

COÖS COUNTY
DELEGATION MEETING &
PUBLIC HEARING on the
2014 PROPOSED BUDGET
Monday, December 9, 2013 - 10:00 a.m.
Coös County Nursing Home - Berlin, NH

Present: Representatives Robert Th  berge-Chair; Larry Rappaport-Vice Chair; Yvonne Thomas-Clerk; Gary Coulombe, Larry Enman, Marcia Hammon (*left at 11:00*), Wayne Moynihan, Herb Richardson and Leon Rideout. Also present: County Commissioners Tom Brady, Paul Grenier and Rick Samson; County Administrator Jennifer Fish; Superintendent Craig Hamelin; Nursing Home Administrator Louise Belanger; Nursing Hospital Administrator Laura Mills; Sheriff Gerald Marcou; Chief Deputy Keith Roberge; Administrative Assistant Linda Harris; Registrar Tanya Batchelder; County Treasurer Fred King; representatives of outside agencies; members of the press and the public.

DELEGATION MEETING

Chairman Th  berge requested all to stand for the Pledge of Allegiance. The meeting was called to order at 10:05 a.m. The roll was called by the clerk, Representative Yvonne Thomas. There were 9 members present. Representative William Hatch was absent.

Review & Approval of Minutes: Chairman Th  berge asked if any changes or corrections needed to be made to the minutes of the October 25 and November 7, 2013 meetings. A motion was made by Representative Richardson, seconded by Representative Rideout to approve the minutes of the October 25 and November 7, 2013 meetings. The minutes were unanimously approved by a voice vote.

Other Business:

County Treasurer Fred King presented Resolution #1 which called for approval from the Delegation to authorize the County Treasurer to borrow in anticipation of 2014 taxes and Resolution #2, which called for authorization for Co  s County to pay 2014 expenses for the first quarter.

Chairman Th  berge read Resolution #1 as follows:

Resolution #1

Be it resolved by the Co  s County Delegation duly convened on this ninth day of December, 2013, that since the monies in the treasury of the County of Co  s are insufficient to meet the demands upon the same and the sum of Ten Million Dollars (\$10,000,000) being the projected amount necessary for the purpose of operating the county for the Fiscal Year 2014, the Co  s County Treasurer is hereby authorized to borrow up to \$10,000,000 upon order of the County Commissioners pursuant to RSA 29:8.

A motion was made by Representative Coulombe, seconded by Representative Rappaport to approve Resolution #1. The resolution passed by roll call vote 9-0.

Chairman Th  berge read Resolution #2 as follows:

Resolution #2

Authorization for Co  s County to Pay 2014 Expenses
(RSA 24:15)

Due to timing differences, the County operates without an approved operating budget during the months of January, February and part of March. Historical figures demonstrate that the January through March expenses will total approximately \$7,945,900.

RSA 24:15 states that no County Commissioner or elected or appointed official shall pay, or agree to pay, or incur any liability for the payment of any sum of money for which the County Convention has made no appropriation.

I move that we, the County Convention authorize the County to spend up to \$7,945,900 for 2014 expenses during the months of January, February, and March in anticipation of the subsequent approval of the 2014 budget. Further that the \$7,945,900 be allocated proportionately to the line items based on the 2013 approved net appropriations to fund like operating and personnel expenses in existence as of 12/31/13.

A motion was made by Representative Rappaport, seconded by Representative Rideout to approve Resolution #2. The resolution passed by roll call vote 9-0.

Commissioner Samson asked to address the Delegation. He explained that he did not vote to approve the budget presented to the Delegation as he had not had ample time to review the changes prior to the meeting. He did not support the budget at this time. Commissioner Brady countered that Commissioner Samson participated in the four hour budget work session. The budget that Commissioner Samson referred to was the revised budget. Chairman Théberge noted that the Commissioners should address the issue at their Commissioners' meeting.

Chairman Théberge closed the Delegation Meeting at 10:15 a.m.

PUBLIC HEARING

Chairman Théberge opened the public hearing at 10:15 a.m. and asked Jennifer Fish, County Administrator, to begin her presentation.

Jennifer Fish, County Administrator welcomed everyone to the public hearing on the county budget being recommended by the three County Commissioners - Tom Brady, Paul Grenier and Rick Samson.

Jennifer explained that the 2014 budget development process began in September. The Commissioners' recommended budget does include a 1.5% cost of living increase for County employees, as well as step increases and longevity.

Jennifer highlighted appropriations affecting the 2014 budget:

- The proposed 2014 budget includes a 1.5% Cost of Living Adjustment (COLA) for County employees. The proposed budget also includes step increases for those employees who have not reached the top step on the County's salary schedule. Increases in longevity and the additional payroll cost of employees reaching eligibility criteria for sick time payments on hours accrued over 720 are also included in the budget.
- The proposed 2014 budget also includes a 53rd week of payroll which occurs every 6 to 7 years. Funds were encumbered from the 2012 Budget for the 53rd payroll so there is an offsetting revenue amount.

