

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget
Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 18, 2010

PRESENT: Representatives Mulholland, Williams, Ford, Laliberte, Friedrich, Preston, Aguiar and Ward, Commissioners Cryans, and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representative Gionet

Rep. Mulholland called the meeting to order at 9:10

MAINTENANCE: Supt. Jim Oakes

Maintenance has a 2% increase which Supt. Oakes said is driven by wages and the upgrading of a part-time person to fulltime which he said is needed to be able to keep up with just the painting around the complex.

Rep. Mulholland asked about inmate help and Supt. Oakes said that the process he has to go through to get someone qualified coupled with the need for constant supervision becomes too cumbersome to bother with.

Rep. Preston asked why the County is not being taken care of first when it comes to inmate help rather than having them go out to the communities. Director Clough responded by saying that first off, inmates are not allowed in the resident areas of the Nursing Home and second that the Commissioners have made a commitment to do community work.

Supt. Oakes requested a fulltime Maintenance person for the Jail who would be hired in May of 2011. He said that he would like to have that person on staff when the mechanical systems are installed so they can see first hand how things work.

Rep. Williams said it doesn't work that way and installers don't want anyone underfoot while they're trying to work. Supt. Oakes disagreed and talked about issues at the Nursing Home that could have been avoided had there been someone from the County watching. Commissioner Cryans said that Cheshire County had someone on board at that time and spoke highly of the value of having done it that way.

Rep. Williams said that should be Supt. Oake's job. Supt. Oakes said that he was already committed to a number of projects.

Woodsville Water & Light has projected at 10% increase and that will have the largest impact on the NH and Corrections. Supt. Oakes said that the Nursing Home water usage was up 200,000 gallons this year.

Rep. Aguiar asked why WW&L has this increase and Supt. Oakes said for no other reason other than the cost of doing business that he is aware of. He said they increase fees every year.

Rep. Friedrich said she thought the County was providing their own water with the water tank that was installed. Supt. Oakes said that is just a holding tank which is filled by WW&L.

9:30 AM Rep. Ward arrived.

Supt. Oakes continued on saying that fuel and propane costs have increased and Repair/Maintenance in the Nursing Home.

There was a discussion about having a licensed electrician on staff. Supt. Oakes said that he really doesn't have an ongoing need for an electrician but he would like to take a look at a getting a licensed HVAC person for the Jail.

MAINTENANCE CAPITAL BUDGET

Supt. Oakes said he would like to re-point and reseal the administrative building which hasn't been done as far as he knows.

Supt. Oakes said he has also put in for a new 1 ton truck which will replace the 10 year truck the Dept. has.

Rep. Ward asked if the re-pointing of the building could be done over a three year period and Supt. Oakes said that it could be done that way but it may end up costing more in the mobilization of equipment.

Rep. Ward asked what hadn't been done last year that is accounting for the amount of encumbrances requested and Supt. Oakes said that it was primarily the upgrading of the dairy barn which he would probably encumber again.

Rep. Ward asked what kind of encumbrances is Supt. Oakes predicting and he said the dairy barn, some energy efficiency projects, the HVAC ductwork cleaning and he wasn't sure what else since he didn't have his list in front of him.

Rep. Mulholland asked about not having the time to do the projects and then pushing them into the next year, questioning if that would continue to happen.

Rep. Ward asked what the total amount of money was set aside for the barn repair and Supt. Oakes said he figured around \$20K. It was noted that there was also \$5K in the Farm capital budget to repair stalls in the barn.

Rep. Williams said he didn't think that money should be carried over to do projects that just haven't been completed. He feels that money should go back into the general fund.

Supt. Oakes asked for an additional \$1200 for Contract Maintenance in the NH for a continued warranty on the ozone laundry system. He also noted a \$749 decrease in line 293.

Commissioner Richards voiced some concerns about having to do laundry twice to get things clean and Supt. Oakes said even with that there is substantial savings in the fuel line.

HUMAN RESOURCES: Representative Mulholland with Human Resource Director Mike Simpson

A change in the Nursing Home allocation has led to an increase in the HR budget, along with an increase in Equipment Rental and Advertising/PR HRD Simpson said that he would be putting in a new software system that would track applications and he would be subscribing to JobsinNH.com The HR Generalist position has been moved from a grade 4 to a grade 5. Total increase in the budget is 4.5%.

There was a discussion about market adjustments and the role HR plays in that area.

Rep. Ward asked about the huge increase in Advertising when not that much has been spent to this point. HRD Simpson replied that the Advertising portion of that line has been level funded it is the two year subscription in JobsinNH.com that accounts for the increase, along with the applicant tracking system.

INFORMATION TECHNOLOGY: Rep. Mulholland with IT Manager Brent Ruggles

ITM Ruggles passed out an information sheet that explained what the IT Dept. actually does. ITM Ruggles said that he was looking to encumber the money for Contracted Services in order to accomplish the fiber optic job for the Complex.

