

COÖS COUNTY
DELEGATION MEETING &
PUBLIC HEARING on the
2012 PROPOSED BUDGET
Saturday, December 10, 2011 - 9:00 a.m.
Coös County Nursing Hospital - W. Stewartstown, NH

Present: Representatives John Tholl-Chair; Yvonne Thomas-Clerk; Gary Coulombe, William Hatch (*arrived at 9:35*), Bill Remick, Robert Th  berge and Marc Tremblay. Also present: County Commissioners “Bing” Judd, Paul Grenier 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; Registrar Carole Lamirande(*arrived at 9:45*); County Treasurer Fred King; County Attorney Robert Mekeel; representatives of outside agencies; members of the press and the public.

DELEGATION MEETING

Chairman Tholl requested all to stand for the Pledge of the Allegiance and requested a moment of silence in remembrance of Pearl Harbor. Chairman Tholl called the meeting to order at 9:10 a.m. The roll was called by the clerk, Representative Yvonne Thomas. There were 6 members present. Representatives Herb Richardson (*excused*), Duffy Daugherty, Evalyn Merrick (*excused*) and Larry Rappaport were not in attendance.

Review & Approval of Minutes: Chairman Tholl asked if any changes or corrections needed to be made to the minutes of the November 14, 2011 meeting. A motion was made by Representative Tremblay, seconded by Representative Thomas to approve the minutes of the November 14, 2011 meeting. The minutes were unanimously approved by a voice vote.

Other Business:

Chairman Tholl presented Resolution #1, which called for approval from the Delegation to authorize the County Treasurer to borrow in anticipation of 2012 taxes. County Treasurer Fred King was present and reported the amount of funds borrowed in 2011 and anticipated needs for 2012. The resolution read as follows:

Resolution #1

Be it resolved by the Co  s County Delegation duly convened on this tenth day of December, 2011, 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 2012, 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 Tremblay, seconded by Representative Thomas to approve Resolution #1. The resolution passed by roll call vote 6-0.

Chairman Tholl presented Resolution #2, which called for authorization for Co  s County to pay 2012 expenses for the first quarter. The resolution read as follows:

Resolution #2
Authorization for Coös County to Pay 2012 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.

We move that we, the County Convention authorize the County to spend up to \$7,945,900 for 2012 expenses during the months of January, February, and March in anticipation of the subsequent approval of the 2012 budget. Further that the \$7,945,900 be allocated proportionately to the line items based on the 2011 approved net appropriations to fund like operating and personnel expenses in existence as of 12/31/11.

A motion was made by Representative Coulombe, seconded by Representative Thériège to approve Resolution #2. The resolution passed by roll call vote 6-0.

County Attorney Office Space – Design and Financing: Sue presented a set of plans which has been submitted to the Bureau of Court Facilities. If the Delegation authorizes the Commissioners to proceed today, a letter will be sent to the NH Department of Administrative Services. Attorney Mekeel has sent a letter to Attorney Waystack stating that the renovated space at the County Courthouse would be suitable for the time being. Attorney Mekeel reiterated that the renovations of the former probate court area will work for now. Sue reported that the plan must now be approved by the Long Range Planning Committee and the Governor and Council. Commissioner Judd has spoken with to Executive Councilor Ray Burton about expediting the plan approval at the State level. A motion was made by Representative Thériège, seconded by Representative Tholl that the letter be sent to the State. The motion passed by roll call vote 6-0. Chairman Tholl noted that he was glad that both parties had finally come to an agreement. Representative Thériège added that all county offices will now be on one floor. Representative Tremblay asked Attorney Mekeel if there was any room for future expansion and Attorney Mekeel was not sure. The letter read as follows:

The County of Coös will be responsible for paying the entire cost of the renovations to the former probate registry located on the first floor of the Coös County Courthouse located in Lancaster, New Hampshire. Specifically, the County will be responsible for the \$85,000 contract price entitled “Renovations to County Attorney’s Suite” prepared by and between Daniel Hebert, Inc. and the State of New Hampshire – Bureau of Courts dated November 15, 2011.

This offer to pay for costs of renovations will expire in 120 days if the contract for renovations is not approved by the necessary state agencies.

The letter was signed by the Coös County Commissioners.

The Chair closed the Delegation meeting at 9:25 a.m.

PUBLIC HEARING

Chairman Tholl opened the public hearing at 9:25 a.m. and asked Sue Collins, County Administrator, to begin her presentation.

Sue Collins, County Administrator welcomed everyone to the public hearing on the county budget being recommended by the three County Commissioners - Commissioners Judd, Grenier and Brady.

Ms. Collins 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.”

Sue explained the 2012 budget development process that began in September. The Commissioners’ recommended budget did not yet include any cost of living increase for County employees. County employees received a 50-cent per hour wage increase in May. In 2011 the Delegation funded that increase for May-December. The 2012 budget includes the funding for the additional 4 months. Sue stated that the goal in conducting a public hearing on the budget is to provide information to the public about county services and programs funded with their property tax dollars and how much the Commissioners project those services will cost in 2012. It also gives members of the Delegation, the Commissioners and other elected officials the opportunity to hear input from the public, from the city and from the towns in the county.

