

PUBLIC HEARING on the
COÖS COUNTY
2012 PROPOSED BUDGET
Friday, March 2, 2012 - 10:00 a.m.
North Country Resource Center - Lancaster, NH

Present: Representatives John Tholl-Chair; Herb Richardson-Vice Chair; Yvonne Thomas-Clerk; Gary Coulombe, Duffy Daugherty, Evalyn Merrick, Larry Rappaport, Bill Remick, Robert Théberge and Marc Tremblay. Also present: County Commissioners Bing Judd and Tom Brady; County Administrator Suzanne Collins; Director of Finance 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; Deputy Registrar Sally Pelletier; County Treasurer Fred King; County Attorney Robert Mekeel; Victim Witness Advocate Jessica Riendeau; Larry Barker, Cooperative Extension; members of the press and of the public.

The public hearing on the 2012 proposed budget began at 10:15 a.m. after the Pledge of Allegiance.

Chairman Tholl stated that the reason for the public hearing was that several Delegation members asked to discuss the changes to the budget prior to the annual meeting.

Representative Richardson stated that he will be submitting legislation requesting amending the date for the required public hearing on the county budget from December 10 to no later than February 22. This would provide the Delegation with the year-end figures and current budget requests. Chairman Tholl added that a bill currently introduced has a date of September 1 for presentation of the county budget. Commissioner Judd agreed with Representative Richardson that February would be better than December.

County Administrator Sue Collins welcomed members of the Delegation, the public and the press to second public hearing. The Delegation received a revised budget document that contains the detailed line item budget with revisions. This document shows the actual 2010 and 2011 annual revenues and expenses. State statutes require the Commissioners to have a budget in the hands of the towns, city, delegation and secretary of state by December 1. The amounts in many line items are based on estimates and after the end of the calendar year, departments know the actual amounts that will be needed in some line items and that is the basis for some of the revisions that the Commissioners make annually between the Public Hearing and the Annual Meeting.

Sue continued that another major item that is not resolved prior to December 1 each year is collective bargaining with the County's two unions:

- The SEA represents most positions at the Department of Corrections; and
- AFSCME represents most positions at the Nursing Home in Berlin.
- Both are annual collective bargaining agreements that expired on December 31, 2011.

During the last two weeks, contract talks have concluded with both AFSCME and the SEA. The SEA, AFSCME and the Board of Commissioners still have to vote to ratify the contracts. The SEA unit will vote on March 6 and AFSCME will vote on March 8. The Commissioners will vote on March 10 prior to the Annual meeting. Neither negotiated contract contains a cost of living increase for employees so there will be no unanticipated funding requests presented to the Delegation on March 10 to raise and appropriate funds for cost items. The Commissioners took a firm stand this year against granting raises due to the depressed economy of Coös County.

Sue moved on to the revisions made to the appropriations budget since the public hearing in December:

Nursing Hospital Operating Budget:

Workers' Compensation and Unemployment Adjustments based on actual bill.	\$2,300
Health Insurance adjustments based on employees' selection of single, 2-person or family plans.	\$32,800
Administration - Adjustment for Communications based on service costs in 2011.	\$500
Dietary - An employee left who would have been entitled to a longevity bonus.	(\$400)
Plant - Building Repairs - Soundproofing the Family Room Ceiling. The activities department regularly schedules musical entertainment for the residents and the musicians have consistently asked that we address the acoustical problem.	\$6,000
Housekeeping - Funds for 3 dehumidifiers for the basement in areas that get humid and wet during the spring and summer.	\$500
Activities - The activities director recently earned her advanced certification in the specialized area of activities in long term care and her Activities Director classification on the salary schedule has changed.	\$3,600
Activities - Special Care Unit Activity Aide. The Nursing Hospital's dedicated locked unit for residents with dementia provides a unique service. Occupancy in this unit runs higher than occupancy in the rest of the facility with 16 of its 19 beds occupied. There is a need for more staff time in this unit and the Board recommended a new 24 hour per week position and will need funding for 39 weeks at \$10.06 per hour.	\$9,400
Activities - Social Security and NH Retirement for the activities director reclassification and the unit aide.	<u>\$1,300</u>
Total Nursing Hospital Adjustments - Increase over budget presented in December.	\$56,000

Speaking on behalf of the Special Care Unit Activity Aide position, Laura Mills explained that state regulations recommend 12 hours per day of Activities coverage in the special care unit and this position will help with the requirement.

