

# M.C.C.A.

Peter Baldacci, President  
Penobscot County Commissioner

Thomas Coward, Vice President  
Cumberland County Commissioner

Michael Cote, Secretary-Treasurer  
York County Commissioner



Maine County Commissioners Association

4 Gabriel Drive, Suite 2  
Augusta, ME 04330  
207-623-4697  
[www.maine counties.org](http://www.maine counties.org)

Rosemary Kulow  
Executive Director

Lauren Haven  
Office Manager

---

## **MCCA Board of Directors' Meeting Agenda** **10:00 a.m., June 8, 2016**

- I. **Call to Order, Introductions, Attendance & Pledge of Allegiance**
- II. **Approval of/Additions to the Agenda**
- III. **Approval of May 11, 2016 Board of Directors' Meeting Minutes**
- IV. **Old Business**
  - A. **Host County for 2017 MCCA Conference**
  - B. **Consideration of Nominations for NACo Steering Committees**
- V. **New Business**
  - A. **Discuss How the USDOL Final Overtime Rule Affects MCCA**
  - B. **Discussion about the Value of County Charters**
  - C. **Nomination of NACo Board of Directors Voting Representative(s)**
- VI. **Reports**
  - A. **Executive Director's & Financial Reports**
  - B. **Legislation Development Committee Report**
  - C. **Professionalism in Management Committee Report**
  - D. **Association Reports**
  - E. **Corrections Report**
  - F. **Annual Convention Report**
  - G. **NACo Report**
- VII. **Other Business**
- VIII. **Adjournment**



# M.C.C.A.

Peter Baldacci, President  
Penobscot County

Thomas Coward, Vice President  
Cumberland County

Michael Cote, Secretary-Treasurer  
York County

Rosemary Kulow  
Executive Director

Lauren Haven  
Office Manager



Maine County Commissioners Association  
4 Gabriel Drive, Suite 2  
Augusta, ME 04330  
207-623-4697  
[www.mainecounties.org](http://www.mainecounties.org)

---

## MAINE COUNTY COMMISSIONERS ASSOCIATION

### MCCA Board of Directors' Meeting Minutes 10:00 a.m., May 11, 2016

#### I. Call to Order, Introductions, Attendance and Pledge of Allegiance

President Peter Baldacci called the meeting to order at 10:35 a.m. The attendees recited the Pledge of Allegiance and all present introduced themselves. Comm. Baldacci thanked retiring Cumberland County Assistant Manager Bill Whitten for his service. Mr. Whitten received a greeting card signed by those present.

**DIRECTORS PRESENT:** *Androscoggin* – Comm. Beth Bell; *Cumberland* – Comm. Thomas Coward; *Franklin* – Comm. Gary McGrane; *Hancock* – Comm. Steven Joy; *Kennebec* – Administrator Bob Devlin proxy for Comm. George Jabar II; *Knox* – Comm. Roger Moody; *Lincoln* – Comm. William Blodgett; *Oxford* – Administrator Scott Cole proxy for Comm. Steven Merrill; *Penobscot* – Comm. Peter Baldacci; *Piscataquis* – Comm. James Annis; *Sagadahoc* – Administrator Pamela Hile proxy for Comm. Charles Crosby III; *Somerset* – Administrator Dawn DiBlasi proxy for Comm. Newell Graf; *Waldo* – Comm. Amy Fowler; and *York* – Comm. Michael Cote.

**OTHERS PRESENT:** *Cumberland* – Comm. Steve Gordon, Manager Peter Crichton, Assistant Manager Bill Whitten; *Knox* – Administrator Andy Hart; *Lincoln* – Administrator Carrie Kipfer; *EMAD* – Sean Goodwin; *MACCAM* – Bill Collins; *MACT* – David Parkman; *MECCA* – Owen Smith; *MSA* – Sheriff Troy Morton.

**DIRECTORS ABSENT:** *Aroostook* – Comm. Norm Fournier; *Kennebec* – Comm. George Jabar II; *Oxford* – Comm. Steven Merrill; *Sagadahoc* – Comm. Charles Crosby III; *Somerset* – Comm. Newell Graf; and *Washington* – Comm. Chris Gardner.

**STAFF PRESENT:** Executive Director Rosemary Kulow, Risk Pool Manager Malcolm Ulmer, and Office Manager Lauren Haven.

## **II. Approval of/Additions to the Agenda**

Comm. Joy **moved** and Comm. McGrane **seconded** approving the agenda as written. The **motion** was **approved** unanimously.

## **III. Approval of April 13, 2016 Board of Directors' Meeting Minutes**

Comm. Blodgett **moved** and Comm. Moody **seconded** approving the minutes from the Board of Directors' meeting on April 13, 2016. The **motion** was **passed** unanimously.

## **IV. Old Business**

### **A. Host County for 2017 MCCA Conference**

The group discussed limiting future convention sites to a few suitable and accessible locations.

Androscoggin and Sagadahoc may offer to jointly host the 2017 convention. Comm. Bell will see if the Androscoggin commissioners are willing to commit. Aroostook is another option for 2017. Oxford may offer to host in 2019 or 2020.

### **B. Legislation Development Committee: Membership, Charge, & Meeting Schedule**

Board members were invited to serve on the Legislation Development Committee. The following people volunteered:

- Comm. Gordon
- Comm. Cote
- Jail Administrator Cory Swope
- Comm. Newell Graf
- Comm. Blodgett
- ED Rosemary Kulow

Sheriff Morton will request a sheriff to represent MSA on the committee.

The group discussed the charge of the committee as follows:

1. Develop county government legislation, especially jail legislation.  
Survey county governments for ideas for other legislation.  
Review and analyze survey results.  
Develop bills for consideration by LPC.
2. Plan and host a forum for candidates and state legislators.

## **V. New Business**

### **A. Consideration of NACo's Sample Code of Ethics for County Officials**

The group reviewed the sample Code of Ethics for County Officials from NACo. Comm. Moody would like to see stronger wording in the section on conflicts of interest and referred to MCCA's

Code of Ethics in the Personnel Policy. Comm. Cote said that he is working on a policy for York County.

## **B. Consideration of Nominations for NACo Steering Committees**

Nomination forms are submitted annually for new and existing NACo Steering Committee members. Comm. Baldacci and ED Rosemary Kulow are serving on Steering Committees already and Ms. Kulow handed out application forms to those present. Comm. Fowler moved and Comm. McGrane seconded re-nominating them to their respective committees. The motion passed with a unanimous vote.

## **VI. Reports**

### **A. Executive Director's & Financial Reports**

Executive Director Rosemary Kulow presented her reports. (*See attached.*) In addition, she reported the meeting of the Maine Medical Association Opioid Task Force at Maple Hill Farm in Hallowell was well attended. The group is working to establish a comprehensive plan to fight opiates in the state. Ms. Kulow invited questions. Comm. McGrane made a motion to place the reports on file. Comm. Moody seconded the motion which was passed unanimously.

### **B. Legislative Report**

LD 1614, *Resolve to Provide Funding for the County Jail Operations Fund*, passed unanimously in the House and had two votes in opposition in the Senate. The group discussed the current formula for the distribution of funds. All agreed MCCA needs to work on a long term solution.

### **C. Association Reports**

*EMAD*: Sean Goodwin reported that 16 representatives were meeting to review and improve coordination on mutual aid agreement protocols. A budget for a Homeland Security Grant is being submitted to NEMA for approval.

*MACCAM*: Bill Collins reported the group is scheduled to meet on May 19<sup>th</sup> here at the MCCA offices. Grand and wonderful things are expected to happen.

*MACT*: David Parkman reported a meeting with the IRS has been requested for clarification on the details of W9's and 1099 forms. Administrator Bill Collins suggested the treasurers take advantage of the opportunity to talk about 1094 & 1095 forms as well.

*MARP*: Kathy Ayers – No report was given.

*MECCA*: Owen Smith – The NEMA conference was a great success due in part to the sponsorship of the MCCA Risk Pool. 70% of the 110 attendees were county employees. Another training will be on Tuesday 17<sup>th</sup> in West Bath at the Fire Station. Topics will include customer service, dispatch, conflict management and more.

*MRDA*: No report was given.

MSA: Sheriff Morton said Penobscot is proud to be one of 50 counties selected to participate in NACo's Stepping Up National Summit. A keynote speech was given on a vision for reducing the number of people with mental illnesses in jail. The Drug Take-Back project brought in 31,000 lbs. In a shredding event sponsored by AARP 18,000 pounds of documents containing sensitive information were destroyed. Sheriff Morton said he was happy so many people attended the Gordon Graham training at the NEMA Conference. Retired State Trooper and motivational speaker Bobby Smith will be speaking at the Cross Center at the end of June. In October, an event will be held for Aroostook and Penobscot families who have had a family member engaged in an officer-involved shooting. A course has been scheduled for Emergency vehicle operations. Sheriff Morton said he would be opposed to adopting a blood draw policy that requires deputies to administer the tests, but sees the need for immediate drug testing beyond breathalyzers.

#### **D. Corrections Report**

Comm. Cote reported revisions were being made to the Jail Standards glossary of terms which initially left out commissioners.

#### **E. Annual Convention Report**

The Convention Planning Committee met on April 22<sup>nd</sup> at the Hilton Garden Inn in Bangor. Penobscot County Administrator Bill Collins reported the committee designed a layout that will allow plenty of room for vendors. There will be an Honor Guard presentation. Educational sessions are being arranged including an EMA training topic, FirstNet update, Commissioner's responsibilities, and others. Ms. Kulow has invited NACo President Sallie Clark, and Matthew Chase will be a backup speaker in the event she cannot attend.

The group will meet next on May 20<sup>th</sup> at Penobscot Commissioners' Office in Bangor.

#### **F. NACo Report**

Reservations have been made for NACo's Annual Conference in Long Beach, CA in July. Comm. McGrane and Rosemary Kulow's registration fees are waived.

### **VII. Other Business**

President Baldacci announced the meeting invitation to meet with MCCA representatives was not accepted by the Maine Municipal Association. However, MCCA will continue to attempt to work with MMA. During the last meeting with MMA, ED Stephen Gove and President Steve Bunker were amenable to the prospect of the two associations working more closely to achieve common goals. MMA Legislative Advocate Garrett Corbin suggested a meeting to discuss the pros and cons of removing the tax cap, but MMA ultimately decided that would be inappropriate.

Retiring Cumberland County Assistant Manager Bill Whitten said a few parting words to the group. All wished him well in his retirement.

## VIII. Adjournment

Comm. McGrane made a **motion** to adjourn at 11:40 a.m.; Comm. Joy seconded the **motion**, which was unanimously **approved**. The group adjourned to lunch.

Respectfully submitted,

  
\_\_\_\_\_  
MCCA Office Manager, Lauren Haven

Attested:

\_\_\_\_\_  
MCCA Secretary-Treasurer, Michael Cote







Rosemary Kulow &lt;rkulow@mainecounties.org&gt;

## NACo Steering Committee Rosters

1 message

Eryn Hurley &lt;EHurley@naco.org&gt;

Mon, May 16, 2016 at 12:16 PM

To: "rkulow@mainecounties.org" &lt;rkulow@mainecounties.org&gt;

Cc: Deborah Cox &lt;dcox@naco.org&gt;, Jamie Richards &lt;jrichards@naco.org&gt;

Good afternoon Rosemary,

Hope you and your team are doing well and we look forward to seeing you soon!

As we near the annual conference, we wanted to send you your current rosters for the NACo policy steering committees in case you'd like to make any changes.

Also, the 2016-2017 steering committee process is now open and you can make changes or reappoint folks.

- **Please double check your state rosters before the annual conference.** Attached you will find a list of your members that currently serve on each of the ten policy steering committees. The policy steering committees will be considering committee platforms and resolutions that will drive NACo's advocacy efforts for the upcoming term.
- **The 2016-2017 nomination steering committee process is now open.** Please feel free to log in and make these selections at any time. The new committees go into effect after the conference in August.
- **The Eight and Two Rule: Only eight county officials from the same state can be appointed to any one steering committee, and no more than two persons from the same county may serve on any one steering committee.** This does not include NACo presidential appointments including steering committee chairs and vice chairs.

### Resources

- Portal for state associations to make committee appointments or to reappoint individuals
- Information about NACo's 10 policy steering committees
- NACo Steering Committee Nomination Form
- NACo's Policy Process

Please feel free to contact us at any time.

Thank you,

Eryn Hurley

Legislative Assistant

National Association of Counties

202.942.4204 | ehurley@naco.org

---

**2 attachments**



**SteeringCommitteeRoster - Maine.pdf**

7K



**CommitteeMembers\_Maine.PDF**

125K

# NACo Committee Members

## Maine

county	member	position	end date
<b>NACo Board of Directors</b>			
Penobscot County	Peter Baldacci Commissioner Email: pkbaldacci@gmail.com	Board Member	07/2016
<b>Membership Standing Committee</b>			
Penobscot County	Peter Baldacci Commissioner Email: pkbaldacci@gmail.com	Vice Chair	07/2016
<b>Agriculture and Rural Affairs Steering Committee</b>			
Maine County Commissioners Association	Rosemary Kulow Executive Director Email: rkulow@mainecounties.org	Member	07/2016
<b>Community, Economic and Workforce Development Steering Committee</b>			
Cumberland County	<del>Bill Whitten Assistant County Manager Email: whitten@cumberlandcounty.org</del>	Member	07/2016
Washington County	<del>Betsy Fitzgerald County Manager Email: manager@washingtoncountymaine.com</del>	Member	07/2016
<b>Justice and Public Safety Steering Committee</b>			
Penobscot County	Peter Baldacci Commissioner Email: pkbaldacci@gmail.com	Member	07/2016





# NACo Steering Committee Nomination Form

This steering committee nomination form should be completed and sent to the executive director of your state association of counties. Appointments are made after the NACo Annual Conference. You may serve on only ONE steering committee and must be from a NACo member county. Only eight individuals from any state (including up to two from any one county) can serve on a particular committee. Please indicate your first choice with #1 and second with #2. NACo will notify you of your appointment in September.

