

EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday April 20, 2009

PRESENT: Representatives Mulholland, Williams, Preston, Ford, Ward, Gionet, Friedrich and Laliberte, Commissioners Richards and Burton, Executive Director Clough and Secretary Jeri Martino.

EXCUSED: Representative Aguiar and Commissioner Cryans

OTHERS PRESENT: Harold Brown

Rep. Mulholland called the meeting to order at 9:08 AM

Executive Director Mark Scarano from Grafton County Economic Development Council presented the committee with the 2008 annual report which he said covered the information for the past year.

The last time Director Scarano visited with the committee there was some discussion about whether or not certain loan information, in particular clients, could be divulged. M. Scarano said that after doing informal surveys with other economic development councils and others, it was discovered that most loan companies do not have confidentiality policies so it was decided that GCEDC will provide the client, the amount of the loan and how many people will be employed as information. He said for Community Development Block Grants that there is federal oversight with the public hearing.

Due in part to money funded by the County for a part time loan officer, nine loans have been provided over the last year:

- River Glenn in Littleton – providing 25 jobs
- Littleton Bike Shop – Their loan is paid up
- Ranch at Etna Road – 15 jobs
- DCI in Littleton
- ABM Machine shop in Bridgewater
- Harmony Landing Holdings in Plymouth – 6 jobs
- Littleton Co-op
- Littleton Area Learning Center

Rep. Williams asked the total of the nine loans and M. Scarano said that he didn't have that figure but the total money to loan was around \$2M. Rep. Williams asked about interest on the loans and M. Scarano said it varies but that they try to be in harmony with the leading bank and GCEDC is the second or even third position on security.

Rep. Laliberte asked about working with Lebanon College and M. Scarano said that they met with them.

Rep. Ward asked about receiving any stimulus money and M. Scarano said that has been a disappointment to all the block grant programs as CDBG is the ultimate in stimulus building. Rep. Ward recommended that GCEDC get ready to lobby in the event of a second round of stimulus money.

Rep. Gionet said that he attended the first meeting for the Co-op and that it was packed. He said that there was a lot of local interest and created 45 jobs.

Rep. Laliberte asked how Grafton County compared to other economic development corps. and M. Scarano said that he feels that GCEDC has done very well and has a healthy balance reserve now.

There was a discussion about the general economy of both Grafton County and the state. M. Scarano said that the problem is global now too.

Rep. Ward motioned that the Commissioners, along with GCEDC, draft a letter to the Congressional leaders urging that CDBG money be funded in the event of a second round of stimulus money, which was seconded by Rep. Williams. All were in favor.

M. Scarano said that the GCEDC has moved to Plymouth above the Meredith bank. Their new phone number is 536-2011 and their 800 number remains the same 888-535-0002.

The committee thanked M. Scarano for coming.

Rep. Williams moved to approve the minutes from March 16, 2009, which was seconded by Rep. Laliberte. There were additions/corrections made. All were in favor.

TEASURER'S REPORT

Director Clough said that Treasurer Sievers could not be in attendance because she had a class this morning as well as mid-term and a paper due this week. Treasurer Sievers sent the committee a bank stability chart. *(see attached)

Director Clough went over the cash management and cash flow report. She said that the County is drawing down the Woodsville account and it will probably be depleted by the second week of May and they will have to draw off Northway Bank until the Community Guaranty Savings Bank CD matures.

Rep. Ward asked when they would expect to need a tax anticipation note and Director Clough said probably late July or early August and she'll have to see what amount will need to be borrowed.

Rep. Williams asked Director Clough if the Treasurer was doing her job properly and Director Clough said that depended on what is meant by properly and that she comes in and signs checks but doesn't spend any time looking at reports and noted that she is a different kind of Treasurer than what they've been used to. Commissioner Burton said that he looks to see that the bills are paid and that the money is invested at the highest

rates and borrow at the lowest. He said that he is concerned that when it comes time for the Treasurer to borrow money that she is ready to do so.

Director Clough said that she has the Northway bank checkbook and the Treasurer's signature stamp if needed but that the Deputy Treasurer is still not listed as a signer on any of the investment accounts.

