financial condition of the County. Auditors are not obligated to search for fraud, but do look at processes to reduce risks.

#### REVIEW OF AUDIT REPORT:

L. Campbell reviewed the following related to the 2010 Audit:

Statements of Revenue and Fund Balances: L. Campbell stated that he had not found any insufficiencies or errors.

Pg. 15: There were six line items that had negative variances (expended greater than budgeted). He asked what the practice and authority was to approve with the negative variances. D. Parkman said that as long as the overall budget is in the black, it doesn't need to be dealt with beyond that. L. Campbell stated that the Register of Deeds and Sheriff's Office were significantly over budget. The other three were less significantly so.

Periodically the Commissioners should check inventory lists and make sure the larger items are, in fact, still there. The net book value of assets is about \$1.2 million. A policy should be adopted to monitor these assets.

Part of the auditing process is sending a list of improvements. This will be fairly generic, as there are no big issues. There may also be a management letter. He believed that at least one of the Commissioners is monitoring the Treasurer's work. As an addendum, he would like to see two signatures on checks. He illustrated with a local town treasurer who, in the last six months, was funding her personal lifestyle with town public dollars. When he was asked how this could have been prevented, he explained that it would have been prevented with two signatures on the checks. It was a case of "the fox guarding the hen house." He noted that it is unwise to have "trusted employees." He also explained that he knew of one person who used erasable ink. This was only discovered when an outside business received a 1099. He further instructed that the bank statement should be sent to one of the Commissioners, as well. An unusual vendor might be noticed. One national company had millions of dollars go to a false vendor and a lot of money was stolen that way. It is fairly easy to recognize local vendors. He cautioned to also beware of a "phantom" employee. The Commissioners could also appoint someone else to monitor this, if they prefer. The goal is to segregate some of the work. He said that, for the most part, the internal controls are being implemented. A great fraud deterrent is knowing that there is a good monitoring process in place.

W. Shorey said that one thing that impressed him is that he has often seen the Treasurer matching all the invoices to the checks he is signing.

B. Johnson said that she inspects the invoices and if she has any questions about them, she looks at those. She explained that Commissioner Shorey reviews the payrolls warrants.

L. Campbell said that the Commissioners can review the management letter and will have an opportunity to respond to it as to whether or not they will adopt the recommendations. He requested that this be a written response.

### **SHERIFF'S REPORT:**

Present with the Commissioners was Sheriff Scott Story to discuss the following:

1. S. Story reported that Deputy Gerald Lincoln's new position as Resource Officer is working out very well. The position vacated by G. Lincoln needs to be back-filled. S. Story recommended filling this full-time position with Patrol Deputy Benjamin Wheeler, who currently works part-time. **\*\*A. Fowler moved, B. Johnson seconded to approve promoting part-time Patrol Deputy Benjamin Wheeler to full-time Deputy as requested effective October 1, 2011 at \$17.87 per hour. Unanimous.**

2. Resource Officer Position: S. Story reported that Gerald Lincoln needs to be sent to Certified School Resource Officer training. S. Story had thought that Maine Criminal Justice Academy offered this training but they don't. G. Lincoln has researched training locations and has found that the least expensive is in New Mexico and will start in November. S. Story recommended expending funds from the Detail account to pay for this training, noting that at most, it will cost \$2,500.00 for training, travel, food and the flight. Deputy Lincoln will be able to take a shuttle from the hotel to the training facility. This will encompass six nights stay.

**\*\*A. Fowler moved, B. Johnson seconded to approve Certified School Resource Officer training for Deputy Gerald Lincoln, to be paid from the Detail Reserve. Unanimous.**

3. S. Story reported some expenses, which will be reimbursed: Two in-cruiser video cameras, and through a grant applied for by incoming Chief Deputy Jeff Trafton, another in-cruiser video camera. These will bring the Sheriff's Office closer to putting one camera in each cruiser.

### **2012 WALDO COUNTY BUDGET COMMITTEE BALLOTS:**

District Two: Seven (7) votes were received for Bill Sneed of Prospect, with no write-ins.