## NACo Steering Committees

- |   |  |
|---|--|
| <input type="checkbox"/> Agriculture & Rural Affairs                              | <input type="checkbox"/> Human Services & Education      |
| <input checked="" type="checkbox"/> 2 Community, Economic & Workforce Development | <input type="checkbox"/> Justice & Public Safety         |
| <input checked="" type="checkbox"/> 1 Environment, Energy & Land Use              | <input type="checkbox"/> Public Lands                    |
| <input type="checkbox"/> Finance & Intergovernmental Affairs                      | <input type="checkbox"/> Telecommunications & Technology |
| <input type="checkbox"/> Health   | <input type="checkbox"/> Transportation                  |

Name: Gary McGrane  
first name last name suffix

Job Title: County Commissioner

County: Franklin

Address: 140 Main Street

City: Farmington State: ME Zip: 04938

Phone: 207-778-6614 Fax: \_\_\_\_\_

Email: garymcgrane@fedintegrators.com

If you are an elected official, please enter date your county term expires: 12/16 (mm/yyyy)

How long have you held this office? 2.8 (years)

Political Affiliation: ☒ Democrat ☐ Republican ☐ Non Partisan ☐ Independent ☐ Other

Are you reasonably free to travel? ☒ Yes ☐ No

Have you ever served on a NACo steering committee? ☐ Yes ☒ No

You will not be appointed to serve on a steering committee until you complete and return this form to your state association of counties.

## TO BE COMPLETED BY STATE ASSOCIATION

The State Association President and NACo Board Members from the state concur with this nomination

P. Balda 5/11/2016  
Signature Date





# NACo Steering Committee Nomination Form

This steering committee nomination form should be completed and sent to the executive director of your state association of counties. Appointments are made after the NACo Annual Conference. You may serve on only ONE steering committee and must be from a NACo member county. Only eight individuals from any state (including up to two from any one county) can serve on a particular committee. Please indicate your first choice with #1 and second with #2. NACo will notify you of your appointment in September.

## NACo Steering Committees

- |  |   |
|--|---|
| <input type="checkbox"/> Agriculture & Rural Affairs                 | <input type="checkbox"/> Human Services & Education         |
| <input type="checkbox"/> Community, Economic & Workforce Development | <input checked="" type="checkbox"/> Justice & Public Safety |
| <input type="checkbox"/> Environment, Energy & Land Use              | <input type="checkbox"/> Public Lands                       |
| <input type="checkbox"/> Finance & Intergovernmental Affairs         | <input type="checkbox"/> Telecommunications & Technology    |
| <input type="checkbox"/> Health                                      | <input type="checkbox"/> Transportation                     |

Name: Peter Baldacci   
first name last name suffix

Job Title: Commissioner

County: Penobscot

Address: 97 Hammond ST

City: Bangor State: ME Zip: 04401

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: pkbaldacci@gmail.com

If you are an elected official, please enter date your county term expires: 12/31/16 (mm/yyyy)

How long have you held this office? 28 (years)

Political Affiliation: ☒ Democrat ☐ Republican ☐ Non Partisan ☐ Independent ☐ Other

Are you reasonably free to travel? ☒ Yes ☐ No

Have you ever served on a NACo steering committee? ☒ Yes ☐ No

You will not be appointed to serve on a steering committee until you complete and return this form to your state association of counties.

## TO BE COMPLETED BY STATE ASSOCIATION

The State Association President and NACo Board Members from the state concur with this nomination

P Baldacci, Pres 05/11/2016  
Signature Date





# United States Department of Labor

V. A.

## Wage and Hour Division

## Wage and Hour Division

### **Fact Sheet: Final Rule to Update the Regulations Defining and Delimiting the Exemption for Executive, Administrative, and Professional Employees**

May 2016

(PDF)

In 2014, President Obama directed the Department of Labor to update and modernize the regulations governing the exemption of executive, administrative, and professional ("EAP") employees from the minimum wage and overtime pay protections of the Fair Labor Standards Act ("FLSA" or "Act"). The Department published a notice of proposed rulemaking on July 6, 2015, and received more than 270,000 comments. On May 18, 2016, the Department announced that it will publish a Final Rule to update the regulations. The full text of the Final Rule will be available at the Federal Register Site.

Although the FLSA ensures minimum wage and overtime pay protections for most employees covered by the Act, some workers, including bona fide EAP employees, are exempt from those protections. Since 1940, the Department's regulations have generally required each of three tests to be met for the FLSA's EAP exemption to apply: (1) the employee must be paid a predetermined and fixed salary that is not subject to reduction because of variations in the quality or quantity of work performed ("salary basis test"); (2) the amount of salary paid must meet a minimum specified amount ("salary level test"); and (3) the employee's job duties must primarily involve executive, administrative, or professional duties as defined by the regulations ("duties test"). The Department last updated these regulations in 2004, when it set the weekly salary level at \$455 (\$23,660 annually) and made other changes to the regulations, including collapsing the short and long duties tests into a single standard duties test and introducing a new exemption for highly compensated employees.

This Final Rule updates the salary level required for exemption to ensure that the FLSA's intended overtime protections are fully implemented, and to simplify the identification of overtime-protected employees, thus making the EAP exemption easier for employers and workers to understand and apply. Without intervening action by their employers, it extends the right to overtime pay to an estimated 4.2 million workers who are currently exempt. It also strengthens existing overtime protections for 5.7 million additional white collar salaried workers and 3.2 million salaried blue collar workers whose entitlement to overtime pay will no longer rely on the application of the duties test.

#### **\* Key Provisions of the Final Rule \***

The Final Rule focuses primarily on updating the salary and compensation levels needed for EAP workers to be exempt. Specifically, the Final Rule:

1. Sets the standard salary level at the 40th percentile of earnings of full-time salaried workers in the lowest-wage Census Region, currently the South, which is \$913 per week or \$47,476 annually for a full-year worker;
2. Sets the total annual compensation requirement for highly compensated employees (HCE) subject to a minimal duties test to the annual equivalent of the 90th percentile of full-time salaried workers nationally, which is \$134,004; and

3. Establishes a mechanism for automatically updating the salary and compensation levels every three years to maintain the levels at the above percentiles and to ensure that they continue to provide useful and effective tests for exemption.

Additionally, the Final Rule amends the salary basis test to allow employers to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the new standard salary level. The Final Rule makes no changes to the duties tests.

### **Effective Date**

The effective date of the Final Rule is December 1, 2016. The initial increases to the standard salary level (from \$455 to \$913 per week) and HCE total annual compensation requirement (from \$100,000 to \$134,004 per year) will be effective on that date. Future automatic updates to those thresholds will occur every three years, beginning on January 1, 2020.

### **Standard Salary Level**

The Final Rule sets the standard salary level at the 40th percentile of weekly earnings of full-time salaried workers in the lowest-wage Census Region, currently the South (\$913 per week, equivalent to \$47,476 per year for a full-year worker).

The standard salary level set in this Final Rule addresses our conclusion that the salary level set in 2004 was too low given the Department's elimination of the more rigorous long duties test. For many decades the long duties test—which limited the amount of time an exempt employee could spend on nonexempt duties and was paired with a lower salary level—existed in tandem with a short duties test—which did not contain a specific limit on the amount of nonexempt work and was paired with a salary level that was approximately 130 to 180 percent of the long test salary level. In 2004, the long and short duties tests were eliminated and the new standard duties test was created based on the short duties test and was paired with a salary test based on the long test.

The effect of the 2004 Final Rule's pairing of a standard duties test based on the short duties test (for higher paid employees) with a salary test based on the long test (for lower paid employees) was to exempt from overtime many lower paid workers who performed few EAP duties and whose work was otherwise indistinguishable from their overtime-eligible colleagues. This has resulted in the inappropriate classification of employees as EAP exempt who pass the standard duties test but would have failed the long duties test.

The Final Rule's salary level represents the most appropriate line of demarcation between overtime-protected employees and employees who may be EAP exempt and works appropriately with the current duties test, which does not limit non-EAP work.

The Department also is updating the special salary level for employees in American Samoa (to \$767 per week) and the special "base rate" for employees in the motion picture industry (to \$1,397 per week).

### **HCE Total Annual Compensation Requirement**

The Final Rule sets the HCE total annual compensation level equal to the 90th percentile of earnings of full-time salaried workers nationally (\$134,004 annually). To be exempt as an HCE, an employee must also receive at least the new standard salary amount of \$913 per week on a salary or fee basis and pass a minimal duties test. The HCE annual compensation level set in this Final Rule brings this threshold more in line with the level established in 2004 and will avoid the unintended exemption of large numbers of employees in high-wage areas who are clearly not performing EAP duties.

### **Automatic Updating**

The Final Rule includes a mechanism to automatically update the standard salary level requirement every three years to ensure that it remains a meaningful test for distinguishing between overtime-protected white collar workers and bona fide EAP workers who may not be entitled to overtime pay and to provide predictability and

more graduated salary changes for employers. Specifically, the standard salary level will be updated to maintain a threshold equal to the 40th percentile of weekly earnings of full-time salaried workers in the lowest-wage Census Region. Similarly, the Final Rule includes a mechanism for automatically updating the HCE compensation level to maintain the threshold equal to the 90th percentile of annual earnings of full-time salaried workers nationally. The Final Rule will also automatically update the special salary level test for employees in American Samoa and the base rate test for motion picture industry employees. The Department will publish all updated rates in the Federal Register at least 150 days before their effective date, and also post them on the Wage and Hour Division's website.

Regularly updating the salary and compensation levels is the best method to ensure that these tests continue to provide an effective means of distinguishing between overtime-eligible white collar employees and those who may be bona fide EAP employees. Experience has shown that these earning thresholds are only effective measures of exempt status if they are kept up to date.

### **Inclusion of Nondiscretionary Bonuses and Incentive Payments**

For the first time, employers will be able to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the standard salary level. Such payments may include, for example, nondiscretionary incentive bonuses tied to productivity and profitability. For employers to credit nondiscretionary bonuses and incentive payments toward a portion of the standard salary level test, the Final Rule requires such payments to be paid on a quarterly or more frequent basis and permits the employer to make a "catch-up" payment. The Department recognizes that some businesses pay significantly larger bonuses; where larger bonuses are paid, however, the amount attributable toward the standard salary level is capped at 10 percent of the required salary amount.

The Final Rule continues the requirement that HCEs must receive at least the full standard salary amount each pay period on a salary or fee basis without regard to the payment of nondiscretionary bonuses and incentive payments, and continues to permit nondiscretionary bonuses and incentive payments (including commissions) to count toward the total annual compensation requirement. The Department concludes that permitting employers to use nondiscretionary bonuses and incentive payments to satisfy the standard salary amount for HCEs is not appropriate because employers are already permitted to fulfill almost two-thirds of the total annual compensation requirement with commissions, nondiscretionary bonuses, and other forms of nondiscretionary deferred compensation.

### **Duties Tests**

The Final Rule is not changing any of the existing job duty requirements to qualify for exemption. The Department expects that the standard salary level set in this Final Rule and automatic updating will work effectively with the duties test to distinguish between overtime-eligible workers and those who may be exempt. As a result of the change to the salary level, the number of workers for whom employers must apply the duties test to determine exempt status is reduced, thus simplifying the exemption. Both the standard duties test and the HCE duties test remain unchanged.

**For additional information, visit our Wage and Hour Division Website: [www.wagehour.dol.gov](http://www.wagehour.dol.gov) and/or call our toll-free information and helpline, available 8 a.m. to 5 p.m. in your time zone, 1-866-4-USWAGE (1-866-487-9243).**

This publication is for general information and is not to be considered in the same light as official statements of position contained in the regulations.



# United States Department of Labor

## Wage and Hour Division

### Questions and Answers

1. What is the purpose of the "Overtime" Final Rule?
2. What is "overtime"?
3. What determines if an employee falls within one of the white collar exemptions?
4. Why is the Department revising its overtime regulations for white collar workers now?
5. When did the Department last revise its overtime regulations for white collar workers?
6. What are the significant changes to the overtime regulations for white collar salaried workers?
7. How does the final rule differ from the NPRM?
8. How do the current regulations, proposed rule and final rule compare?
9. How will employers implement the updated salary level requirement established in this Final Rule?
10. When will these changes take effect?
11. Is the Department making any adjustments to the standard duties tests?

### GENERAL

1. Who is covered by the FLSA? Are employees of small businesses covered?
2. Is there an exemption for non-profit organizations from either the FLSA or the Department's overtime regulations governing white collar workers?
3. Is there an exemption for schools and institutions of higher education from either the FLSA or the Department's overtime regulations governing white collar workers?
4. Who is entitled to the minimum wage and overtime pay under the FLSA?
5. How is overtime pay determined?
6. What is the interaction between overtime and compensatory time?
7. What are the white collar exemptions to the FLSA?
8. I'm paid a salary. Am I exempt from overtime pay?
9. My job title is manager. Am I exempt from overtime pay?
10. Must employees earning below the new level be converted to hourly pay?

11. Will newly overtime-eligible employees have to record their hours on a daily basis or "punch a time clock"?
12. Does the FLSA allow for a flexible schedule for overtime eligible employees? Can employers still allow employees to work from home or have flexible schedules?
13. Doesn't having to punch a clock restrict the ability of an employee to work flexibly?
14. Won't this rule be difficult for employers because they will have to track workers' hours?
15. What if a State has its own overtime laws?
16. How many white collar workers will become overtime-eligible as a result of this Final Rule?
17. How does the Final Rule help workers who already are entitled to overtime - and their employers?
18. Where can I review comments submitted in response to the Department's Notice of Proposed Rulemaking (NPRM)?