Rep. Ward moved that the Treasurer be requested to place the Deputy Treasurer as a signer on all accounts no later than April 28, 2009, which was seconded by Rep. Ford. All were in favor.

Rep. Williams said there is a lot here to be desired but that the Executive Director should not be doing the job for the Treasurer.

Rep. Gionet asked if the Commissioners have brought forward what should be expected from her and Commissioner Burton said that Director Clough has tried to do that and if Treasurer Sievers spent some time here to find out what was going on it would be clear, but that hasn't happened.

Rep. Ward moved that the Treasurer present a plan for Tax Anticipation Notes, at the May 18, 2009 Executive Committee meeting, which was seconded by Rep. Gionet.

DISCUSSION:

Rep. Preston asked how much of her job description is in the RSA and Commissioner Burton said that he would have to get his book but that in the past the NHAC has run a workshop for newly elected officials, though he didn't know if that were the case this year.

RD Sharp asked to speak and was acknowledged. He said it might be best to get a hold of the constitution and RSA and read what it says about the Treasurer before making new demands that may or may not fit.

Rep. Preston said that he felt that the previous motion regarding putting the Deputy Treasurer on the accounts was fine but the TANs motion may be micromanaging.

Rep. Ward said that the idea was not to tell her how to make a plan but rather to be sure there is one.

Director Clough said that the County can not wait to have to borrow money because when it's needed it's needed. She said that with the lack of communication she doesn't know whether or not the Treasurer even understands where the County stands financially.

Rep. Mulholland asked if the Deputy Treasurer can handle the transferring money if his name is on the accounts which he can, said Director Clough.

Rep. Ford felt the motion makes the situation more imminent and that if there is no motion in place who knows how this might go.

Rep. Williams agreed that the motion should be voted on and is in order.

Rep. Gionet said that he didn't think that they should have to rely on the Deputy Treasurer to do the job of the Treasurer.

Rep. Preston asked how long it usually takes when looking at TANs and Director Clough said that it's usually looked at a couple of weeks before, which may be the beginning of July. Rep. Preston said that perhaps it's better to confront her at the next Executive Committee meeting in May, face to face.

Rep. Ford said that sometimes when you are new to something creating the process takes a little longer and this motion allows her to go through the process ahead of time.

Rep. Williams reiterated that he thought this was a good motion.

Rep. Preston asked if the plan produced were to be approved by the Commissioners and not the Delegation anyway and Director Clough said the Delegation approves the amount of money and authorizes the County to borrow up to a certain amount.

Commissioner Burton read from RSA 29:8

29:8 Borrowing. - Whenever the money in the treasury of any county shall be insufficient to meet the demands upon the same, the treasurer, upon the order of the commissioners with the approval of the executive committee of the county convention, and such approval shall not be given until the treasurer has appeared in person before the committee to testify in support of any such request, may borrow such sum as they shall deem necessary for the purpose, and give the note of the county therefore; provided, however, that if the sum to be borrowed, together with the collected taxes of the same fiscal year, shall exceed by 10 percent the total appropriations made for that year by the county convention, the approval of the county convention for such excess borrowing must be secured, unless the convention has not acted upon the appropriations for the ensuing year. Nothing in this section shall be deemed or construed as authority to exceed appropriations made by the county convention.

Rep. Gionet said he thought the motion was in order and Rep. Williams asked to call the question.

When the vote was taken Reps. Mulholland, Laliberte, Williams, Ward, Gionet and Ford were in favor. Reps. Preston and Friedrich were opposed. (Rep. Aguiar was absent from meeting) Motion passed.

Rep. Mulholland said that she will speak with Treasurer Sievers regarding the passing of the motions.

COMMISSIONERS' REPORT

Commissioner Richards reviewed items as Commissioner Cryans was away.

