

COÖS COUNTY DELEGATION
ORGANIZATIONAL MEETING
Monday, December 10, 2018 - 10:00 a.m.
Coös County Nursing Hospital - W. Stewartstown, NH

Present: Representatives Kevin Craig, Michael Furbush, William Hatch, Larry Laflamme, Troy Merner, Wayne Moynihan, Henry Noël, Yvonne Thomas and Edith Tucker. Also present: County Commissioners Paul Grenier and Rick Samson; County Administrator Jennifer Fish; Superintendent Ben Champagne; Nursing Hospital Administrator Laura Mills; Nursing Home Administrator Louise Belanger; Director of Finance Carrie Klebe; County Treasurer Sue Collins; Sheriff Brian Valerino; Captain Keith Roberge; Administrative Assistant Linda Harris; Senator David Starr; Commissioner Jeffrey Meyers; Les Otten and members of his team; and several members of the press and public.

Representative John Fothergill was excused.

Representative Moynihan, as Acting Vice-Chair called the meeting to order at 10:06 a.m. The Pledge of Allegiance was led by Superintendent Ben Champagne.

The roll was called by Representative Larry Laflamme. Nine members of the Delegation were present.

Representative Moynihan welcomed new Representatives Michael Furbush from District 1, Kevin Craig from District 4 and Henry Noël from District 3. He thanked former Representatives Bing Judd, Herb Richardson and Robert Thérberge for their years of service to Coös County.

Election of Officers:

A motion was made by Representative Hatch, seconded by Representative Laflamme to nominate Representative Wayne Moynihan as Chair. There were no other nominations. The motion was approved unanimously.

A motion was made by Representative Thomas, seconded by Representative Hatch to nominate Representative Edith Tucker as Vice Chair. A second nomination of Representative Troy Merner as Vice Chair was made by Representative Craig. There was no second. The first nomination was approved by majority vote.

A motion was made by Representative Merner, seconded by Representative Tucker to nominate Representative Larry Laflamme as Clerk. The motion was approved unanimously.

Delegation Sub-Committee Assignments:

Representative Moynihan explained that the purpose of sub-committee assignments is to give Delegation members the opportunity to communicate with department heads. He explained that ex-officio seats were available on the following Boards: CEDC (Coös Economic Development Corporation), Coös County Planning Board and UNH/Cooperative Extension Advisory Board. He suggested that assignments be discussed at a later date in order to give Delegation members the opportunity to think about what committees that would be of interest to them.

Review & Approval of the Minutes of the September 26, 2018, special meeting, as distributed: A motion was made by Representative Tucker, seconded by Representative Merner to approve the minutes of the September 26, 2018, special meeting. The minutes were approved unanimously by a voice vote.

Public Comment:

- a. Senator David Starr introduced himself and spoke of potential bills that he hopes to sponsor during the upcoming year.
- b. Commissioner Jeffrey Meyers, NH Department of Health & Human Services, stated that he had requested another conversation with the Delegation to further discuss the transfer of funds from the county to the IDN programs. He provided past history on his previous requests and the purpose of the program. He noted that as of this date seven counties had voted affirmatively to the 50% appropriation. Rockingham County had not voted and was planning to do so on December 19. The Commissioners were prepared to endorse the 30% appropriation. Coös County is one of the counties that has voted no. Commissioner Meyers stated that if he is not able to get something from all of the counties, the program will fall apart. Every county has to participate. Information was distributed that showed rescaled figures with a 30% appropriation. *(Copy on file.)*

<i>County</i>	<i>Amount of Funding Requested by DHHS at 50% of ProShare Increase</i>	<i>Amount of Funding Requested by DHHS at 30% of ProShare Increase</i>
<i>Belknap</i>	<i>\$1,339,515</i>	<i>\$803,709</i>
<i>Carroll</i>	<i>\$166,210</i>	<i>\$99,726</i>
<i>Cheshire</i>	<i>\$612,439</i>	<i>\$367,464</i>
<i>Coös</i>	<i>\$695,700</i>	<i>\$417,462</i>
<i>Grafton</i>	<i>\$287,234</i>	<i>\$172,340</i>
<i>Hillsborough</i>	<i>\$4,199,571</i>	<i>\$2,519,743</i>
<i>Merrimack</i>	<i>\$947,549</i>	<i>\$568,529</i>
<i>Rockingham</i>	<i>\$1,180,308</i>	<i>\$708,185</i>
<i>Strafford</i>	<i>\$1,277,812</i>	<i>\$766,687</i>
<i>Sullivan</i>	<i>\$1,417,819</i>	<i>\$850,691.55</i>

Chairman Moynihan noted that the Delegation would be discussing the issue further at the December 15 meeting based on a recommendation from the Commissioners.

