WALDO COUNTY 2026-2027 BUDGET COMMITTEE MEETING
JANUARY 27, 2026
6:00 P.M. TO 9:00 P.M.
Waldo County Commissioners Courtroom and Remote Teleconference (Zoom)

PRESENT Budget Committee Members Bob Kurek (Chairperson), Mary Mortier, Breanna Pinkham Bebb, Robyn Tarantino, Elizabeth Lenharr, Brandy Bridges, Douglas Thomas, Laura Greeley, and Tammy Higgins participated via Zoom. Also present were County Commissioners Kevin J. Kelley and Timothy A. Parker. Staff present were Finance Director Kari Hunt, Human Resources Director Tracy Benton, Treasurer Owen Smith, IT Director J-sun Bailey, and County Clerk Barbara Arseneau to take minutes.

Call to Order/Review Minutes – Chairperson Bob Kurek called the meeting to order at 6:00 p.m. This is not a public hearing, this is a budget meeting, so not taking public comment. The Budget Committee rejected the budget that was presented on December 12, 2025. He said he appreciated that the Commissioners have come back with a new budget of $15 million but he believed this is still too much. The taxpayers are not an endless source of money, and there has been discussion on unsustainable growth. He asked for comments from the Committee.

B. Bebb said she'd like to know that they would be holding another public hearing.

M. Mortier said the current changes haven't been discussed, and it is her understanding that they should have a public hearing because it's a requirement. K. Kelley said they had received a legal opinion and based on statute, the public hearing has been "cured" so the Budget Committee can pass that budget, and no other public hearing is required. However, the Budget Committee can decide if they wish to hold another public hearing. B. Kurek repeated what the legal opinion and statutes were, but the Budget Committee would need to discuss this and vote on it. In Waldo County, the Budget Committee acts as the authoritative committee and can say yes or no to the budget.

Review of List of Questions from the Budget Committee to the Commissioners:
K. Hunt explained that she has provided packets to each committee member with questions originally asked and the answers to those as follows:

1. **What is the County Tax Cap: 18.33%-- Revised Budget was reduced to 17.36%**

B. Kurek said that it looked like the Jail budget had dropped but lines had also been moved into other departments. He asked K. Kelley what the county attorney had said. K. Kelley reported tax cap must be 18.33% or less and the revised budget was reduced to 17.68%. It was reduced by more than $2.4 million.

2. **Verify The Jail Cap 4%-- Expense lines were moved to different cost centers on the county side. Reviewing a spreadsheet, reductions with the budget, the overall increase in the jail budget is 4.71%. These increase cost are due to increase in jail housing and medical cost, which are mandatory by State Statute.**

K. Kelley explained that this was due to realigning 46 general ledger accounts and 12 departments budget lines and so it created confusion, but on the spreadsheet included in the packet, it realigned the 2025 Jail budget to the 2026 Jail budget and the increase was 4.71%. The County can ask for legislative approval on that but the attorney has not heard of any other county doing that. B. Kurek asked if R. Tarantino's numbers were part of this and K. Hunt stated all the figures were from the County's accounting system and are the official Jail numbers, everything that the Jail has been budgeted and the past budgets and expense lines already have been reviewed with the committee several times. B. Kurek asked if the 2025 Jail budget was $4,083,000.00 and the revised Jail budget for 2026 is now $4,278,000.00. K. Hunt confirmed that, stating that this included every line that had been moved to other departments/cost centers.

Restate Jail budget comparison for 2025-2026—Completed—See spreadsheet
B. Kurek asked if the County Cap was based on property valuation and income levels and if the attorney calculated those. K. Hunt said it is based on the State valuation and briefly explained the calculation method for the tax cap. (L. Greeley and R. Tarantino were now present at 6:18 p.m.) K. Hunt stated that the new value was based on the revised budget and included the offset of Community Corrections Act (CCA) funds. L. Greeley asked it the Jail was being reduced by any reserves or other any other funds. Sheriff Jason Trundy explained that he met with Commissioner Kelley and the Finance Director and the following reductions were made:

- 27th pay period moved to 2025: $50,000.00
- Medical inmate line reduced $50,000.00 (reserve to cover overage)
- VOA Contract reduced $142,000.00 ($42,000.00 Restorative Justice; $100,000.00 from CCA Reserve)
- Inmate Boarding reduced $250,000.00 (unexpended 2025 funds) + $125,000.00 from 2024 Revitalization reserve
- Line 8001 reduced $25,000.00 (CCA funds)

There was brief discussion about positions being funded by temporary money and increasing future budgets. K. Hunt went to get the reserve binder budget while the group discussed the status of the audits and provided the binder to L. Greeley.