## **SALARY LEVEL**

1. What are the new salary and compensation levels under this Final Rule?
2. Why does the 2004 standard salary level need to be increased?
3. How did the Department determine the new standard salary level?
4. Why is the Department setting the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers in the lowest wage Census Region and not on national data as proposed?
5. Why didn't the Department set the salary threshold at a lower amount?
6. How did the Department determine which Census Region is the lowest wage Census Region?
7. How did the Department determine the new total annual compensation requirement for highly compensated employees (HCEs)?

## **NONDISCRETIONARY BONUSES AND INCENTIVE PAYMENTS**

1. May employers use bonuses to satisfy part of the new standard salary level test?
2. What's the difference between a discretionary bonus and a nondiscretionary bonus?
3. May employers make a catch-up payment in the event that an employee doesn't receive enough in nondiscretionary bonuses and incentive payments (including commissions) in a given quarter to remain exempt?
4. Does the Final Rule change how employers may use bonuses to satisfy the salary level for highly compensated employees (HCEs)?

## **AUTOMATIC UPDATING**

1. Why is the Department changing the regulations to automatically update the salary level and HCE total annual compensation level?
2. How often will the Department update the standard salary level and HCE total annual compensation requirements?
3. How will the Department automatically update the standard salary level and HCE total annual compensation requirement?

## ECONOMICS

1. What are the costs and benefits of the Final Rule?
2. How many employees does the Department estimate will be impacted by the salary level increases?
3. How can I find information on the economic impacts of the Final Rule on a specific industry?
4. Where can I find the earnings information the Department used in setting the salary and total annual compensation levels?

### 1. Q. What is the purpose of the "Overtime" Final Rule?

This Final Rule updates the regulations for determining whether white collar salaried employees are exempt from the Fair Labor Standards Act's minimum wage and overtime pay protections. They are exempt if they are employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in the Department of Labor's regulations at 29 CFR part 541. This exemption from the FLSA is sometimes referred to as the "white collar" or "EAP" exemption.

### 2. Q. What is "overtime"?

Unless specifically exempted, employees covered by the FLSA must receive pay for hours worked in excess of 40 in a workweek at a rate not less than one and one-half their regular rates of pay. This is referred to as "overtime" pay.

### 3. Q. What determines if an employee falls within one of the white collar exemptions?

To qualify for exemption, a white collar employee generally must:

1. be salaried, meaning that they are paid a predetermined and fixed salary that is not subject to reduction because of variations in the quality or quantity of work performed (the "salary basis test");
2. be paid more than a specified weekly salary level, which is \$913 per week (the equivalent of \$47,476 annually for a full-year worker) under this Final Rule (the "salary level test"); and
3. primarily perform executive, administrative, or professional duties, as defined in the Department's



regulations (the "duties test").

Certain employees are not subject to either the salary basis or salary level tests (for example, doctors, teachers, and lawyers). The Department's regulations also provide an exemption for certain highly compensated employees ("HCE") who earn above a higher total annual compensation level (\$134,004 under this Final Rule) and satisfy a minimal duties test.

#### **4. Q. Why is the Department revising its overtime regulations for white collar workers now?**

On March 13, 2014, President Obama signed a Presidential Memorandum directing the Department to update and modernize the regulations defining which white collar workers are protected by the FLSA's minimum wage and overtime standards. The salary level test is supposed to help identify salaried workers who are entitled to overtime pay when they work long hours. The current salary level is outdated and no longer does its job of helping to separate salaried white collar employees who should get overtime pay for working extra hours from those who should be exempt. Through this Final Rule, the Department is updating these regulations to ensure that the FLSA's intended overtime protections are fully implemented, and to simplify the identification of overtime-eligible workers, thus making the exemption easier for employers and workers to understand and apply. These revisions will also help ensure that in the future the regulations continue to appropriately separate workers who are entitled to overtime protections and those who may be exempt.

#### **5. Q. When did the Department last revise its overtime regulations for white collar workers?**

The Department last updated the white collar overtime regulations in 2004. That update set the standard salary level at \$455 per week (\$23,660 annually for a full-year worker).

#### **6. Q. What are the significant changes to the overtime regulations for white collar salaried workers?**

To restore the effectiveness of the salary level test, the Department is setting the new standard salary level equal to the 40th percentile of weekly earnings for full-time salaried workers in the lowest-wage Census Region, currently the South. The Final Rule increases the standard salary level from \$455 per week (\$23,660 for a full-year worker) to \$913 per week (\$47,476 for a full-year worker).

In order to prevent the salary level requirements from again becoming outdated and ineffective, the Department is establishing mechanisms for automatically updating the salary and compensation levels every three years to maintain them at the levels set in this rulemaking.

Finally, for the first time, employers will be able to use nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the standard salary level, provided these payments are made on a quarterly or more frequent basis.

The Department is also setting the annual compensation level for certain HCEs equal to the annualized value of the 90th percentile of earnings for full-time salaried workers nationally (\$134,004).

#### **7. Q. How does the final rule differ from the NPRM?**

After considering the public comments, the Department made several key changes to the proposed rule.

- First, the Final Rule sets the standard salary level equal to the 40th percentile of earnings of full-time salaried



workers in the lowest-wage Census Region, rather than based on national data as proposed. The Department modified the standard salary level in response to commenters' concerns that the proposed rule did not adequately account for the lower salaries paid in certain regions.

- Second, the Final Rule provides for automatic updates of the salary levels every three years rather than for annual updates as proposed. The Department made this change in response to commenters' concerns about the burdens associated with updating the salary level on an annual basis.
- Third, the Final Rule permits employers to count nondiscretionary bonuses, incentives, and commissions toward up to 10 percent of the required salary level for the standard exemption, so long as employers pay those amounts on a quarterly or more frequent basis. In the proposal, the Department said it was considering permitting nondiscretionary bonuses, incentives, and commissions to count toward 10 percent of the salary level, but only if employers paid them on a monthly or more frequent basis. The Final Rule also allows employers to make a "catch-up" payment at the end of each quarter.

#### 8. Q. How do the current regulations, proposed rule and final rule compare?

	<b>Current regulations (2004 until effective date of Final Rule, 2016)</b>	<b>NPRM</b>	<b>Final Rule</b>
<b>Salary Level</b>	\$455 weekly	\$970 weekly (if finalized as proposed)  40th percentile of full- time salaried workers nationally.	\$913 weekly  40th percentile of full-time salaried workers in the lowest-wage Census region (currently the South)
<b>HCE Total Annual Compensation Level</b>	\$100,000 annually	\$122,148  90th percentile of full- time salaried workers nationally	\$134,004  90th percentile of full-time salaried workers nationally
<b>Automatic Adjusting</b>	None	Annually, with requests for comment on a CPI or percentile basis	Every 3 years, maintaining the standard salary level at the 40th percentile of full- time salaried workers in the lowest-wage Census region, and the HCE total annual compensation level at the 90th percentile of full-time salaried workers nationally.
<b>Bonuses</b>	No provision to count nondiscretionary bonuses and commissions toward the standard salary level	Request for comment on counting nondiscretionary bonuses and commissions toward standard salary level	Up to 10% of standard salary level can come from non-discretionary bonuses, incentive payments, and commissions, paid at least quarterly.

<b>Standard Duties Test</b>	See WHD Fact Sheet #17A for a description of EAP duties.	No specific changes proposed to the standard duties test. Request for comment on whether the duties tests are working as intended.	No changes to the standard duties test.
-----------------------------	--	--	---

## **9. Q. How will employers implement the updated salary level requirement established in this Final Rule?**

Employers have a range of options for responding to the updated standard salary level. For each affected employee newly entitled to overtime pay, employers may:

- increase the salary of an employee who meets the duties test to at least the new salary level to retain his or her exempt status;
- pay an overtime premium of one and a half times the employee's regular rate of pay for any overtime hours worked;
- reduce or eliminate overtime hours;
- reduce the amount of pay allocated to base salary (provided that the employee still earns at least the applicable hourly minimum wage) and add pay to account for overtime for hours worked over 40 in the workweek, to hold total weekly pay constant; or
- use some combination of these responses.

The circumstances of each affected employee will likely impact how employers respond to this Final Rule. For example, employers may be more likely to give raises to employees who regularly work overtime and earn slightly below the new standard salary level, in order to maintain their overtime-exempt status so that the employer does not have to pay the overtime premium. For employees who rarely or almost never work overtime hours, employers may simply choose to pay the overtime premium whenever necessary. The Department accounted for these (and other) possible employer responses in estimating the likely costs, benefits, and transfers of the Final Rule.

Nothing in the rule requires employers to change employees' pay to hourly from salaried, even if the employees' classification changes from exempt to overtime eligible. Employers may choose options #2-#4 above while continuing to pay newly overtime eligible employees on a salaried basis.

## **10. Q. When will these changes take effect?**

The effective date of this Final Rule is December 1, 2016. On that day, the new standard salary level (\$913 per week or \$47,476 per year) and HCE total compensation requirement (\$134,004 per year) will take effect. Future automatic updates to these thresholds will occur every three years, beginning on January 1, 2020.

## **11. Q. Is the Department making any adjustments to the standard duties tests?**

The Department is not making any changes to the standard duties test. The Department believes that the increase to the standard salary level, coupled with automatic updating in the future, will address concerns that some workers who satisfy the standard duties test should be entitled to overtime pay because they are performing substantial amounts of overtime-eligible work (e.g., operating cash registers, stocking shelves, etc.). The Department also heard concerns from many employers, both in pre-rulemaking outreach and in comments on the proposal, that changes to the standard duties test would be disruptive to employers.

## GENERAL

### **1. Q. Who is covered by the FLSA? Are employees of small businesses covered?**

The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards covering employees in the private sector and in Federal, State, and local governments. Covered nonexempt workers are entitled to a federal minimum wage of not less than \$7.25 per hour currently. Overtime pay at a rate not less than one and one-half times the regular rate of pay is required after 40 hours of work in a workweek.

Generally, employees of enterprises that have an annual gross volume of sales made or business done of \$500,000 or more are covered by the FLSA. In addition, employees of certain entities are covered by the FLSA regardless of the amount of gross volume of sales or business done. These entities include: hospitals; businesses providing medical or nursing care for residents; schools (whether operated for profit or not for profit); and public agencies.

Even if an employer is not covered on an enterprise-wide basis, employees may be individually covered by the FLSA if their work regularly involves them in commerce between States ("interstate commerce"). The FLSA covers individual workers who are "engaged in commerce or in the production of goods for commerce." For more information on enterprise and individual coverage under the FLSA, see [Fact Sheet 14: Coverage Under the Fair Labor Standards Act \(FLSA\)](#).

### **2. Q. Is there an exemption for non-profit organizations from either the FLSA or the Department's overtime regulations governing white collar workers?**

Neither the FLSA nor the Department's regulations provide an exemption from overtime requirements for non-profit organizations. Thus, the Final Rule may impact non-profit organizations having an annual dollar volume of sales or business done of at least \$500,000, or those with employees individually covered by the FLSA. Non-profit charitable organizations are not covered enterprises under the FLSA unless they engage in ordinary commercial activities that result in a sufficient amount of sales made or business done, such as operating a gift shop or providing veterinary services for a fee. However, employees of employers that are not covered by the FLSA on an enterprise basis may still be entitled to its protections if they are individually engaged in interstate commerce. For more information on enterprise and individual coverage for non-profit organizations, see [Fact Sheet 14A: Non-Profit Organizations and the Fair Labor Standards Act \(FLSA\)](#).

### **3. Q. Is there an exemption for schools and institutions of higher education from either the FLSA or the Department's overtime regulations governing white collar workers?**

Schools and institutions of higher education are generally covered by the FLSA's minimum wage and overtime provisions. Several provisions apply, however, to many employees at these institutions that exempt them from the Final Rule. Teachers are exempt if their primary duty is teaching, tutoring, instructing or lecturing. "Teachers" include, for example, regular academic teachers, kindergarten or nursery school teachers, teachers of gifted or disabled children, professors, adjunct instructors, teachers of skilled and semi-skilled trades and occupations,

home economics teachers, vocal or instrument music teachers, and under certain circumstances, athletic coaches and assistant coaches. Although a preschool may engage in some educational activities, preschool employees whose primary duty is to care for the physical needs of the facility's children would not meet the requirements for the exemption as a bona fide teacher. Generally, the Department views graduate and undergraduate students who are engaged in research under a faculty member's supervision in the course of obtaining a degree to be in an educational relationship and not an employment relationship with the school or with a grantor. As such, the Department will not assert such workers are entitled to overtime. In addition, the administrative personnel that help run higher education institutions and interact with students outside the classroom, such as department heads, academic counselors and advisors, intervention specialists and others with similar responsibilities are subject to a special salary threshold that does not apply to white-collar employees outside of higher education. Instead, they are not eligible for overtime if they are paid at least as much as the entrance salary for teachers at their institution. Finally, public universities or colleges that qualify as a "public agency" under the FLSA may compensate overtime-eligible employees through the use of compensatory time off in lieu of cash overtime premiums.

Postdoctoral researchers in the sciences are not covered by the teaching exemption. These employees are generally considered professional employees and are subject to the salary threshold for exemption from overtime. DOL has been working closely with NIH and NSF regarding their mutual interest in this area.