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 this budget but do not have any financial impact on the county tax; the county operates both for several area municipalities that separately and individually cover all the associated costs. The County as operator of the Recycling Center provides an excellent work site for inmates. The County as operator of the

Transfer Station provides the convenience of being able to remove garbage from the nursing home daily and not just on the days the transfer station is open. The Nursing Hospital is by far the largest waste producer in Stewartstown.

The role of the County in operating nursing homes is not in State law nor is it in the Constitution. Medicaid was created on July 30, 1965, through Title XIX of the Social Security Act. Each state administers its own Medicaid program while the federal Centers for Medicare and Medicaid Services (CMS) monitors the state-run programs and establishes requirements for service delivery, quality, funding, and eligibility standards. When the federal Medicaid program was instituted in 1965, the State of New Hampshire voluntarily joined the program – Medicaid is a voluntary program. It is at this same time that all ten counties in New Hampshire recognized the need of certain poor citizens for long-term custodial care. Many of the poor citizens in need of care were already residing in the county operated Alms Houses.

By googling Medicaid, you are led to believe that **Medicaid** pays for all of the costs of nursing homes for those who are eligible except that the recipient pays most of his/her income (in most cases that is only social security) toward the nursing home costs, keeping only \$65.00 a month for personal expenses other than the nursing home. That statement and the public's belief that Medicaid pays it all are misleading and misunderstood– especially by families who are looking to admit a loved one to a nursing home.

Today the State's Medicaid program does not even come close to covering the entire cost of providing nursing home care to those elderly who have little or no resources.

Nursing Hospital Medicaid Allowable Costs per Day 2010	\$340
Nursing Hospital Medicaid Rate per Day	149
Federal ProShare Payment per Medicaid Day	13
MQIP Payment per Medicaid Day	42
Shortfall per day	\$136

Sue noted that the \$149 Medicaid rate per day is paid 50% by the federal government and 50% by the County.

Nursing Home Medicaid Allowable Costs per Day 2010	\$261
Nursing Home Medicaid Rate per Day	144
ProShare Payment per Medicaid Day	13
MQIP Payment per Medicaid Day	43
Shortfall per day	\$61

Counties pay 100% of the non-federal share of Medicaid long term care in New Hampshire up to a cap of \$105M. New Hampshire is the only state in the country where counties fund 100% of the non-federal share of long term care.

Sue then described the County's dual role in Medicaid.

1. The COÖS COUNTY NURSING HOSPITAL and the COÖS COUNTY NURSING HOME are PAYEES – At the end of each month, the two nursing homes bill the State of NH Medicaid program for care. In Berlin the nursing home bills \$144.47 per day in and W. Stewartstown \$149.03 per day. The State subtracts any income residents receive from Social Security except for the \$65 they are allowed to keep for personal needs, from pensions and from any other monthly

income. The State then pays the balance to each nursing home. About 75% of residents qualify for Medicaid.

The Nursing Home Administrators recently learned that Medicaid rates for both nursing homes will go down on January 1, 2012.

2. COÖS COUNTY IS A PAYOR – On a monthly basis the State invoices the counties for the non-federal share of **all Medicaid costs** for any citizen of the County who has been approved by the State to receive Medicaid qualifying services in any New Hampshire nursing homes or in the Home & Community Based Care program. State law caps the county financial exposure in these programs at \$105M until June 30, 2012 when the cap will increase to \$107M. Currently, each month Coös County cuts a check to the State Treasurer for \$551,500.

Sue explained a pie chart that showed the breakdown of the projected county taxes for 2012. In order to allocate the \$14,357,760 county tax for 2012, Sue took the proposed appropriations for each county function, deducted any offsetting revenue for each program and also deducted the share of the \$1,740,000 projected surplus that each program is expected to generate this year. The results were as follows:

- \$11,175,077 or 77% of the 2012 projected county tax is for elderly programs - the amount the county sends to the State added to the Medicaid deficits in nursing homes;
- \$1,668,983 or 12% is raised for the Department of Corrections. For this year only, the Department of Corrections received credit for the surplus generated by the farm closure. The farm was an inmate worksite and the surplus of \$237,817 needed to be credited to some category for purposes of producing an accurate graph.
- \$864,050 is needed for all the constitutional functions which is 6% of the county tax; and
- The balance of \$649,650 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.

