

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget
Administration Building ~ UNH Conference Room
3855 Dartmouth College Highway
North Haverhill, NH
Monday July 12, 2010

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

Meeting was held immediately following the Delegation meeting and some Delegation members along with some Dept. Heads were present in the room during the meeting.

Rep. Mulholland called the meeting to order at 10:09 AM and began by asking the members if they had the new budget figures that Director Clough had sent them which showed the cut of \$345,615 which resulted in a 2.73% increase in the amount to be raised by taxes. Rep. Mulholland said that the cuts seem reasonable and the County can still operate properly with these cuts.

Rep. Preston asked how the 2% COLA affects the increase to the health insurance premiums. Human Resource Director Simpson was present and said that it has various effects depending on where a person is on the pay scale. He said that the lowest paid person would still receive an increase of around \$100.

Rep. Ford said that she wanted to be assured that the lower level employees would not be losing money because of the increase to health insurance and suggested that an option might be a flat rate increase. Rep. Aguiar agreed with the idea of a flat increase. Director Clough explained how the pay scale worked and said that an across the board increase would result in a compression of the wage scale down the road.

Commissioner Cryans reviewed the way things were looked at this year beginning with the fact that originally, the health insurance premiums had increased 20% and that HRD Simpson and the Executive Director researched other possibilities and made the choice to switch insurance carriers which resulted in only a 10% increase. Retiree insurance was also affected. Step increases were ruled out but the Commissioners thought that a 2% across the board COLA was fair. He said that in his opinion, Dept. Heads should be compensated more as their responsibilities are greater and said that a bank teller and a bank president should not expect to receive the same compensation, nor should the structure at the County. He stated that it was important to consider the morale of employees in this decision. Commissioner Cryans said he also did not think that it was very thoughtful for the committee to arbitrarily cut an amount of money from the budget without understanding what that meant.

Rep. Aguiar disagreed that the committee was not being thoughtful in their request.

Rep. Ward said that a flat stipend was all that was being given in the school system in his area and said that if they could work it out there, they should be able to work it out at the

County. Rep. Ford agreed and said that she has seen that done also in the schools and yes it does compress that wage scale but that's what it does.

Rep. Laliberte said she was having difficulty with treating the Union and non Union differently particularly since the Union negotiations have not been completed.

Commissioner Burton said that there was a memo which he thought the committee had access to at one point, which outlined the authority of both the Delegation and the Executive Committee and he did not believe that either had the authority to decide what raises should be given. He believed that was the decision of the Commissioners. Rep. Williams said that the Delegation held the purse strings but did not have authority as to what the money could be spent on.

Director Clough stated that it was important to remember that Administrators have to deal with the morale of the employees who it seemed were always being looked to for taking money away. She said there is \$600K going to the Social Service agencies that aren't being touched but the committee is looking toward the employees for cuts. Rep. Aguiar said he didn't feel that was true and they aren't talking about making cuts or laying off anyone. He added that if all the committee did was rubber stamp everything, he didn't know why they were here. Rep. Ward said his town board of selectmen called for furlough days so he didn't think what was happening at the County was so bad.

Rep. Friedrich said she feel that she would like to be able to do what's best for the employees, the taxpayers, everyone.

Rep. Ward moved to recommend that a raise of \$500 be given to all full time employees and that part time employees receive a portion of that amount depending on their hours and that the money be paid as a bonus when ever the Commissioners see fit. Motion was seconded by Rep. Gionet.

DISCUSSION:

Rep. Mulholland said that although there was a request to make this change the Commissioners don't have to honor that. Commissioner Cryans said that such a minute amount of money that this addresses (approx. \$31K), would have such a large effect on the morale of the employees. Rep. Harding agreed and asked about the Union. She said for the sake of \$31K the consequences seem huge.

Rep. Ward said that he had spoken to some of the County employees and they were okay with a flat fee. He said that many at a lower level would actually get more than they normally would and that he felt that morale would be fine. He stated that a majority of the employees would prefer this solution.

Rep. Laliberte did not agree that all people should make the same amount of increase and suggested that if the responsibilities were more than the pay should be as well.

Director Clough questioned how the per diem employees would be figured as it sounded as though they would get nothing. HRD Simpson said that this kind of decision would make it very difficult to complete the negotiations with the Union.

NHA Bolander said that implementing this kind of straight across stipend will create huge issues particularly when you consider the per diem employees and for the hiring of any potential new employees in the future. It may also be reflected in the services provided.

There was further discussion about the how many full, part and per diem employees that County had and the importance, particularly in the Nursing Home of those per diem employees.

When the vote came down 2 were in favor (Representatives Ward and Gionet) and 7 were opposed (Representatives Mulholland, Williams, Preston, Aguiar, Friedrich, Ford and Laliberte) Motion failed.