#### **4. Q. Who is entitled to the minimum wage and overtime pay under the FLSA?**

Most employees covered by the FLSA must be paid the minimum wage (currently \$7.25 per hour) and at least one and one-half times their regular rate of pay for any hours they work beyond 40 in a workweek. An employer who requires or permits an employee to work overtime is generally required to pay the employee premium pay for such overtime work.

The FLSA does, however, exempt certain kinds of covered employees from the minimum wage and overtime requirements, including bona fide executive, administrative, and professional employees who qualify for the so-called white collar (or "EAP") exemptions.

#### **5. Q. How is overtime pay determined?**

Unless covered by an exemption, employees covered by the FLSA must receive overtime pay for all hours worked over 40 in a workweek at a rate not less than one and one-half times their regular rate of pay.

#### **6. Q. What is the interaction between overtime and compensatory time?**

The FLSA provides that most covered employees must receive overtime pay for hours worked over 40 in a workweek at a rate not less than one and one-half times their regular rate of pay. The use of compensatory time ("comp time") instead of overtime pay is limited by the FLSA to a public agency that is a state, a political subdivision of a state, or an interstate governmental agency, under specific circumstances. Private employers cannot satisfy their overtime obligations by providing comp time and must pay overtime-eligible employees an overtime premium for hours over 40 in a workweek.

#### **7. Q. What are the white collar exemptions to the FLSA?**

The FLSA's white collar exemptions exclude "bona fide" executive, administrative, and professional employees from federal minimum wage and overtime requirements. Certain computer professionals and outside sales employees are also included in the exemption and therefore excluded from the minimum wage and overtime requirements.

#### **8. Q. I'm paid a salary. Am I exempt from overtime pay?**

The fact that an employee is paid on a salary basis is not alone sufficient to exempt that employee from the FLSA's minimum wage and overtime requirements. For the EAP exemption to apply, a white collar employee's specific job duties and salary must meet all of the applicable requirements provided in the Department's regulations. Accordingly, the duties test must be met even if the employee's salary exceeds the standard salary level. See Fact Sheet 17A: Exemption for Executive, Administrative, Professional, Computer & Outside Sales Employees Under the Fair Labor Standards Act (FLSA).

#### **9. Q. My job title is manager. Am I exempt from overtime pay?**

The fact that an employee is paid on a salary basis is not alone sufficient to exempt that employee from the FLSA's minimum wage and overtime requirements. For the EAP exemption to apply, a white collar employee's specific job duties and salary must meet all of the applicable requirements provided in the Department's regulations. Accordingly, the duties test must be met even if the employee's salary exceeds the standard salary level. See Fact Sheet 17A: Exemption for Executive, Administrative, Professional, Computer & Outside Sales Employees Under the Fair Labor Standards Act (FLSA).

#### **10. Q. Must employees earning below the new level be converted to hourly pay?**

No. Nothing in the FLSA or in the regulations governing the white collar exemptions requires employers to pay overtime-eligible employees on an hourly basis. There are millions of salaried employees (white and blue collar alike) who are legally entitled to overtime pay under the current regulations.

#### **11. Q. Will newly overtime-eligible employees have to record their hours on a daily basis or "punch a time clock"?**

No. Overtime-eligible workers are not required to punch a time clock. The FLSA requires that employers keep certain records for each nonexempt worker. That's so workers can be sure that they get paid the wages that they earn and are owed. Employers have options for accounting for workers' hours - some of which are very low cost and burden. There is no particular form or order of records required and employers may choose how to record hours worked for overtime-eligible employees. For example, where an employee works a fixed schedule that rarely varies, the employer may simply keep a record of the schedule and then indicate the changes to the schedule that the worker actually worked when the worker's hours vary from the schedule ("exceptions reporting"). See Fact Sheet 21: Recordkeeping Requirements under the Fair Labor Standards Act (FLSA).

For employees with a flexible schedule, an employer does not need to require an employee to sign in each time she starts and stops work. The employer must keep an accurate record of the number of daily hours worked by the employee, not the specific start and end times. So an employer could allow an employee to just provide the total number of hours she worked each day, including the number of overtime hours, by the end of each pay period.

The Department has material available to help employers figure out what method of recording hours works best for their workforce.

**12. Q. Does the FLSA allow for a flexible schedule for overtime eligible employees? Can employers still allow employees to work from home or have flexible schedules?**

Yes. The FLSA does not require minimum or maximum hours for a shift, or prohibit split shifts. There is no requirement that a worker must have a predetermined schedule or restrictions on where the work is performed. There is also no restriction on when the work may be performed. See [Fact Sheet 22: Hours Worked Under the FLSA](#).

**13. Q. Doesn't having to punch a clock restrict the ability of an employee to work flexibly?**

The FLSA does not require workers to punch a clock. Moreover, the recordkeeping requirements of the FLSA do not limit the flexibilities that an employer can afford to its workers. These recordkeeping requirements provide that an employer must keep an accurate record of the total number of hours worked for each day in a pay period to ensure that an employee is fully compensated for all hours worked. An employer does not need to require an employee to record what time they started or finished, only the total number of hours worked each day. There is no particular form or order of records required and employers may choose how to document or record hours worked for overtime-eligible employees. Employers can continue to permit their employees to work flexible hours as long as their total hours each day are accurately recorded.

For example, an overtime eligible employee has a flexible schedule that does not require that the employee work particular hours but requires that she work at least 40 hours per week. In a particular week, the employee might leave early on Monday to go to her daughter's soccer game, finish some work from home late Monday night, stay late on Tuesday and Wednesday to catch up on a priority project, leave on Thursday midafternoon to attend a gym class and then return to work. Her employer does not require her to "clock in or out" each time she comes to work or leaves. The employer must keep an accurate record of the number of daily hours worked by the employee. By the end of each pay period, the employee provides her employer with the total number of hours she worked each day, including the number of her overtime hours.

**14. Q. Won't this rule be difficult for employers because they will have to track workers' hours?**

No. Almost every employer already has systems and policies in place for dealing with overtime eligible employees so the rule isn't introducing any new obligations for employers or requiring them to adopt new systems. These existing systems can be used for newly overtime-protected employees impacted by the Final Rule.

There is no requirement that employees "punch in" and "punch out." Employers and employees have flexibility in designing systems to make sure appropriate records are kept to track overtime hours. As long as records are complete and accurate as to the number of hours worked each day, employers may use any method they choose.

For an employee who works a fixed schedule, an employer need not track the employee's exact hours worked each day; rather, the employer and employee can agree to a default schedule that reflects daily and weekly hours, and indicate that the employee followed the agreed-upon schedule. Only when the employee deviates from the schedule is the employer required to record the changes to the hours worked.



For employees with a flexible schedule, an employer does not need to require an employee to sign in each time she starts and stops work. The employer must keep an accurate record of the number of daily hours worked by the employee. So an employer could allow an employee to just provide the total number of hours she worked each day, including the number of overtime hours, by the end of each pay period.

Many employees, both exempt and non-exempt, who maintain flexible work schedules track their daily and weekly hours by simply recording their hours worked for the employer. Wage and Hour has material available to help employers figure out what system works best for them and their employees. See [Fact Sheet 21: Recordkeeping Requirements under the Fair Labor Standards Act \(FLSA\)](#).

### **15. Q. What if a State has its own overtime laws?**

The FLSA provides minimum wage and hour standards, and does not prevent a state from establishing more protective standards. If a State establishes a more protective standard than the provisions of the FLSA, the higher standard applies in that State.

### **16. Q. How many white collar workers will become overtime-eligible as a result of this Final Rule?**

Absent employer action, an estimated 4.2 million white collar workers will become newly entitled to overtime protection because of the increase in the salary level. As a result, many of these workers will be able to work fewer hours, will receive additional compensation when they work overtime, or will receive a salary increase to remain exempt.

### **17. Q. How does the Final Rule help workers who already are entitled to overtime - and their employers?**

The Final Rule will clarify the overtime requirements for 8.9 million currently overtime-eligible salaried employees- 5.7 million salaried white collar employees and 3.2 million salaried blue collar employees-because their pay will fall below the new threshold and no assessment of their duties, which can result in misclassification, will be necessary. An estimated 732,000 white collar, salaried workers making between \$455 and \$913 do not meet the duties test and are already overtime, eligible but their employers do not recognize them as such.

### **18. Q. Where can I review comments submitted in response to the Department's Notice of Proposed Rulemaking (NPRM)?**

On July 6, 2015, the Department published an NPRM proposing changes to the regulations governing the FLSA's exemption for white collar workers. We received over 270,000 comments from the public before the comment period closed on September 4, 2015. Those comments are viewable at [www.regulations.gov](http://www.regulations.gov) under docket ID WHD-2015-0001.

## **SALARY LEVEL**

### **1. Q. What are the new salary and compensation levels under this Final Rule?**

When this Final Rule takes effect on December 1, 2016, the "standard" salary level will increase to \$913 per week (equivalent to \$47,476 annually for a full-year worker), up from \$455 per week (\$23,660 annually). The total annual compensation requirement for highly compensated employees will increase to \$134,004 per year, up

from \$100,000 per year. These levels will update automatically every three years, beginning on January 1, 2020, to maintain the earnings percentiles set in this Final Rule.

## **2. Q. Why does the 2004 standard salary level need to be increased?**

The Department has concluded that the standard salary level of \$455 weekly (\$23,660 annually for a full-year employee) set in 2004 was too low to adequately account for the elimination of the former "long" duties test that ensured that employers could not avoid paying overtime by assigning lower-paid employees a minimal amount of exempt work. Furthermore, the real value of the salary level has fallen significantly since it was set 12 years ago. Today, the annualized equivalent of the standard salary level is below the 2015 poverty threshold for a family of four, making it inconsistent with Congress' intent to exempt only "bona fide" EAP workers, who typically earn salaries well above those of workers they supervise and presumably enjoy other privileges of employment such as above average fringe benefits, greater job security, and better opportunities for advancement.

## **3. Q. How did the Department determine the new standard salary level?**

The Department considered several alternatives for setting the standard salary level to determine which method would work most effectively with the current duties test to effectively distinguish between overtime-eligible white collar employees and those who are bona fide EAP employees. Because the Department decided not to revise the current standard duties test, it set a salary threshold at a level reflective of employees who historically have received overtime protections from those who have not. Specifically, because the current standard duties test is substantially similar to the former "short" duties test, which before 2004 had been associated with a higher salary threshold, the Department looked at the historical ratios between the short and long test salary levels in order to assure that we restored the historical relationship between having a less rigorous duties test and an appropriately high salary threshold. The Department set the standard salary level at the 40th percentile of weekly earnings of full-time salaried workers in the lowest wage Census Region (currently the South), because it was at the low end of the historical range of short test salary ratios and would be appropriate across all areas and industries. The new salary amount will be \$913 per week (which is \$47,476 annually for a full-year worker) when this Final Rule takes effect on December 1, 2016.

## **4. Q. Why is the Department setting the standard salary level at the 40th percentile of weekly earnings for full-time salaried workers in the lowest wage Census Region and not on national data as proposed?**

The Department has concluded that the 40th percentile of weekly earnings for full-time salaried workers in the lowest wage Census Region represents the most appropriate line of demarcation between exempt and overtime-eligible white collar employees. This amount effectively distinguishes between employees who are overtime-protected and those who may meet the duties requirements of the white collar exemption, without necessitating a return to a more rigorous duties test, such as the pre-2004 "long" duties test that imposed a cap on nonexempt work. In the absence of a return to a more rigorous duties test, the salary level needed to be set higher (resulting in the exclusion of more employees performing EAP duties) in order to perform more of the screening function previously performed by the long duties test. Accordingly the salary level set in this Final Rule corrects for the mismatch in the 2004 Final Rule between a low salary level and a less rigorous duties test. In addition, switching to the lowest wage Census region addresses concerns raised by commenters that setting the salary level based on national data, as under the proposed rule, would unduly impact certain industries or certain parts of the country.



## **5. Q. Why didn't the Department set the salary threshold at a lower amount?**

The Department believes that the standard salary level set in this Final Rule effectively distinguishes between employees who are overtime eligible and those who may be bona fide executive, administrative, or professional employees, without necessitating a return to a duties test that sets specific limits on the performance of nonexempt work, like the more detailed "long" duties test that existed before 2004. Setting a salary level significantly below the level proposed by the Department would have required a more rigorous duties test than the current standard duties test. The Department modified the proposed salary level to account for the fact that salaries are lower in some regions than others. By adjusting the Final Rule salary level to focus on the lowest-wage Census Region instead of a national level, we have removed the effect of the three higher earnings Census Regions on the salary level, ensuring the salary level is not driven by earnings in high- or even middle-wage regions of the country. This lower final salary level will also provide relief for employers in low-wage industries.

## **6. Q. How did the Department determine which Census Region is the lowest wage Census Region?**

Census Regions are groupings of states and the District of Columbia that subdivide the United States for the presentation of data by the United States Census Bureau. The current Census Regions are: the Northeast, the Midwest, the South, and the West. The Department determined the "lowest-wage Census Region" by examining the 40th percentile of weekly earnings of full-time salaried workers based on data in each region. The "40th percentile" means that, according to the Census Bureau and Bureau of Labor Statistics' figures, 40 percent of the full-time salaried workers in that region earn at or below that amount.

The lowest wage Census region currently is the South. Based on the fourth quarter of 2015 Current Population Survey data, the 40th percentile for the South Census Region is \$913 per week.

## **7. Q. How did the Department determine the new total annual compensation requirement for highly compensated employees (HCEs)?**

Under this Final Rule, the Department is setting the HCE annual compensation level equal to the annual equivalent of the 90th percentile of earnings for full-time salaried workers nationally (\$134,004). To be exempt as an HCE, an employee must also receive at least the standard salary amount of \$913 per week on a salary or fee basis. Like the new standard salary level, the new HCE total annual compensation level will take effect on December 1, 2016 and will update automatically every three years, beginning on January 1, 2020.

