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COUNTY OF WALDO
COURT OF COUNTY
COMMISSIONERS

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Treasurer
Owen R. Smith

WALDO COUNTY COMMISSIONERS SPECIAL COURT SESSION
FEBRUARY 17, 2026
9:00 a.m.

PRESENT: Commissioners Kevin Kelley and Timothy Parker. Staff present were Human Resource Director Tracy Benton, Finance Director Kari Hunt, Sheriff Jason Trundy, and County Clerk Barbara Arseneau to take minutes. Present via Zoom was Treasurer Own Smith and several other department heads. Members from the public were also present, including, Belfast Resident Eric Buch, Retired Journalist Jay Davis, and Searsport Town Manager James S. Gillway.

1. **Welcome / Call to Order:** Commissioner K. Kelley called the meeting to order at 9:00 a.m. Roll Call: Commissioners present: K. Kelley, B. Pinkham Bebb, and T. Parker.

2. **Review / Revise Agenda** No revisions to the agenda.

Budget 02-10-2026 Version 3 was submitted to the Commissioners along with a Position Support Staff spreadsheet. K. Kelley reviewed the budget version reductions so far. B. Bebb wondered how so much funding could be cut from the Jail and if this would result in even higher increase next year. K. Kelley noted that there are two versions of the Jail budget – integrated and non-integrated, and K. Hunt explained that at the request of the Budget Committee, the integrated budget includes the 33 lines removed from the Jail budget so that these changes could be seen. The non-integrated Jail budget will continue to be used as currently proposed.

B. Pinkham Bebb asked for a review and update regarding the OPIOID committees, and wondered if the Committee would support some of these funds being used to offset medically assisted treatment (MAT) in the Jail budget, and how the committee interfaces with the Commissioners. T. Parker said the standing committee is comprised of members who have direct dealings with trying to assist with OPIOID addiction, and he felt that the funds should not be used just to offset the Jail MAT budget but also for the community and prevention as recommended by the standing committee. B. Pinkham Bebb said she didn't think it would be proper to use funds to offset that treatment cost in the Jail budget unless the committee would support that. K. Kelley said that the Commissioners set up an ad hoc committee to recommend who should be on the standing committee, noting that it is good to have experts who are on the front lines and actively dealing with prevention and treatment. The goal is to bring a business plan, budget, and data analysis along with guidance from MOSS so that these funds are well spent. K. Kelley has mentioned to Jail Administrator Matt Magnusson the possibility of using $100,000.00 of the $500,000.00 funds received so far to help pay for MAT in the Jail budget. T. Parker noted here is a separate account and warrant for OPIOID funds to keep the expenditures record very clear.

K. Kelley said it has been brought up that 50% of the County employee medical costs had been in the Jail budget and was not an accurate reflection of the true employee health costs for that department. The current budget proposal explains what is actually being expended. T. Parker said much time has been spent moving lines out of the Jail budget into other department lines where they belonged. K. Kelley said that in the 2025 Jail budget, the actual expenditure was $4,599,763.08. The new revised 2026 budget is $4,207,137.10, a reduction of -8.5%. The average for the two years was $4,269,560.38 and adding in revised Budget Version 3, it is $4,248,752.62. B. Pinkham Bebb said she now understood the difference between the integrated and non-integrated budgets.

Sheriff Jason Trundy, who was present, asked how the budget figures were arrived at. He, the Chief Deputy, and Jail Administrator looked at undesignated funds from 2025, ands reserve accounts to offset expense, and made some reductions in budget lines. They tried to do this without creating “cliffs” that would be recurring for several years and tried to create gradual increases, not using more money from reserves than needed. The Revitalization reserve was discussed. During the last year of the previous board, the board met with the Sheriff and told him there was more funds in the Community Corrections Act reserve than were needed for the County Garden and asked the Sheriff for recommendations for using the remaining funds. These funds must be used for specific things and were applied to Volunteers of America, Maine Pretrial, and the remaining was put into this reserve to be used to hire a consultant for planning and also for offsetting any spikes in boarding costs. These unexpended funds were used to pay for inmate boarding for the first quarter of 2026, at about $350,000.00. This will create a cliff, but the Budget Committee was clear that 2026 needed to be reduced as much as possible. T. Parker said he was in favor of the $17% budget option instead of still needing to increase it more in 2027. If the 13% budget could reasonably cover the expenses, he would be in favor of it but not if it creates future cliffs. J. Trundy reminded them that the Budget Committee expected reductions and some mentioned single digit increases. He felt the Commissioners needed to do the work, reduce the budget, and explain the impact. He feared that the Committee would decide a number and the Commissioners would have to try to make it work.

B. Pinkham Bebb said she felt that if the Budget Committee disagrees with how much the revised cuts will impact, they could always opt to add more funds back in. She recommended being very clear with what would cause cliffs and be clear with the changes. T. Parker thanked the Sheriff for the work he has done on the budget preparation. K. Hunt said that that using undesignated funds is one thing but reserves are being used, too. She expressed that the reductions in health care benefits would not cover the expenses and the reserve associated with that is already drained. Also, the County must pay unemployment if any employees are laid off.