District Three: Three (3) votes were received for Harry Dean Potter of Palermo, with no write-ins.

**\*\*A. Fowler moved, B. Johnson seconded to accept the votes for Bill Sneed and Harry Dean Potter for the 2012 Waldo County Budget Committee. Unanimous.**

### **CORRESPONDENCE:**

Reporting correspondence to the Commissioners was County Clerk Barbara Arseneau, as follows:

1. Human Resources/Payroll Director Michelle Wadsworth will complete seven (7) years of employment with the County on October 12, 2011 and will be eligible for the 7-year pay step of \$40,608.65 for this position. The Commissioners noted this pay step increase.

2. ICMA-RC sent notice to the Commissioners that effective December 9, 2011 two funds will no longer be available as investment options for the County's 457 Deferred Compensation Plan. Participants may elect to transfer remaining assets to another fund or funds in the lineup. There is no action required and ICMA-RC will notify participants individually.

3. A copy of a letter dated September 2, 2011 written to Communications Director Owen Smith from Searsport Ambulance Service WEMT-P, Chief Cory Morse was read to the Commissioners. C.

Morse wrote to thank O. Smith and the Communications Center staff for their outstanding service provided on August 28, 2011 during Tropical Storm Irene. He had the opportunity to listen to the radio traffic most of the afternoon and evening and was very pleased with what he heard from the County Dispatchers. He described the dispatchers as performing "admirably." The Commissioners expressed their pleasure and commendation for the staff at the Communications Center in performing in such an outstanding manner during this stressful event.

4. Notice of Grant Training in Cumberland Maine scheduled for September 29 and 30, 2011 was received at the Commissioners Office. After brief discussion, the Commissioners arranged for Commissioner Johnson to attend that two-day session with approximately half of the course being funded by a grant donated by a company that wished to remain anonymous, the remaining \$212.50 for the course being paid by Commissioner Johnson, and the lodging being paid from the Commissioners budget.

5. The State of Maine Department of Transportation sent notice that a preliminary public meeting will be held on October 4, 2011 at 6:00 p.m. at the Islesboro Town Hall to discuss the Islesboro Mill Bridge project.

#### **MISCELLANEOUS COMMISSIONERS BUSINESS:**

1. Tabled Corrections Request: Table until the next regularly scheduled Commissioners Court Session.

2. B. Johnson reported on recent meetings she has attended for the Coastal County Workforce Investment Board. She reported that Governor LePage has stated that the workforce groups need to be consolidated into one group. This would mean that Coastal County Workforce would not be working as a separate unit. This is not favorable to the CCWI Board and the board hopes that all the Commissioners, including MCCA, will support their position. B. Johnson also reported that Greg Zinser stepped down as chairman of the MCEDD Board of Directors to take the position of York County Manager. Roger Moody will serve the rest of the MCEDD chairman term. Other positions will have shifted as a result. Things are moving forward. B. Johnson reminded the Commissioners that she also serves on the Knox/Waldo Regional Economic Development board (KWRED). There is very good representation for the County. She is hopeful that good things will come from this.

#### **3. EXPLANATION OF RECENT WAGE ADJUSTMENTS FOR EMPLOYEES IN DEEDS, DISTRICT ATTORNEY, PROBATE & SHERIFF'S OFFICES:**

B. Arseneau notified the Commissioners that, as instructed, she had drafted a pay scale for employees no longer represented by a union to include a 1% pay increase for those positions so they will receive the same COLA increase as other non-union employees did, effective October 1 through December 2011.

W. Shorey said he wished to provide a little history of this matter and how it has arrived at where it is today. When he first spoke with his fellow County Commissioners at the time he started serving as union negotiator, he told them that he wanted to be fair and treat all employees the same. In January, he picked up negotiating where Commissioner Berry had left off with both the Support Staff and Deputies Association units. He finished negotiating with the Deputies Unit in early February. Since an agreement with the Support Staff could not be reached, it was heading to mediation. After signing the Deputies' union contract, he made another effort to meet with the Support Staff and offered them the exact same offer that the Deputies were given. He told the Support Staff unit to listen carefully to

the following; he would rather give money to the employees than to continue on through the process and give that money to the attorney.