Commissioner Grenier noted that both nursing homes received the new Medicaid rates beginning January 1 for six months. The Berlin rate decreased by \$4.98 and the West Stewartstown rate by \$2.85 which was a \$130,000 decrease in nursing home revenue. Commissioner Grenier cautioned the Delegation and asked that they heed the commissioners' suggestion. He agreed that Coös County should participate at some level. The Commissioners plan to discuss the matter further at the December 12 meeting and will make a recommendation to the Delegation on December 15.

County Treasurer Sue Collins noted that the recommended amount was greater than Carroll and Grafton Counties. She asked how much of the \$417,000 will end up in Coös for services in Coös. This has been a question that has not been answered. She did support Commissioner Grenier's suggestion that Coös County should participate.

Commissioner Meyers left the meeting at 11:11 a.m.

- c. Les Otten, Balsams Redevelopment: Representative Tucker reported that she had put in a bill that has yet to be drafted LSR-219-0382 that would help move the Balsams Redevelopment forward.

Mr. Otten briefly provided an overview of the project to date. He explained *that the tax assessment district would allow assessments -you could consider them "property taxes" - on our real estate to pay back a portion of our financing. That is essentially what SB30 did - allow an unincorporated place like Dixville to create a TIF-like district to service a loan - which would be guaranteed by the BFA. However, if we do not proceed with the BFA, we would still want to preserve the ability to create the tax assessment district.*

As SB30 was written and passed, the BFA's participation is required to create the assessment district. An alternative path without the BFA will require an amendment to the existing legislation, allowing for the County to be the issuer of the bond, without a loan guarantee. While this may seem complicated, there is no fiscal responsibility of the County for issuing the Bond. It will simply allow for the tax assessment loan to be made by a lender who is providing the funds, and there is no financial risk or obligation by the County, or by the State for that matter. This bond issuance is just the mechanism for us to receive a loan relating to the assessment district.

Historically when TIFs, or Tax Assessment Districts, are created, they allow for future property taxes to be collected to be used to repay a bond, as is the case here. However, SB30 as originally drafted did not take into account that there were Town taxes and County taxes to factor for. Our amendment allows for the property taxes to be collected to fully be used for the repayment of the bond, and not applied toward s additional County Taxes. County tax payments will resume once the bond has been repaid.... the County will receive fees for administering the tax assessment district while the bond is outstanding.

This amendment does not guarantee the ultimate project success, preserving the value and ability to have the tax assessment district as intended will give us a chance at re-structuring the overall project's financing. I have remained committed to the Balsams Redevelopment and trying to advance economic development opportunities in the North Country for 5 years, so I feel we owe it to at least try.

Representative Hatch noted that he supports the Balsams redevelopment. He questioned how the statewide education tax will work. Commissioner Grenier noted that the statewide education tax and the county taxes will be effected.

Chairman Moynihan asked if the bill were to pass would the whole process have to begin again. Representative Tucker replied that the permitting was already done.

Representative Craig also supported the project. He did ask if things didn't work out, what the county would end up with. Mr. Otten replied that the county would not be responsible. The County would only be the administrator of the bond. Scott Tranchemontagne noted that SB30 did two things: allow TIFs in the Unincorporated Places and allowed the BFA to allow the loan. The proposed amendment would allow the county to administer the loan guaranty without any state involvement.

Jamie Sayen, resident of Stratford, submitted a list of questions for the Delegation. He noted that the Delegation must perform due diligence on behalf of the county and its voters and taxpayers. A copy of these questions are on file.

Scott Stepanian, resident of Columbia, spoke of the unique opportunity to revive the Balsams.

Commissioner Rick Samson read the following:

As the County Commissioner for District Three which includes the Proposed Balsams Project, I would like to address concerns that I and other taxpayers of Coös County have brought to my attention.