T. Parker informed R. Tarantino and L. Greeley that K. Hunt had submitted a breakdown of the Jail lines that were moved in a packet, and that the Committee is considering holding another public hearing.

R. Tarantino asked if the statutory limitation is being met. It was explained that with all the lines returned, it is a 4.78% increase, which is slightly higher than the CAP. Concern was expressed about how to track this in the future. K. Hunt said it they would have to keep up with a spreadsheet. R. Tarantino asked that the numbers include December for year-end date. It was decided that future spreadsheets would no longer have columns with departments, commissioners. It was also requested that the sheets include statements of the reserves being used, their names, and what for. T. Parker thanked Finance for doing more additional work. Jail funding issues at the State level were briefly discussed.

Sheriff Trundy summarized state jail funding history and inadequate State support. Regionalization and legislative advocacy briefly discussed.

3. **Limit total budget increase to under 10% unless cap states otherwise—See question 1.**
   (See tax cap discussion.)
4. **IT prior years funding sources:**
   a. **IT Reserve (Previous year ending balance)**
   b. **Future IT reserve ($42,000)**
   c. **Sale of the Superior Court House ($130,000)**

   Prior funding sources:

- IT Reserve (prior year balance)
- Future IT Reserve: $42,000
- Sale of Superior Court House: $130,000

2025 IT ended with $8,487.87 balance and projected $114,896.07 deficit. March 2025 motion approved $52,000 + $17,250 from General Fund. B. Kurek noted 240% increase; K. Kelley said this reflects consolidation of prior reserve-funded expenses into one department. This is the first year that real numbers are being discussed. New accounting software and website needs were briefly discussed. It was noted that the current software is listed in the Finance Budget but the new accounting software will be paid from the IT Budget. IT Directory J. Bailey said that the County locked in for the next three years at $39,391.00. L. Greeley asked if there was a way to show which budgets are being paid out of reserves. K. Hunt said she could do that.

The Congressional Directed grant recently awarded to Waldo County was discussed. J. Bailey explained that nothing requested in the grant was duplication of what has been budgeted for 2026. The County is so behind in technology and must purchase new equipment to keep functioning. He applied for the grant to cover as much as possible and noted that there are also unfunded mandates that effect the type of equipment and licenses and the grant application was requested to assist with these things. T. Parker said that back in 2023 when the unfunded mandate came before the budget committee, the committee was against that because it had the potential for profiling. As a commissioner, he is still against that.

d. Reach out to Mr. Hand for input (on the IT Budget). Was emailed twice with no response.
B. Kurek asked if J-sun had ever heard from Mr. Hand, who offered his IT services to help. J. Bailey reached out twice to him and did not hear back.

e. How much of the IT budget is mandated by the state and federal?
B. Kurek asked if IT's budget was mandated. J. Bailey said that certain standards are mandated by FBI and security and will limit access to those databases. K. Kelley said that protected data breaches are charged individually.

f. Can the County receive a quote from MMA? No, committed for one year on the current plan.
Human Resources Director Tracy Benton said they are locked into the current bid. 7 companies declined to bid. MMA is self-funded, and going with them defeats that purpose. They also may not cover union contractual obligations. M. Mortier said MMA felt they would as MMA insures towns, counties and the city of Belfast has been with them for years. She felt it was premature to say they might not have plans that work for the County employees. She noted the Belfast City Manager sits on the MMA Trust Committee and might be helpful. K. Kelley said switching to Cross effective October first, the County saved funds immediately. B. Bridges agreed that it's good to keep an open mind and not assume without knowing all the facts.

g. Check retirement annuities and see if they are too conservative. T. Benton and the Office Assistant spent about 60 hours and calculated every single thing per employee, per circumstance, with overtime, etc. Recalculated according to budget request and other contractual obligations, this included overtime, which has not been used in the past.

