

# Cumberland County

**Peter Crichton**  
*County Manager*

**James H. Gailey**  
*Assistant County Manager*

January 23, 2017

Dear Municipal Leaders and Citizens,

On behalf of the Board of Commissioners, I would like to take this opportunity to present to you the County's FY17 Budget. This year the budget was a particularly difficult and challenging one. The primary challenge was the jail with a drop in non-tax revenues of \$190,000 and simultaneously a net increase in jail expenditures of roughly \$612,000. Together these two items amounted to about 50% of the county's tax increase of 5.93%. Or put another way, without the jail's fiscal impact on the budget the county tax increase would have been 3.2%.

Similar to last year, our budget process was once again delayed as we worked to secure funding from Oxford County to house their inmates. However, this time we lost out to the Two Bridges Regional Jail in Lincoln County. So, as we began our budgetary process the County was looking at more than a 10% county tax increase with a loss of \$800,000 in Oxford County revenues. A major challenge by any definition. The good news is that we were able to increase revenues with our federal inmates, as well as bring in additional revenues from other counties' inmates to reduce the \$800,000 loss down to \$120,000.

On the expense side, we also had an increase in jail expenditures of \$612,208. Part of the solution to dealing with this was for the County to go back to how things were being run prior to the creation of the Maine Board of Corrections (MBOC) in 2009. We did this by transferring roughly \$470,000 from the jail's facilities operation back into the County's Facilities Department budget. Thereby, allowing us to stay within the 3% cap on jail increases

As background, when the BOC was created the State of Maine and the Maine Department of Corrections strongly encouraged all counties to set up our county and regional jail budgets as though they were separate enterprise funds. As a result, counties did exactly that. And in our case, we ended up transferring over \$1 million in facilities costs for the operation of the jail from the County's General Fund facilities budget into the jail budget.

Now fast forward to today. Without a BOC and the state not covering all the increased costs of the jails, coupled with a 3% cap on increased jail expenditures, counties have been forced to go back to the pre-BOC days. The \$470,000 was transferred in order to keep the County within the 3% cap on jail increases and begins what will be a multi-year process of transferring facilities operational costs from the jail back into the County's Facilities Department budget.

Of course, the jail issues are not the only challenge we were faced with in the development of the budget. We have also had to deal with a 6% increase by the state for the Maine State Retirement System, an increase of 13% in our health insurance, and other factors that drove the budget increases.

### **BUDGET OVERVIEW**

As previously mentioned, after several months of preparation, review and discussion, a county tax increase of 5.93% was approved by the Board of Commissioners for our 2017 County Budget. This represents an overall increase of \$1,638,539 over our current county assessment. Besides the Jail there are three other primary drivers of the County's budget:

- \$881,490 in the County Fund portion of the budget when you subtract out the \$471,870 transferred from the jail's facility operations to the County's Facilities Department or 3.19%
- The Jail with an increase of \$612,208 in expenditures and revenues decrease of \$190,000 or 2.90%,
- A decrease of \$45,147 in the Cross Insurance Arena or -.16% for a total cost to the County of \$2,909,753.

### **BUDGET HIGHLIGHTS**

As County Manager it is my job with the support of my budget team – the Finance Director, Assistant County Manager, and Human Resources Director – to work with the Department Heads to prepare and present a budget that takes into account the needs of the organization as well as the fiscal pressures and challenges facing our communities. In doing so, here are some highlights of this budget which strives to strike a balance between the region's needs and the demands on Cumberland County Government. The highlights can be divided into three categories: 1) Organization; 2) Management; and 3) Capital Needs.

#### **Organization**

- 1) With regard to the jail, the County has closed a second half pod to save an estimated \$250,000 annually. In addition, the County has been housing inmates from other counties, such as Penobscot and Kennebec, to generate revenues. The FY17 Budget has also continued the change in staffing for the pods that was made with the FY16 Budget for annual savings of \$327,270.
- 2) Cumberland County Government invests almost \$3 million annually in taxpayer dollars for our employees' health insurance. Recognizing the importance of this issue, Cumberland County has adopted a No Smoking Policy, initiated a Wellness Program to create a culture of health and well-being, and two years ago the County introduced an alternative voluntary health insurance program called PPO 2500 with a much lower premium to gain further control over the rising costs of health insurance. Unfortunately, we still have a lot of work to do with an increase of 13% for a budget impact of \$237,876 to the County's budget. Additionally, for

the fourth consecutive year there was another increase in the Maine State Retirement System of 6% for a cost of \$75,396.

