

COÖS COUNTY
DELEGATION MEETING &
PUBLIC HEARING on the
2013 PROPOSED BUDGET

Saturday, December 15, 2012 - 9:00 a.m.
Coös County Nursing Hospital - W. Stewartstown, NH

Present: Representatives Robert Théberge-Chair; Larry Rappaport-Vice Chair; Yvonne Thomas-Clerk; Larry Enman, Marcia Hammond (*arrived at 9:55*), William Hatch, Wayne Moynihan, Herb Richardson and Leon Rideout. Also present: County Commissioners “Bing” Judd, Paul Grenier and Tom Brady; County Administrator Suzanne Collins; 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 Carole Lamirande; Registrar-Elect Tanya Batchelder; County Treasurer Fred King; County Attorney John McCormick; Commissioner-Elect Rick Samson, representatives of outside agencies; members of the press and the public.

DELEGATION MEETING

Chairman Théberge requested all to stand for the Pledge of Allegiance and requested a moment of silence to reflect on the school shooting in Newtown, CT. Chairman Théberge introduced the new members of the Delegation and called the meeting to order at 9:12 a.m. The roll was called by the clerk, Representative Yvonne Thomas. There were 8 members present. Representatives Gary Coulombe and Marcia Hammon were not in attendance.

Review & Approval of Minutes: Chairman Théberge asked if any changes or corrections needed to be made to the minutes of the November 2, 2012 meeting. A motion was made by Representative Richardson, seconded by Representative Rappaport to approve the minutes of the November 2, 2012 meeting. The minutes were unanimously approved by a voice vote.

Other Business:

Chairman Théberge requested that someone from County Administration be present at all future Delegation meetings. There were questions brought forth at the Organizational Meeting and there was no one from Administration to answer them. Commissioner Grenier inquired if that request included travel to Concord when the Delegation meets as a group. Chairman Théberge noted that if County business is involved the meetings will not be held in Concord. Commissioner Grenier agreed that someone from County Administration will be present at future meetings.

Chairman Théberge also reminded the Delegates that there is mileage reimbursement allowed when attending Delegation meetings. Chairman Théberge added that an RSA binder, new contacts sheet and County letterhead will be forthcoming.

Chairman Théberge inquired from Representative Hatch as to the status of the final report of the audit. Representative Hatch replied that as far as he could recollect the final report was given. There were concerns and objections from the Commissioners. If there were corrections to be made, the whole report would not be reprinted; only the areas of concern would have been updated. Representative Hatch continued that the purpose of the audit was to look at areas of concern and he felt that these areas were brought to conclusion.

Sue Collins replied that after the audit was issued the County Commissioners responded with a 37-page report. There were assumptions in the report that were incorrect. The CD with the corrected data was never issued. Representative Hatch replied that he would contact the firm on Monday. Sue also added

that the financial part of the audit was not in agreement between the County's audit firm and Melanson Heath. Representative Hatch stated that he would contact Chairman Th  berge with a response. Representative Moynihan asked if it would be possible to obtain a copy of the audit. Representative Hatch offered his copy as the report is quite lengthy. Sue stated that a copy of the 37-page response could be provided to all members of the Delegation.

At this time, Commissioner Brady requested from the Chair that all future questions be directed to the new County Administrator Jennifer Fish.

Jennifer Fish presented Resolution #1 on behalf of the County Treasurer, which called for approval from the Delegation to authorize the County Treasurer to borrow in anticipation of 2013 taxes. County Treasurer Fred King was present and reported that the County operates without taxes until December 17 of each year. The purpose of borrowing is to keep County operations going. The projected surplus is used to offset a portion of the County tax. The resolution read as follows:

Resolution #1

Be it resolved by the Co  s County Delegation duly convened on this fifteenth day of December, 2012, 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 2013, 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 Richardson, seconded by Representative Hatch to approve Resolution #1. The resolution passed by roll call vote 8-0.

Ms. Fish presented Resolution #2, which called for authorization for Co  s County to pay 2013 expenses for the first quarter. The resolution read as follows:

Resolution #2

Authorization for Co  s County to Pay 2013 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 2013 expenses during the months of January, February, and March in anticipation of the subsequent approval of the 2013 budget. Further that the \$7,945,900 be allocated proportionately to the line items based on the 2012 approved net appropriations to fund like operating and personnel expenses in existence as of 12/31/12.