A. Fowler asked what the offer had been and W. Shorey explained that it was the same as offered to the Deputies Association: COLAs of 3% for 2011, 3% for 2012 and 3% for 2013 along with a \$250.00 signing bonus if signed that day for that offer only. It was turned down by the unit. After this, John Alfano came in to mediate. He came for one day and later that afternoon reported that he was not able to get anything accomplished with the group and that the two parties would need to proceed to fact-finding. Fact-finding was scheduled and, in the meantime, the Support Staff's union decided not to represent that group anymore, which was very unusual. As of Sept. 7<sup>th</sup>, these employees were no longer represented by a union. In the meantime, one employee contacted him and asked if he would meet with them to discuss options. Initially four people were selected to come to this meeting, but later all wanted to come, which he was happy to arrange. He said that they had a nice meeting and he told them the County would do for them what it has done for the rest of the County employees: 1% for the rest of 2011, that the employees would be charged 12% for the health insurance premiums through the rest of the year, and would also receive any pay steps to date. W. Shorey reported receiving letters from two different groups thanking him for meeting with them and indicating support for his ideas. He also received copies of two letters from the same individuals notifying him of their wish to be excluded from the bargaining unit. After September 7, 2011, he reported that at no time did anyone in that room give any indication that they were represented by anyone. So, he came back from that meeting and gave some thought to the matter that these County employees were not represented anymore and are entitled to the same treatment and benefits as any other employee. Therefore, he instructed payroll to start implementing the 1% wage increase and to deduct 12% of the applicable health insurance premium for these employees in the most recent pay period. He said the County had forfeited going back to December of 2010 to collect the unpaid portion of the 12% premium that all of the other County employees have been paying. He acknowledged that some people may indicate some displeasure with this, but the County will continue with the pay and deductions as started with this week's payroll and will continue in this manner because there was no notification that there was any union representation and he believed that the fair thing was to treat these unrepresented employees the same as the other non-union employees.

W. Shorey stated that the Commissioners would not be taking any questions or comments at this time, that this was not a negotiating session and he restated that the Commissioners are only treating these employees as they were all the other non-union employees in this County.

A. Fowler, for clarification, restated that the changes are that these employees are now receiving a 1% COLA over the 2010 rates and are being charged the same health insurance premium as all Waldo County employees. W. Shorey stated that pay steps to date have also been paid in this payroll. He re-emphasized that, up to this point, the County had not received any communication from anyone indicating otherwise, so the County will proceed with this wage and deduction system.

W. Shorey said that starting January 1, 2012, all County employees will be receiving a 2% COLA and that this would also be implemented for these employees. If at some point down the road someone has an avenue that gives the Commissioners an order to do differently, they would comply at that point.

B. Johnson recommended that the Commissioners make a motion regarding these actions. W. Shorey stated that there was no motion required because this was what had already been voted to give non-union employees back before January 1, 2011.

Legal Secretary Carla Rogerson asked if she could interject respectfully, as she was attending on behalf of her department head, Eric Walker.

W. Shorey said he was not taking any questions or comments because he could see legal issues resulting if there was any more discussion and that he would tell Deputy District Attorney Eric Walker the same thing if he were present. He added that at this point, the Commissioners are doing what their attorney had said they could do. He stated that if E. Walker had questions later, he could speak to Commissioner Shorey.

C. Rogerson began to speak again about the matter and Commissioner Shorey restated that the Commissioners were not taking comments or questions on this matter at this time.

B. Johnson stated for the record that she was in agreement with this and that it was a board decision. A. Fowler agreed.

**NEXT COURT SESSION:**

The next Commissioners Court Session is a regular session that has been moved to Monday, October 17, 2011.

**\*\*A. Fowler moved, B. Johnson seconded to adjourn the Court Session at 11:00 a.m. Unanimous.**

Respectfully submitted by Barbara L. Arseneau  
Waldo County Clerk