

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget  
Administration Building ~ UNH Conference Room  
3855 Dartmouth College Highway  
North Haverhill, NH  
Monday July 22, 2010

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

Rep. Mulholland called the meeting to order at 9:06 AM

Rep. Williams moved to approve minutes from the July 12, 2010 Executive Committee meeting which was seconded by Rep. Laliberte. All were in favor.

Rep. Williams noted something in the meeting that Director Clough had said that he disagreed with. Director Clough stated those were her words. Rep. Aguiar did not agree with the statement either which had to do with cuts to employees.

Rep. Williams moved to approve minutes from the July 12, 2010 Delegation meeting which was seconded by Rep. Laliberte. Rep. Gionet abstained, all others were in favor.

Director Clough went over the appropriation transfers which amounted to \$728,454, which were down from last year and were mostly at the Nursing Home. Rep. Aguiar asked why they were down and Director Clough said it can be caused by various reasons. Rep. Ward said that last year a lot of the transfers had to do with legal fees for the Jail litigation.

Director Clough said that many of the transfers in the Nursing Home had to do with contracted nursing services which were utilized due to being short of licensed nursing staff either because of resignations/terminations or the high number of people on FMLA during the past year.

Rep. Aguiar asked about the General Liability insurance at the Sheriff's Dept. asking if that is not a known number in the beginning. Director Clough said that the bill doesn't usually come until after the first of July but there is always enough money to cover it. She said that the insurance is now being done in a more accurate way per Department.

There was a discussion about Corrections personnel as there was a large amount of money coming out of that line for transfers. Director Clough said there is a lot of changing of staff at the Jail during the course of the year and that factors into it.

Rep. Williams moved to approve the transfer appropriations which was seconded by Rep. Laliberte. All were in favor.

#### BUDGET DISCUSSION:

Commissioner Richards asked to speak and began by saying that she had a hair appointment to go to and would have to leave around 10:45. She then reminded everyone about the Open Dairy Barn Day this Saturday saying that there was also a Legislative breakfast in the UNH Conference room in the morning.

Commissioner Richards asked to make a statement on behalf of herself and the other two Commissioners saying that the Executive Committee had recommended that the County reduce the budget by \$476K, which has been done. This results in a 1.99% tax increase or an overall 1.08% increase in the budget. She asked that the committee look toward the future, in particular, next year as there will be no getting around increases at that time.

Rep. Preston asked if most of the reductions came from insurance and Director Clough said that the biggest decrease was in the capital expenses and then the revenues were looked at. She said that a lot of work was done to get to the number requested by the committee. .

Director Clough then reviewed a spreadsheet which showed what a 1.99% tax increase would mean to the taxpayers using the 2009 tax rate as a guide.

Director Clough also went over the information that Rep. Williams had asked her to provide on the comparison between hiring or increasing employee hours and what a straight \$500 bonus cost compared to a 2% COLA looked at.

A discussion ensued about training people for the new Jail and how that differs from people being trained now for the current facility. Director Clough tried to explain the reasoning and had a compilation of material which spoke to that issue. She said that there are a number of things that the team does including ordering and coordinating the purchase of furniture and supplies as well as the writing of policies. A CD which went over the importance of a transition team was watched.

Rep. Ford said it was much like building a new school and the need to have someone there from the start.

Rep. Gionet said that what he gleaned from information was that NIC puts together the program of transition in order to perpetuate the system to their own benefit.

Commissioner Richards said that she is thankful to have the free help from NIC.

Rep. Ford said that there are a lot of things that need to be taken care of beforehand from the kind of paper towel holders on down.

Representative Gionet said he looked at it like if you were building a stagecoach you would not buy horses before the stagecoach was finished. Representative Ford disagreed with his assessment.

Rep. Ward said he was concerned about the duplication of services and then asked about the Clerk of the Works, to which Director Clough replied, was being done in-house through efforts of the Maintenance Dept; Supt. Libby and the transition team. Rep. Ward

was not pleased with that and said that he felt strongly that someone should be looking out for the taxpayer's interests in this \$38M project. He said that one of his concerns is that HP Cummings had been asked not to complete the final phase of the hospital in Littleton and suggested that was a message as to their ability on the job. He stressed that there should be a Clerk of the Works.

Director Clough said that there was a Clerk of the Works during the building of the Nursing Home and in the end there were numerous problems that are still being dealt with today. She said that Supt. Oakes has been involved with the project since the beginning and has been in on all the plans. He is on the site everyday watching what is going on and the other Maintenance people will be there as well. She added that the transition team and Supt. Libby are and will also be keeping an eye on things.

Rep. Friedrich said she would rather have a Clerk of the Works than a transition team. Rep. Gionet said that he thinks highly of Supt. Oakes but there would be no recourse should something go wrong. Rep. Ward said an example is the water tank and the problems they're having with that.

