

October 6, 2025

Minutes of the Washington County Commissioners'
Special Meeting
Held October 6, 2025
in the Washington County Commissioners' Office
Machias, Maine

Attending the meeting were:

Commissioner David C. Burns
Commissioner Courtney Hammond
Commissioner Billy Howard
Renée Gray, County Manager
Carla Manchester, Administrative Asst.
Rich Rolfe, Jail Administrator
Jeffrey Lovit, Addison
Harry Fish, Jonesport
Paula Johnson-Rolfe, WCSO
Dennis Perry, WCSO/RCC
Michael Congelosi, WCSO/RCC
Wayne Small, Jonesport
Sondra Small, Finance
Megan, Huffman, Finance
M. Lorraine McDermott, Jonesport
Joshua Rolfe, RCC/SO
Marcia Hayward, Machiasport
Tammy Gay, Deeds
Michael Crabtree, Chief Deputy
Barry Curtis, Sheriff
Darlene Perry, Probate
Robin Hadlock Seeley, Pembroke
Wayne Jones, Trescott

Commissioner Burns called the meeting to order at 3:07 p.m. with the purpose to hold a workshop to discuss budget matters. Commissioner Burns stated the Board of Commissioners intend to meet more than once a month for the unforeseen future. He stated there is a lot that needs to be accomplished. Commissioner Burns noted there is also a lot of information that needs to be disseminated before election day regarding the bond referendum.

County Manager Renée Gray shared the prepared list of Good Faith Efforts that have been addressed regarding the Washington County budget shortfalls. (See Attached)

Commissioner Howard stated the County has grown too fast. His recommendation is to begin the process of cut backs immediately.

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Commissioner Hammond stated a plan is needed as there are services that the County must provide by statute. He questioned what services can be reduced and noted there is not enough funds in the 2025 budget to operate. Commissioner Howard responded that is the reason there needs to be a plan for layoffs. Commissioner Burns stated the Board must be in agreement as to how to proceed.

In discussing the payment of the Tax Anticipation Note (TAN), Commissioner Hammond stated that non-payment of the TAN is not an option. If the County defaults on the loan, payment will be court ordered. Commissioner Burns noted Bond Council suggested it might be possible to have a payment arrangement through the court order.

The Commissioners discussed cost savings and possible cuts. Commissioner Burns asked how much has been saved in not filling open positions in 2025. County Manager Renée Gray stated \$195,823.46 has been saved to date. Commissioner Burns asked for suggestions as to what positions to cut. Commissioner Howard recommended cutting patrol. He noted keeping the jail operational is mandatory. Jail Administrator noted the jail is over capacity at this time. BAC Member Harry Fish asked about State funding helping with costs for the jail. Commissioner Burns responded the legislative bill is still on the Appropriations table. He noted the State has other priorities and Washington County is not one of them. Commissioner Howard stated a tri-county jail should be considered. BAC Member Harry Fish suggested looking at all departments, consider what services are mandatory and make cuts that would have the least detrimental effect. County Manager Renée Gray responded that this work has begun. Commissioner Burns how soon would a plan for cuts be known. County Manager Renée Gray responded that she should be able to let them know at the next Commissioners' meeting. She noted she will contact the County Attorney regarding unemployment benefits. Commissioner Howard made the following recommendations: put a freeze on hiring; grants and contracts must be approved by the Board of Commissioners and place a freeze on non-consequential spending.

Concerns on the lack of completed audits were discussed. It was also noted policies and procedures that should have been addressed from the findings in previous audits. Commissioner Burns stated the Finance Department is actively working on putting structures in place. It was noted that Provisional Treasurer Grace Falzarano has only recently been appointed to the position. Commissioner Burns stated

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policies and procedures will be available for the public as they are set. Commissioner Burns reiterated the Board of Commissioners intends to restore the public's confidence in the County.