In 2015, I went to Concord to testify in favor of SB 30. At that time I believed that passage of that bill would aid in rebuilding the Proposed Balsams Project. Since that time I have researched, studied and continued to look at all the proposals and plans for the redevelopment. I now have decided that I cannot support the current proposal and the method that we as Elected Public Servants are being asked to support.

Coös County taxpayers are currently being asked to support a County Operating Budget that will contain a deficit in excess of \$3 million. We have been doing this for the last several years and that is unacceptable to me and the taxpayers of Coös County. I have several questions and observations that I feel the County Delegation needs to consider in deciding what is in the "Best Interest of the County".

Coös County is not in a position to negotiate a favorable deal for a private developer at the expense of our county's taxpayers. Our responsibility is to our residents, taxpayers and obligated duties as elected officials.

TIF's "tax increment financing" is a standard practice typically used to finance PUBLIC infrastructure like roads, sewers and other requirements that make an area developable. It is not a standard practice, at all, to use this kind of financing for a single private development project. To do so reeks of favoritism and improper routing of public money for private purposes.

To use the taxes that should go to the county and or towns from the proposed Project are used to pay off the loan is not in the best and proper spirit of assessing and taxing of private property.

The County would need to hire a sophisticated assessor to do the baseline as of today's assessment. The county would need to hire experienced investment and valuation advisers to come up with the estimates of what the project will be worth when fully built and how long it would take to build, so they can model the future tax payments. The county would need another adviser to calculate what additional costs of government services will arise from the project, to be sure that not ALL the additional taxes are diverted to the investors and there is money left to pay for the additional police, fire, roads, etc. that are needed when the project is built.

In order for a TIF deal to work, you need to have a government body involved who collects the taxes and can divert them over to the developer's debt. That is why the county is needed. The county will collect the additional taxes. Will we the County Commissioners and the County Delegation face the political heat when we divert those taxes to the investors so they can pay off their debt instead of using them for general county needs? Would the county help me build a sugar operation with a TIF?

Some key questions about this financing structure:

- a. Is the county taking on any credit risk for this financing? Suppose on the day after the financing is completed, the investors defect, or something unforeseen happens and the project never gets built. This means the new tax revenue never appears. Is the county on the hook? Even a little bit? In my view, the county should take no financial risk whatsoever on a speculative private project like this. The investor and the county's own expert (and expensive!) professional advisers, should confirm the county has zero risk.*
- b. How can the county have zero risk? The financing by the county would be structured as a "non-recourse" financing. The county would borrow or administer the money with a clear disclosure to the banks providing the money that the county has no obligation whatsoever to repay the debt except from the additional tax revenues from the investors project. If the project fails and the additional tax revenues never appear, then the banks do not get repaid and have no other claim on the county.*
- c. But even if the county somehow has no financial risk (through this non-recourse TIF financing), is this a good idea? No! Why should the County help Mr. Otten and the investors by diverting tax money to them when we would not do it for others? Is this political suicide for the Commissioners and the Delegation to favor one person over everyone else? As I have already stated, to set up and manage this complex financing would cost the county literally hundreds and hundreds of thousands of dollars to hire professional appraisers, financial advisers and lawyers. Will Mr. Otten and the investors pay for all of this?*
- d. MY FINAL POINT: The BFA refused this proposed project as did private banks. Even if the county can successfully use this tricky non-recourse TFI structure, there's a significant likelihood this proposed project may fail. Does the County want to have the black eye - that will last for decades - having a failed TFI financing? Even if the County isn't on the financial hook and the banks take the loss, the County will look bad for having been officially involved. Will the County have to pay more in the debt markets when we borrow on our own credit each year, because we made a mistake with Mr. Otten and his investors?*
- e. I AS AN ELECTED PUBLIC OFFICIAL CANNOT SUPPORT THIS PROPOSED PROJECT.*

Chairman Moynihan recessed the meeting for lunch and reconvened at 1:04 p.m.

Review & Approval of the Financial Statements of Coös County and of the Unincorporated Places for the Period Ended September 30, 2018:

Chairman Moynihan reviewed the Coös County third quarter expenditures. There were no questions. A motion was made by Representative Hatch, seconded by Representative Merner to approve the Coös County third quarter expenditures. The motion passed by roll call vote 9-0.