Rep. Williams said that somebody at the County dropped the ball on that water tank.

Director Clough tried to get the committee back to the issue of the budget.

Rep. Ford went back to talking about the need for the transition team at the Jail and the importance of having someone there.

Rep. Friedrich asked why this wasn't thought about during the design phase and thought out properly and Director Clough said it was presented from the beginning.

Rep. Williams said that he wanted to see that there was no tax increase this year and questioned how to cut the budget further. Director Clough said that's not what the committee asked the Commissioners to do. Commissioner Richards agreed and said that the Commissioners have done the best job they can and feel this is a good operating budget.

Rep. Mulholland said the committee is here to approve a bottom line budget and not to try to micromanage the County. She said the committee mandated a \$476K figure which the County came through with.

Rep. Ward said if the Executive Committee can't ask questions, then who can. Rep. Mulholland said they can ask all the questions they want, but that he didn't like the answers.

Rep. Aguiar said that he didn't think the Commissioners met the spirit of what the issues the Executive Committee had, such as staffing and the COLA. Commissioner Richards said that the Commissioners felt committed to the staffing issues that were required.

Rep. Laliberte recommended approving the budget as it stands at \$32,872,281 which was seconded by Rep. Ford.

## DISCUSSION:

Rep. Ford did not think that a 1.99% increase was that unusual and that other services should not be cut.

Rep. Preston noted that the 1.99% is close to the 2% COLA.

Rep. Ward noted that when the motion was made at the last meeting to cut a certain amount from the budget, the surplus was a lot less. He said that he felt that the committee is not bound by the number they recommended and if the motion passes he plans to move to reduce the budget more by using more surplus.

Union Representative Rachel Clough was recognized and said that she feels that the committee would be doing a huge disservice to this community if they do not recommend the 2% increase for the employees, that they work hard for the County and are deserving of this increase.

Rep. Gionet said that he feels that employees should be lucky they have a job.

Rep. Ward made an amendment to the motion to increase the use of the surplus by \$500K which was seconded by Rep. Aguiar.

Rep. Ward spoke to his amendment saying that the County should not be growing surplus in times like this and that each person has to make their own decision as to whether or not they agree with that.

Commissioner Richards noted concern for what might happen next year and that these kinds of spikes in tax increases are not good.

Rep. Ward said that this is strictly a revenue adjustment and nothing else will be touched. Rep. Ford asked why it wouldn't be better to hold the surplus until next year when they know there will be a bump up. Rep. Ward said that generally speaking, the higher the surplus, the higher the spending. If you want a tight budget then there shouldn't be a high surplus. He intimated that the County improperly budgeted in his opinion. Rep. Ford said she did not agree with that, saying if you know what you're going to need next year for a surplus, it doesn't happen.

Rep. Mulholland asked why the surplus is so much higher than first projected and Director Clough said all estimates on the surplus were just that, estimates and that was explained each time. Reasons that the Fund Balance is higher than it was in FY 10 are the ProShare money that was received; and there was an increase in the estimated Bed Tax revenue, plus there was more in supplemental payments, but that money is going away. On the expense side, \$400K is there from a bond interest payment that didn't get made, \$475K was encumbered, so when you look at it from that perspective it's not that the County was way under expended because of improper budgeting which she said she took offense to.

Director Clough said that looking at only this year is unreasonable and she has to look to the future and not to look further into the future is irresponsible. She said she doesn't have to run for election but she will be here next year.

Rep. Mulholland asked if taking another \$500K would endanger the County and Director Clough said she is just not comfortable with it.

Rep. Ward said they had the same conversation last year and was told that it was irresponsible to increase surplus, but the same thing happened and the surplus grew. He suggested that the County was not looking out for the taxpayers. Director Clough said it was a total misrepresentation to say that the County was not looking out for the taxpayers and said they have done an incredible job putting together a level funded budget for three years to represent the taxpayers and found representative Ward's suggestion offensive. He replied that the County has grown a surplus in the year in the middle of a recession and he finds that offensive.

Rep. Laliberte said that she recommended a \$25K increase in revenues from Deeds but federal monies are not going to be coming in as before. She said that Rep. Ward is not going to be here next year but hopefully she will be and she wanted to keep that year in mind suggesting that keeping money in the surplus for next year is a better idea. She also noted that there are certain fixed costs that continue to rise.

Rep. Williams called the question and all were in favor except Rep. Preston.

Rep. Preston was allowed to ask another question which was to ask Director Clough what she thought the increase might be for next year. She suggested that it might be as high as 20%.

The amendment was then voted on. Reps. Gionet, Ward, Aguiar, Friedrich and Williams were in favor. Reps. Laliberte, Mulholland, Ford and Preston were opposed. Amendment passes.

The new budget figure is \$32,872,281 with an amount of \$17,405,268 to be raised by taxes.

Rep. Ward moved to add \$40K to the budget to have a performance audit done on Grafton County by Melanson, Heath which was seconded by Rep. Williams.