There was a discussion of possible options should the bond not pass. One possible idea previously discussed was to go to the towns and ask them to pay their portion of the TAN from their surplus or contingency funds. Commissioner Burns asked Provisional Treasurer Grace Falzarano if she has reached out to towns with an "ask" to pay their portion of the TAN. Grace responded that she has not. She stated she would need Commissioners approval before sending out such an ask. She stated the ask would be for each town's share of the TAN plus interest. Michael Hinerman pointed out all towns would have to hold a special town meeting to vote on this ask.

MOTION Commissioner Howard moved to authorize the Provisional Treasurer to send an official "ask" to all municipalities requesting they pay their portion of the TAN as presented. (Howard / Burns, 3-0)

The Board of Commissioners directed the provisional Treasurer to act on the "ask" to municipalities immediately.

Commissioner Hammond stated if the bond does not pass, the County may not have the opportunity to fix the financial crisis. Dennis Perry asked if all the Legislative Delegates are on board with supporting the referendum. Commissioner Burns responded not all are in support. He noted the general consensus is for the Legislative Delegation to offer a letter of support for the bond. BAC member Wayne Jones noted the importance to get more information out to inform and educate the public. He pointed out there is still a misunderstanding regarding the 40% increase that has been referenced; some believe that is a 40% increase on their entire bill, not on the County portion only. Commissioner Hammond stated a brochure has begun to be circulated with information to help clarify this misunderstanding. Commissioner Burns agreed more information explaining the property tax breakdown is needed. County Manager Renée Gray stated she has prepared a written and video presentation that she can distribute with permission from the Commissioners. Commissioner Burns was not in favor of distributing that information as he disagreed with some of the content. Jeffrey Lovitt suggested more information should go on the County website and stated the website is under-utilized. Commissioner Howard agreed that more information needs to be available to the public and suggested publishing the information in the newspapers.

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BAC member Ben Edwards stated he is working on creating a calculator that taxpayers can use to give them an idea of what the increase in their taxes would be should the bond pass. He stated he would like to have it made available on the Washington County website.

Commissioner Burns stated another option being considered is the selling of county-owned property. Commissioner Howard noted he has asked Billy Milliken to look at the properties and give the board appraisals.

Commissioner Burns noted the county needs to look at all options that will eliminate the need for a TAN. Commissioner Hammond stated that part of building the county finances back up and eliminating the use of a TAN will be to increase the overlay set by the Commissioners each year. He suggests the Board of Commissioners set the overlay at the maximum amount that it can be set.

In conclusion, Commissioner Burns stated the Board will expect to expand on the following options at the regularly scheduled Commissioners' meeting:

- Discussion of cuts/streamlining departments' expenses;
- Anticipate a proposal from the Unions to renegotiate contract wages;
- Informational distribution to better educate the public.

Dennis Perry voiced a concern regarding employees earned time. He stated that by union contract and personnel policy employees may cash out earned leave accruals. He stated employees do not want to cash out their accruals due to the financial crisis, yet they do not want to lose their earned time. There was no further discussion on the subject.

ADJOURNMENT

4:17 p.m.

ATTEST:



Carla J.R. Manchester, Admin. Asst.