Chairman Moynihan reviewed the Coös County third quarter revenues. There were no questions. A motion was made by Representative Hatch, seconded by Representative Merner to approve the Coös County third quarter revenues. The motion passed by roll call vote 9-0.

Chairman Moynihan reviewed the Coös County Unincorporated Places third quarter expenditures. There were no questions. A motion was made by Representative Hatch, seconded by Representative Merner to approve the Coös County Unincorporated Places third quarter expenditures. The motion passed by roll call vote 9-0.

Chairman Moynihan reviewed the Coös County Unincorporated Places third quarter revenues. There were no questions. A motion was made by Representative Hatch, seconded by Representative Merner to approve the Coös County Unincorporated Places third quarter revenues. The motion passed by roll call vote 9-0.

Other Business:

- a. *Discussion and Approval of the Personnel Committee Procedures:* Chairman Moynihan explained that two personnel committee hearings have been scheduled for December 18, 2018. These hearings are in regards to two former employees appealing the termination of employment from Coös County. Only members of the executive committee (Chair, Vice Chair, Clerk) are required to attend and will approve the policy. A motion was made by Representative Tucker, seconded by Representative Laflamme to approve the personnel committee procedures. All approved 3-0.
- b. Discussion and approval of Policy on Provided Electronic Devices: Chairman Moynihan reviewed the following policy with the Delegation:

A resolution authorizing appropriations for and purchases of electronic communication devices for elected State Representatives from the Coös County legislative districts:

WHEREAS, communication between and among members of the County Delegation, County Commissioners, and County Administration are less costly and more efficient when conducted electronically, by way of e-mail, messaging, internet web sites, and other such methods; and

WHEREAS, it has become customary for communications to and from members of the NH House of Representatives and the Speaker's Office, the House Clerk, House Committee Chairman, Committee Clerks, fellow committeemen, state agencies, and others, to be by way of electronic devices; and

WHEREAS, for the foregoing reasons it is in the best interest of the County that the members of the Delegation have appropriate electronic devices in their possession during their term of office; and

WHEREAS, the membership of the Delegation is subject to change after each biennial state and county election; and

WHEREAS, it is appropriate that reasonable and necessary expenses of the Delegation members during their term are paid or reimbursed by County funds, after approval by the Delegation Chairman; and

WHEREAS, it is the County budget that provides the necessary funding for Delegation expenses;

NOW, THEREFORE, BE IT RESOLVED as follows by the Coös County Delegation:

Article 1: At the commencement of each term of election, and after being sworn in to office, new or re-elected members may, after approval of the amount of the expenses by the Delegation Chair, purchase a tablet computer, and be fully reimbursed by the county for the costs of the device. While a member may seek approval to purchase a replacement device in the event of loss by theft or damage to the device during the term, adding insurance on the device at the time of purchase is recommended for this protection. However, the county shall not be responsible for any expense the member may incur in using the device after purchase and insurance.

Article 2: The term "tablet computer" means an electronic communication device such as those known as the Apple IPAD, Google Pixel, Microsoft Surface, etc.

Article 3: The primary purpose of any device acquired pursuant to this policy is for communication related to the member's service to the state as a Representative, and to the county as a member of the Delegation. By exercising this policy option the member acknowledges that the device is for public communications, subject to any claims under the freedom of information act, or right to know laws properly made under state or federal law. The member may not be able to claim any privacy rights with regard to the device.

Article 4: The device shall become the personal property of the member, and shall not be the responsibility of the county.

Article 5: In the event that a member is re-elected, and chooses to replace or update his or her county funded device, and if the member wishes to pass on the used county funded device because it has some remaining useful life, it shall be deemed proper to donate the device to an unrelated and underprivileged person or to charitable or educational entity. However, the member should avoid even the appearance of being self-serving with the disposal of the device such as by giving it to a family member.

A motion was made by Representative Laflamme, seconded by Representative Craig to readopt the policy as written. All approved by roll call vote 9-0.

- c. Introduction and discussion of LSRs proposed by Coos County Representatives for the 2019 session: Delegation members briefly discussed LSRs that will be introduced during the 2019 session.

A motion was made by Representative Hatch, seconded by Representative Thomas to adjourn the meeting at 2:01 p.m. The motion was approved unanimously by voice vote.

Respectfully submitted,

Representative Larry Laflamme, Clerk