

EXECUTIVE COMMITTEE FY10 BUDGET REVIEW

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 22, 2009

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

OTHERS PRESENT: (at various times) H Brown, RD Sharp, HSA Bishop, K. Jablonski, M. McLeod, NHA Bolander, Supt. Libby, Dir. Andross and Lt. Morris.

Rep. Mulholland called the meeting to order at 9:05 AM

Rep. Ward prefaced the meeting by saying that the equalization numbers show a reduction of 2/100 of a point which is good news. He added however, that will only get worse in the next couple of years.

NURSING HOME ~ Rep. Preston (NHA Bolander was present)

Rep. Preston said that the NH revenue was up 3.4% and the total revenue for all departments was down 1.1%.

Proshare and FMAP monies are not included in the revenues.

Medicaid reimbursement rate will be increasing \$3.61, and that money has not been calculated into the revenue.

9:15 AM Rep. Aguiar arrived.

The Nursing Home retiree health insurance has been moved from the Commissioners budget into the Nursing Home which will allow the NH to put it on their cost report. Hopefully this will affect the reimbursement rate in the future. Adding this to the NH budget creates a 10.7% increase for the Administration budget.

9:20 AM Rep. Friedrich arrived.

Rep. Preston then reviewed the other departments within the Nursing Home.

Knowing that longevity has been a talking point, NHA Bolander wanted to note that longevity is a very large reason why people stay at the County. She said that nurses can opt to go wherever they want and the benefit package which includes longevity is a consideration. She said that losing good nurses has an effect on the overall standing of the nursing home which so far has been very good. She said she would hate to see that end.

There was a discussion about the probability of stimulus money coming in and NHA Bolander said that long term health care is at the bottom of the list.

It was noted that the Laundry and Housekeeping departments have merged into one department, Environmental Services, in an attempt to be more efficient.

There was a discussion about the need for new equipment since there was no request for any and NHA Bolander said that when preparing the budget, it was strongly suggested that no new equipment be requested. She added that she thought they would be alright with what they had for now.

NHA Bolander passed out information showing how revenue is determined.

Rep. Gionet asked NHA Bolander to clarify her comment during a Commissioners meeting regarding the Medicaid auditor and she explained the reasons why she thought that person was unprofessional which included spending a lot of time discussing personal matters.

There was a question about the DoC taking over doing their own laundry and NHA Bolander said that the Jail is doing their own personal items but the NH still does some other things for them.

UNH COOPERATIVE EXTENSION ~ Rep. Friedrich (K. Jablonski & Rep. M. McLeod present)

K. Jablonski who is the Office Manager for UNHCE began by saying that this department is funded in part by the County, UNH and some grant money.

Rep. Ward questioned why money was being encumbered for special projects which K. Jablonski said was for a position that works under the Master Gardeners. He questioned why more money was then being put in on top of the encumbered money and K. Jablonski said it was needed to run the program.

K. Jablonski also stated her opinion that longevity is important.

The ATM line has been reduced due to the IT Manager setting up a different structure; however, there will remain a connection to the UNH learning network which K. Jablonski said can be used by other County personnel.

Rep. Martha McLeod is now the chair of the UNHCE advisory board and said that the advisory council advocated for the hiring of a new forester and agriculture agent after the other's retired because of the need and use in the County.

There was a discussion about certain items being in the capital expense budget rather than individual budgets.

DRUG COURT ~ Rep. Ford

There has been a large increase in treatment services as the program has been increased to accommodate up to 25 participants. At this time there will be three graduates since the program began.

Rep. Ward asked about the evaluation process saying that three graduates at a cost of \$50K per year seems like a lot of money. Commissioner Cryans said that B. Muh has a

model of the evaluation program and there was further discussion as to how the program works.

There has been no grant money obtained for this program and it was noted that this budget is very young and it has been quite difficult to determine the actual costs.

SOCIAL SERVICES ~ Rep. Williams (HSA Bishop was present)

Because the VNA will no longer be providing services for family support, the money that was originally budgeted will be transferred over to the Diana Love Center who will be picking up that service. Other adjustments were made due to that change, however, there is no effect to the bottom line of the budget \$582,350., but rather just a shifting of monies to different agencies.