# **NONDISCRETIONARY BONUSES AND INCENTIVE PAYMENTS**

## **1. Q. May employers use bonuses to satisfy part of the new standard salary level test?**

Yes. The Department is changing the regulations to allow nondiscretionary bonuses and incentive payments (including commissions) to satisfy up to 10 percent of the standard salary test requirement. Such bonuses include, for example, nondiscretionary incentive bonuses tied to productivity or profitability (e.g. a bonus based on the specified percentage of the profits generated by a business in the prior quarter). The Department recognizes that some businesses pay significantly larger bonuses; where larger bonuses are paid, however, the amount attributable toward the EAP standard salary level is capped at 10 percent of the required salary amount.

For employers to credit nondiscretionary bonuses and incentive payments (including commissions) toward a portion of the standard salary level test, such payments must be paid on a quarterly or more frequent basis.

## **2. Q. What's the difference between a discretionary bonus and a nondiscretionary bonus?**

Nondiscretionary bonuses and incentive payments (including commissions) are forms of compensation promised to employees to induce them to work more efficiently or to remain with the company. Examples include bonuses for meeting set production goals, retention bonuses, and commission payments based on a fixed formula.

By contrast, discretionary bonuses are those for which the decision to award the bonus and the payment amount is at the employer's sole discretion and not in accordance with any preannounced standards. An example would be an unannounced bonus or spontaneous reward for a specific act.

## **3. Q. May employers make a catch-up payment in the event that an employee doesn't receive enough in nondiscretionary bonuses and incentive payments (including commissions) in a given quarter to remain exempt?**

Yes, if an employee does not earn enough in nondiscretionary bonuses and incentive payments (including commissions) in a given quarter to retain their exempt status the Department permits a "catch-up" payment at the end of the quarter. The employer has one pay period to make up for the shortfall (up to 10 percent of the standard salary level for the preceding 13 week period). Any such catch-up payment will count only toward the prior quarter's salary amount and not toward the salary amount in the quarter in which it was paid. If the employer chooses not to make the catch-up payment, the employee would be entitled to overtime pay for any overtime hours worked during the quarter.

## **4. Q. Does the Final Rule change how employers may use bonuses to satisfy the salary level for highly compensated employees (HCEs)?**

No, the Department has not made changes to how employers may use bonuses to meet the salary level component of the HCE test. To claim the HCE exemption under the Final Rule, employers must pay workers at least the standard weekly salary level of \$913 per week on a salary or fee basis, while the remainder of the total annual compensation may include commissions, nondiscretionary bonuses, and other nondiscretionary compensation. Because employers may fulfill almost two-thirds of the HCE total annual compensation requirement with commissions, nondiscretionary bonuses, and other forms of nondiscretionary deferred compensation, the Department determined that it would not be appropriate to permit employers to also use nondiscretionary bonuses and incentive payments to satisfy the standard salary amount.

## **AUTOMATIC UPDATING**

### **1. Q. Why is the Department changing the regulations to automatically update the salary level and HCE total annual compensation level?**

The Department is establishing mechanisms to automatically update the standard salary and HCE total annual compensation requirements to ensure that they remain meaningful tests for distinguishing between bona fide executive, administrative, and professional and overtime-protected white collar workers and to provide predictability and incremental salary changes for employers. Experience has shown that the salary level test is a strong measure of overtime-eligibility only if it is up to date. Left unchanged, a fixed salary level becomes substantially less effective at distinguishing between exempt and nonexempt workers as wages for overtime-protected workers increase over time. Automatically updating the salary level and HCE total annual compensation requirement using the most recent data will ensure that these tests continue to accurately reflect current economic conditions, while also making increases more predictable and gradual.

## **2. Q. How often will the Department update the standard salary level and HCE total annual compensation requirements?**

The Department will update the standard salary and HCE total annual compensation requirements every three years, with the first update taking effect on January 1, 2020. Future automatic updates will take effect on January 1 of 2023, 2026, etc. The Department will publish a notice of the new updated thresholds in the Federal Register at least 150 days before those updated amounts take effect, and also publish these updated rates on the Wage and Hour Division's website.

## **3. Q. How will the Department automatically update the standard salary level and HCE total annual compensation requirement?**

The Department will automatically update the standard salary and HCE total annual compensation levels by applying the exact same method used to set those levels in this Final Rule. Specifically, the Department will update the standard salary level to maintain it at the 40th percentile of weekly earnings of full-time salaried workers in the lowest wage Census Region, and the Department will update the HCE total annual compensation level to maintain it at the annual equivalent of the 90th percentile of earnings of full-time salaried workers nationwide.

## **ECONOMICS**

### **1. Q. What are the costs and benefits of the Final Rule?**

This Final Rule will transfer income from employers to employees in the form of higher earnings, whether in the form of overtime premium payments for newly overtime-eligible workers or raises for some workers to maintain their exempt status. Average transfers are estimated to be approximately \$1.2 billion per year over the first ten years.

The Department estimates that average annualized direct employer costs will total approximately \$295 million per year over the first ten years, including regulatory familiarization costs, adjustment costs, and managerial costs. Regulatory familiarization costs are the costs incurred to read and become familiar with the requirements of the rule. Adjustment costs are the costs accrued to determine workers' new exemption statuses, notify employees of policy changes, and update payroll systems. Managerial costs associated with this Final Rule occur because hours of workers who are newly entitled to overtime may be more closely scheduled and monitored to minimize or avoid overtime hours worked.

The Final Rule is also expected to create new jobs due to the financial incentive for employers to spread overtime hours of employees newly entitled to overtime pay; however, the Department did not attempt to quantify the number of new jobs created due to data limitations. Other benefits of the Final Rule including strengthening overtime protections for workers currently misclassified as overtime-exempt and those at risk of misclassification as overtime-exempt; improved work-life balance; and improved worker health and productivity.

### **2. Q. How many employees does the Department estimate will be impacted by the salary level increases?**

In the first year after the Final Rule becomes effective, the Department estimates that 4.2 million currently exempt workers who earn at least the 2004 salary level of \$455 but less than the new salary level of \$913 per week would, without some intervening action by their employers, become newly entitled to overtime protection.

Of those, an estimated 65,000 currently exempt workers who earn at least \$100,000 but less than \$134,004, and who meet the minimal HCE duties test but not the standard duties test, would also become eligible for minimum wage and overtime in the first year. The Department also estimates that 5.7 million salaried white collar workers and 3.2 million salaried blue collar workers who are currently entitled to overtime will have their overtime protection strengthened because their status as overtime-eligible will be clear based on the salary test alone without the need to examine their duties. This includes an estimated 732,000 salaried white collar workers who the Department estimates are currently misclassified as exempt who will now receive greater overtime protection.

### **3. Q. How can I find information on the economic impacts of the Final Rule on a specific industry?**

This information is provided in Tables 14, 30, 38 - 46, and B1 of the economic analysis of the Final Rule.

### **4. Q. Where can I find the earnings information the Department used in setting the salary and total annual compensation levels?**

The Department set these levels using Bureau of Labor Statistics (BLS) data available at [http://www.bls.gov/cps/research\\_series\\_earnings\\_nonhourly\\_workers.htm](http://www.bls.gov/cps/research_series_earnings_nonhourly_workers.htm).



## MEMORANDUM

TO: Rosemary Kulow, Executive Director  
Maine County Commissioners Association  
FROM: Jamie Richards  
DATE: June 3, 2016

RE: Nominations to the NACo Board of Directors

In just a few weeks we will be in Los Angeles County (Long Beach), California attending the NACo Annual Conference and electing a new NACo Board of Directors!

It is time for you to submit the nomination(s) for your representative(s) to serve on the 2016-2017 NACo Board of Directors. The NACo Board term is for one year beginning with the election at the Annual Business Meeting and Elections of Officers and Directors on Monday July 25<sup>th</sup> and ending July 2017.

**Your current NACo Board of Directors representatives are:**

**Maine State Seat - Peter Baldacci**  
**100% State Seat – Gary McGrane**

**Being a 100% membership state you have 2 seats.**

- Your nomination(s) to the NACo Board must be in writing, on state association letterhead.
- You may mail, email or fax them to me – but I must have them by Monday, July 11, 2016.
- Let me know if your state association will not make this decision until your meeting at the NACo Annual Conference and we will accommodate you.

Excerpt from the NACo Bylaws:

### *Article VI, Section 1. Membership*

The board of directors is comprised of elected officials of active member counties or designated officials as follows:

1. One (1) elected official from each state which has an active member county. That official must be from a county whose membership dues are fully paid at the time of the close of credentials registration at the annual conference.
2. Twelve (12) elected officials from active member counties, one (1) from each of the 12 states having the highest number of votes as certified by the Credentials Committee based upon NACo membership as of 60 days before the first day of the annual conference, provided that such state has either 50 percent of its counties as active member counties or has active member counties representing 50 percent of the state's population. Where a state, otherwise qualified, fails to meet either 50 percent standard, it shall not be eligible for an additional director under this paragraph; the state having the next highest number of votes will be elevated to the list, provided that such state meets either 50 percent standard.
3. One elected county official from each state having 100 percent of its counties as active members.

**IMPORTANT:** If your state is eligible for more than one seat on the Board, please designate which category each

person is representing; (1 – state seat, 2 – Top 12 seat, 3 – 100% membership seat)

The Nominating Committee Report is being prepared for presentation at the Annual Business meeting. This report will list every person nominated by a state association to serve on the Board. We want to be sure that every state association is represented on the NACo Board of Directors in accordance with the NACo Bylaws and in order to accomplish this we must receive your nomination so that it is included in the report and so the NACo Membership will be able to vote on it.

If you cannot or do not submit a nomination at the Annual Conference, your first opportunity to nominate a board representative will be at the NACo Fall Board of Directors' meeting in December.

If you have any questions please contact me at [jrichards@naco.org](mailto:jrichards@naco.org) or [202-942-4258](tel:202-942-4258)

*Jamie Richards*

Executive Assistant

Executive Office

National Association of Counties

[jrichards@naco.org](mailto:jrichards@naco.org)

[\(202\) 942-4258](tel:202-942-4258)

Register today for the 2016 NACo Annual Conference!

**NATIONAL ASSOCIATION OF COUNTIES**



**Los Angeles County**

LONG BEACH • JULY 22-25, 2016



Rosemary Kulow &lt;rkulow@mainecounties.org&gt;

---

**2016 NACo Voting Credentials**

1 message

NACo Membership <membership@naco.org>  
Reply-To: Alex Koroknay-Palicz <akpalicz@naco.org>  
To: rkulow@mainecounties.org

Thu, Jun 2, 2016 at 3:27 PM

Having trouble viewing this email? [Click Here](#)

---

**Voting Credentials at 2016 NACo Annual Conference**

---

NACo is preparing for the 81st Annual Conference to be held July 22-25, 2016, in Los Angeles County, Calif. It is important that your county participates in the association's annual election of officers and policy adoption.

Please read through the information in the [credentials packet](#) carefully. Indicate on the credentials form the name of the county voting delegate and alternate authorized to pick up your county's voting materials. This information has already been sent to the chief elected official and clerk in your county. If your county has already submitted the form for your county, no further action is needed.

A checklist is included to assist you in filling out the voting credentials form. Additionally, **the chief elected official of your county must sign the form.** A chief elected official may include the following:

- board chair/president
- mayor
- county judge
- **elected** county executive

*Please fill out this form in advance and mail, fax or scan and e-mail the form by **FRIDAY, July 1** to:*

Alex Koroknay-Palicz - Fax [\(866\) 370-9421](tel:8663709421)

Credentials Committee  
Attn: Alex Koroknay-Palicz  
National Association of Counties  
25 Massachusetts Ave, NW, Suite 500  
Washington, DC 20001

[AKPalicz@naco.org](mailto:AKPalicz@naco.org)

Membership Coordinator, Alex Koroknay-Palicz, can be reached at 888.407.NACo (6226) x291, his direct line at [202.942.4291](tel:2029424291) or [akpalicz@naco.org](mailto:akpalicz@naco.org). We look forward to seeing you in Los Angeles County!

---

**NACo Website**

**Get Involved**

**County News**



NATIONAL ASSOCIATION OF COUNTIES | EXECUTIVE DIRECTOR: MATTHEW CHASE  
25 MASSACHUSETTS AVENUE, NW | SUITE 500 | WASHINGTON, DC 20001 | [202.393.6226](tel:202.393.6226) | [202.393.2630](tel:202.393.2630)

Click [here](#) to unsubscribe





## MEMORANDUM

### ELECTION OF SECOND VICE PRESIDENT

To: County Board Chairpersons, Parish Presidents, Borough Mayors,  
County Judges, Elected County Executives and County Clerks  
From: Sallie Clark, NACo President  
Date: May 20, 2016  
Subject: Voting Credentials – 2016 Annual Conference

NACo is preparing for the 81st Annual Conference to be held July 22-25, 2016, in Los Angeles County, Calif. It is important that your county participates in the association's annual election of officers and policy adoption. **In order to participate, a county must have paid its membership dues and have one paid registrant for the conference, according to NACo bylaws.**

Please read the enclosed information carefully. Indicate on the credentials form the name of the county voting delegate and alternate authorized to pick up your county's voting materials.

A checklist is enclosed to assist you in filling out the voting credentials form. Additionally, **the chief elected official of your county must sign the form.** A chief elected official may include the following:

- board chair/president
- mayor
- county judge
- **elected** county executive

*Please fill out this form in advance and mail, fax or scan and e-mail the enclosed form by **FRIDAY, JULY 1.***

If no one from your county is planning to register for the conference, you do not have to turn in the credentials form.