Rep. Ward said there appeared to be \$167K encumbered which had not been spent for the past two years and reviewed how he got to that number. ITM Ruggles said he hadn't put the RFP out for the project yet and that he would like to add another \$25K into Capital Expenses for it too.

Rep. Mulholland asked what the total cost of the fiber optic project would be and ITM Ruggles said he figured roughly \$75K for the optic and another \$25K for consulting costs.

Rep. Ward asked if ITM Ruggles had presented a plan to the Commissioners yet and he said that he had not.

There was a discussion about the broadband that was supposed to be coming to the area.

After reviewing what monies were in encumbrances and what was needed to complete the project, ITM Ruggles said that the \$25K could be removed from the Capital Expenses and \$6500 could be removed from the Contract Services line.

Rep. Ward asked about the increase in Equipment/Maintenance and ITM Ruggles said that had to do with the fact that IT will now be involved with the Jail project as well as the mobile communications for the Dispatch.

There was a discussion about the mobile communications and the laptops that were purchased under a grant for the Sheriff's Dept., and were distributed to various towns in the County. The laptops are not only costly because of their intended use but the cost to

repair them is also very high. Because the laptops are owned by the County, the maintenance of them is up to the County.

Rep. Friedrich asked if the computers could just be given outright to the towns and Commissioner Richards said they don't want them.

Rep. Preston said there must be some kind of alternative to the cost of these computers and ITM Ruggles said they are made specifically to withstand a lot and therefore are made completely differently. Cost per computer laptop is approximately \$7,000.

Rep. Ward asked when the plan for the fiber optics is to be implemented and ITM Ruggles said he hopes to do this in the fall.

Rep. Williams asked why encumbrances shouldn't be stopped altogether and Director Clough said that they should not be and a prime example of that would be in Human Services. She said because of the way that the billing works, they would not be able to make payments unless that money was carried over.

Rep. Williams said that he did not agree that money for repair of the barn should be carried over.

Commissioner Cryans disagreed saying that stopping the process would be dangerous and that things can get too far behind. Ending the money would not be right.

Rep. Ward said that he feels that he would like to see the County handle encumbrances like the towns and municipalities and that is that only items that have an actual contract on them should have money carried over.

Commissioner Cryans disagreed saying that the County doesn't do it that way and has different rules. Rep. Aguiar asked if the County does it that way simply because it's the way they've always done it in the past and Commissioner Cryans said no, there are no laws governing County encumbrances.

MISCELLANEOUS: Director Clough

Director Clough reviewed the Miscellaneous categories beginning with Regional Planning Commissions. Rep. Ward asked if the County received any kind of benefits for these agencies. Commissioner Cryans said that they didn't really expect to get anything for them.

- Wage & Benefit Adjustment: A portion of the retiree health insurance is paid out of the Nursing Home budget.
- TANS: is seeing a reduction
- Bonded Debt: Decreased interest on the general bond, amount changed to 700,188.
- Contingency: Outside council has been decreased
- Unallocated Insurance: Increased due to line item transfer to proper budgets.
- Other: State rented spaces
- Delegation:
- GCEDC: remains flat

Director Clough had some other changes/adjustments that she informed the committee of. In the Nursing Home budget, line 941 has been decreased to \$55K (down \$5K) for Malpractice Insurance.

In the Sheriff's Budget, \$2500 for the SOU has been removed as they are moving South and the Sheriff has opted not to participate any longer.
In the Sheriff's Revenue there was an increase of \$15K in the Dept. Fee line bringing that up to \$175K.

COMMISSIONERS OFFICE: Director Clough

Commissioner's budget is up 6% and that is primarily because of change in allocation to the Nursing Home. Audit Service line and Salaries and Benefits have both increased. There is a two year actuary update in the audit that created the increase.

Rep. Friedrich said that in her opinion and after checking with a friend who is an accountant, the cost for the Code Red in the Capital Expenses of the Dispatch should be moved to the Dispatch operating budget.

Director Clough presented paperwork as requested by Rep. Aguiar which showed the difference between a 2% COLA which would be given to all employees and a 3% merit increase which would be given to only qualifying employees.

DEEDS: Rep. Laliberte and Register of Deeds Bill Sharp

Director Clough was excused

RD Sharp brought forth paperwork and tried to explain that he wanted to take individual expensed items out of the surcharge account. There were some requests for information as to how this would all work.

Commissioner Cryans said that the Board of Commissioners had approved the Deeds budget as it stood and felt comfortable with what was presented.

12:20 PM the committee broke for lunch

12:40 PM the committee resumed their meeting.

Rep. Mulholland asked for comments regarding the budget.