Rep. Williams noted that Grafton County was one of the few Counties that support social service agencies and he feels that it is money well spent.

C. Swart is the consultant for the Commissioners and reviews each agency then supplies a report to the Commissioners. Rep. Williams recommended that this budget remain as is saying that it was a good budget.

HUMAN RESOURCES ~ Rep. Friedrich

HR Director Mann was unavailable to consult with Rep. Friedrich so Director Clough gave an overview.

Director Mann will be retiring as of July 1st, so there needs to be some changes to the budget. Director Clough said that Mann's payout will come out of this budget so the salary line may increase. She said however that the longevity line will decrease.

There was a question about HR Mann coming back to work after retiring and Director Clough said that the retirement system has dictated she can not come back to work once she is retired.

There was a discussion about hiring and the timing of that and Commissioner Cryans said it could take anywhere from one to three months.

Rep. Aguiar asked about a retired and then rehired person here at the County and Commissioner Cryans said that this is a personnel issue that is being handled through the Board of Commissioners. He said that the retirement system has informed the Board as to how they believe this should be handled and there is a process underway. He noted that he didn't view this as a major tax issue for people but more of an issue for the person going through it.

Rep. Williams asked what the retirement policy is and Commissioner Cryans explained that a person can not come back to work under the same conditions and draw retirement pay at the same time.

Rep. Aguiar asked why this wasn't looked into at the time of retirement and Commissioner Cryans asked why they should have since it seems to be done all around. He said it was easy to look backward and ask why but he is still under the impression that the County did nothing wrong in this matter.

Rep. Ward said that historically you could not retire from one position and then come back with the same position.

Rep. Williams said that he didn't think that the Commissioners did anything that he wouldn't have done in the same situation.

Rep. Gionet asked if perhaps there should be a question about the person's credibility and Commissioner Cryans said not at all.

Director Clough continued on with HR budget saying that one of the HR Clerk positions had been eliminated and that drug testing, which is done for all new employees, is now going to be done in-house which saves money.

There was a lease on a copier and Rep. Friedrich said that it would be helpful to keep continuity throughout the budget by putting leases in the same areas.

COMMISSIONERS' OFFICE ~ Rep. Williams

Director Clough reviewed the Commissioners Office budget saying that it had been reduced 1.46% and that she tried to cut as many items as possible. The travel line for the Commissioners had increased.

Director Clough then reviewed the following budgets as well

- Treasurer
- GCEDC
- NCC
- Wage & Benefits
- TANS
- Bonded Debt
 - Jail Capital Improvement (money will be encumbered from FY 2009)
- Contingency
- Unemployment Insurance
- Other
- Delegation (which has increased)

Rep. Williams asked Director Clough for an overview of the fiscal budget in her opinion. She said that this budget was a lot of hard work for everyone and that she along with the department heads feel that eventually these cuts will catch up with everyone. Her concerns are that in 2011 the long term cap on healthcare will go away, leaving the County with significant increases.

Rep. Ward said that they need to be aware that they will begin to see a decrease in equalized values which could be 20-30%, which will mean a huge increase in taxes.

Director Clough said the projected surplus will be around \$2.9M with pro-share money expected at \$606,895. FMAP money will be about \$432K and that the state is taking about 17%. Director Clough said that no FMAP funds are accounted for in FY10.

There was a discussion about the incentive funds and the take over by the state of those funds.

12:00 PM the committee broke for lunch.

12:27 PM the committee resumed the meeting.

Rep. Williams moved to approve the FY10 Grafton County budget in the amount of \$32,657,053 with the amount to be raised by taxes at \$18,707,142, which was seconded by Rep. Preston.

Discussion:

Director Clough pointed out that the Commissioners had voted to increase the Deeds revenue to \$750K. Rep. Preston asked what prompted the change and Commissioner Cryans said that the Board felt that the number was a little too conservative and that after listening to Rep. Ward talk about the real estate market, they agreed it would be feasible to do so.