Alex Koroknay-Palicz - Fax (866) 370-9421

Credentials Committee  
Attn: Alex Koroknay-Palicz  
National Association of Counties  
25 Massachusetts Ave, NW, Suite 500  
Washington, DC 20001

AKPalicz@naco.org

Membership Coordinator, Alex Koroknay-Palicz, can be reached at 888.407.NACo (6226) x291, his direct line at 202.942.4291 or [akpalicz@naco.org](mailto:akpalicz@naco.org). We look forward to seeing you in Los Angeles County!

## 2016 General Voting Frequently Asked Questions

### **On what issues or for which candidates do counties/parishes/boroughs vote?**

Counties vote on resolutions that set NACo legislative and association policy for the coming year. Delegates also elect NACo officers for the coming year. The position of second vice president is usually the one position that is contested.

### **How can my county vote?**

A county must be a NACo member “in good standing” in order to vote. This means your county’s dues for 2016 must be paid before the voting occurs. **Also, the county must have at least one paid registration for the annual conference and have proper credentials.**

### **What are credentials?**

Credentials attest to a county’s eligibility to vote. Credentials contain information on the number of votes a county is eligible to cast, as well as the identity of the delegate that is authorized to cast the county’s vote.

### **How is the credentials form distributed?**

The form is mailed to the clerk and chief elected official of member counties so that the county can provide the name of the voting delegate to NACo. Conference registrants will receive an e-mail with a link to the credentials form as well. Only counties that have paid their 2016 NACo dues will receive a credentials form. This form is mailed in May. Please return this form by Friday, July 1, 2016.

### **Why did I receive a credentials form?**

You are receiving this form because you are the chief elected official at your county, your county’s clerk, or you registered for the 2016 NACo Annual Conference. If you wish to vote, please bring the credentials form to your chief elected official to fill out and return to us. Please see this packet for more instructions on the form.

### **My county has misplaced the credentials form. What should I do?**

The credentials form will be available in the Elections and Voting Credentials section of the NACo website ([www.naco.org/credentials](http://www.naco.org/credentials)) shortly after it is mailed. After you download, print, and fill out the form correctly, you can return it to NACo. Please call Alex Koroknay-Palicz at 888.407.NACo (6226) x291 if you need assistance.

### **If my county is not registering for the Annual Conference, does my county have to send in the credentials form?**

No. Only counties who register are able to vote. Please do not return the credentials form to the NACo office if your county does not plan to register for the Annual Conference.

### **What is a voting delegate?**

A voting delegate is someone authorized by your county/parish/borough board to pick up a ballot and cast your county’s votes at the annual conference. The delegate must have a paid registration to the conference.

### **Who may be a voting delegate?**

Any elected or appointed official or staff member from your county/parish/borough may be a voting delegate. That decision is up to your county board.

### **What is an alternate?**

An alternate is another elected or appointed official or staff member from the county delegated by the county to pick up and cast its ballot. The alternate must have a paid registration to the conference.

- The delegate OR alternate listed on the credentials form may pick up your county’s ballot.

**My county has only one person attending the conference. Does my county have to designate an alternate?**  
No. It is not necessary to list an alternate if a delegate is named.

**Whose ballots may the state associations of counties/parishes/boroughs receive?**

Your state association of counties/parishes/boroughs is allowed to pick up any unclaimed ballots from counties/parishes/boroughs that have registered delegates. The pick-up for state associations is Sunday afternoon (2 to 5 pm) during the conference. The state association may then cast those ballots in the election.

**My county does not want our state association to pick up our votes. How does my county go about indicating this decision?**

You must check the box that says *"If my ballot is not picked up, I DO NOT AUTHORIZE my state association to pick up or cast my county's vote. I understand that my county's votes will NOT be cast if I select this option."*

- Remember that your county's votes will not be cast at all with this option if your delegate does not pick up the ballot.

**If I do not get my credentials form into the NACo office by July 1, may I become credentialed on site at the conference?**

Yes. You may bring the original credentials form signed by your chief elected official or fill out the on-site ballot form. By signing the on-site ballot form you declare that you and the other conference attendees from your county have agreed that you are the voting delegate for your county. You must be registered for the conference to be able to vote.

**What would happen if more than one registered attendee from my county fills out the on-site ballot form?**

If there is confusion as to who the authorized delegate is, and more than one person claims to be your county's authorized delegate, officials from your county will need to resolve the dispute by 1 p.m. PDT on Sunday July 24, 2016. Unless the dispute is resolved, your county's votes will not be counted. To resolve the dispute, all registrants who filled out the on-site ballot form need to agree as to who is authorized to cast their county's votes and communicate that to Alex Koroknay-Palicz at the credentials desk by 1 p.m. PDT on July 24.

**How do I get my ballot?**

When you submit your credentials form NACo staff prints out a paper ballot to bring to the NACo Annual Business Meeting. In order to vote you will need to pick up this paper ballot at the NACo Credentials Desk. Your county has until 1 p.m. on Sunday July 24 to come to the Credentials Desk and pick up your ballot. If you do not pick it up by 1 p.m. your state association can then pick up your vote until 5 p.m. unless you check the box on the form to not permit them. If you check that box and do not pick up your own ballot your county WILL NOT be permitted to vote.

**What would happen if I've picked up my ballot, but I need to leave before the election on Monday?**

If you have picked up the ballot for your county but won't be present to cast it at the NACo Annual Business Meeting on Monday morning, you can give that ballot to a delegate from your same county, from another active member in your state, the head of your state delegation, or your state association president or president's designee. To do this, you (transferer) and the person you are handing the ballot to (transferee) must sign the Record of Ballot Transfer form on the back of your ballot.

**My county won't be attending this year's Annual Conference, can we still vote?**

Yes. Your county can still have its votes counted without attending the conference, but one person from your county still needs to register. You must have at least one person registered by 12 PM PDT on July 19. If you register, do not plan to attend and wish to vote, you **MUST** designate your state association president as your delegate on the Credentials Form. Your state association president or his/her designee will pick up and cast your ballot.

**How does NACo determine the number of votes each county receives?**

The number of votes is determined by the amount of dues a county pays. Dues are based on population. All counties are entitled to at least one vote. Members with more than \$499 in dues are entitled to one additional vote for each additional \$500 in dues or fraction thereof paid in the year the meeting is held.

- Counties with dues of \$400 to \$499 receive one vote.
- Counties with dues of \$500 to \$999 receive two votes, and so on.
- The maximum number of votes a county can receive is 121.

**My county has 10 votes. How can our 25 commissioners divide or share the votes?**

That is up to your county. NACo has no rule as to how counties decide to allocate their votes. Counties may split their vote amongst the candidates running for second vice president if it is desired.

**I've heard the term "unit vote" used. What is that?**

Some states, by custom or policy, cast all of their votes as a block or "unit." State associations typically have a meeting before the election to determine how they will handle the voting process.

- Check with your state association regarding the time, date and location of this meeting.
- NACo bylaws permit each county to cast its vote as it chooses. Your county does not have to vote with your state association should you so choose.

**When does the voting take place?**

This year's election will be held on Monday, July 25, 2016 at 10:30 a.m. at the NACo Annual Business Meeting.

**How does the voting occur?**

Votes are cast by state, not by state association. Counties from a state sit together as a delegation. The reading clerk will call out states at random. A state appointed representative will approach the microphone and call out that state's vote. This will continue until one of the candidates has a majority of the total number of votes being cast. Voting may still continue after a majority has been reached.

**What is a roll call?**

Roll call is a way of voting for NACo resolutions to be passed. If a roll call is necessary, the names of the states will be read out in alphabetical order by the reading clerk. A state appointed representative will approach the microphone and call out that state's vote as "yes" or "no." This will continue until all votes have been cast.

**What happens if there is a dispute over the election process?**

It is rare, but sometimes irregularities occur with how votes are cast or counted, or how the credentialing process is conducted. As a safeguard elections may be challenged during the voting process at the NACo Annual Business Meeting. Challenges are allowed under two circumstances. A voting delegate may challenge the vote for his/her state, and his/her state only. A candidate running to become a NACo officer may challenge the vote of any state. If a challenge is made, the NACo Credentials Committee may audit the ballots of a state delegation to ensure that the number of votes the state is casting matches the number of ballots the state has. The committee may also audit the ballot transfer records on the back of each ballot and the State Voting Totals Form, which is a form states fill out showing the number of votes cast for each candidate.



## ***Credentials Checklist***

Please use the following checklist before returning the credentials form.

☐ **YES**   ☐ **NO**   Has my county/parish/borough paid its 2016 NACo dues?

*If no, please contact NACo's Membership department at 888.407.NACo (6226). 2016 dues must be paid before votes may be cast.*

☐ **YES**   ☐ **NO**   Has my county/parish/borough registered or at least one person from my county/parish/borough paid the registration fee to attend the conference?

*If no, STOP. The county must have at least one paid conference registrant to cast a ballot, according to NACo's bylaws. If no one from your county is registered for the conference, your county may not vote in the election. If your county does not plan on registering for the conference, you do not need to turn this credentials form back in to the NACo office.*

**If you have answered "YES" to both of the above questions, please continue.**

☐ **YES**   ☐ **NO**   Has my county designated a voting delegate and alternate, if applicable?

*Only ONE alternate may be designated per county. If more than one alternate is designated per form, only the first will be counted as the credentialed voting alternate.*

☐ **YES**   ☐ **NO**   Has the chief elected official of my county/parish/borough (board chair, mayor, parish president, elected county executive) signed the credentials form?

*If you have answered yes to all questions, please either fax, mail or scan and e-mail the credentials form by Friday, July 1, 2016 to:*

Alex Koroknay-Palicz  
Fax # (866) 370-9421

**Or:**

Credentials Committee  
Attn: Alex Koroknay-Palicz  
National Association of Counties  
25 Massachusetts Ave., NW, Suite 500  
Washington, DC 20001

**Or:**

[AKPalicz@naco.org](mailto:AKPalicz@naco.org)

If you have questions call or e-mail Alex Koroknay-Palicz at 888.407.NACo (6226) or his direct line: (202) 942-4291. E-mail: [akpalicz@naco.org](mailto:akpalicz@naco.org)



# M.C.C.A.

Peter Baldacci, President  
Penobscot County

Thomas Coward, Vice President  
Cumberland County

Michael Cote, Secretary-Treasurer  
York County

Rosemary Kulow  
Executive Director

Lauren Haven  
Office Manager



Maine County Commissioners Association

4 Gabriel Drive, Suite 2  
Augusta, ME 04330  
207-623-4697  
[www.maine counties.org](http://www.maine counties.org)

---

## Executive Director's Report June 2, 2016

### Activities:

- Prepared for Legislation Development Committee's organizational meeting.
- Visited with MMEHT representative, Susan Smith.
- Conducted ongoing financial management.
- Evaluated counties' budgetary submissions for supplemental jail funding distribution & met with representatives of DOC and the MSA to determine distribution method. Communicated results with counties.
- Studied list of candidates for state and county offices.
- Worked on conference planning.
- Worked on ideas for MCCA's acting as a data bank for counties.
- Planned visits to county commissioners' meetings throughout the summer and fall.
- Participated in USDOL webinar about the final overtime rule.

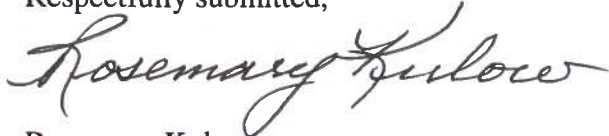
### Meetings/Events since the May 11, 2016 Board of Directors' Meeting

- |             |   |
|-------------|---|
| May 18 & 19 | Conference calls with Scott Ferguson representing the Dept. of Corrections and Sheriff Joel Merry representing the Maine Sheriffs Association to discuss distribution of the supplemental jail funding allowed by PL Ch. 90 |
| May 19      | MACCAM meeting in Augusta   |
| May 20      | Convention Planning Committee meeting in Bangor   |
| May 25      | Northeast NACo Region conference call meeting   |
| May 26      | Legislation Development Committee meeting in Augusta  |
| June 1      | Somerset County Commissioners' meeting in Skowhegan   |
| June 7      | Lincoln County Commissioners' meeting in Wiscasset  |

**Upcoming Planned Meetings/Events (as of this writing):**

June 8	MCCA Board meetings in Augusta
June 14	Knox County Commissioners' meeting in Rockland
June 17	Convention Planning Committee meeting in Bangor
June 21	Piscataquis County Commissioners' meeting in Dover-Foxcroft
June 28	Penobscot County Commissioners' meeting in Bangor
July 6	Aroostook County Commissioners' meeting in Houlton
July 13	MCCA Board meetings in Augusta
July 14	Waldo County Commissioners' meeting in Belfast
	Washington County Commissioners' meeting in Machias
July 20	Leave for California for annual NACo Conference

Respectfully submitted,

A handwritten signature in cursive script that reads "Rosemary Kulow". The signature is written in dark ink and is positioned above the printed name and title.

Rosemary Kulow  
Executive Director



# MAINE COUNTY COMMISSIONERS ASSOCIATION

## May 2016 Financial Report

---

Attached please find the monthly financial reports for the month of May 2016. The Balance Sheet shows total assets and liabilities at \$233,834.37. Debits to the bank account in May totaled \$16,617.39, and \$57.54 income was deposited in the checking account. The bank balance on May 31<sup>st</sup> was \$171,745.34, as expenditure of \$1,842.64 had not yet cleared the bank by the end of the month.

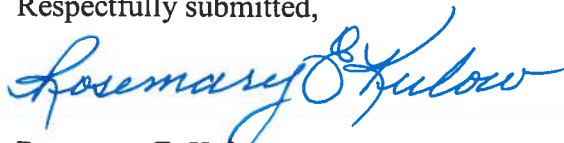
With 40% of the year complete, \$166,086 (66%) of the \$252,150 budgeted revenue had been received by May 31<sup>st</sup>.