- The guaranteed maximum rate increase on health insurance premiums for July 2014 was unknown when the budget was mailed out. Therefore a projected increase of 10% was included in the budget for July thru December. The worst case scenario may be a 20.6% increase. Jennifer was hopeful that the number will decrease as more claims information is received by the County's insurance company.
- Workers' compensation rates will increase 4.2% in January 2014. The Nursing Home Administrators have been working very closely with the Primex³ Risk Managers to provide intensive and mandatory education to employees to implement changes in work methods and awareness in an effort to mitigate losses. Their hard work has paid off as the rate is down from a 17% increase in 2013.
- The projected cost of State Assistance Programs has increased by 4%. State Assistance Programs include Intermediate Nursing Care and Home & Community Based Care for individuals who qualify for nursing home level of care. The State of NH bills each county for its share of all payments made to qualified providers based on a 3-year rolling average of payments. The Coös County budget projection recognizes the \$109 Million Cap for State Fiscal Year 2014 which began in the middle of the County's 2013 budget year.
- The Nursing Home Administrators, Corrections Superintendent and Registry of Deeds had modest requests for additional staff hours that were included in the budget proposals.
- The Commissioners have recommended that the funds for the structural renovation of the Coös County Nursing Home's front entrance for the safety of its residents be encumbered in 2013. After bids are received in early 2014, there may be a recommendation for additional funds to be appropriated for this project.
- Other Special Appropriations: the Commissioners did not appropriate funds for the Elderly Day Care and the Coös Economic Development Corporation (CEDC).
- Both the Recycling Center and Transfer Station budgets are fully funded by their participating towns.

Representative Rappaport asked why the Commissioners did not fund the Coös Economic Development Corporation (CEDC) request. Commissioner Brady replied that no one attended the budget work session and quarterly reports were not made to the Commissioners or the Delegation.

Chris Diego, CEDC President, did not recall the request of the quarterly report requirement. The CEDC has acted as a conduit for the county in handling economic development funds. Chairman Théberge asked how the funds were spent in 2013. Mr. Diego replied that the \$50,000 was distributed as follows: \$10,000 for the development of the Coös County website, \$15,000 was provided to Ride-the-Wilds and an additional \$5,000 for signs for Ride-the-Wilds. CEDC still has \$20,000 left and informal requests will be considered at the CEDC meeting on December 12. Mr. Diego also reported that CEDC is in the process of searching for an executive director. Representative Richardson asked how the funds would be spent in 2014. Mr. Diego replied on economic development. Representative Richardson stated that he does not see much economic development underway in the Lancaster and Groveton areas. Several country stores have gone out of business throughout the County over the last year. At this time, Representative Moynihan asked for point of order and asked that the County Administrator finish her

presentation. Representative Rappaport asked if Mr. Diego had received a written request asking for a quarterly report. Mr. Diego did not recall. Representative Rideout also asked if the Delegation could obtain copies of the quarterly report as it would show how the funds are expended during the year and there would be no questions at the end of the year. Chairman Th  berge took some of the blame as he forgot about the reports and should have followed up to make sure they were filed. Commissioner Grenier stated that the Board was not against funding the CEDC but the Board asked to be kept informed.

Jennifer highlighted revenues affecting the 2014 budget:

- The projected 2014 County Tax figure was \$14,601,140 which was an increase of 1.1% over the 2013 County Tax.

Year	County Tax Amount	Percentage Change	
2010	\$11,619,625		
2011	\$13,199,675	13.6%	Increase
2012	\$14,123,935	8.8%	Increase
2013	\$14,438,133	2.2%	Increase
2014	\$14,601,140	1.1%	Increase

- The projected 2014 surplus to reduce taxes was level funded at \$3,024,222. The fund balance was the result of:
 - receiving an unexpected additional \$1,645,000 in Medicaid Proportionate Share Payments (ProShare); and
 - savings in the expense budgets of the nursing homes, Sheriff’s Department, Department of Corrections, and interest on tax anticipation notes;

Overall observations of the 2014 proposed budget:

The **total proposed 2014 appropriation budget** (without the unincorporated places) was \$32,538,833 compared to the 2013 approved budget of \$32,115,780; an increase of \$423,053 or 1.3%.

The Unincorporated Places Budget contains separate line items for each of the County’s 23 Unincorporated Places. The total Unincorporated Places budget for 2014 was \$2,252,655 compared to the 2013 approved budget of \$1,147,011. The \$1,105,644 increase in the budget was due to the assessment values of the wind turbines in Millsfield and Dixville.