### **Management**

- 1) In order to stay competitive with the surrounding municipalities there is a modest 2% COLA included in this budget.
- 2) Two new Patrol Deputy positions have been added for shift relief.
- 3) One Diversion Clerk position to assist in the continued diversion of people from the jail.
- 4) The Human Services funding has been cut by \$59,802.

### **Capital Needs**

- 1) In November of 2010, the voters of Cumberland County approved our first County Charter. One of the results of this historic milestone was increased bonding authority for the County. Beginning in 2012-2013, the Commissioners have utilized this financial tool by authorizing a biennial Capital Improvement Program and this practice has continued to our present Two Year CIP Plan for 2016-2017. We also have a non-debt CIP wherein the County is paying for certain capital needs with cash. A summary of the Bonded and Non-Debt CIP projects for 2017 includes the following:
  - 2)
    - Second year of the exterior repointing to the Cumberland County Courthouse & Government Center for \$250,000;
    - Second year of the exterior window housing repair to the Cumberland County Courthouse & Government Center for \$400,000;
    - Identicard upgrades for \$66,000;
    - Complete the inmate cell area at the Courthouse for \$27,000;
    - Camera upgrades with the jail for \$90,000;
    - Evidence van for \$30,000; and
    - Energy saving upgrades, hazmat equipment, technology upgrades and patrol and criminal investigation division upgrades for \$130,250.

## **THE PAST, PRESENT AND FUTURE**

For nearly two decades Cumberland County Government has been working increasingly with the region's twenty-eight (28) municipalities to better respond to the needs of the communities. We have at varying times been a convener, facilitator and service provider depending on the situation. Our goal has always been -- and continues to be -- to add value to our communities and citizens. To cite three examples out of many deserving programs, we have done this through the establishment of the Cumberland County Community Development Block Grant (CDBG) Program beginning in 2007, as well as the Cumberland County Regional Communications Center, and our most recent venture the Cumberland County Regional Assessing Program.

In the case of our CDBG Program, with a Municipal Oversight Committee to help guide and direct the program, the County has brought in close to \$20 million dollars in federal funding over the past ten years to help our communities, including public infrastructure needs, downtown revitalization work, and economic development jobs. The example of the Cumberland County Regional Communications Center is another good case of a value added service by providing dispatch service to 15 municipalities and E911 to 19 municipalities. With these services we are currently saving municipalities around \$1 million dollars collectively on an annual basis. Just in the case of Gorham, we have saved this municipality over \$2.5 million dollars since they joined the CCRCC in 2005. Our Regional Assessing Program is now starting its fourth year and providing assessing services to the towns of Yarmouth, Falmouth and Casco. We expect this program will continue to develop.

There can be no argument that these are challenging times. It is obvious to all and becoming increasingly necessary for the County and our municipalities to look for additional ways to work together collaboratively. In response to the needs of our communities, it is because of the County's unique economies of scale and the use of new technology that we have an obligation to do more. With the fiscal pressures on our municipalities and citizens, it is more important than ever that Cumberland County and our municipalities continue to strive for these types of partnerships.

With our population of 285,000, Cumberland County is one of the most efficient local governments in Maine with our annual assessment of about \$88 per capita and an average tax bill to our citizens of less than \$140 per year. In my view, this is one of the reasons why Cumberland County Government has a responsibility to be a part of the solution. We have shown that we can in many cases provide cost efficient and effective regional services for municipalities, such as dispatching and assessing. For more than a decade our track record with our regional initiatives clearly shows that we are committed to the principles of trust in our partnership with the municipalities.

Currently, the Greater Portland Council of Governments (GPCOG) and Cumberland County Government are working together more closely than ever before on a host of initiatives. What lies in the future no one can predict, but there are many possibilities for a strengthened partnership between these two organizations that I am confident will even better serve the needs of our communities, citizens and region. By working together even more collaboratively we can

develop new and highly effective integrated services that our municipal leaders and citizens will be pleased to see.

### **CONCLUSION**

As with all budgets, this has been difficult to prepare and clearly a team effort. I would like to thank my budget team starting with our Finance Director Alex Kimball for the countless hours, talent and leadership that he has devoted to this process, as well as Assistant County Manager Jim Gailey and Human Resources Director Martha Sumner. Their assistance has been invaluable.

Finally, I would like to take this opportunity to express my appreciation and gratitude to the department heads and their staffs for all of their hard work during this process. They deserve special thanks in presenting budgets that did not require serious revision. On behalf of my budget team, the department heads, and county staff, I would like to express our sincere appreciation to the Board of Commissioners and County Finance Committee for their participation and commitment during this budget process.

Sincerely,

A handwritten signature in blue ink, reading "Peter J. Crichton". The signature is written in a cursive style with a large initial "P".

Peter J. Crichton  
County Manager