Ensure all budgets are budgeted to the minimum statutory requirements. The Commissioners met with ALL department heads to review budget. K. Kelley worked with the departments and met with them several times. Finance met with a number of them several times.

Place any non-statutory required expenses on the chopping block. B. Kurek asked if there is anything non-statutory has been eliminated. K. Kelley said that in D.A.'s Office several positions are by statute, and others are key staff.

Eliminate all titular positions. Based on definition, there are no titular positions within the County.

Consider RIFs (Reduction in Force) 2026 budgets to acceptable levels.
Commissioners Budget: Only staff is Commissioners and County Clerk. H.R. is a one person department. Finance has requested one new position and took over the Office Associate position. IT is a one person department and has requested one additional staff. Probate: The Registrar is elected and the Deputy is appointed. Sheriff: The Sheriff is elected, the Chief appointed, and the rest are union positions.

A member of the public asked what the percentage was in the Jail for the fees, what percentage of the $5.8 million is the Jail salary, and how much of the 17% budget increase is Jail and Sheriff. K. Kelley said he would get that number.

Water and Soil Conservation District is not statutory, but the U of M Cooperative Extension is statutory. Community Corrections funds are restricted in what they are used for and have been used for such things as community work and the County Garden.

1010 EMA—
Due to federal funding 1 position was eliminated (this position however was paid 100% through grant funds) Parttime position was reduced from 27hrs to 24 hours, 9hr of the 24hrs will be paid through the HGSP grant.

1065 Deeds: Part-Time position was Froze and unfunded.
Deeds Budget 1065: M. Mortier expressed appreciation for the additional notes. K. Kelley said they met with each department head, some several times. To reduce Fulltime employees, vacation position or new positions were frozen and unfunded. It is in a union contract – it hasn't gone away but not funding.

1076 Communications: Vacant position was Frozen and unfunded. Communications: Director, the rest are union. Frozen, unfunded position for one F/T

Audits

a. **2022—Finalized and accepted 1/22/26, which was sent the Budget Committee**
b. **2023 Pending: research is needed must go thru paper records and as of 01/22/2026 promised by 03/19/2026 completion.**
c. **2024 Pending**
d. **Persistently checking with Auditor on a daily basis.**

R. Tarantino said she thought she had seen an updated revenue sheet. R. Tarantino said she thought Projected Revenue went up. K. Hunt reported the only thing was Deeds because the State was allowing more funds, but now there is an LD for emergency shelter, once upon a time Deeds received 10%, last year State said it would be 9.2% and the 10% was going to come back. Then LD 2124 said they were going to take another 1% away that would be permanent, so it would be 8.2%. Deeds could essentially lose another $30 to $40,000.00 if it passes. Nobody knows what it looks like. K. Kelley said the County Commissioners Association is not in favor of this. Great idea, but not a good revenue stream. K. Hunt said she put the projected revenue from Deeds back down in consideration of this.

16. Budget Committee to review management letters with auditors. Mgt letter received for ’22, was emailed to the Budget Committee.

K. Hunt reported that the auditor has received over $70,000.00 for the audits. She had reached out to 30 auditors and one seemed interested. Auditors are hard to find. 2023 is a rough year – multiple hands in the Finance. She has to scan multiple papers and is doing this. B. Bebb said that there was 70 pages to read and she thanked them for a lot of stress and a lot of work. M. Mortier said it’s not a shortage of auditors but a shortage of auditors who are willing to do municipal audits. When asked why the request for the audit was less, K. Hunt said the $25,000.00 was reduced by $5,000.00. That is proposed to pay for the 2025 audit but the County has not made a commitment to the auditor because he wanted the county to pay 50% in advance and the County does not have those funds, so he is leaving the County in the queue once they pay the deposit. K. Hunt had requested $20,000.00, the commissioners moved it to $25,000.00 and then the budget committee added more to make it $30,000.00. K. Hunt said they don’t know if they will stay with RHR Smith, and that the Jail audit has been moved to the entire audit budget.