Rep. Ward said that he had some motions and asked Chairman Mulholland how they should be handled. Rep. Mulholland said there was currently a motion on the floor and since there would be a change in the Deeds budget, there would need to be an amendment.

Rep. Williams and Rep. Preston withdrew the original motion.

Rep. Williams moved to approve the FY10 Grafton County budget at \$32,535,765 with \$18,657,142 to be raised by taxes, which was seconded by Rep. Preston.

Rep. Laliberte moved to amend the motion and increase the expenses in the Deeds department by \$995 which followed the recommendations made at the time of her presentation of the Deeds budget, which was seconded by Rep. Ford.

Rep. Williams opposed, Reps. Gionet, Laliberte, Mulholland, Preston, Friedrich, Aguiar, Ward and Ford were in favor. Motion passed

Rep. Ward moved to fund longevity at 50% of the current amount, which was seconded by Rep. Aguiar.

Discussion:

Rep. Ford asked if this was contractual amount agreed on by the Union and Director Clough said that it was. Rep. Ward said that this would only be for those who are not Union contracted and who are maxed out. Rep. Laliberte commented that this would not be fair to those who are not under contract saying it could cause protest and should be all or none. Rep. Ward said this was only a budgetary action. Commissioner Cryans said that he is also opposed to this and said that if they wanted to end this practice, it could be done with new hires. He said that this will cause turmoil if this is taken away and noted that not all County employment is high end and that some people live paycheck to paycheck.

Rep. Aguiar asked if this passed, would the Commissioners follow through on the motion and Commissioner Cryans replied that it would be an abdication of the Board of Commissioners authority to do so and said that he felt it was a good program. Rep. Aguiar said that amount of longevity has increased over the years and has become significant. Director Clough said that the Collective Bargaining unit's longevity has increased to \$100 this FY.

Rep. Ford said that she feels it is an important benefit to the continuation of service which, if taken away, could lead to loss of personnel.

Rep Preston said he didn't think this was the time to be reviewing this and that if the Delegation chooses to try to influence this policy, it should be done at another time.

Rep. Williams said to take it away for some and not for others sends a poor message although he does agree that the policy should be reviewed.

Director Clough explained the Union/Employee Council negotiation process. Commissioner Cryans said that on the other hand, the County have negotiated to increase contributions that the employees pay for health benefits in the past and changed the health insurance benefit. He added that the private sector is able to give bonuses.

Rep. Aguiar said that there is a place for longevity which is when an employee is maxed out on the wage scale. He said that what the County is doing is giving out \$100K in Christmas bonuses.

Rep. Laliberte said that what the County is doing by offering this benefit is retaining long term knowledge.

Rep. Ward said that he is looking at this because of the economy and he went on to discuss the tax increase that the taxpayers will be paying.

Rep. Aguiar asked when the delegation can recommend that the County cease longevity and Director Clough replied that the delegation does not set policy so it can be recommended at any time.

Rep. Friedrich asked if the County could just add more steps and Commissioner Cryans said that would be a far more costly venture. Rep. Friedrich said that she is opposed to a two tiered system but not opposed to it beginning with new hires.

Rep. Preston moved to call the question which was seconded by Rep. Ward. All were in favor.

The vote was taken to fund longevity at 50% of the current amount. Reps. Gionet and Ward were in favor. Reps. Laliberte, Williams, Mulholland, Preston, Friedrich, Aguiar and Ford were opposed. Motion does not pass

Rep. Williams commented that this is something that needs to be considered next time.

Rep. Aguiar moved to encourage the Commissioners to cease and desist the practice of longevity. Rep. Preston said this was non germane to the motion on the floor.

Rep. Ward moved to not fund the Cost of Living Adjustment in the budget, which was seconded by Rep. Aguiar.

Discussion:

Rep. Ward said that his community did not fund a COLA and having a COLA and step increases is too much.

Rep. Preston said that he sees this as another decision by the Commissioners and it is not in the control of the delegation. Rep. Mulholland asked if the Union had agreed to this as a negotiation and Director Clough said they did. Rep. Laliberte said just as in the longevity, she would not agree to a two tier system.