The committee decided to review the new budget figures given to them by Director Clough. They went over the capital improvements and Director Clough said that Maintenance will not be re-pointing the building this year; however, money was still needed so that a valve can be put into the waterline of the water tank because there is an issue with the turnover in the tank.

Rep. Aguiar asked if the part-time to full-time Maintenance person is still in the budget and Director Clough said that it was. Commissioner Richards said that she has the belief that Supt. Oakes knows what he needs in order to maintain the complex. Commissioner Cryans said that person will be at the lower end of the pay scale and will be used for necessary painting projects and upkeep.

There was also discussion about the need for a Maintenance person during the building of the Jail which was met with some opposition. Commissioner Cryans said that Cheshire County said that one of the most valuable things they did during the building of their Jail was to hire staff prior to the completion. He suggested they should take advice from someone who has gone before them.

Rep. Friedrich said that she objected to hiring to Correctional Officers for a Jail that won't be open for months. Director Clough tried to explain what the purpose of a transition team is, which includes the writing of policies for the new facility. Rep. Aguiar said that he finds it hard to believe that those hired will be writing policy and Director Clough said they will be higher level staff and yes they would be writing policy. Commissioner Richards suggested that anyone who had questions or felt they had issues with the philosophy should visit the Cheshire County Jail and speak with them.

Rep. Mulholland said that the Committee needs to come to a bottom line. Director Clough said she would like them to look at the big picture in terms of pre-hiring because next year this (budget increases) is going to be far worse.

There was a discussion about the bond payments and the way in which they were placed for payments. Commissioner Cryans said that the County thought it would be more prudent to have the loan over a 20 year period and to take care of the first two payments in an 18 month period. Rep. Ward did not see the logic in this.

Rep. Williams said that he had a hard time hiring people this year before the Jail is open. Commissioner Cryans said it wouldn't make sense to build a \$38M Jail and not hire people properly. Rep. Mulholland said they were trying to spend money to save money. She said that she remembers being told in the beginning that the breakdown would be 10% construction and 90% operation. She said there are currently 36 staff members in the Jail right now and she is sure that Supt. Libby will make sure that everyone coming in is trained properly which will keep the need for Officers lower and hopefully reduce the tax shock next year.

Rep. Ford said that she would like to hear from experts as to the need for the transition team, stating that she didn't fully understand. She said she would feel more comfortable supporting it if she could understand it better.

Rep. Laliberte said that it was very important to put people to work and when that happens the State will be better off.

The discussion continued about hiring a transition team for the new Jail.

Rep. Williams said that he would like to see what the actual costs were to give full-time employees a \$500 bonus and to give part-time employees a portioned amount according to the hours they work. He said he would also like to see costs for the part to full-time Maintenance person and what the full-time Maintenance person for the Jail will cost. He wanted to know what effect those things had on the budget. Director Clough said it would be very difficult to try to get numbers for per diem employees but she would do what she could.

Rep. Ward discussed the surplus saying that figures he received from Director Clough last Friday show a higher surplus than was reported prior. He questioned whether or not the committee wanted to use the surplus to reduce the budget or, as he said, accumulate surplus in the middle of a recession. He suggested taking another \$500K from the surplus to reduce the tax burden and to make it either 0% or less of a tax increase.

Director Clough said the surplus figure is fluid as they have not closed out the year yet and bills are still being paid.

Commissioner Cryans said that the surplus needs to be no less than between 5 and 8% of the budget so that when they go for another bond they can get the best rate. He said that he would like to confer with his fellow Commissioners before about using more of the surplus.

Rep. Mulholland questioned whether or not the surplus should be conserved for the next year when there is going to be a huge increase.

Rep. Ford said her preference would be to give taxpayers a break this year and to let people know what to expect next year.

Next meeting on budget will be Thursday July 22nd beginning at 9:00 AM.

The Executive Committee then approved minutes from past meetings.

Rep. Aguiar moved to approve the minutes from the May 17th Delegation meeting to vote on the Elected Official's salaries, which was seconded by Rep. Williams. All were in favor.

Rep. Ford moved to approve the minutes from the May 17th Executive Committee meeting which was seconded by Rep. Aguiar. All were in favor.

Rep. Laliberte moved to approve the minutes from the June 6th Executive Committee meeting on the budget which was seconded by Rep. Aguiar. All were in favor.

Rep. Laliberte moved to approve the minutes from the June 14th Executive Committee meeting on the budget which was seconded by Rep. Ford. An edit was made. All were in favor.

Rep. Laliberte moved to approve the minutes from the June 18th Executive Committee meeting on the budget which was seconded by Rep. Aguiar. All were in favor.

12:06 PM Rep. Ford moved to adjourn which was seconded by Rep. Williams. All were in favor.

Respectfully submitted,

Phil Preston, Clerk