The estimated surplus for 2011 was as follows:

2011 Estimated Savings on Expense Budget:

Coös County Nursing Hospital	\$250,000
Coös County Nursing Home	200,000
Sheriff's Department	45,000
State Programs (INC, HCBC)	175,000
Department of Corrections	100,000
Cooperative Extension	7,500
County Farm	13,000
Interest - Short Term Notes	<u>40,000</u>
Total Estimated Funds Lapsing to Surplus	\$830,500

2011 Revenues Exceeding Projections:

ProShare	\$563,142
ARRA-FMAP (Stimulus Funds)	232,041
Coös County Nursing Hospital	-350,000
Coös County Nursing Home	200,000
Register of Deeds	30,000
Sheriff Special Details	25,000
Corrections	-8,000

Interest Income	-7,500
County Farm	<u>224,817</u>
Total Estimated Net Revenue Lapsing to Surplus	\$909,500

Net Estimated Surplus \$1,740,000

As Sue had previously mentioned, the budget being presented does not include any Cost of Living increase for county employees. The budget does include step increases for county employees who have not reached the top step on the 10-Step salary schedule.

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. The negotiations are on-going.

The total amount of wages in this budget for 2012 is \$12,824,650 not including elected officials. Several benefit costs related to wages have or will increase during the 2012 budget cycle:

- NH Retirement System assessment for Group II employees (Corrections and Sheriff) has increased from 16.62% of payroll to 19.95% of payroll;
- NH Retirement System assessment for Group I employees did decrease slightly from 9.16% of payroll to 8.80% of payroll;
- Health insurance premiums for the County's \$500/\$1,500 deductible plan will increase 4.6% on July 1, 2012. In addition to implementing a deductible plan, the County switched providers in 2011 for all employees except the 12-member SEA group at Corrections.
- Workers' Compensation insurance will increase on 1/1/12 by 16.5%. Workers' Comp premiums are calculated on 5 years of claims experience and the 2009 claims year was significantly higher than the 2004 claims year causing a real spike in premiums.
- Unemployment insurance increased 25% to an additional cost of \$4,087. Most of the increase is due to raising the base amount used to calculate the premium from \$8,000 in wages per employee to \$12,000 per employee.

Other items included in the budget were:

- State Assistance Program funds that the county is obligated to collect for the State of NH increased by \$57,500 due primarily to the cap going up from \$105M to \$107M on July 1, 2012.
- A design build price of \$85,000 for office renovations at the Coös County Courthouse for the County Attorney's offices;
- Land Management category has replaced the County Farm Budget with costs totaling \$10,900 which are completely offset with revenue.
- Succession Plan Step 4: Funds budgeted to hire a County Administrator in the fall of 2012.

The total 2012 County budget projection is \$31,512,560; the current 2011 approved budget is \$30,898,315. That is an increase of 2%. Most of the change in the bottom line is due to adding a number of grants which are offset by revenue:

- Federal Grants are up \$407,510;
- The County Attorney expects to receive a Byrne Justice Grant of \$14,850; and
- The County Sheriff has learned that the grant submitted for Operation Stone Garden two years ago will finally receive some funding in the amount of \$85,000.

Sue 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 also the County Farm and Recycling Center that serve as worksites 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.

Sue explained that the budget hearing also covers 23 Unincorporated Places in which Coös County serves as 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.

New for 2012 for the Unincorporated Places is the full deployment of the Granite Reliable Wind Park and thus the first payment in lieu of taxes of \$495,000 and Phase I of a complete revaluation of all properties. This project will be done over a period of two years.

Edith Tucker, *The Coös County Democrat*, asked the percentage increase on taxpayers and Sue replied 8.8% at this time.

The presentation of the 2012 proposed budget began. Sue reviewed each departmental budget.

While reviewing the Nursing Hospital revenues, Sue noted that the Commissioners may be faced with considering an increase of the private rate. Representative Hatch added that it made sense to increase the private rate and that the Nursing Homes are still competitive with the private sector.

Chairman Tholl noted that the Delegation's subcommittee had met with the County Attorney and County Sheriff at the beginning of the week. Sue added that a request for an increase in salary for the Assistant County Attorney had been deferred by the Commissioners until February. Attorney Mekeel explained that the Byrnes Justice Program will enable County Attorneys to access a database with up to date information on criminal cases.

During the Register of Deeds budget presentation, Representative Thériège asked Register Carole Lamirande how many books still needed to be repaired and Carole replied 200. Carole also reported that as of November 30 the Registry of Deeds revenue was \$28,788 over projection.

Commissioner Grenier asked if the Colebrook taxpayers were to decide at town meeting that they want the Town of Colebrook to rejoin the recycling center, what would happen. Sue replied that the Selectboard of Colebrook would need to submit a request to the seven other towns. In all likelihood, a request would need to be submitted prior to the budget meeting or wait until next year.

Sue concluded with a brief presentation of the unincorporated places budget. The 2012 Budget will change after the County receives notification of National Forest Reserve Funding in January.

Edith Tucker, The Coös County Democrat, noted that if this is Ms. Collins last public hearing, she has done a superior job.

Sheriff Marcou asked that Carole Lamirande be recognized for a job well done as this is her last public hearing. She will not be running for re-election next year.

The public hearing closed 12:15 p.m.

Respectfully submitted,

Representative Yvonne Thomas, Clerk