Nursing Home Operating Budget:

Workers' Compensation and Unemployment Adjustments based on actual bill.	(\$800)
Health Insurance adjustments based on employees' selection of single, 2-person or family plans.	\$7,700
Dietary - When the budget was prepared it was anticipated that the County would be hiring an assistant dietary director from outside at step 1. An experienced dietary employee was promoted and her step placement resulted in an increase.	\$1,500
Dietary - Social Security on above	\$100
Nursing - Two of the nursing homes registered nurses hold 32 hour clinical coordinator positions. They have regularly had to work more than 35 hours weekly which triggers the necessity to enroll them in the NH Retirement System. The Commissioners recommended increasing these two positions to 36 hour salaried positions. This is the cost of the additional 4 hours for each nurse for 39 weeks.	\$8,700
Nursing - NH Retirement on above.	\$9,200
Nursing - Accrued time for an LNA who is retiring before the end of the year.	\$24,000
Nursing - Social Security on above.	\$2,500
Plant Operations - Outside Services - Life Safety requirement to upgrade the fire suppression system glycol loop on the back patio with a glycerin loop. Additionally, the fire suppression system is due for a 5-year inspection.	\$2,500
Plant Operations - The nursing home received a grant to purchase air conditioners - this expense is offset by a revenue revision.	\$1,000
Activities - An employee is currently out of work on an extended medical leave; funding is requested for some replacement hours.	\$11,700
Social Security on the above hours.	<u>\$900</u>
Total Nursing Home Adjustments - Increase over budget presented in December.	\$69,000

Representative Richardson asked if any changes were made regarding the accrual of time. Sue replied that the Commissioners have changed the accrual of sick time from 720 hours to 480 hours for new employees hired January 1, 2012 and after.

Representative Remick distributed a copy of the US News & World Report rating showing the best nursing homes in New Hampshire. Coös County Nursing Home was ranked 4th and Coös County Nursing Hospital was ranked 10th in the five-star ratings. Commissioner Brady also added that Coös County had the only county-owned nursing homes in the top 10. When asked how many nursing homes there are in New Hampshire, Sue replied approximately 78.

Jennifer Fish distributed a map from the Eljay, LLC annual report on U.S. Medicaid funding that shows New Hampshire is the second lowest in Medicaid funding in the country.

County Administration:

Workers' Compensation and Unemployment Adjustments based on actual bill.	\$100
Legal Services was cut as the legal issues of the past two years have been resolved.	<u>(\$2,000)</u>
Total County Administration Adjustments - Decrease from budget presented in December.	(\$1,900)

County Finance:

Workers' Compensation and Unemployment Adjustments based on actual bill.	\$75
Education and Conferences was increased by \$700 to provide funding for the Director of Finance to take a Masters' level course in Nursing Home Administration to enhance her knowledge in the long term care field.	\$700
Office Supplies and Expense was reduced	<u>(\$300)</u>
Total County Finance Adjustments - Increase over budget presented in December.	\$475

Representative Th  berge agreed that the request for education was in the County's best interest.

County Attorney:

Sue explained that the following items were not included in the budget revision but up for consideration by the County Delegation at the request of the County Attorney:

Assistant County Attorney Salary. The County Attorney requests the Delegation's consideration of this increase. The Commissioners did not include it in their budget revisions as they voted not to grant salary increases for any of the county's employees.	\$3,900
New Equipment - Furniture for Renovated Offices. A cost estimate was not submitted for Commissioners' review on 2/8 - just the list of furnishings. Jennifer and her staff prepared the estimate for the County Attorney and Victim Witness.	<u>\$4,750</u>
Total County Attorney Adjustments - Increase over budget presented in December.	
These adjustments were not included in the revised budget as presented.	\$8,650

Victim Witness:

New Equipment - Furniture for Renovated Offices	<u>\$1,500</u>
Total Victim Witness Adjustment - Increase over budget presented in December.	
This adjustment was not included in the revised budget as presented.	\$1,500