Rep. Preston moved to call the question, which was seconded by Rep. Ward. Reps. Gionet, Laliberte, Williams, Mulholland, Preston, Friedrich, Ward and Ford were in favor. Rep. Aguiar opposed.

In the vote to not fund the Cost of Living Adjustment in the budget, Reps. Gionet and Ward were in favor. Reps. Laliberte, Williams, Mulholland, Preston, Friedrich, Aguiar and Ford were opposed. Motion does not pass.

Rep. Ward moved that the Deeds revenue be increased to \$875K, which was seconded by Rep. Ford.

Discussion:

Commissioner Cryans said he would be concerned about that number but if the Register of Deeds agrees than he would defer to him. RD Sharp said it could be done.

Williams moved to call the question which was seconded by Rep. Ford. All were in favor.

In the vote to increase the Deeds department revenue to \$875K, Rep. Mulholland was opposed and Reps. Gionet, Ward, Laliberte, Williams, Preston, Friedrich, Aguiar and Ford were in favor. Motion passes.

Rep. Ward moved to add \$10K each to the revenues of the Sheriff, DoC, Interest, and Div/Misc. category, which was seconded by Rep. Williams.

Discussion:

Rep. Ward said he had reviewed the numbers and said they are already over revenue at this point. Rep. Preston asked where the numbers came from that Rep. Ward was proposing. Commissioner Cryans said that he hadn't heard about the department heads being talked to about increasing these numbers and said he was particularly concerned about the interest saying there was no way to gauge that.

Rep. Williams said that it's only a \$40K increase and doesn't seem like it will make that much difference to add those figures in.

Director Andross said that the revenues have been looked at very closely and have been given as a best projection. He said the department will try to work with whatever number is given but feel that what is there is already a good number.

Supt. Libby said that 50% of his revenue is grant money which has already been cut so he didn't know where that money would come from.

Rep. Preston said that he feels that the \$40K is an arbitrary number.

Rep. Laliberte moved to call the question which was seconded by Rep. Williams. All were in favor.

In the vote to increase revenues \$40K, Rep. Gionet, Aguiar, Williams and Ward were in favor and Reps. Laliberte, Mulholland, Preston, Friedrich and Ford were opposed. Motion does not pass.

Rep. Ward moved to add \$500K of revenue to the Nursing Home from the FMAP funds, which was seconded by Rep. Aguiar.

Discussion:

Commissioner Cryans said that he was a little concerned about doing that as it might be only one time money which would throw things off the following year. Rep. Preston agreed that it shouldn't be done.

Rep. Ward said that the money should be used to offset expenses.

Rep. Williams asked if the FMAP money has to be spent and Director Clough said that it did not and that this money is going away in 2011. There was further discussion about stimulus money.

Commissioner Cryans said that he felt that they had brought forth a good budget. Rep. Ward said that taxes have been raised 70% in the last two years that include the water tank bond and the Jail bond and he said that the tax payers needed a break and to not use the stimulus money to handle expenses is just hoarding cash.

Commissioner Cryans disagreed with Rep. Ward and noted that not a large percentage of County taxes show up on a bill. He said that the Jail had been downsized in response to the taxpayers.

Rep. Williams moved to call the question which was seconded by Rep. Ford. All were in favor.

In the vote to add \$500K of FMAP money to the Nursing Home revenue, Reps. Friedrich, Gionet, Ward and Williams were in favor. Reps. Laliberte, Mulholland, Preston, Aguiar and Ford were opposed. Motion did not pass.

Rep. Ward moved to use \$500K of Pro-share money as revenue in the Nursing Home budget, which was seconded by Rep. Aguiar.

Discussion:

Rep. Ward said that in the past the pro-share monies have not been used as revenue. These monies have been in place for many years and has not been used to reduce expenses.

Rep. Mulholland asked where the past pro-share money went and Director Clough said that it became part of the surplus. Rep. Ward said that it's like not actually counting the money and should be used for the benefit of the taxpayers.

Commissioner Cryans said that he was concerned as to how they would calculate the money. Director Clough said it is used as surplus to offset the taxes which is a benefit to the taxpayers.