Rep. Williams asked how or why the Commissioners came up with a 2% increase rather than no increase. Commissioner Cryans said there were a few reasons why the Board thought it was important to give a 2% across the board COLA which were the increase to the employees health insurance and general overall costs of living.

Commissioner Richards said that although this comment will not make her popular she felt that costs are met by taxpayer's money and she is mixed and concerned as to how this will appear to the average Joe out in the County who may not even have a job. She said she feels differently than Commissioner Burton or Cryans about giving a raise, though she did not want to denigrate the employees.

Commissioner Cryans said he did not feel this increase was way out of line and that 2% was modest and justifiable. He said that a relatively small percentage of money is paid for County taxes and that hasn't increased much over time.

Rep. Friedrich said that a lot of people are taking a pay cut and noted the State is giving furloughs. Commissioner Cryans asked Rep. Friedrich what percentage of health insurance the State employees pay and she didn't know. Commissioner Cryans said he thought it was zero or at least had been until now. .

Rep. Ford questioned whether or not the County would still be tied to a step increase with the Union if there was no COLA increase for anyone. She said that no Union is going to agree to not getting a COLA or a merit increase.

Rep. Aguiar said that the percentage of taxes is the same but the amount is higher. He added that Social Security was not giving an increase this year so he didn't see why the County should be giving a COLA.

Rep. Williams cautioned that policy is set by the Commissioners and the Delegation sets the budget total.

Rep. Friedrich said she would like to see \$500K cut.

Rep. Laliberte said that she feels that both Employee Council and Union employees should be treated equally.

Commissioner Cryans said the Union contract has not been fully negotiated.

Rep. Aguiar said that he would like to have an understanding about longevity.

Commissioner Cryans said that employees hired as of July 1, 2010 will not be eligible for longevity.

There was further discussion about the proposed COLA and Commissioner Cryans said that he doesn't feel that it's imprudent to give a 2% pay increase.

The discussion continued about Union negotiations and how that may affect the outcome of things. Rep. Ward said that the Union negotiations generally dictate how the regular employees fare, and that there is an opportunity this year to make a statement as to fact that there will be a zero increase. Rep. Ford said that there may be an option as to what the Union employees receive and that money will have to be cut from somewhere else to cover that. Rep. Ward said to Commissioner Cryans that it is generally not good practice to let the Union know what you're willing to do as far as benefits go and Commissioner Cryans said that the Union knew where they stood in taking away the step increase and then arrived at the amount of 2%. Since negotiations aren't complete he said they don't really know, but as a tax payer he feels comfortable with 2%.

Rep. Laliberte said she absolutely refuses to vote for a budget that treats contract and non-contract employees differently.

Rep. Ford said that voting for employees separately would be a great way to get the Union in every Dept. in the County.

Rep. Friedrich questioned why the Maintenance Dept. needed to add more people when the work for the County and its size has not really changed. She said with new equipment things should starting getting easier not more time consuming.

The committee took a straw poll as to how everyone felt about giving a 2% increase.

Reps. Mulholland, Preston and Laliberte were in favor.

Reps. Ward, Williams, Ford, Friedrich and Aguiar were opposed.

Rep. Friedrich said she could support it if the budget were cut in other places.

Rep. Ward said he feels he would like to spend more time on this budget and there really doesn't need to be a budget until Sept. 1st. and would like to delay a month and vote at the end of July rather than June.

Rep. Ward agreed with Rep. Friedrich that if there were other areas to cut then he would support a COLA.

Rep. Ford said she is feeling pressed.

Rep. Ward moved to have the Delegation vote on July 26, 2010 which was seconded by Rep. Aguiar.

DISCUSSION:

Rep. Laliberte said that more Executive Committee meetings will need to be added. Rep Ward said two more meetings should be fine.

Discussion about what happens if there is no budget on July 1st.

Commissioner Cryans said even though the budget is going up 4.7%, a big portion of that came from HHS and the reduction in the Medicaid rates. Those things are not going away and something is going to take it on the chin. This is a service oriented business and he stands strong that a 2% increase is warranted.

There are a lot of issues that are done at the State level that are affecting this budget.

There was a discussion about when they could meet again and whether they would be able to have a quorum if they met at the end of July.

Rep. Aguiar wanted clarification that the Executive Committee's vote on this budget is only a recommendation to the Delegation. Rep. Ward said this was the Executive Committee's budget. Commissioner Cryans said the budget goes from Management to the Commissioners to the Executive Committee and then to the Delegation and anything can be changed.

Rep. Mulholland suggested coming up with an amount of money that they feel comfortable with. Rep. Ward said they can go through items line by line and make suggestion or ask for a certain amount to be cut and let the Administrative team do that.

When the vote for the motion came down, Rep. Ford, Aguiar, Ward, Friedrich, Mulholland and Preston were in favor. Reps. Williams and Laliberte were opposed.