17. Does the county properly account of self-insurance. No, see the detail in the revised budget under 2025 Employee Benefits:

DEPARTMENT: 2025 Employee Benefits	Expended Last Year	Budget Curr Year	Expended Curr Year YTD	Department Requested (12 mos)	Commissioner Requested (12mos)	Budget Committee (12mos)	REVISED BUDGET (12mos)	REVISED REDUCTION
	2024	2025	2025	2026	2026	2026	2026	2026
4724 CTY HEALTH INSURANCE	$ 1,129,231.71	$ 1,300,000.00	$ 1,265,824.24	$ 1,391,000.00	$ 4,900,000.00	$ 3,978,539.00	$ 1,450,640.35	$ (59,640.35)
3902 JAIL HEALTH INSURANCE	$ 363,152.30	$ 700,000.00	$ 396,419.13	$ 749,000.00	$ -	$ -	$ 461,880.15	$ 287,119.85
Employee Offset			$ (292,262.88)			$ -	$ (337,813.80)	
DENTAL INSURANCE	$ 75,140.00	$ -	$ 31,242.14	$ 34,185.00	$ -	$ -	$ 33,116.00	$ 1,069.00
STOP LOSS INSURANCE	$ -	$ -	$ 453,184.36	$ 590,000.00	$ -	$ -	$ 597,666.00	$ (7,666.00)
WEEKLY CLAIMS ACTUAL	$ -	$ -	$ 2,563,879.18		$ -	$ -	$ 2,779,464.13	
WEEKLY CLAIMS OVERAGE	$ -	$ -	$ 609,372.93	$ 1,214,354.00	$ -	$ -	$ 529,129.83	$ 685,224.17

18. What should the county fund to be self-insured.

a. The minimum is broken down in the revised budget under 2025 Employee Benefits, and this does not include $120,000 of risk (risk = budgeting the lowest possible amount and are choosing not to take the gamble of adding a possible $120,000 in extra costs, as identified by our broker.) cut and paste the benefits here.

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19. What was the Severance Assistance Liability for the County in 12/31/2024

- **2024 Spent: $160,102.24**
- **2025 Spent: $213,960.40**
- **Beginning Balance as of 1/1/25 $51,947.83**
- **Ending Balance as of 12/31/2025 ($17,720.74)**
- **Invoices for January 2026: ($37,462.20)**
- **January Ending Balance of ($55,182.94)**

20. What is the Undesignated Fund Balance for 12/31/2022? Approximately $1.5 million.

21. How much should be placed into a county relief tax? Looking for clarification on this question.

22. Walk through the county's balance sheet with the auditor. He is out of town, will reach out again to see if he will review the audited financial with the Budget Committee.
Budget in 2025 was $12,778,840.13—Assessed to Towns was $12,019,650.43
B. Kurek asked if K. Kelley spoke with the auditor to come speak to them and he has. B. Kurek said he wants to know if the County is accounting for the Self-funded health insurance, and Severance correctly.

L. Greeley asked why someone else was doing reconciliations. K. Hunt said there used to be only 8 and the goal is to get back there. When she came, it had been increased to 32. Her workload has been such that it has been impossible to get to these. She reviewed the costs for having the reconciliations done thus far and noted that 2023 was a particularly challenging year.

B. Kurek said his ideas are:
1. Dept by dept, line by line,
2. Tell the Commissioners that the budget is too much and take a percentage reduction across the board,
3. If commissioners have squeezed as much as can, consider a reduction of work force
4. Eliminate all non-statutory requirements.

He is frustrated and doesn't want to say $14,000,000.00 as it would probably be defunding a lot of the departments, but he thinks this needs to be done.

T. Parker said that its important to fall on one's own sword. The Commissioners could have gone lower, but he refused to cut any Special Appropriations, which is a change from his previous viewpoint because he didn't want to hurt the most vulnerable in the County.

B. Kurek wanted to hear from the committee and how to proceed.

B. Bebb said she felt they really need to do hard things this year. B. Kurek said they would have to come up with big cuts.

M. Mortier said she took 12% of last year's budget and came up with $668,000.00 as the bottom line. R. Tarantino said it should be a $667,000.00. K. Hunt said that the full overage was $609,372.93 more than taken in by premiums. Stop Loss insurance and the unpredictable amount and/or timing of reimbursements was discussed. She also wanted to wait for the audits. She thought about recommending last year's budget. K. Hunt explained that only a maximum of 80% of the previous year's budget can be used until it is voted on. She also explained that the Commissioners are responsible for and the ones who manage the Reserve accounts. Revenue cannot offset a particular budget. It's the assessment to the towns. Copies of statutes were provided to the Budget Committee.