Rep. Williams moved to call the question, which was seconded by Rep. Laliberte. All were in favor.

In the vote to add \$500 of pro-share money as revenue in the Nursing Home, Reps. Gionet, Williams, Friedrich, Aguiar and Ward were in favor. Reps. Laliberte, Mulholland, Preston and Ford were opposed. Motion passed.

Rep. Ward moved to use \$2M from surplus to reduce taxes, which was seconded by Rep. Friedrich.

Discussion:

Director Clough said she was extremely uncomfortable with that suggestion because there is no guaranty that money will be there at the end of the year and DRA will want to know why.

Rep. Ward said that there are a large number of encumbrances and that he has an issue with this practice. If there were less encumbrances there would be more money for the budget.

Rep. Williams said he didn't think it should be tinkered with and that the Commissioners are more familiar with those numbers.

Rep. Laliberte said that there should also be money for unanticipated expenses and to leave the surplus alone.

Rep. Friedrich asked where that extra money would come from that Rep. Ward proposed and he replied that it should come from the pro-share and FMAP money.

Director Clough did not think it was prudent to try to budget the FMAP money.

Rep. Williams moved to call the question which was seconded by Rep. Preston. All were in favor.

In the vote to increase the surplus to reduce taxes to \$2M, Rep. Ward, Friedrich and Gionet were in favor. Rep. Laliberte, Williams, Mulholland, Preston, Aguiar and Ford were opposed. Motion did not pass.

Rep. Ward made a motion to not fund the pig barn roof project in the amount of \$140K, which was seconded by Rep. Aguiar.

Discussion:

Commissioner Cryans said that he views this as a continuum of needed repairs. He said that the County looks good and he would like to see this go forward. He noted that once a roof goes, then there are some real problems.

Rep. Gionet said that he had helped to save \$25K by securing sand and eliminating the need for a shed.

Rep. Williams said that the roof is in real bad shape and if not done this year it will have to be done next year.

Rep. Friedrich noted that they ought to consider the taxpayers and postpone the maintenance for a year.

Rep. Preston said he didn't think it made sense to put it off as it will only worsen and then you're asking for bigger problems down the road. Rep. Gionet agreed

Rep. Gionet moved to call the question which was seconded by Rep. Williams. Rep. Aguiar opposed and Reps. Gionet, Laliberte, Williams, Mulholland, Preston, Friedrich, Ward and Ford were in favor.

In the vote to remove \$140K from the capital out budget for the repair of the pig barn, Reps Friedrich, Aguiar, Ward were in favor. Reps. Gionet, Laliberte, Williams, Mulholland, Preston and Ford were opposed. Motion did not pass.

Rep. Ward moved to encumber \$390K from the FY09 budget for the Jail bond and to delete \$390K from the FY10 budget, which was seconded by Rep. Williams.

Discussion:

Rep. Ward said that he didn't think there should be any use of the bond payment money on anything else but a bond payment. There shouldn't be another payment in the budget since they haven't used the first payment. He said that bond money payments should not be spent on something else.

Director Clough said she envisioned using those funds to cover the over-expenditure in legal fees. There will still be a balance left in there.

Commissioner Cryans noted that they have achieved success with the legal situation which is important.

Rep. Ward said that there is money in other funds that could be used and that he didn't understand why they're raising the money twice.

Rep. Laliberte moved to call the question which was seconded by Rep. Ward. All were in favor.

In the vote to encumber \$390K from the Jail bond and to delete \$390K from the budget, Reps. Gionet, Friedrich and Ward were in favor while Reps. Laliberte, Williams, Mulholland, Preston, Aguiar and Ford were opposed. Motion did not pass.

Rep. Ward moved to delete \$350K from the budget which is to be used for architectural and engineering fees which was seconded by Rep. Aguiar

Discussion:

Rep. Ward said that under similar circumstances, the engineering and architectural Fees are paid for out of the bond fees. There is money in the bonds to pay that fee. Interest generated from the bonds will also help to pay those fees.