H. R. Director Tracy added that paying unemployment will affect the County’s rates for years into the future. The benefits budget was revised again, and the frozen unfunded positions resulted in another review and calculation of the benefits. They also met with the benefits broker and the revised number for the weekly claims actual for 2026 is now only $20,000.00 more than what was spent in 2025. The broker stated firmly that they County should not make any further reductions because it was too great a risk. This is also a cliff. K. Kelley asked for other cliffs and was told that Technology could be, noting that both Edmunds financial software and CivicPlus were prepaid to reduce the 2026 budget, but those costs will come be there next year. The Commissioners reviewed with B. Pinkham Bebb four (4) positions that were planned to be filled but have been frozen and unfunded. K. Kelley noted that there are four departments that have only one person in that department. The Office Associate position has been made F/T and is shared between the Finance, H.R. and County Clerk. He read further reductions in positions that occurred in EMA and noted that Facilities had one full-time position reduced to 20 hours effective March 8, 2026. B. Pinkham Bebb expressed concern over IT if the Director is out sick or on vacation and was told that $20,000.00 is budgeted for a contractor to fill in if needed. The IT Director has verified costs and expenses against the actuals. There was one person at the Public Hearing who offered to help look at the budget and that person has made some software recommendations. K. Kelley also reached out to a 3rd source who offered some suggestions that might help reduce some costs.

B. Pinkham Bebb expressed concern about the goals of getting caught up on audits, learning new financial software, and expressed concern over how that could be done when the Finance Director has requested an additional person in Finance and has now been told no. T. Parker said the best thing to do at this point is to provide good software. When asked, K. Hunt said the current shared position is working about 20 hours for Finance. At some point an additional person needs to be added. B. Pinkham Bebb asked if it would be possible to calculate the time Office Associate is assisting Finance so that this is clear. K. Hunt outlined the various tasks the Office Associate currently does for Finance, and training she is doing with the County Clerk on taking minutes during recent court sessions. T. Parker said that with turnover in recent years, it has become imperative that people are cross-trained and for the Office Associate to be trained to do functions in each of the three departments.

K. Kelley listed the goals as follows:

- Reconciling all the checking accounts
- Reducing all the reserve accounts down to about 8, clarifying up the reserve account descriptions, and make sure these reserves are being funded, preserved, and used appropriately
- The new financial software goes live in December, the data from 2024 and 2025 need to be transferred over.
- Obtain the 2023 audit by mid to end of March. 2024 should be an easier year, but 2025 hasn't been scheduled and paid for.

B. Pinkham Bebb asked what the challenges were for this year. K. Hunt said her goal is to get everything from 2023-2025 behind her, complete check reconciliations, and successfully take on and learn the new finance software. There are monthly touch points on the software. She is a little anxious about when the software conversion takes place and how that may coincide with the next budget process.

K. Kelley said the Commissioners have met on the 2026 budget a number of times, including 11 meetings with the budget committee members since last fall. There have been internal meetings with department heads and workshops to work on the budget reductions. If the County reduces the budget too much, it will continue with spending and shuffling with reserves, which the Commissioners are trying to move away from. He expressed concern that if the 2026 budget is reduced any lower than 12%, the County will be in serious trouble. The Tax Anticipation Note has already been approved for $5.5 million. While using the 2025 budget limit, including only being allowed to use 80% of that before a final budget has been voted on, the County might have until August or September before running out of funds. Three grievances that have been submitted and if they go to arbitration, it will require legal counsel, with that expense. He commended the previous commissioners for making sure the County had no long-term debt, which is a good position to be in, but it could easily be in a precarious condition going forward.

There was brief discussion about the good decision to board Waldo County's inmates with Somerset County, and that it is much less expensive than building a new jail and funding it.

Summary of "Cliffs": Health benefits stop loss, pre-funding Jail housing, freezing and unfunding 4 positions, and reducing 1 full-time employee to part-time. B. Pinkham Bebb felt it was important to include context to the reductions in force and cliffs that may be created when presenting to the Budget Committee. One Committee member has asked for a list of reserves several times and those have been provided. One asked for a list of bank accounts and what's in them, and that has been provided. It was noted that the reserves are controlled by Commissioners, but input from the towns and Budget Committee is also important. K. Kelley has heard the Audit will increase for 2025 and the current budget proposal is now $6,000.00 short. The Commissioners discussed increasing that line. T. Parker mentioned that Waldo County's 2025 audit is not in the auditor's queue and it may cost more than the current estimate. Special Appropriates was removed from the latest budget version. All agreed that these organizations represent a lot of value for their allocation.

K. Hunt reported that more IT invoices have come in; one for $157,000.00 in addition to the other $7,000.00 already received. The IT budget doesn't have the funds nor any reserves to utilize. K. Hunt will prepare a list of invoices that are being held that have penalty clauses and will cost the County more money.

During the February 19, 2026 court session the Commissioners will have a roll call vote on the revised budget.

****MOTION: T. Parker/B. Pinkham Bebb to adjourn and 9:57 a.m. Unanimous.**

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