K. Kelley said that he wants clarity and accounting to be clear. He has not reduced workforce (RIFs) at any time in his career. If positions are cut, it hits the severance account, overtime, shift differentials, etc.

L. Greeley said that maybe it is better to budget on the actuals. Also beneficial to have the budget committee come in quarterly. She asked if the commissioners area saying this is as low as they can go on the budget. T. Parker said they are not telling the budget committee this is as low what it is and referenced the special appropriations, but that is a low figure and not much help.

K. Hunt noted that laws have changed and if people are laid off, the County has other obligations, AOCH buyouts, sick buyouts, etc. Severance is in the negative. There is 35,000.00 coming out of severance. Servers need to be replaced by IT. There is $236,000.00 in sign-on bonuses. Out of 11, there are potentially 9 retirees, based on the current pay rate. This already going in the red.

R. Tarantino - T. Benton said they needed to use the figures from 2025 to calculate 2026. K. Kelley said they know the Jail and offsets to the penny, dental to the penny, and the weekly claims loss is based on historical knowledge. The County is taking risks on the overage with a potential risk of $120,000.00. T. Benton said that the Stop Loss is all over the place. In 2024 there was $54,000.00. Reimbursement can take up to 15 months from the day it happened and anything that comes back is used almost immediately. B. Kurek wanted to hear from the auditors about what they think the risk is. T. Benton said at one point the claims had to be paid from the TAN until the reimbursements came in, if they even do come in. Everything that comes in for those checks goes back to that account. The only time that account is fed is by TAN and then to put premiums back into the payments. T. Benton illustrated with an employee having a heart attack today, costing $300,000.00 this month. Insurance and hospital talk and dispute, and after they go back in forth, finally the hospital decides they overcharged by $100,000.00 and then the check finally gets written out in 2027. R. Tarantino said that eventually it slowly comes back to the County. T. Benton explained that to be self-insured, when a bill is received, the County must pay up front, then it comes trickling back. R. Tarantino said use the $130,000.00, get the $73,000,00 comes back. The committee requested a printout of the numbers.

B. Bebb said that health care isn’t being solve tonight. B. Bebb said the budget has been gone through line by line, and she recommended picking a target and meet in two weeks with suggestions and ideas, and then meet a week later to give it to the Commissioners.

R. Tarantino said it is pre-mature to set a percentage and is more in agreement with M. Mortier on the set amount.

D. Thomas said he wanted to see single digits and based on actuals.

E. Lenharr asked the Commissioners to come back with a lower budget.

B. Bridges said she would like to see what the Commissioners could do.

L. Greeley liked the single digit goal.

T. Higgins said she liked the idea of getting the Commissioners see what they can come up with.

T. Parker said the Commissioners don’t always agree.

K. Kelley said that for a single digit 9%, it would be $700,000.00. This would be very tough. A member of the public said that everyone realizes this will be drastic.

K. Kelley said he went back to the Standing OPIOID Committee to ask for $350,000.00 or $200,000.00 to help reduce the medical line. The Commissioners are trying to make a budget that makes sense. A county administrator has been suggested, but that would cost at least $150,000.00 per year. K. Kelley was the only one who was at the last public hearing with the previous board of Commissioners and the only one who asked questions. He asked if the health insurance was sound and was told yes.

R. Tarantino said they brought the budget down last year, but this is the only year that that they started looking at actuals instead of what is budgeted. She felt it should be based on what was actually spent, and believes the County is asking for higher amounts to be conservative due to not having the audits.

E. Lenharr said that if the Committee gave the Commissioner a goal, they may make inappropriate cuts. K. Kelley requested for time, he has some ideas and will need a number of working days. He knows the Budget Committee are all volunteers. The Commissioners will come back to the committee with a date by next Friday.

****B. Kurek moved to kick the back to the Commissioners, who will give the committee a date once they have a reasonable budget ready. Roll call was taken. Each member said yes. Motion passed unanimously in favor.**

Meeting adjourned at 9:15 p.m.

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