Director Clough said that right now, the bond funds are unavailable because of the legal issues and that's why that money is there. It also includes money for the redesign.

Rep. Ward said nobody pays for architectural and environmental fees.

Rep. Laliberte said she understood that the money to pay for the geothermal test well drilling would come from this money too.

Rep. Aguiar asked if there was any long term advantage to adding the engineering and architectural to the bond and Rep. Ward said that the reason is to spread out the money over a longer period of time. He said that the fees should be a part of the project and that it is to the advantage of the taxpayer.

There was some further discussion.

Rep. Gionet moved to call the question which was seconded by Rep. Laliberte. All were in favor.

In the vote for removal of \$350K for engineering and architectural fees, Reps. Gionet, Friedrich and Ward were in favor. Reps. Laliberte, Williams, Mulholland, Preston, Aguiar and Ford were opposed. Motion does not pass.

Rep. Ward moved to add \$100K of revenue into the Nursing Home from the increased Medicaid rate and \$200K of revenue into the Nursing Home from Bed Tax money, which was seconded by Rep. Williams.

Discussion:

Rep. Preston said that he reviewed the Nursing Home budget and felt that it was pretty well thought out and he is against second guessing it.

Rep. Laliberte said that she has a problem with increasing the revenue from the Medicaid rate as the increase is only for six months and then there is a possibility of it being decreased.

Rep. Williams moved to call the question which was seconded by Rep. Ward. All were in favor.

In the vote to increase the Nursing Home revenue a total of \$300K, Reps Gionet, Friedrich, Williams, Ward, Mulholland, Ford and Aguiar were in favor. Reps Laliberte and Preston were opposed. Motion passes.

Rep. Williams moved to amend the original budget motion and approve the budget in the amount of \$32,512,093 of which an amount of \$17,775,452 will be will be raised by taxes, which was seconded by Rep. Gionet.
(decrease in overall budget of 1.22% and a decrease of 5.46%)

Rep. Williams moved to pass the budget as amended which was seconded by Rep. Laliberte.

Rep. Aguiar suggested that everyone think about supporting the budget as a whole.

Rep. Ward moved to increase the budget in an amount not to exceed \$15K in order to make a part time IT person, full time as of Jan 1, 2010, which was seconded by Rep. Ford.

Those in favor of calling the questions were Reps. Laliberte, Mulholland, Ward, and Ford. Those opposed were Reps. Preston, Gionet, Aguiar, Williams and Friedrich. Motion to call question does not pass.

Discussion:

Rep. Mulholland asked for discussion as to why members were opposed to calling the question.

Rep. Aguiar said that he did not feel that this was the right time for a full time position to be added.

Rep. Williams agreed saying that the recommendation should have come from the Commissioners, which it was not, plus there is probably money elsewhere in the budget that could be used if needed.

Rep. Ford said she would like to see an additional full time IT person and added that good IT service means less work time lost.

Rep. Ward said that this will allow the lead person to follow his plan while the other person handles other things.

Director Clough said that there is a need there.

Rep. Preston said that he would defer to the Commissioners budget.

Rep. Gionet questioned why the IT Manager didn't mention it when he was here.

Rep. Williams moved to call the question which was seconded by Rep. Ward. All were in favor.

In the vote to add up to \$15K to increase a part time position to a full time person in the IT department, Reps. Laliberte, Gionet, Mulholland, Ward and Ford were in favor. Reps. Aguiar, Friedrich, Williams and Preston were opposed. Motion passed.

After all the amendments were made a final motion was made.

Rep. Williams moved to approve the amended budget which was seconded by Rep. Laliberte. Reps. Laliberte, Gionet, Williams, Friedrich, Aguiar, Ward and Ford were in favor. Rep. Mulholland and Preston were opposed. Budget has passed as amended.

Rep. Aguiar said he would like to suggest other ways of handling pay increases rather than by percentage. Rep. Mulholland said that they will schedule this as a topic for the September meeting.

Rep. Gionet moved to adjourn which was seconded by Rep. Williams. All were in favor.

2:38 Being no further business, the meeting was adjourned.

Respectfully submitted,

Phil Preston, Clerk