- The request from NH DRED Division of Forests and Lands was level funded at \$70,000.
- The Unincorporated Places budget included an increase in legal services for the ongoing litigation in Millsfield and Dixville. The Millsfield and Dixville budgets also included appropriations for the Wind Park Appraisal to be performed by George E. Sansoucy, P.E., LLC.
- The Unincorporated Places budget included an appropriation of \$90,000 for the rip rap project to protect the Magalloway River bank adjacent to Chapel Hill Road in Wentworth Location.

Commissioner Grenier noted that the increase of the 2014 budget over the 2013 budget related to the 53rd payroll.

Jennifer began the review of the 2014 proposed budget. She explained that she would be following the budget book by department and welcomed questions through the process.

Representative Rideout asked for an average percentage increase of wages affecting the county budget (including step increases and longevity). He asked if it could be provided prior to the end of the budget process.

While reviewing the Berlin Nursing Home Specials, Chairman Théberge asked about the status of the front entrance project. Louise Belanger, NHA, reported that the architect has been to the Nursing Home to look at the front entrance and the parking lot. The specs are ready and requests for bids will be mailed shortly. The bids will be due in time for the Commissioners' February meeting.

Chairman Théberge noted that the Nursing Home had requested the purchase of a new car. Louise replied that the nursing home had requested an MV1 which has a ramp to wheel in residents. Commissioner Brady stated that the Commissioners did not approve the funding for the car as the price of \$42,000 was expensive. The Board advised that the Nursing Home use the van for trips with wheelchairs.

Representative Richardson asked if the expansion of the parking lot was addressed in the front entrance project. Louise reported that the project will only add four spaces. Several Delegation members noted that the parking lot needed expansion. Commissioner Brady stated that the Board would research the issue further and report to the Delegation prior to the March meeting.

Chairman Théberge inquired on the status of the Wi-Fi in the Nursing Homes. Both Nursing Home Administrators replied that the facilities were awaiting parts. Commissioner Brady stated that the setup would be done right away.

While reviewing the County Attorney's appropriations, Commissioner Grenier explained that the County Attorney's request for a new position was in anticipation that the State may require such a position. The Board denied the request as it is not yet a requirement by the State. Representative Rideout stated that Lancaster is also looking at alternatives for this type of position. He suggested that it could be a shared effort. Representative Moynihan stated that the County Attorney's office is a well-tuned machine and an increase in salaries may need to be discussed in the future. Commissioner Grenier stated that the County Attorney's job was masterful during the explosion trial. The Delegation agreed.

Representative Richardson stated that he would be amending the Sheriff's budget without the Sheriff's support. The Deputy Sheriffs who work court security get \$40 for half a day and \$80 for a full day which amounts to \$10 per hour. His proposal will be to \$12.50 per hour. Sheriff Marcou stated that after mileage is paid the deputy sheriffs are paid close to \$115 per day. His opinion was not to present the proposal. Representative Coulombe asked when the last time a raise was received. Sheriff Marcou could not remember.

Representative Richardson asked what consisted of building repairs in the land management budget. Jennifer replied that it was building repairs to the barn. He noted that he was not in favor of spending money on barn repairs. Representative Rideout noted that recommendations will be made in June or

July by the subcommittee. Commissioner Samson reported on the repairs to the barn sills done by the Outside Corporal and some of the inmates. He also noted that according to the RSAs it is the Commissioners responsibility to maintain and upkeep all facilities.

Julie Larabee of the Coös County Conservation District introduced herself to the members of the Delegation and to the Board of Commissioners.

The Delegation expense was reduced based on the fact that the laptop program was completed. Representative Rideout thanked the Commissioners for the reduction in the line item; however he asked the Delegation to consider reducing the line item further.

While reviewing Other Special Appropriations, Chairman Théberge asked about the funding to the Tri-County CAP Elderly Programs. Commissioner Brady explained that last year the County provided \$10,000 for the Elderly Day Care Center in Whitefield. The County was never notified that the center closed in May and the funds were drawn. Michael Coughlin, the new TriCAP CEO, said he has only been on the job for seven weeks. The current trend shows that the need for these services is shrinking. Chairman Théberge asked where the funds were spent. Deputy Director Peter Higbee said that he would look into the matter. Commissioner Brady stated that at the November 20 meeting the Board was informed that clients from the Whitefield area could go to the Berlin center; however he was informed recently that the Berlin center will be closing. He asked if there were any plans to cut other programs. Mr. Coughlin replied that he could not make any promises but did not anticipate further cuts. Mr. Coughlin asked that the funding be restored. Commissioner Brady asked that Mr. Coughlin meet with the Commissioners to work on a recommendation. Representative Moynihan asked that updated financials be provided to the Delegation and Commissioners. Commissioner Grenier stated that he was thrilled with the CAP organization moving forward. Chairman Théberge agreed.