Rep. Ward moved to request that Commissioners and Administrative Team to level fund the amount to be raised by taxes, or \$830K by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Preston asked if they were asking the Commissioners to do something that is virtually impossible.

Rep. Ward made suggestions about how the changes such as using more of the Bed Tax money as revenue. He said that there are adjustments on the revenue. Commissioner Cryans said that it could only be used once and wouldn't be used in the surplus next year.

Rep. Ward said he has a philosophical problem with using revenues as surplus saying that they should be used to reduce the expenses. The mission is not to grow surplus but to run a Nursing Home.

Commissioner Cryans said that money is going to be needed to run the Jail and if you remove all the money from the surplus you won't be able to use that money next year and then you'll be looking at an even greater increase.

Rep. Ward said that under that theory you would never cut a surplus.

Rep. Williams said that there is a figure used by Towns of money that they would like to keep in the surplus and asked Commissioner Cryans if there was a figure for the County. Commissioner Cryans said it was suggested by the Financial Advisor in regards to bonding, that amount be 5.5 or 6% of the total, which would be about \$2M. Commissioner Cryans said they are using \$1.8M this year.

Rep. Laliberte said that she has a problem with level funding since there are increases that are can't be changed such as utilities. She said that major cuts are going to come where it's really going to hurt people.

Rep. Ford said she would like to be able to tell people that they won't be seeing an increase in their taxes. She said however that she would like to have a better understanding of what level funding is. Rep. Ward said that if something came back cut that they didn't like they could decide against it if they wanted to. Rep. Friedrich asked if by asking the Commissioners to make cuts on items would preclude the Executive Committee from making decisions on individual Department budgets and Rep. Ford and Ward said it did not.

Rep. Aguiar said he's okay with having a reduction but not \$825K and would support a lower target.

Rep. Friedrich said that she would be okay with a \$500K reduction which to her would be level funded and easier to do than \$830K.

Rep. Ward said he wanted to level fund the taxes.

Commissioner Cryans said that he can't imagine in his wildest dreams trying to cut \$830K. Rep. Ward listed some things which included cutting the COLA and using more of the Deeds surcharge to purchase items.

Commissioner Cryans said that the Board of Commissioners voted for a 0% increase for the Elected Officials, but the Delegation voted to give fairly substantial raises. On one hand he said the committee is saying to cut back on the benefits to employees while on the other hand giving increases to the County Attorney, Sheriff and Register of Deeds. He said he did not see the logic behind that. He said to be fair, there are some people at the County who make \$10 an hour, 2% is about a \$416 dollar raise and asked again how they could justify agreeing to large raises for the CA and Sheriff saying he could not understand the logic in that.

Rep. Williams said that the Elected Official's salaries were "way out of whack". Rep. Friedrich said it's been a tradition that the County brings people up to their market level and that's what they did by increases the Elected Officials.

Rep. Williams said he had a problem with moving the part-time Maintenance person to fulltime and hiring a person for the Jail Maintenance ahead of time. He said that the committee needed to go to the Delegation with a collective decision and not be divided on the budget.

Rep. Mulholland said they're in a very unfortunate position as government is the one who always take it on the chin because it's paid for by taxpayers. She said she feels that the County is run very well and didn't think that 2% was that bad but perhaps that could be cut to 1%

She said she didn't feel the committee is too far away from coming up with a reasonable number and would like to keep the Delegation meeting on target.

Rep. Ford said that they've already lost that battle because of time.

Discussion about getting in touch with people

Commissioner Richards said she did agree with Commissioner Cryans that trying to find that amount of money to cut is going to be nearly impossible. She said that she prides herself and her colleagues on the way they run the County but can't imagine finding this kind of money to cut.

There was further discussion about the amount to be decreased. Rep. Friedrich thought it would sound just as good to say they didn't increase the budget this year as to say they didn't increase the taxes.

Rep. Ford called the question. All were in favor.

The motion was re-read that Rep. Ward moved to request that Commissioners and Administrative Team to level fund the amount to be raised by taxes, or \$830K by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Williams.

Those in favor were Reps. Ward, Ford and Williams. Those opposed were Reps. Mulholland, Preston, Laliberte, Friedrich and Aguiar. Motion does not pass

Rep. Friedrich moved to request that Commissioners and Administrative Team to level fund the amount to be raised by taxes, or \$476K, by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Preston.

Reps. Mulholland, Preston, Williams, Aguiar, Friedrich, Ward and Ford were in favor. Rep. Laliberte was opposed.

Commissioner Cryans asked that the postponement of the meeting was done properly.

The Decision was made for the Executive Committee to meet on July 12, 2010 at 9:00 AM. The Committee will try to reschedule the full Delegation vote for the 26th of July.

2:00 PM Rep. Aguiar moved to adjourn and was seconded by Rep. Williams. All were in favor.

Respectfully submitted,

Phil Preston, Clerk