Rep. Ward said that he felt a performance audit should be done. He had spoken with one of the legislators in Coos County who recently conducted a performance audit and thought it was very worthwhile. Representative Ward stated that the way Coos had done it was to set up a committee of members from the Executive Committee and auditors and then everything would be reviewed.

Rep. Ward explained that the Coos Delegation met with the auditors in Concord to review the recommendations of what they found. Director Clough asked why that wasn't reported to the Commissioners and Rep. Ward said ultimately it was.

Rep. Mulholland asked if that was a vote of no confidence and Rep. Ward said he didn't get that impression. Rep. Friedrich said she did not look at it as a vote of no confidence.

Rep. Preston asked if Rep. Ward knew if the firm would do the audit at Grafton County for \$40K and he replied that he didn't have a quote.

Rep. Aguiar said he wasn't fully comfortable with the concept but wasn't opposed to it either. He said he didn't fully understand how it would work out and perhaps it needs more time to review.

There was further discussion about what an audit would mean for the County.

Commissioner Richards said that she would like to see this put out to bid and have some study time and perhaps speak to someone about it. It's also important to inform the other two Commissioners about this too.

Rep. Ford said she would like to see the money put in the budget just the same for the future and hopefully be able to explore it.

Rep. Williams said he feels this is the time to do this noting that he didn't think the economy was getting any better.

Commissioner Richards was excused.

It was decided that the name of an audit firm should be left out as that may change depending of who was chosen for the service.

Rep. Ward amended his motion to say that \$40K should be added to the budget for a performance audit of Grafton County to be overseen by members of the Executive Committee.

Rep. Preston asked why they had to be members of the Executive Committee noting that would be unnecessarily restrictive and a discussion ensued from there as to how the committed should be staffed.

Rep. Ward restated his amendment to say,

That \$40K should be added to the budget for a performance audit of Grafton County under the supervision of the audit committee with members of the Executive Committee and or Delegation, which Rep. Williams seconded.

Director Clough asked why the committee would not include the Commissioners or have them involved.

Rep. Gionet said that's not the way you do an audit which Director Clough and Rep. Ford disagreed with saying that is the way you do an audit.

After a discussion in which it was determined that the formation of a committee could be decided at a later date, Rep. Ward changed the amendment to simply say:

That \$40K should be added to the budget for a performance audit of Grafton County. A vote was then taken and all were in favor.

Rep. Ward said that he had spoken to Nursing Home Administrator Bolander who suggested that there may not be enough money in her operating budget for certain things such as contracted services for nursing. She also noted that the Activities budget had been drastically decreased over the years.

Rep. Ward moved to add \$50K to the Nursing Home budget for Contracted Services and \$25K to the Nursing Home's Activity Dept., which was seconded by Rep. Friedrich.

Director Clough said that there has not been a decrease in the Activities Dept. and read the various bottom line budget figures for the Activities Dept. over the past three budgets

Rep. Ward said that the money would be added to supplies in the Activities Dept.

Rep. Aguiar said he was a little uncomfortable making a decision about the a department budget like this at this point as it was something that should have been dealt with a long time ago. It was expressed that NHA Bolander had both presented her budget to the Commissioners and to the Executive Committee and that these issues were not addressed then and that was the avenue that they should have first been discussed.

There was further discussion and then the vote was called for.

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

Rep. Ward asked why the \$80K for the water tank valve was just brought to the attention of the Executive at the last meeting and Director Clough said that it was only brought to the attention of the Commissioners by Supt. Oakes four days earlier.

The new budget figure which included the \$500K from the surplus and the expense of \$40K for a performance audit was \$32,912,281.

The committee took a vote to recommend this amount to the full Delegation on Monday.

Reps. Laliberte, Mulholland, Preston, Aguiar, and Ward were in favor. Reps Gionet, Friedrich and Williams were opposed.

Rep. Williams wanted to note that he was neither in favor of the County COLA this year nor of hiring of staff. Rep. Friedrich agreed with that.

The discussion about longevity for Elected Officials was brought up and Rep. Aguiar said that he planned to make a motion on Monday to eliminate longevity as a future practice and wanted the support of the committee. He stated that the Elected Officials have received generous increases and he was of the opinion that the Delegation is the body who votes on the salaries of those elected.

Rep. Preston thought that the committee should take a formal vote on the issue in order to give the recommendation proper backing when it comes up at the meeting.

Rep. Williams moved to recommend to the Delegation that the County end the practice of longevity for Elected Officials which was seconded by Rep. Gionet. All were in favor.

Director Clough said that the Treasurer will be at the meeting on Monday at 10:45 so that the Delegation can vote on the TANS.

11:11 AM Rep. Ford moved to adjourn which was seconded by Rep. Williams. All were in favor.

Respectfully submitted,

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Phil Preston, Clerk