Good Faith Efforts to Address Washington County Budget Shortfalls

- Commissioners sought and secured the resignation of former Treasurer.
- Commissioners hired a Provisional Treasurer, appointed and expanded the responsibilities of a Deputy Treasurer.
- Commissioners tasked the Financial Office, et al, to review current and past practices and detect errors and procedures that contributed to our current budget crisis stemming from past Administrations. Many changes have been approved, including a series of “checks and balances” from Department Heads, County Manager and Commissioners. We have also engaged the services of a “financial consultant” who has successfully worked with many municipalities on their accounting procedures.
- Unique this year, Commissioners met with each Department Head over a three day period and examined their proposed 2026 Budgets, line by line, in order to better understand each Department’s services and determine any savings or increases that should happen.
- We have determined the history and time line of efforts taken in the past to obtain auditing services, back to 2018. It was determined that extraordinary efforts were done, above RFPs being publicized. Audit firms had been solicited when there were no responses to RFPs, as well other efforts by the Treasure and others; however, auditing services to keep our County current were not available from those efforts.
- We have contacted the State Auditor, Matt Dunlap and requesting help with overdue audits. The Auditor was unable to help with auditing.
- We requested of Governor Mills to submit a “stand alone bill” or include in the Supplemental Budget for 2026, a one time, appropriations of \$8 million for Washington County to cover existing TAN loans. She replied that she would have to see what other emergencies existed Statewide. She also recommended that WC contact State Treasurer Joe Perry to see if other State assistance might be possible.
- We contacted State Treasurer Perry who told us he and his staff would look for any options that the State Treasury could be of assistance.
- A pre-cloture bill for allocation of a one-time appropriation of \$8 million for Washington County was filed by Senator Moore.
- A pre-cloture bill to authorize WC to file for Chapter 9, “restructuring of TAN loans” was filed by Senator Moore.
- We determined that Maine State Statutes allow for Commissioners to appoint a Treasurer, rather than have an elected Treasurer. Such “decision” must be followed by a citizens’ referendum to authorize the position of an “appointed Treasurer”. Commissioners plan to move to “appointment” as prescribed by MRSA 30, Section 156.
- We are working to obtain the accounting services from another firm as our current Auditor is only part of the way through our 2022 finances.
- Commissioners and Senator Moore brought together the Washington County Legislative Delegation to triage further options to address our budget issues and help access any further State resources.

- We have determined that Commissioners have Statutory authority to adjust the “financial year”. Commissioners can produce a 6 month budget for January-June, 2026 and then produce a 12 month budget for July, 2026-June, 2027, to be more consistent with those of most municipalities in WC.
- When notified by the Auditor that the previous Treasurer had made a \$400,000 transfer of UT funds into the General budget, which was inappropriate, the District Attorney was notified. The DA, because of a conflict of interest, contacted the Maine Attorney General’s Office. The Maine AG’s Office also notified the US Attorney’s Office, as WC was a past recipient of \$6.1 million from Federal ARPA funds.
- Commissioners tasked the County Manager to produce a plan for cost sharing measures for 2025, including restrictions on travel, overtime, non-critical purchases, new hiring and, if necessary, personnel layoffs
- Commissioners have determined that none of the three Unions representing most of County employees are willing to “re-open” contract talks of their three year contracts. One union has said they would be willing to receive recommendations from the County to consider.
- Commissioners are asking that the existing contracts with Down East Wind be re-negotiated for purposes of directing funds to address WC budget issues.
- Commissioners and staff continue to work with BAC to perform a “look back” at accounting errors, department budget proposals and reexamine “critical and affordable” County services for WC.
- Commissioners initiated a Bond proposal for up to \$11 million to cover payment of TAN which is due to be paid in full by December 31, 2025. The Bond is to be voted on by WC voters on November 4, 2025.
- Commissioners unanimously voted not to borrow or expend more than \$8 million of the Bond, to be applied to the existing TAN and owed interest.
- We collaborated with the BAC Chair and Vice Chair to send requests to each town regarding “up front” payments toward the Bond (a maximum amount of \$8 million) which would release that town from any future responsibility for principle and interest.
- We will further pursue the current bill (LD 477) that would dedicate four State Troopers to be assigned and stationed in WC to augment law enforcement services of the County and municipalities. This has been passed by the House and Senate and currently remains unfunded by the current Legislature.
- Washington County has been offered additional assistance from the State Police Criminal Investigation Division to respond to child abuse and other criminal complaints in WC requiring investigation and prosecution.
- County Commissioners, County leadership and the BAC continue to pursue any viable options to meet our current financial responsibilities and produce the most responsible budget for 2026 possible.