A motion was made by Representative Richardson, seconded by Representative Rappaport to approve Resolution #2. The resolution passed by roll call vote 8-0.

A motion was made by Representative Hatch, seconded by Representative Rappaport to close the Delegation meeting. The motion was approved unanimously by voice vote at 9:47 a.m.

PUBLIC HEARING

Chairman Th  berge opened the public hearing at 9:47 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 - Bing Judd, Paul Grenier and Tom Brady.

Jennifer welcomed newly elected State Representatives to the Co  s County Delegation: from District 1- The Honorable Larry Enman; from District 2 - the Honorable Wayne Moynihan; from District 5 - the Honorable Marcia Hammon; and from District 7 - The Honorable Leon Rideout and three new elected officials Registrar of Deeds Tanya Batchelder; County Attorney John McCormick and County Commissioner Rick Samson. Jennifer also congratulated the returning elected officials and state representatives on winning their respective elections.

Also thanked were Representatives Daugherty, Merrick, Remick, Tholl and Tremblay for many combined years of service at both county and state levels; and Commissioner Bing Judd, Registrar Carole Lamirande and County Administrator Suzanne Collins for their many years of dedication and service to Co  s County.

Ms. Fish explained that the meeting was in accordance with state law, RSA 24:23 that states “not earlier than 10 nor later than 20 days after the mailing of the commissioners’ budget statement, there shall be held within the county at such time and place as the chairperson of the county convention may specify a public hearing on the budget estimates as submitted by the commissioners.”

Jennifer explained the 2013 budget development process began in September. The Commissioners’ recommended budget did not yet include any cost of living increase for County employees but did include step increases and longevity.

She explained that the State Constitution requires certain county operations. These include the County Treasurer, the County Attorney, the Register of Deeds, the County Sheriff and Medical Referees. There are other financial responsibilities that fall to the counties as a result of state law. They include:

- Commissioners;
- County Delegation;
- Department of Corrections;
- State Assistance Programs where basically the county functions as tax collector for the State of NH. Current state law requires counties to fund 100% of the **non-federal share of the** cost of all services to any citizens who qualify for nursing home level of care and Medicaid regardless of where they live – be it in a county nursing home, a private nursing home anywhere in New Hampshire, a skilled nursing facility, a residential care or assisted living facility or even in their own homes. The two key elements to being approved by the State for Medicaid services are **qualifying for nursing home level of care** and meeting the state’s **Medicaid financial guidelines**. The two programs included in the State-County relationship are Home & Community Based Care and Intermediate Nursing Care.
- Unincorporated Places which are entirely funded locally and not by the county tax.

Traditional and Community Programs are financial responsibilities that fall to the county as a matter of choice. They include:

- The County Nursing Homes;
- Victim/Witness Program that operates out of the County Attorney's Office;
- UNH Cooperative Extension;
- Coös County Conservation District;
- Other Special Appropriations for Senior Meals, RSVP, Response Program, Alzheimer's Partnership, Elderly Day Care Programs, North Country Transit and Medical Transportation, and Economic Development;
- The Recycling Center; and the Transfer Station are included in the budget but do not have any financial impact on the county tax; they are operated both directly for several area municipalities that separately and individually cover all the associated costs.

Jennifer explained a pie chart that showed the breakdown of the projected county taxes for 2013. In order to allocate the \$14,318,133 county tax, Jennifer took the 2013 proposed appropriations for each county function, deducted any offsetting revenue for each program and deducted the share of the \$2,680,000 projected surplus that each program is expected to generate this year. The results were as follows:

- \$10,774,760 or 75% of the 2013 projected county tax is for elderly programs - the amount the county sends to the State and the Medicaid deficits in nursing homes;
- Approximately \$2,104,550 or 15% is raised for the Department of Corrections;
- \$879,093 is needed for all the constitutional functions which is 6% of the county tax; and
- The balance of \$559,730 or 4% funds the County Commissioners' Office, County Finance, Delegation Expense, Victim-Witness, Extension, Coös County Conservation District, Debt Service, the Outside Social Service Agencies and Economic Development.

Last year the projected a surplus was \$1,740,000; the final surplus was actually \$2,340,000. Jennifer did not anticipate that large a gap this year but remained fairly certain that a gap will exist between the estimated amount and the actual unencumbered fund balance after closing the 2012 fiscal year.