Representative Th  berge inquired if step increases were raises. Representative Richardson asked if step increases were given to union and non-union employees. Sue replied that the County has a 10-step schedule that covers all hourly employees. Employees must receive successful annual reviews to receive step increases which max out at ten years of service. Representative Richardson asked how many union and non-union step increases were budgeted and how many employees were not receiving step increases

at all. Sue did not have the information available but would have it by the next meeting. Chairman Tholl stated that step increases are promised once an employee is hired. It would not be fair to take it away. Sue also added that the union contracts state that upon successful completion of the performance evaluation the employee gets a step increase. Representative Richardson stated that he was not against the step increases but employees who have been employed 10 years or more should not be singled out and receive nothing.

Attorney Mekeel stated that the photocopier in his office has recently died and discoveries on his cases must be submitted by the next week. He provided two estimates on purchasing a photocopier. Sue added that the budget amount is \$2,700 and the purchase price of the new color copier requested would be \$5,300. She has suggested that the County Attorney's office lease the photocopier which would keep the cost under the budgeted amount.

Representative Merrick suggested removing the \$6,000 appropriation for soundproofing of the Family Room at the Nursing Hospital and transferring it for the County Attorney's equipment needs. The County Attorney's concerns were more critical than acoustics.

Representative Th  berge stated that protocol had to be followed for the request of the photocopier. Sue stated that the continuing resolution states that the County will operate at 25% of the previous year's costs. If the County Attorney were to lease the photocopier, the request would fall within the guidelines of the resolution. The Delegation agreed with having the County Attorney lease a copier.

Representative Richardson asked what the percentage increase would be for the Assistant County Attorney's salary. Jennifer calculated 6.5%

Representative Th  berge also added that this was the year where salary requests for constitutional officers have to be set and suggested that the Delegation be aware of that. Chairman Tholl stated that the new salaries would be part of the 2013 budget. He appointed Representatives Daugherty, Th  berge and Tholl as members of the Elected Officials Salaries Subcommittee. The meeting to discuss the proposed salaries is normally held in May.

Deeds:

Workers' Compensation	<u>\$100</u>
Total Deeds Adjustment - Increase over budget presented in December.	\$100

Sheriff:

Deputy Wages - Medical Supervision. This amount will be reimbursed by local police departments when Sheriff deputies supervise individuals held at local hospitals awaiting clearance for a bed at the NH State Hospital.	<u>\$3,000</u>
Total Sheriff Adjustment - Increase over budget presented in December offset by revenue.	\$3,000

Representative Rappaport asked if the gasoline line item had sufficient funds due to the recent spike in gas prices. Sheriff Marcou replied that he budgeted \$3.50 per gallon. He has discussed this dilemma with Sue Collins and decided that he would try to make it with the current budget as he had \$9,000 left over in 2011. County Attorney Mekeel spoke in favor of the increase in the deputy IEA/supervision salary line item as it is a liability issue. Chairman Tholl also indicated that this request is not a cost to the County.

Representative Richardson stated that for safety reasons he will propose a motion at the annual meeting to set up a capital reserve fund of \$5,000 per year to purchase dash cameras for Sheriff Department cruisers.

Sheriff Marcou also added that he will need to purchase a new radio as the Town of Dalton Police Chief has asked for the borrowed radio to be returned. Chairman Tholl is hoping that there will be a 50% match with a grant from the Highway Safety Program. He will not allow the Sheriff to go without a radio.

State Assistance Programs:

Home & Community Based Care - the 2% increase in the County CAP approved in HB2 last June that affects billings from July-December.	\$12,500
Intermediate Nursing Care - same as above	<u>\$48,300</u>
Total State Assistance Adjustment - Increase over budget presented in December.	\$60,800

Corrections:

Officer Salaries - Reduction due to hiring new employees at lower wages than employees who left.	(\$3,250)
Health Insurance adjustments based on employees' selection of single, 2-person or family plans.	\$16,400
Workers' Compensation	\$3,000
Training Expense - NHAC Academy for 3 new hires.	\$5,000
Nursing Services - With the approval last year of a temporary nurse to fill in time at the Department of Corrections requiring less time from the nurses at the Nursing Hospital, the amount budgeted to pay the Nursing Hospital for coverage was reduced.	(\$5,000)
Inmate Meals - The occupancy at the Department of Corrections started to escalate during the last half of 2011 and continues to remain high requiring a need to additional funding for inmate meals. The Nursing Hospital will receive the additional income and its revenue budget was adjusted by the same amount.	<u>\$10,000</u>
Total Corrections Adjustments - Increase over budget presented in December.	\$26,150

Cooperative Extension:

Contracted Services - Educator Salaries. The position vacated by Sue Buteau's retirement is filled part time.	<u>(\$4,750)</u>
Total Cooperative Extension Adjustments - Decrease from budget presented in December.	(\$4,750)

Debt Service:

Interest on Short - Term Notes. Although the Treasurer has the authority to borrow up to \$10,000,000 the interest rate bid received from Laconia Savings Bank at 1.09% enabled the County to reduce the projected budget to borrow in anticipation of taxes.	<u>(\$38,700)</u>
Total Debt Service Adjustments - Decrease from budget presented in December.	(\$38,700)

Recycling Center:

Workers' Compensation	\$200
Building/Grounds Maintenance - This is effectively a "before the fact" line item transfer. Because it is known that the workers' comp line item is short \$200, the amount is being transferred from Buildings/Grounds Maintenance.	(\$200)

Transfer Station:

Workers' Compensation	<u>\$400</u>
Total Transfer Station Adjustments - Increase over budget presented in December.	\$400

Commissioners' revisions to appropriations made at the February 8, 2012, meeting totaled \$170,575 and did not include the additional appropriations requested by the County Attorney and Victim Witness Program of \$10,150.

Representative Richardson compared the overall expended 2011 budget to the 2012 proposed budget. According to his calculation, the County's budget is up 12%. He asked why the County continues to

budget for the CDBG funds if the money is not used. Sue explained that one project has been slow at expending the grant and another is contingent on matching funds. All CDBG appropriations have revenue offsets. Representative Richardson stated areas in the budget need to be cut as the County is hurting on revenue. Sue responded that hours have been spent compiling this budget. There are 400+ employees and line items are budgeted according to that. Representative Richardson realized how much time has been spent on preparing the budget; however he could not accept a 7.7% increase in the County tax. Coös County has the highest unemployment rate in the state.

Referring to the report Sue submitted to the Delegation prior to the meeting, Representative Daugherty asked which programs were revenue neutral. Sue replied the recycling center and land management. He continued that the Delegation needs to look at non-constitutionally required programs as it tries to save the nursing homes. Sue also added that the state assistance program, which the county acts as tax collector, accounts for more than half of the county taxes.

Sue continued with the revenue revisions.

Nursing Hospital	Medicaid NH - Rate Reduction 1/1/12 from \$149.03/day to \$145.61/day, 61 residents.	(76,400)
Nursing Hospital	Medicaid Vermont - same as above on 5 residents.	(6,300)
Nursing Hospital	Private Pay - Rate increases of \$10 each on February 1 and July 1 - 10 residents.	51,800
Nursing Hospital	Sale of Meals to Inmates	10,000
Nursing Hospital	Nursing Service to Department of Corrections	(5,000)
Nursing Hospital	Medicaid Quality Incentive Payment - Loss due to diversion of 25% of the funds available to other HHS programs.	(50,000)
Nursing Home	Medicaid NH - Rate reduction 1/1/12 from \$144.47 to \$139.76 on 88 residents.	(151,700)
Nursing Home	Private Pay - Rate Increase of \$10 each on February 1 and July 1 on 6 residents.	31,100
Nursing Home	Grant	1,000
Nursing Home	Medicaid Quality Incentive Payment - Loss due to diversion of 25% of the funds available to other HHS programs.	(100,000)
Sheriff	Income from local Police Departments for IEA Hospital Supervision.	3,000
Land Management	Agri-Mark Equity Payment - payout will be in 7 years rather than 10 years estimated in December budget	3,000
Surplus to		
Reduce Taxes	From December budget amount of \$1,740,000 to revised amount of \$2,340,000	<u>600,000</u>
Total Revenue Revisions		\$310,500