On the expenditure side, \$16,123 (7% of the total budget) was expended in May, and a total of \$83,836 (33%) had been expended year-to-date. See the *Profit & Loss Budget vs. Actual Month Only* report for details of revenue and expenditures for May 2016.

Finances are within budget, and there are no problems in any line item at this time. However, the MainePERS line may be slightly exceeded at the end of the year due to the increased employer contribution that becomes effective July 1, 2016. The employer contribution increases from 5.6% to 6.5%. The *employee* contribution rate increases July 1<sup>st</sup> from 7.5% to 8.0%, but this cost is not paid from the MCCA budget. It is paid by the employees themselves. Any overage from budgeted estimates in the MCCA share of MainePERS costs (estimated at a few hundred dollars) will be covered by the "surplus" MainePERS funds in the MCCA money market account, which currently has a balance of \$38,756.67. Any budgetary line item overage would be transferred from the money market account to the checking account with approval from the Board of Directors after the end of the calendar year when the full amount is known.

Please don't hesitate to let me know if you have any questions or would like to see anything different in the financial reports.

Respectfully submitted,



Rosemary E. Kulow  
Executive Director

Accepted by:

Date: \_\_\_\_\_

\_\_\_\_\_  
Peter Baldacci, President

\_\_\_\_\_  
Thomas Coward, Vice-President

\_\_\_\_\_  
Michael Cote, Secretary-Treasurer



12:40 PM  
06/01/16

**Maine County Commissioners Association**  
**Reconciliation Summary**  
Money Market Account, Period Ending 05/19/2016

	<b>May 2016</b>
<b>Beginning Balance</b>	<b>38,753.38</b>
<b>Cleared Transactions</b>	
<b>Deposits and Credits - 1 item</b>	<b>3.29</b>
<b>Total Cleared Transactions</b>	<b>3.29</b>
<b>Cleared Balance</b>	<b>38,756.67</b>
<b>Register Balance as of 05/19/2016</b>	<b>38,756.67</b>
<b>Ending Balance</b>	<b>38,756.67</b>



**Maine County Commissioners Association**  
**Balance Sheet (accrual)**  
As of May 31, 2016

	<b>May 2016</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
MCCA Checking-Savings Bank	169,902.70
Money Market Account	38,756.67
Petty Cash Account	200.00
<b>Total Checking/Savings</b>	<u>208,859.37</u>
<b>Accounts Receivable</b>	
Receivables	24,975.00
<b>Total Accounts Receivable</b>	<u>24,975.00</u>
<b>Total Current Assets</b>	<u>233,834.37</u>
<b>TOTAL ASSETS</b>	<u><u>233,834.37</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	-682.49
<b>Total Accounts Payable</b>	<u>-682.49</u>
<b>Other Current Liabilities</b>	
1000-00 · Employee Health Insurance Contr	-559.36
1001-00 · MainePERS Employee Contribution	306.90
<b>Total Other Current Liabilities</b>	<u>-252.46</u>
<b>Total Current Liabilities</b>	<u>-934.95</u>
<b>Total Liabilities</b>	-934.95
<b>Equity</b>	
3200-00 · Fund Balance to Current Yr Inc	-59,216.00
3900-00 · Earnings	211,734.23
Net Income	82,251.09
<b>Total Equity</b>	<u>234,769.32</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>233,834.37</u></u>



10:42 AM  
06/02/16

**Maine County Commissioners Association**  
**Reconciliation Summary**  
MCCA Checking-Savings Bank, Period Ending 05/31/2016

	<b>May 2016</b>
<b>Beginning Balance</b>	<b>188,305.19</b>
<b>Cleared Transactions</b>	
Checks and Payments - 14 items	-16,617.39
Deposits and Credits - 4 items	57.54
<b>Total Cleared Transactions</b>	<b>-16,559.85</b>
<b>Cleared Balance</b>	<b>171,745.34</b>
<b>Uncleared Transactions</b>	
Checks and Payments - 3 items	-1,842.64
<b>Total Uncleared Transactions</b>	<b>-1,842.64</b>
<b>Register Balance as of 05/31/2016</b>	<b>169,902.70</b>
<b>Ending Balance</b>	<b>169,902.70</b>





**Maine County Commissioners Association**  
**Reconciliation Detail**  
MCCA Checking-Savings Bank, Period Ending 05/31/2016

	Date	Num	Name	Clr	Amount	Balance
<b>Beginning Balance</b>						<b>188,305.19</b>
<b>Cleared Transactions</b>						
<b>Checks and Payments - 14 items</b>						
	4/26	3664	Maine Farm Bureau	√	-1,497.17	-1,497.17
	5/6	EFT	Bangor Payroll	√	-1,862.53	-3,359.70
	5/12	3670	Macomber Farr & Whitten	√	-838.00	-4,197.70
	5/12	3667	Kulow, Rosemary	√	-787.21	-4,984.91
	5/12	3666	MainePERS	√	-599.27	-5,584.18
	5/12	3668	Haven, Lauren	√	-194.60	-5,778.78
	5/12	3665	Capitol Computers/Main Security	√	-125.00	-5,903.78
	5/12	3669	Maine Municipal Association	√	-102.21	-6,005.99
	5/13	EFT	Bangor Payroll	√	-1,862.53	-7,868.52
	5/20	EFT	Bangor Payroll	√	-1,862.53	-9,731.05
	5/20	3672	Camden National Bank	√	-1,130.67	-10,861.72
	5/20	3671	Country Cafe Catering	√	-270.00	-11,131.72
	5/25	3675	Maine Municipal Association	√	-70.00	-11,201.72
	5/27	EFT	Bangor Payroll	√	-5,415.67	-16,617.39
<b>Total Checks and Payments</b>					<b>-16,617.39</b>	<b>-16,617.39</b>
<b>Deposits and Credits - 4 items</b>						
	11/24	3607	State of Maine-Hall of Flags	√	0.00	0.00
	4/19	3662	Macomber Farr & Whitten	√	0.00	0.00
	5/26	107681773	US Communities	√	50.15	50.15
	5/31			√	7.39	57.54
<b>Total Deposits and Credits</b>					<b>57.54</b>	<b>57.54</b>
<b>Total Cleared Transactions</b>					<b>-16,559.85</b>	<b>-16,559.85</b>
<b>Cleared Balance</b>					<b>-16,559.85</b>	<b>171,745.34</b>
<b>Uncleared Transactions</b>						
<b>Checks and Payments - 3 items</b>						
	5/20	3673	US Bank		-275.00	-275.00
	5/25	3674	Maine Farm Bureau		-1,497.17	-1,772.17
	5/25	3676	Staples Credit Plan		-70.47	-1,842.64
<b>Total Checks and Payments</b>					<b>-1,842.64</b>	<b>-1,842.64</b>
<b>Total Uncleared Transactions</b>					<b>-1,842.64</b>	<b>-1,842.64</b>
<b>Register Balance as of 05/31/2016</b>					<b>-18,402.49</b>	<b>169,902.70</b>
<b>Ending Balance</b>					<b>-18,402.49</b>	<b>169,902.70</b>



**Maine County Commissioners Association**  
**Profit & Loss Budget vs. Actual**  
January through May 2016

	Budget	May	Jan-May	\$ Over Budget	% of Budget
<b>Income</b>					
4100-00 · Convention Income					
4120-00 · Registration	28,000			-28,000	
4130-00 · Sponsorship	8,000			-8,000	
4140-00 · Vendor	11,500			-11,500	
<b>Total 4100-00 · Convention Income</b>	<b>47,500</b>			<b>-47,500</b>	
4300-00 · Dues	140,240		140,240		100%
4400-00 · Other Income	1,100	50	287	-813	26%
4500-00 · NACo Roster	500		500		100%
4600-00 · MCCA Risk Pool Assessment	25,000		25,000		100%
4800-00 · MainePERS Surplus Funds	6,500			-6,500	
4810-00 · Interest Earned	45	11	59	14	131%
4920-00 · Transfer in from Fund Balance	31,265			-31,265	
<b>Total Income</b>	<b>252,150</b>	<b>61</b>	<b>166,086</b>	<b>-86,064</b>	<b>66%</b>
<b>Gross Profit</b>	<b>252,150</b>	<b>61</b>	<b>166,086</b>	<b>-86,064</b>	<b>66%</b>
<b>Expense</b>					
5000-00 · Payroll Expenses					
5020-00 · Payroll Fees	1,850	136	716	-1,134	39%
5030-00 · FICA	7,800	566	3,078	-4,722	39%
5040-00 · MainePERS Contributions	6,500	599	2,637	-3,863	41%
5050-00 · Salary-Office Manager	38,000	2,912	15,287	-22,713	40%
5060-00 · Salary-Executive Director	74,500	5,649	29,659	-44,841	40%
<b>Total 5000-00 · Payroll Expenses</b>	<b>128,650</b>	<b>9,862</b>	<b>51,377</b>	<b>-77,273</b>	<b>40%</b>
5100-00 · Insurance					
5110-00 · Health Insurance	21,000	1,740	8,702	-12,298	41%
5120-00 · Commercial, Crime, D&O Ins	2,100		1,202	-898	57%
5130-00 · Workers Comp	650			-650	
5140-00 · Unemployment Comp Ins	500	102	204	-296	41%
<b>Total 5100-00 · Insurance</b>	<b>24,250</b>	<b>1,842</b>	<b>10,108</b>	<b>-14,142</b>	<b>42%</b>
6010-00 · Prof. Services					
6012-00 · Prof Services - Legal Services	500			-500	
6013-00 · Financial Audit	4,800			-4,800	
<b>Total 6010-00 · Prof. Services</b>	<b>5,300</b>			<b>-5,300</b>	
6030-00 · Lobbying					
6031-00 · Lobbying Reg	200		200		100%
<b>Total 6030-00 · Lobbying</b>	<b>200</b>		<b>200</b>		<b>100%</b>

**Maine County Commissioners Association**  
**Profit & Loss Budget vs. Actual**  
January through May 2016

	Budget	May	Jan-May	\$ Over Budget	% of Budget
<b>6040-00 · NACO Expenses</b>					
6041-00 · Conferences	8,500		3,415	-5,085	40%
<b>Total 6040-00 · NACO Expenses</b>	<b>8,500</b>		<b>3,415</b>	<b>-5,085</b>	<b>40%</b>
<b>6050-00 · Education and Training</b>	500	70	145	-355	29%
<b>6100-00 · Bank Charges</b>	50			-50	
<b>6110-00 · Convention Expense</b>					
6113-00 · Entertainment/Speakers	6,500			-6,500	
6114-00 · MCCA Staff Registration Expense	1,000			-1,000	
6118-00 · Meeting Exp.	25,000		200	-24,800	1%
6121-00 · Supplies	2,500			-2,500	
6124-00 · Commissioner Retirement Plaques	500			-500	
<b>Total 6110-00 · Convention Expense</b>	<b>35,500</b>		<b>200</b>	<b>-35,300</b>	<b>1%</b>
<b>6140-00 · Copies-Printing</b>					
6142-00 · Directory	825		69	-756	8%
6143-00 · Other Copying or Printing	150			-150	
<b>Total 6140-00 · Copies-Printing</b>	<b>975</b>		<b>69</b>	<b>-906</b>	<b>7%</b>
<b>6145-00 · Dues Expense</b>	1,400		1,300	-100	93%
<b>6150-00 · Equipment - Office</b>					
6151-00 · Computer Hardware & Software	1,500	84	339	-1,161	23%
6152-00 · IT Services	2,800	125	625	-2,175	22%
6153-00 · Photocopier Lease	2,000	275	1,306	-694	65%
6154-00 · Printer & Supplies	1,200		193	-1,007	16%
6155-00 · Telephone System	200			-200	
6156-00 · Other	500		304	-196	61%
<b>Total 6150-00 · Equipment - Office</b>	<b>8,200</b>	<b>484</b>	<b>2,767</b>	<b>-5,433</b>	<b>34%</b>
<b>6160-00 · Fees</b>	100		36	-64	36%
<b>6170-00 · Meeting Expense</b>					
6171-00 · Annual Meeting	1,500		1,325	-175	88%
6172-00 · County Officials' Workshop	250			-250	
6173-00 · Monthly	3,250	308	1,205	-2,045	37%
6174-00 · Retreat Meeting	800	146		-800	
6175-00 · Meetings - Other	800		146	-654	18%
<b>Total 6170-00 · Meeting Expense</b>	<b>6,600</b>	<b>454</b>	<b>2,676</b>	<b>-3,924</b>	<b>41%</b>
<b>6180-00 · Mileage &amp; Travel Expense</b>	5,200	1,420	2,249	-2,951	43%
<b>6195-00 · Office Space Rental</b>	18,375	1,497	7,486	-10,889	41%
<b>6215-00 · Postage-Shipping</b>	250		66	-184	26%

**Maine County Commissioners Association**  
**Profit & Loss Budget vs. Actual**  
January through May 2016

	<b>Budget</b>	<b>May</b>	<b>Jan-May</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>
6230-00 · Advertising	750			-750	
6235-00 · Supplies	2,500	201	461	-2,039	18%
6240-00 · Telephone, Fax & Internet					
6241-00 · Cell Phone	1,600	124	614	-986	38%
6243-00 · Phone, Fax & Internet	2,000	168	667	-1,333	33%
<b>Total 6240-00 · Telephone, Fax &amp; Internet</b>	<b>3,600</b>	<b>292</b>	<b>1,281</b>	<b>-2,319</b>	<b>36%</b>
6250-00 · Website	250			-250	
6260-00 · Contingency	1,000			-1,000	
<b>Total Expense</b>	<b>252,150</b>	<b>16,123</b>	<b>83,836</b>	<b>-168,314</b>	<b>33%</b>