➤ Lawsuits –

- Jail Lawsuit – Appeal was filed on April 15th at the NH Supreme Court.
 - Elected Officials Lawsuit – Hearing on Summary Judgment Motions will be May 22nd @ 11:00 AM.
 - Total Legal Fees paid out in FY 2009 - \$265,641.95
 - \$220,876.45 – Jail Lawsuit
 - \$28,266.42 – Elected Officials Lawsuit
 - \$16, 499.08 – General Legal Fees
 - Total Legal Fees paid for Jail Lawsuit since Feb 2008 - \$335,805.78.
- Water Tank Project
 - Tank is on-line.
 - County has had no further negotiations with WW&L
 - Very little maintenance involved – being done by County Personnel who have received training.
 - Contractor is finishing clean-up work and Commissioners’ approved an extension of the job to finish upgrading road to the tank and re-routing road to safer entrance/exit on Route 10.
- Budget –
 - Commissioners have finished meeting with Department Heads
 - Still in negotiation with Employees
 - Public Hearing has been scheduled for May 26, 2009 @ 7:00PM
 - Budgets will be mailed out to the Delegation after May 08, 2009
- Jail Project –
 - Core Committee met with SMRT & HP Cummings on April 10th to review proposed re-design.
 - Building has been reduced by approximately 20,000 square feet of occupied space.
 - There are 150 beds – 118 Male & 32 Female
 - Estimate based on square footage \$32.8M total project costs – this includes re-design fees by Architect and all other associated costs. Approximate building cost is \$28.2M
 - SMRT & HP Cummings will formally meet with the Commissioners on April 30, 2009 @ 10:00 AM to present this plan to them.
 - Funding has been put into the FY 2010 budget to continue with re-design work.
- Alternative Energy
 - No information received yet regarding grant submitted to USDA.
 - Looking at other sources of funding for the project
 - Commissioners voted 2 -1 (Commissioners Richards and Burton) to put funds into FY 2010 budget for bonding of the project.
 - SMRT has met with Dr. Phetteplace (Alt. Energy Committee member) regarding geothermal for the jail. Right now that is on hold as there are oppositional concerns and not quite enough information.

Rep. Williams asked if the geothermal study needs more tests and Commissioner Richards said that right now, Dr. Phetteplace feels there is adequate water supply but it has not been well tested. Director Clough said that first the decision has to be made whether to do a closed or open looped system and there seems to be disagreements between the two engineering sides.

Rep. Gionet asked if there were hydrology tests done and Commissioner Richards said somewhat but only comparables and that no test wells have been drilled.

Rep. Gionet asked what the operational cost of the Jail would be and Commissioner Richards said they don't have that answer yet.

Rep. Gionet asked if they were considering the geothermal without the Jail and Commissioner Richards said it is specifically for the Jail only.

Commissioner Burton said that he was in favor or anything that would get them unhitched from the powers of the Middle East.

Commissioner Burton said that there will be a Governor & Council breakfast to kick off County Week at the Merrimack County Nursing Home on May 6th beginning at 8:00 AM.

Commissioner Burton said that he was visiting his Selectboards and invited any of the Reps. to join him if so interested.

Rep. Williams said that there has to be test wells before going any further with the geothermal.

Commissioner Richards continued on with the Commissioners report.

- Spring Clean-up going on around Campus
- No official activities for County Government Week this year – Commissioners voted to donate \$2,000 to Barbara B Hill Children's Fund vs. doing formal County Day this year.

Rep. Ward asked if the attorneys for the Jail lawsuit gave any indication of a timeline and Director Clough said that Atty. Bailey thinks that it may be wrapped up by late summer and there is a bond interest payment added to the budget. Director Clough said they are \$190K over budget for legal fees and she will be recommending that the Commissioners take that money out of the FY09 Jail bond money.

Rep. Laliberte discussed the article that was written in the Valley News regarding the legal fees and asked if anything had been done to address that. Director Clough said that she felt that the article was slanted and that the survey they did on local attorney fees was done in 2004/05. She said in her opinion the legal team has done a fantastic job and has won the cases.

Rep. Friedrich asked how much of the article was true and whether or not the County knew in advance what the attorney's fees were going to be. Director Clough said that she did know what Attorney Bailey's hourly rate was because the County has used this law

firm in the past. Director Clough did not have any idea that this lawsuit would last as long or be so labor intensive. Director Clough added that different lawyers were used but only a few hours and in no way would they create large fees. She said that Attorney Bailey's fee is \$290 an hour.

