WALDO COUNTY COMMISSIONERS COURT SESSION
SPECIAL SESSION
WITH WALDO COUNTY BUDGET COMMITTEE
AUGUST 22, 2025

PRESENT: Commissioners Betty Johnson (Chairman) and Kevin Kelley. (Commissioner Timothy Parker was absent). Present were Budget Committee Members Mary Mortier (Belfast), Breanna Bebb (Northport), Tammy Higgins (Winterport), Bob Kurek (Palermo), Douglas Thomas (Montville), Elizabeth Lenharr, (Prospect), and Robyn Tarantino (Lincolnville) was present by Zoom. Absent: Brandy Bridges (Searsport) and Laura Greeley (Freedom). Also present were Treasurer Owen Smith, Finance Director Kari Hunt, IT Director J-sun Bailey, and County Clerk Barbara Arseneau took minutes.

Call to Order: Commissioner Johnson called the court session to order at 6:00 p.m.

AGENDA CHANGE
****MOTION: K. Kelley/B. Johnson to approve purchasing additional financial software with Northern Data Systems. Unanimous.**

WELCOME AND INTRODUCTIONS
All present introduced themselves.

DISCUSSION OF FINANCIAL CONCERNS – Finance Director Kari Hunt presented a PowerPoint presentation with the assistance of IT Director J. Bailey.

DISCUSSION OF FISCAL YEAR
The Commissioners' goal is to change the County of Waldo budget from a calendar year to a July 1 to June 30 fiscal year by means of an 18-months' budget. There are three ways to approach this as follows:

Option 1: 12 months for 2026 and 6 months for 2027.
Option 2: 6 months for 2026 and 12 months for 2027.
Option 3: 18 months with a combined total for 2026 and half of 2027. K. Hunt explained that the County's financial software cannot support or run an 18-months budget, so this option is not available.

Questions:
M. Mortier asked how many of the 42 separate accounts could be reduced or consolidated and was told it would hopefully be reduced to under 30. K. Hunt listed several reserves as examples such as combining multiple EMA Reserve Accounts. There were questions about combining all the Facilities into one reserve, how the different buildings could be tracked, and whether the financial software can track these expenditures. There was a question about whether the state has been consulted about which existing reserve accounts could be comingled, and what statutes apply. The Commissioners stated that they hoped to have a better understanding of this with a little more research and planning.

K. Kelley stated that the County has been researching the self-funded health insurance plan it has had for many years. It may no longer be cost-effective to remain self-funded and the Commissioners are looking at several different ways to save money. Monthly premiums are usually about $164,000.00 per month and the total expenditures are now frequently up to $200,000.00 a month. It has been very difficult to obtain detailed information.

Audit issues were discussed. It has been very difficult to find an available auditor, the audit expense has been higher every year, and the audits are not being completed in a timely manner. The auditor recommended a "qualified" audit for 2021 and 2022 but the Commissioners did not agree to that. To obtain the data from 2021 and 2022 for a complete audit, the Commissioners had to purchase the digital information from the current financial software company. When the Commissioners initially tabled the decision on the qualified audit and couldn't send funds for the 2025 audit to the auditor in advance, the auditing firm state that 2024 would be the last audit they would do for the County of Waldo, and they would recommend another auditor. The County books have been divided into two companies – the County, and the Jail, as a result of the State taking over the County Jails for several years starting in 2008. The goal is to merge these two budgets as much as possible while still tracking Jail expenditures for the various reports that are required. The Commissioners are trying to get an accurate picture and detail of the budgets so they can make the most informed decisions.

The Severance Reserve Account has been a challenge. Retirement buyouts are costly, especially with the unions. The County has to estimate who may be retiring or buying out unused vacation and sick leave accruals to plan for sufficient funds to cover this each year. There was almost $48,000.00 paid out to one employee this year. Department heads have been asked to project if there will be any retirees in the next 18 months and there are potentially nine (9). Union contracts make it challenging to keep costs down, as well.

The Budget Committee was asked how they would like the 18-month budget presented. The Commissioners suggested a 12-month and 6-month total. The reason for changing to a fiscal year is to reduce the tax anticipation note and pay less interest.

The County website is not satisfactory, nor user friendly, and one of the biggest complaints in the County is that it is hard to find the minutes. The county clerk is frequently called to provide them. Having the audits completed will help with being able to obtain more quotes from banks.

There was discussion of the best option for changing the Fiscal year to July 1 through June 30, and it was also noted that the current financial software is extremely outdated, does not meet the County's needs, and the data conversion to another company may not be available for 16 months. There will be a learning curve with the new software. The budget would still need to be broken out 12 months and 6 months. There had been a lot of discussion with the department heads on how to present their budget numbers. The committee members discussed which option would move the County to the fiscal year the soonest. There was also discussion about the Budget Committee voting on a 12-month budget and then having to come back and vote on a 6-month budget. The statutes do permit the County do have up to an 18-month budget. All agreed that it would be ideal to stop paying the tax anticipation note interest as soon as possible. When the Budget Committee asked if the financial software could wait for a few years, K. Hunt listed all that the current software is not able to do, including very basic, necessary functions. B. Arseneau stated that the County has been with this company for 30 years and the Finance Director who had worked with it the longest (19 years) always had to create Excel Spreadsheets along with this software just to keep track of the County finances. It has been inefficient, labor-intensive and unnecessarily difficult.

County Treasurer O. Smith stated that he believed that all should be concerned about the fact that there have been 6 Finance employees since 2022, and the revolving door cannot keep going on. A major factor was that the financial software program drove them out of the office. NDS also only keeps two years of financial information, which is not enough. The County had to pay over $5,000.00 to get 2 additional years of data out of the NDS system for the 2021 and 2022 audit. The Commissioners have been putting in a lot of extra hours trying to unravel all these issues.

Questions remaining:
1. Should the Towns be billed for 12 months for the County budget, followed by 6 months' budget, or billed out for a total of 18 months?

2. Can the Budget Committee approve the total 18 months, or does it have to reconvene to vote on the following 6 months?

It was noted that because of the financial software, it must also be broken out. There will be three columns on the Budget: one for the whole of 2026, one for half of 2027, and one showing the total for the 18 months. Once the legal opinion is back, either the Finance Director or County Clerk will send a letter to the Committee with the answers.

2026 BUDGET DATES AND DEADLINES:
- **Sept. 5, 2025, 12:00 p.m. – Budget requests due by email to Finance Director Kari Hunt.**
- **Sept. 11, 2025, 9:00 a.m. - Dept. Heads and Outside Agencies meet with Commissioners during a special court session to review and finalize budget requests for Finance Director.**
- **Sept. 26, 2025, 6:00 p.m. – Budget Committee Organizational Meeting**
- **Oct. 4, 2025, 9:00 a.m. – 1st Budget Committee Meeting**
- **Oct. 9, 2025, 6:00 p.m. – 2nd Budget Committee Meeting**
- **Oct. 25, 2025, 9:00 a.m. – 3rd Budget Committee Meeting**
- **Nov. 1, 2025, 9:00 a.m. – 4th Budget Committee Meeting**

****B. Kurek called the vote for Option 1 (12 months 2026 and 6 months 2027). 5 in favor. (Passed)**

****B. Kurek called the vote for Option 2: (6 months 2026 and 12 months 2027). 2 in favor. (Failed)**

ADJOURN: The session adjourned at 8:07 p.m.

Respectfully submitted by Barbara L. Arseneau Waldo County Clerk
Barbara L. Arseneau