Sue provided a summary of the budget:

Total Proposed Budget December 2011	\$31,512,560
Net Appropriation Additions (w/o County Attorney and Victim Witness Requests)	<u>170,575</u>
Total Revised Appropriations Budget Recommended	\$31,683,135
Revenues from All Sources except County Tax Presented at Public Hearing in December	\$17,154,800
Plus Revenue Additions Recommended	<u>310,500</u>
Total Revenues All Sources Except County Tax	\$17,465,300
Revised County Tax - This amount in December budget proposal was \$14,357,760	<u>\$14,217,835</u>
Total Revised Revenue Budget Recommended	\$31,683,135

Representative Richardson stated that there is a decrease of \$384,400 in revenue due to the State Medicaid rate reduction and \$832,042 less due to the disappearance of ARRA funding. Sue replied that was correct. Representative Théberge asked for the current census at each nursing home. Berlin was 98

residents and W. Stewartstown should be 80 next week. Representative Daugherty asked what the County tax percent increase was from last year and Sue answered 7.7% with revenues being the biggest issue impacting the County tax.

Sue continued with changes to the Unincorporated Places budgets.

Each of the Unincorporated Places budgets were affected by minor adjustments to the State Education Tax line items based on the actual warrants received from the NH Department of Revenue Administration in December. Sue did not include these in her revision discussion below as they are budget/revenue neutral and only used by DRA when setting property taxes.

Specific Unincorporated Places' **appropriation** budgets were also adjusted based on the following changes:

Atkinson & Gilmanton Academy Grant: The Commissioners added funding of \$750 for an emergency response trailer requested by Pittsburg Fire and Rescue. They respond to emergencies in the woods of Atkinson & Gilmanton Academy Grant and Dix's Grant.

Cambridge: Funding of \$500 was added for an Emergency Response Vehicle as requested by the White Mountain Ridge Runners. The total request of \$1,500 was distributed to Cambridge, Kilkenny and Success. Additionally, the solid waste budget was increased \$300 based on Errol's estimate of operating its transfer station in 2012.

Dix's Grant: The budget was adjusted for the emergency response trailer.

Dixville: The General Government Contracted Services line item increased \$1,600 due to the necessity to re-evaluate the wind turbine pad locations. These turbine sites will be reclassified from current use to commercial use and a land use change tax (LUCT) will be assessed to the landowners. This project was included in the 2011 budget; however, the wind park was not completed on time to perform the reassessment in 2011. An additional \$2,500 was added to the Dixville budget to help promote the North Country Endurance Challenge that will attract a new breed of back country adventure tourists to this region. In January, the Town of Colebrook and the 45th Parallel EMS informed the county of increased costs for police, \$2,500; dispatch, \$700; and Ambulance Services, \$200.

Green's Grant: The line item for Ambulance Services increased \$300 due to the Gorham EMS rate increase. The Commissioners were informed of the Gorham EMS increases in late January.

Kilkenny: The \$500 adjustment is 1/3 of the request by the White Mountain Ridge Runners for the Emergency Response Vehicle.

Martin's Location: The Ambulance Services line item increased \$100 due to the Gorham EMS rate increase.

Millsfield: The General Government Contracted Services line item increased \$1,600 due to the necessity to re-evaluate the wind turbine pad locations. The Commissioners recommended appropriating \$2,500 for the North Country Endurance Challenge if the race course goes through Millsfield. Like Dixville, an appropriation is included for police services if requested from the Town of Colebrook, \$1,000; and the Colebrook dispatch service will cost an additional \$700. Solid waste disposal at the Errol Transfer Station is projected to cost an additional \$300. The budgets for tuition in elementary and secondary education dropped by \$68,700 due to the receipt of National Forest Reserve Funds which are being paid directly by the NH Department of Education to the school districts where the students attend school.

Pinkham's Grant: The line item for Ambulance Services increased \$300 due to the Gorham EMS rate increase.

Success: The Legal Services line item increased \$542 for attorney fees relative to a gravel pit permit compliance issue. Success will contribute \$500 to the White Mountain Ridge Runners emergency response vehicle.