Maine County Commissioners Association  
Transaction Detail By Account  
May 2016

			Date	Num	Name	Memo	Amount
4400-00 · Other Income			5/26	1992	US Communities	Income from any advertising performed by	50.15
Total 4400-00 · Other Income							50.15
4810-00 · Interest Earned			5/20			Interest	3.29
			5/31			Interest	7.39
Total 4810-00 · Interest Earned							10.68
5000-00 · Payroll Expenses			5/6	2016-19	Bangor Payroll	Processing fee	-32.00
5020-00 · Payroll Fees			5/13	2016-20	Bangor Payroll	Processing fee	-32.00
			5/20	2016-21	Bangor Payroll	Processing fee	-32.00
			5/27	2016-22	Bangor Payroll	Processing fee	-40.00
Total 5020-00 · Payroll Fees							-136.00
5030-00 · FICA			5/6	2016-19	Bangor Payroll	Taxes	-141.48
			5/13	2016-20	Bangor Payroll	Taxes	-141.48
			5/20	2016-21	Bangor Payroll	Taxes	-141.48
			5/27	2016-22	Bangor Payroll	Taxes	-141.49
Total 5030-00 · FICA							-565.93
5040-00 · MainePERS Contributions			5/12		MainePERS	EmployER Retirement Contribution	-599.27
Total 5040-00 · MainePERS Contributions							-599.27

**Maine County Commissioners Association**  
**Transaction Detail By Account**  
May 2016

	Date	Num	Name	Memo	Amount
<b>5050-00 · Salary-Office Manager</b>					
	5/6	2016-19	Bangor Payroll	Administrative Assistant Salary	-727.93
	5/13	2016-20	Bangor Payroll	Administrative Assistant Salary	-727.93
	5/20	2016-21	Bangor Payroll	Administrative Assistant Salary	-727.93
	5/27	2016-22	Bangor Payroll	Office Managers Salary	-727.93
Total 5050-00 · Salary-Office Manager					-2,911.72
<b>5060-00 · Salary-Executive Director</b>					
	5/6	2016-19	Bangor Payroll	Executive Directors Salary	-1,412.31
	5/13	2016-20	Bangor Payroll	Executive Directors Salary	-1,412.31
	5/20	2016-21	Bangor Payroll	Executive Directors Salary	-1,412.31
	5/27	2016-22	Bangor Payroll	Executive Directors Salary	-1,412.31
Total 5060-00 · Salary-Executive Director					-5,649.24
<b>5100-00 · Insurance</b>					
<b>5110-00 · Health Insurance</b>					
Total 5110-00 · Health Insurance					-9,862.16
	5/27	2016-22	Bangor Payroll	ER Health Insurance Contributions	-1,740.37
Total 5110-00 · Health Insurance					-1,740.37
<b>5140-00 · Unemployment Comp Ins</b>					
Total 5140-00 · Unemployment Comp Ins					
	5/12		Maine Municipal Association	Unemployment	-102.21
Total 5100-00 · Insurance					-102.21
<b>6050-00 · Education and Training</b>					
Total 6050-00 · Education and Training					
	5/25		Maine Municipal Association	Technology Conference	-1,842.58
					-70.00
					-70.00



# Maine County Commissioners Association Transaction Detail By Account May 2016

	Date	Num	Name	Memo	Amount
<b>6150-00 · Equipment - Office</b>					
<b>6151-00 · Computer Hardware &amp; Software</b>					
Total 6151-00 · Computer Hardware & Software	5/20		Camden National Bank		-84.39
					-84.39
<b>6152-00 · IT Services</b>					
Total 6152-00 · IT Services	5/12		Capitol Computers/Main Security		-125.00
					-125.00
<b>6153-00 · Photocopier Lease</b>					
Total 6153-00 · Photocopier Lease	5/20		US Bank	Invoice 298044918	-275.00
					-275.00
Total 6150-00 · Equipment - Office					-484.39
<b>6160-00 · Fees</b>					
Total 6160-00 · Fees	5/20		Camden National Bank		-1.31
					-1.31
<b>6170-00 · Meeting Expense</b>					
<b>6173-00 · Monthly</b>					
Total 6173-00 · Monthly	5/12		Haven, Lauren		-37.62
	5/17		Country Cafe Catering	BOD Meeting Lunch	-270.00
					-307.62
<b>6175-00 · Meetings - Other</b>					
Total 6175-00 · Meetings - Other	5/20		Camden National Bank		-146.39
					-146.39
Total 6170-00 · Meeting Expense					-454.01

# Maine County Commissioners Association Transaction Detail By Account May 2016

	Date	Num	Name	Memo	Amount
<b>6180-00 · Mileage &amp; Travel Expense</b>					
	5/12		Kulow, Rosemary	Executive Director Mileage	-712.21
	5/12		Haven, Lauren		-53.68
	5/20		Camden National Bank		-654.51
Total 6180-00 · Mileage & Travel Expense					<u>-1,420.40</u>
<b>6195-00 · Office Space Rental</b>					
	5/20		Maine Farm Bureau	Rent	-1,497.17
Total 6195-00 · Office Space Rental					<u>-1,497.17</u>
<b>6235-00 · Supplies</b>					
	5/12		Haven, Lauren		-54.07
	5/20		Camden National Bank		-76.45
	5/25		Staples Credit Plan	Office Supplies	-70.47
Total 6235-00 · Supplies					<u>-200.99</u>
<b>6240-00 · Telephone, Fax &amp; Internet</b>					
<b>6241-00 · Cell Phone</b>					
	5/12		Kulow, Rosemary	Cell Phone Reimbursement	-75.00
	5/12		Haven, Lauren	Cell Phone Reimbursement	-49.23
Total 6241-00 · Cell Phone					<u>-124.23</u>
<b>6243-00 · Phone, Fax &amp; Internet</b>					
	5/20		Camden National Bank		-167.62
Total 6243-00 · Phone, Fax & Internet					<u>-167.62</u>
Total 6240-00 · Telephone, Fax & Internet					<u>-291.85</u>
<b>TOTAL</b>					<u><u>-16,064.03</u></u>

# Maine County Commissioners Association Expenses by Vendor Detail

May 2016

Type	Date	Memo	Account	Amount
<b>Bangor Payroll</b>				
Bill	5/6	Administrative Assistant Salary	5050-00 · Salary-Office Manager	727.93
Bill	5/6	Taxes	5030-00 · FICA	141.48
Bill	5/6	Processing fee	5020-00 · Payroll Fees	32.00
Bill	5/6	Executive Directors Salary	5060-00 · Salary-Executive Director	1,412.31
Bill	5/13	Administrative Assistant Salary	5050-00 · Salary-Office Manager	727.93
Bill	5/13	Taxes	5030-00 · FICA	141.48
Bill	5/13	Processing fee	5020-00 · Payroll Fees	32.00
Bill	5/13	Executive Directors Salary	5060-00 · Salary-Executive Director	1,412.31
Bill	5/20	Administrative Assistant Salary	5050-00 · Salary-Office Manager	727.93
Bill	5/20	Taxes	5030-00 · FICA	141.48
Bill	5/20	Processing fee	5020-00 · Payroll Fees	32.00
Bill	5/20	Executive Directors Salary	5060-00 · Salary-Executive Director	1,412.31
Bill	5/27	Office Managers Salary	5050-00 · Salary-Office Manager	727.93
Bill	5/27	Taxes	5030-00 · FICA	141.49
Bill	5/27	Processing fee	5020-00 · Payroll Fees	40.00
Bill	5/27	Executive Directors Salary	5060-00 · Salary-Executive Director	1,412.31
Bill	5/27	ER Health Insurance Contributions	5110-00 · Health Insurance	1,740.37
Total Bangor Payroll				11,003.26
<b>Camden National Bank</b>				
Bill	5/20		6235-00 · Supplies	76.45
Bill	5/20		6243-00 · Phone, Fax & Internet	167.62
Bill	5/20		6151-00 · Computer Hardware & Software	84.39
Bill	5/20		6160-00 · Fees	1.31
Bill	5/20		6175-00 · Meetings - Other	146.39
Bill	5/20		6180-00 · Mileage & Travel Expense	654.51
Total Camden National Bank				1,130.67
<b>Capitol Computers/Main Security</b>				
Bill	5/12		6152-00 · IT Services	125.00
Total Capitol Computers/Main Security				125.00
<b>Country Cafe Catering</b>				
Bill	5/17	BOD Meeting Lunch	6173-00 · Monthly	270.00
Total Country Cafe Catering				270.00

**Maine County Commissioners Association**  
**Expenses by Vendor Detail**  
May 2016

	Type	Date	Memo	Account	Amount
<b>Haven, Lauren</b>					
	Bill	5/12	Cell Phone Reimbursement	6241-00 · Cell Phone	49.23
	Bill	5/12		6173-00 · Monthly	37.62
	Bill	5/12		6235-00 · Supplies	54.07
	Bill	5/12		6180-00 · Mileage & Travel Expense	53.68
Total Haven, Lauren					<u>194.60</u>
<b>Kulow, Rosemary</b>					
	Bill	5/12	Executive Director Mileage	6180-00 · Mileage & Travel Expense	712.21
	Bill	5/12	Cell Phone Reimbursement	6241-00 · Cell Phone	75.00
Total Kulow, Rosemary					<u>787.21</u>
<b>Maine Farm Bureau</b>					
	Bill	5/20	Rent	6195-00 · Office Space Rental	1,497.17
Total Maine Farm Bureau					<u>1,497.17</u>
<b>Maine Municipal Association</b>					
	Bill	5/12	Unemployment	5140-00 · Unemployment Comp Ins	102.21
	Bill	5/25	Technology Conference	6050-00 · Education and Training	70.00
Total Maine Municipal Association					<u>172.21</u>
<b>MainePERS</b>					
	Bill	5/12	EmployER Retirement Contribution	5040-00 · MainePERS Contributions	599.27
Total MainePERS					<u>599.27</u>
<b>Staples Credit Plan</b>					
	Bill	5/25	Office Supplies	6235-00 · Supplies	70.47
Total Staples Credit Plan					<u>70.47</u>
<b>US Bank</b>					
	Bill	5/20	Invoice 298044918	6153-00 · Photocopier Lease	275.00
Total US Bank					<u>275.00</u>
<b>TOTAL</b>					<u><u>16,124.86</u></u>

# M.C.C.A.

Peter Baldacci, President  
Penobscot County Commissioner

Thomas Coward, Vice President  
Cumberland County Commissioner

Michael Cote, Secretary-Treasurer  
York County Commissioner



Maine County Commissioners Association

4 Gabriel Drive, Suite 2  
Augusta, ME 04330  
207-623-4697  
[www.mainecounties.org](http://www.mainecounties.org)

Rosemary Kulow  
Executive Director

Lauren Haven  
Office Manager

---

## FirstNet

### MICC Meeting Notes 5/25/16

Presenters: Elissa, Dave Maxwell, Pete Rogers, Steve Mallory

Washington DC Reps from national FirstNet: Michael Varney, Justin Shore, Jeff Johnson

Attending: FirstNet Daisy, 3 state troopers, one sheriff, dispatch, communications and others.

Maine Interoperable Communications Committee (MICC) was formed as a directive from the Governor. Committee members were appointed by commissioners. MICC will be the governing body for FirstNetME.

#### **Who's educating the governor about the project?**

The ConnectME Authority (Maine Gov), FirstNetME, and FirstNET (national)

Governor's point person and conduit of information is Patrick Woodcock.

FirstNet has a 25 year contract to build, deploy and operate the network using federal dollars. User fees will be reinvested into the program. Users will sign up and pay a charge for the service using any number of carriers. This is why it will be crucial to have the system be cost effective.

The state LTE system will be built in compliance with federal law regardless of the Governor's decision. If the Governor does nothing, FirstNet will build the network. If the Governor opts out, the design and plan must be exactly like the FirstNet plan with comparable bids and timeline (5 years). It's like a franchise. All the state plans need to be very similar and be able to work with the national network. After the initial build out, Maine would be responsible to continue to update the system in order to work with the national system. If FirstNet manages the network, it will continue to be updated by FirstNet.

#### **The five year timeline**

Whether FirstNet or Maine government is tasked with the project, the initial coverage based on needs analysis must be complete. Furthermore, the intent is for urban and rural areas to be built at the same rate of 20% per year. Every state has their own plan so that NYC for instance, won't be prioritized above Portland, Maine.

Coverage will never be 100%. Towers (and repeaters I would think) will be placed according to needs determined by data gathered from Maine agencies during ConOps research. Infrastructure is required to be 10x10 mbps minimum. There may be "deployables", or a method devised to make services mobile for rural search and rescue, etc. The frequency may be called, "Band 14".

**Will the system support voice?**

Devices with voice features are being designed to emulate functions provided by professional mobile radio systems. The system is first and foremost built for data, not for voice. However, the proposed device features will make group call support possible. Private one-to-one calls will be supported too. The device in development is designed to support mission-critical use, but its features may be used in non-mission-critical scenarios.

**When will the plan be completed?**

First Draft of the plan is expected to be ready at the beginning of 2017.

**What if agencies don't use the network once it's in place?**

The system must be deployed by law, but if Maine agencies don't use it, the bandwidth space can be leased out for commercial use. However, public safety has priority.

**What are some talking points to encourage agencies to use the new system?**

Advantages of the national network include:

- Better communication between state agencies
- Security
- Bandwidth size
- Expanded coverage

Respectfully submitted,



---

MCCA Office Manager, Lauren Haven