In regards to the CEDC funding discussed at the beginning of the meeting, Representative Moynihan agreed with the Commissioners. He requested a report on how the CEDC spent the \$35,000 in 2013. He also asked if the minutes were available on a website. Representative Rappaport replied that the minutes are available on the CEDC website.

Representative Richardson inquired about the Child Advocacy Program as this was a new request. Donna Cummings explained that they center works to minimize the effects of child sexual abuse and 80 children were served last year. The center is in the process of hiring a new executive director. Much of the funding comes from a federal grant but the program also received donations from eight towns, grants and some fundraising.

While reviewing revenues, Representative Moynihan asked why the proshare revenue was projected at half of the 2013 figure. Jennifer explained that it is difficult to estimate the figure. The budgeted figure is conservative. The 2012 and 2013 payments were unusually high payments. Chairman Théberge asked for a report showing the last five years.

Unincorporated Places:

Commissioner Grenier stated that the Wentworth Location budget included a \$90,000 appropriation for the capital improvement project of Chapel Hill Road.

Jennifer reported that the actual timber revenue for 2013 was \$275,139.

The George E. Sansoucy contract will be split between Dixville and Millsfield.

Representative Moynihan asked if any funds had been spent from the Utility Valuation Defense Fund. Commissioner Grenier replied that \$20,000 was provided to the Town of Gorham to assist with the lawsuits challenging the town's valuation of utility property. Commissioner Grenier added that he will ask to encumber the balance.

The Commissioners commended the County Administrator on doing an excellent job in preparing the budget.

Mr. Everett Frizzell stated that he appreciated the work that is done on the County's budget; however he stated that Stark's tax rate has gone from \$66,500 in 1993 to \$282,500 in 2013. He asked that the budget be kept as low as possible.

The budget hearing was closed at 1:40 p.m.

Legal Opinion from Attorney Sandra Cabrera, Waystack Frizzell:

Chairman Théberge stated that the legal opinion requested by the Delegation from Waystack Frizzell was received Monday morning. Chairman Théberge read "...the County cannot independently use public funds in this way, but it could, perhaps, use public funds for this purpose if the State and DES authorizes such work..." Representative Richardson stated that the Delegation is acting as a Budget Committee in the matter and the Commissioners are the Selectmen. County funds are not being used for the project; Wentworth Location funds are being used. The people from Wentworth Location are being impacted not all of Coös County.

Commissioner Brady read from the letter "...the County cannot independently use public funds in this way, but it could, perhaps, use public funds for this purpose if the State and DES authorizes such work and assists the County, under the theory of the public trust doctrine." He continued that once DES authorizes and issues the permits it authorizes the work.

Representative Moynihan stated that he had briefly reviewed the document. His initial read was that the County cannot use public funds in this way but it could perhaps use public funds for this purpose if DES authorizes such work. County Treasurer King stated that a vote was taken at a town meeting. The individual who was awarded the bid needs to obtain the necessary State permits. If he cannot obtain the permits, the project stops. Chairman Théberge agreed that if the DES permits are not issued the project will not be done. Ray Cyr, Wentworth Location property owner, stated that the DES has been to Chapel Hill Road. The permitting process is the key. Several options have been looked at and the rip rap project made the most sense. Representative Rappaport agreed with the project but did not agree with using County funds. He questioned if the project could be partnered with the State. County Treasurer King replied that the funds are not County funds but Wentworth Location funds. Chairman Théberge stated that the vote from the December 4 meeting stands. Representative Rappaport asked that the Delegation revote on the issue. Representative Moynihan asked for a copy of the motion that was read and voted upon at the December 4 meeting. Representative Rideout stated that he made the motion which stated to move ahead with the project contingent on the legal opinion. Commissioner Grenier stated that the Delegation could not take action on the legal opinion as it was not an agenda item. Representative Moynihan stated that the motion from the December 4 meeting was passed contingent of the legal opinion. He was not sure if the opinion allowed for the expenditure of the appropriation. He did not think that the County/Wentworth Location had the legal right to move forward.

Representative Rideout stated that it was not the legal opinion he was hoping for. It does not give a clear decision. He suggested that the legal opinion be returned to the attorney asking for a clear yes or no answer. Commissioner Grenier agreed.

Commissioner Brady asked if the Delegation would agree with the Commissioners voting to contact the attorney for further clarification.

Chairman Théberge asked that the Commissioners obtain further clarification.

The meeting adjourned at 2:20 p.m.

Respectfully submitted,

Representative Yvonne Thomas