Wentworth Location: A \$1,000 budget for police was established in case the Town of Colebrook Police Department needs to respond to Wentworth Location. This is just a contingency as the NH State Police will respond in the first instance. Colebrook Dispatch charges are up \$700. The budget for secondary tuition dropped by \$11,400 due to the receipt of National Forest Reserve Funds for one student from Wentworth Location attending Berlin High School.

For the revenue budgets, the associated Municipal Tax, Local School Tax, and State Education Tax line items were all adjusted to reflect the changes in appropriations.

There was a long discussion pertaining to the Commissioners' recommendation to provide funds to the White Mountain Ridge Runners snowmobile club. Lt. Doug Gralenski of NH Fish & Game Department spoke in favor of this project. The need for up to date rescue equipment will increase as the North Country becomes a tourism area. Most of the funds for this project have come from private sources and grants. Representative Coulombe, who also serves on the Berlin Fire Department, supported this request as he has assisted on ATV rescues without the proper equipment. Lt. Gralenski added that if Fish & Game were to purchase this equipment other clubs would not be able to use it. The club's purchase allows it to be used throughout the region. Representative Richardson inquired about the County's liability in this purchase. Sue replied that the County is not purchasing the equipment; it is offering a contribution to the club. Attorney Mekeel added that the funds would be treated as a contribution and there would be no liability to the County. He stated that he would research this further. Representative Richardson did not have an issue with making a donation to the Town of Pittsburg for its rescue equipment trailer but had an issue with a private club. He also added that if the County is donating to one club, it should donate to all requests. Representative Th  berge added that if other clubs come forth hopefully they in turn will be considered. Representative Daugherty did not disagree with the need for emergency equipment but had concerns with setting a precedent.

Public Comments:

County Treasurer Fred King presented a detailed presentation on the changes to state, county and municipal budgets over the last nine years. From 1997 through 2009 the state budget increased an average of 6.5% annually while the county budget increased an average of 4.3%. In the Town of Colebrook the property tax increase over the last ten years has been an average of 5.4% and the Co  s County's tax increase has been an average of 6.3%. Mr. King also provided price comparisons on food items, health insurance and fuel oil. He continued that the budget crisis for the County has been created by way of the State's budgeting and lack of revenue at the State level. At this point, Sue Collins explained the County Medicaid funding sheet included in Mr. King's presentation. Mr. King stated that a good portion of the County's budget goes towards funding the two nursing homes where people do not have the ability to take care of themselves. The Delegation needs to think of the people they are serving.

Representative Daugherty understood the County's commitment to take care of its neediest people. The State has no money and no money will be coming. The Delegation needs to balance the budget and not pass it on to the taxpayer. If the problem is personnel, it needs to be tackled. If it's something else, the Delegation needs to deal with it.

Norman Brown, Selectman of Jefferson, thanked the Delegation for the second public hearing. He stated that there has been a 30% increase over the last four years in the County's budget. He asked if the Delegation was using its subcommittees effectively to evaluate what is needed. With a \$3 million surplus areas may be trimmed. He stated that questions about the County's taxes should be directed to the County and thought the County should send out its own property tax bills.

Edith Tucker, *The Coös County Democrat*, questioned the appropriation to the Pittsburg Fire and Rescue as it was not approved at the February 8 Commissioners' meeting. Sue replied that the written request was received after the meeting. Commissioner Judd reminded Mrs. Tucker that he had mentioned at the February 8 meeting that there would be a request forthcoming from the Town of Pittsburg. Representative Richardson stated that Commissioner Judd should look into the Right to Know Law as email polls are illegal - they do not constitute a public meeting and in this case the law was violated. Commissioner Judd replied that he had probably violated the Right to Know Law but the request can be approved at the next Commissioners' meeting.

Chairman Tholl noted that he is currently working on SB350 which has to do with ATV trails and allowing operation on certain roads. Representative Théberge stated that he is working on an amendment to an amendment on SB366 which is reciprocity for Vermont and Maine to operate in New Hampshire but without reciprocity from those states.

The public hearing ended at 1:20 p.m.

Respectfully submitted,

Representative Yvonne Thomas, Clerk