As previously mentioned, the budget being presented did not include any Cost of Living increase for county employees. The Commissioners will continue to evaluate any recommendation for a raise until the actual surplus has been determined and until the cost of the health insurance benefit is clearer. The budget does include step increases for county employees who have not reached the top step on the 10-Step salary schedule. Jennifer added that both Nursing Home Administrators had modest requests for additional staff hours that were not included in the budget proposals. The Commissioners informed them that requests for additional hours will be addressed in February after the year-end fund balance has been finalized.

The County has two Collective Bargaining Agreements that expire on December 31 one with a union at the Nursing Home in Berlin and another with a union at the Department of Corrections. Negotiations are on-going.

Jennifer highlighted several benefit costs that will increase during the 2013 budget cycle:

- The NH Retirement System (NHRS) announced that employer contribution rates will increase for Group II employees (Corrections and Sheriff) effective July 2013. The employer share on wages for covered employees will increase from 19.95% to 25.30%. Coös County does not pay 6.2% FICA on wages of Group II employees. The total employer share of wages for NHRS and Medicare (1.45%) will be 26.75%.

- The NH Retirement System announced that employer contribution rates will increase for Group I employees in all other county operations effective July 2013. The employer share on wages for covered employees will increase from 8.80% to 10.77%. Coös County pays the 6.2% FICA on these wages. The total employer share for NHRS, FICA and Medicare is 18.42%
- In relation to health insurance, the County has received notification that the “Not to Exceed Rate” increase for July 1, 2013 is 7.3%. As in previous years, plan design and co-pays will be revisited; not only with the current provider but with the competition.
- Workers’ compensation rates will increase 17% in January 2013. In calculating the 5-year loss experience, calendar year 2010 (a high claims year) was added to the 5-year rolling average calculation resulting in a premium increase.
- The Commissioners included funds for the purchase of laptops or iPads for the Delegation members and Commissioners. Public officials’ personal information on a computer used for business is subject to public disclosure. It has been recommended by legal experts that public officials have a computer issued by the municipality that is used for business only.

The proposed 2013 County budget totals \$31,495,908; the 2012 approved budget was \$31,604,235 a decrease of \$108,327. All of the decrease is due to reductions in the federal grant component of the budget where one grant with appropriations in 2012 does not recur in 2013.

Jennifer explained that the numbers presented at the public hearing relate to people.

- The elderly population in nursing homes and those receiving care in their own homes.
- Public safety for the County’s law abiding citizens. Criminal justice programs include the County Attorney, the Victim/Witness Program, the County Sheriff and the Department of Corrections and the Recycling Center that serves as a worksite for inmates.
- Services rendered to citizens by the Registry of Deeds, UNH Cooperative Extension, and the Conservation District.
- The people in need of services from the many outside agencies that the county funds, especially the Tri-County Community Action Programs;
- County employees, most of whom give a hard day’s work for their paycheck, and in today’s economy also appreciate the good jobs that the County provides; and
- The property taxpayer.

Jennifer concluded that the proposed budget also covers 23 Unincorporated Places in which Coös County serves as the local government. The County has presented a budget for the Unincorporated Places since the 1980’s. There are only two cost centers in the Unincorporated Places budget that are shared by all the unincorporated places with taxable property - General Government and Planning and Zoning. Distributions are based on the Department of Revenue Administration Equalized Survey published annually.

Representative Moynihan inquired as to the location of the funds in the budget pertaining to the payment in lieu of tax for the wind turbines in Dixville and Millsfield. Commissioner Brady explained that each unincorporated place has its own budget and the funds are located in their budget revenue. Funds that exceed expenses go to that unincorporated place’s fund balance.

Chairman Th  berge acknowledged Representative Hammon who arrived at 9:55 a.m.

Jennifer began the review of the 2013 proposed budget. She explained that she would be following the budget book by department and welcomed questions through the process.

While reviewing the W. Stewartstown Nursing Hospital Specials, Representative Richardson noted that the funds for the air conditioning were not spent in 2012 but were requested again in 2013. Laura Mills explained that part of the funds originally appropriated for the air conditioning was used for the purchase of the car. Funds have been requested again this year in order to proceed with the project.