Rep. Ward asked what the expected cost of the appeal will be and Director Clough said she thought it would be around \$15K.

Rep. Ward passed out the original tax impact information on the Jail bond, which was given out at the Feb.11, 2008 meeting. He said that there has been a 70% increase in taxes within the last two years and he feels that is too much for the taxpayers to absorb.

Rep. Ford moved to accept the Commissioners report, which was seconded by Rep. Williams. All were in favor.

FINANCIAL REPORT

Census at the Nursing Home is 130 and the census in-house at the Jail is 96 with 14 in the drug court program and 11 out on the electronic monitoring bracelet.

In the monthly variance report, Director Clough said that the Sheriff's revenue should self correct and that, HS will only have to pay until the cap is reached and then that figure will stabilize. Under Other, the expense is legal fees.

Rep. Gionet asked what the two people's salaries who were eliminated from HS add up to, which Director Clough estimated around \$72,554 which doesn't include benefits which are around \$30K

He asked if those two positions will be kept on the payroll and Director Clough said that one person works in HR and the other position will not be funded. Rep Gionet asked what the person in HR does and Director Clough said that she carries out the functions of HR and that she could get a job description if he would like one, which he said he would.

Prorated:

Director Clough said they are slated to receive around \$600K from FMAP funds, which she believes the state currently has. The question is how they will be distributed, be it cash or credit. The hope is that it will be in cash. There may be another \$200K for FY09 and additional payments in FY10.

There is a \$1.9M undesignated fund balance.

Rep. Laliberte asked how the County is planning to use the stimulus money and Director Clough said that the FMAP money is different and comes into the state first. There is no designation or distinction as to how this money can be used. The Commissioners have not designated it at this time.

Rep. Laliberte moved to approve the Executive Director's report which was seconded by Rep. Williams. All were in favor.

Rep. Friedrich asked for clarification as to whether or not the new Treasurer invested the money appropriately. Commissioner Richards said it took time but has since been

invested. Rep. Friedrich then asked if the previous Treasurer's investment at a 1% rate was deemed inappropriate, which was also questioned by Rep. Gionet. Director Clough suggested that this was in the past and that she was not privy to what other rates may have been available at the time.

Director Clough said that to say that the current Treasurer did not invest appropriately is not the right statement, adding that Treasurer Sievers did not invest the money in a timely manner as it took five to six weeks for her to do so.

Executive Committee assignments for department budget reviews are almost fully decided:

<u>REPRESENTATIVE</u>	<u>DEPARTMENT</u>
Gionet	Maintenance
Preston	Nursing Home
Ward	Jail
Ford	HS –Drug Court – County Attorney's
Williams	not assigned
Aguiar	Sheriff/Dispatch
Friedrich	not assigned
Mulholland	not assigned
Laliberte	Deeds

Chair Mulholland recognized H. Brown who said that there were good statements made by Rep. Ford and Commissioner Burton and that it was time to extend the olive branch to the new Treasurer.

11:15 AM Rep. Ford moved to adjourn, which was seconded by Rep. Laliberte. All were in favor.

Respectfully submitted,

Phil Preston, Clerk

Bank Stability

Credit Analysis of banks who submitted bids (look below for key):

BANK	1. Size (000)	2. Leverage	3. Loans/Deps	4. ROA
Eaonia	904,705	8.56%	94.68%	0.33%
Mascoma	801,525	9.68%	114.25%	0.54%
Northway	716,870	6.88%	107.30%	0.23%
Woodsville	336,696	6.19%	106.77%	-1.32%
Ledyard	339,383	9.41%	85.59%	1.07%
CGSB	96,259	7.98%	73.01%	-0.8%
NHPDIP				

1. Size (000)
2. Leverage- Tier 1 Leverage is the ratio of tier 1 capital (core capital- includes equity capital and disclosed reserves) to total reported assets, must exceed 5% (6% at very min to be secure)
3. Loans/deposits
4. ROA- Returns on Assets – earnings/total assets – how well the bank is doing and turning the investments into profit