While reviewing the Berlin Nursing Home Specials, Representative Richardson also inquired about the purchase of air conditioning units. Louise Belanger replied that the unit located in the dietary department is the original unit and needs to be replaced. In regards to the appropriation request for the front entrance, Commissioner Judd explained that the part of the wall of the front entrance is unsafe. Included in the proposal is a covered entrance and a better handicap accessibility.

There was a short discussion on reducing the quantity of the county reports printed. Commissioner Brady replied that the Board had the same discussion at a prior meeting.

County Attorney John McCormick requested the contract services line item be increased to \$50,000 due to the expert witness that will be needed for an upcoming trial. Chairman Th  berge noted that a formal request should be submitted to the Commissioners. He asked if the amount requested will be enough. Attorney McCormick replied that he did not know as he has never done a case of this type before. Mr. McCormick has not confirmed with the expert witness as he wanted to be sure that the funds were appropriated. There is a \$1,250 retainer with a deadline of 12/31/12. Commissioner Grenier stated that the County needs to support the County Attorney in this matter. The Board and Delegation were not opposed to the increase of the line item.

Chairman Th  berge asked about the status of hiring an assistant county attorney. Mr. McCormick replied that he will be setting up interviews and hopes to hire someone by February.

After a short break, Mr. Chuck Henderson, on behalf of Senator Jeanne Shaheen, presented a letter of commendation honoring Commissioner Bing Judd.

Commissioner-Elect Rick Samson recognized Carole Lamirande for her years of service to Co  s County.

While reviewing the Department of Corrections appropriations, Commissioner Grenier noted to the Delegation that the Prisoners: Other institutions had increased significantly because of female inmates. The County has no control over this increase.

There was a brief discussion about the condition of the barn. Representative Richardson reported that he had been informed that there was a hole in the barn roof. The Commissioners were not aware of this and would have it verified on Monday. Representative Richardson also added that the barn needed painting. He continued that if the building cannot be maintained it should be torn down. Commissioner Grenier stated that the lease of the buildings is for one year and will be discussed again at that point.

Representative Rideout stated that the Town of Lancaster had refinanced its loans at a lower rate and asked if the County had considered refinancing its long-term debt. Jennifer responded that she would look into refinancing its loan on the new addition to the Co  s County Nursing Hospital.

Edith Tucker, *Co  s County Democrat*, asked who will be responsible for the maintenance of the laptops if purchased for the Commissioners and Delegation. Commissioner Grenier replied that the IT Department

will provide training. Representative Richardson noted that his personal opinion was that this was an unnecessary added expense to Coös County taxpayers.

Representative Richardson inquired about the breakdown of the economic development line item. Commissioner Grenier replied that the amount was a placeholder only. Further discussion will continue once the incoming commissioner is on the Board.

Representative Richardson also asked if the Commissioners would consider expanding the food pantry items obtained from the Grafton County Department of Corrections. Commissioner Brady responded that this could be done.

While reviewing revenues, it was noted that the Registry of Deeds revenue would exceed the 2012 figures. Representative Rideout noted that the amount to lease the barn should be increased to cover the taxes and any additional expenses. Sue Collins explained that the directive came from the former Delegation to lease the barn and the amount should cover building property taxes.

The Unincorporated Places budget was briefly discussed. Jennifer noted that there was an increase in contracted services to include timber tax assessments and Sue Collins' services to assist Jennifer in the Unincorporated Places as needed. Edith Tucker asked about the logistics of the contracts. Commissioner Grenier stated that the figure was a placeholder. Further discussions will occur with the new commissioner in January.

Representative Rappaport inquired about the location of the decommissioning fund of the wind turbines. Sue explained that it will be placed in a trust. It is not part of the budget. It will be part of the balance sheet and shown in the County Report.

Representative Richardson added that in 2012 funds were used to purchase emergency equipment for areas serving the Unincorporated Places. He hoped that would continue.

Representative Moynihan asked about the economic impact study appropriation. Commissioner Grenier explained that the purpose for this study was to see the economic impact of federal land ownership in Coös County. A vendor has not been selected.

Jennifer concluded that increase of the presented budget was 1.37%. Commissioner Grenier stated that this was only a preliminary figure.

The Commissioners congratulated Jennifer on her first budget presentation. Chairman Théberge agreed that she had done a great job.

The public hearing concluded at 12:35 p.m.

Respectfully submitted,

Representative Yvonne Thomas, Clerk