

✿ New Hampshire's ✿

GRAFTON COUNTY



Incorporated 1769

ANNUAL REPORT FISCAL YEAR 2011

JULY 1, 2010 ~ JUNE 30, 2011

✿ Grafton County ✿

3855 Dartmouth College Hwy. ‡ North Haverhill, NH 03774
603-787-6941

ANNUAL REPORT OF THE GRAFTON COUNTY COMMISSIONERS

TOGETHER WITH THE REPORTS FROM



The

CONSERVATION DISTRICT
COUNTY ATTORNEY
HUMAN RESOURCES
NURSING HOME
SHERIFF'S DEPARTMENT
TREASURER † AUDITORS
UNH COOPERATIVE EXTENSION
CORRECTIONS
DRUG COURT
HUMAN SERVICES
FARM
REGISTRY OF DEEDS
INFORMATION TECHNOLOGY
DEPARTMENT OF MAINTENANCE



FOR THE FISCAL YEAR COVERING
JULY 1, 2010 – JUNE 30, 2011

The Dedication of the Annual Report

Crafton County

Commissioners

Districts 1, 2 & 3 have each chosen people whom they feel have made a large impact within the County. It is with great honor that this Annual Report is dedicated to them

Ann James ~ Hanover, NH

Nominated by: Commissioner Michael Cryans Dist. 1

Bill & Diana Ash ~ Bath, NH

Nominated by: Commissioner Raymond Burton Dist. 2

Glenda Toomey ~ Plymouth, NH

Nominated by: Commissioner Omer C. Ahern Jr. Dist. 3



*I*t is with great pleasure that I dedicate this Annual Report to Ann James of Hanover for all of her wonderful work in the area of volunteerism.

Six years ago, while running around Occom Pond in Hanover, Ann mentioned to me that she was interested in volunteering at the jail. After a few suggestions to her, and giving her the telephone number of Glenn Libby - the Superintendent of the Grafton County House of Corrections - Ann signed up to volunteer with the "Thresholds and Decision" Program. Since that time, Ann has made many trips to Haverhill to serve as a mentor of this program, which helps inmates make better decisions by thinking before they act.

Ann was one of the early driving forces and founding members of the Outreach House in Hanover, which is a residential care house for senior citizens.

She also was on the ground floor of the Upper Valley Hostel, which provides lodging for patients receiving treatment at DHMC, and their family members. The Hostel is currently in its 34th year.

In addition, Ann has been involved with David's House for twenty-five years. This cherished asset is a home away from home and provides support for families of children receiving treatment through the Children's Hospital at DHMC.

Ann is married to Jim, and they have seven adult children, 15 grandchildren and four great-grandchildren.

It is because of Ann's generous spirit of volunteerism to both Grafton County and the Upper Valley that I am proud to make this dedication.

Ann James



*B*ill and Diana Ash of Bath NH celebrated their 50th Wedding anniversary three years ago on the farm where they lived for those 50 years, bringing up their family of four children, which has now grown to seven grandchildren and three great grandchildren.

Over the years, the list of community and regional activities they have been part of has been plentiful. After working for many years at New England Wire Technologies in Lisbon, then retiring, both Bill and Diana continue to be active in community life.

Every day, five days per week, Bill prepares and delivers Senior Meals from the North Haverhill Horse Meadow Senior Center, to those who are home bound. He is a member of the Bath Fire Department, Deputy Fire Warden for the Ammonosuc Fire Wardens Association, on the Bath Budget Committee and also drives to DHMC and the Veterans Center in White River Junction, transporting people who would otherwise not have a ride.

Bill also works on the monthly Bath Congregational Church Dinners and serves on the Town of Bath Cemetery Committee as a Commissioner

Diana Ash has served in many town offices in various capacities over the years. She is currently on the Bath Board of Selectmen and has served as Supervisor of the Voter Checklist. She has been on the Bath Planning Board, Bath School Board, volunteers as a 4-H Leader and has worked in the Bath Congregational Church Offices.

Bath is very lucky to have two people, so caring, dedicated and willing to give of their time.

“We are kind of quiet in our area helping others. It is rewarding to be able to give of ourselves to our community”, is the response given when Bill and Diana Ash are asked why they continue to serve their town and local area.

Their community thanks them!

Bill & Diana Ash



Glenda Toomey grew up in North Reading, Massachusetts as one of ten children. On June 29th, 1954 she married her late husband, John Toomey. and together they had six children, eleven grandchildren and one great-grandchild. Her incredible family is a testament to the unconditional love she invests into all who surrounds her. Glenda has called New Hampshire home for the past thirty years and during that time she has touched so many lives and is recognized for her determination to make a difference and her

sincere compassion for all.

Glenda owned the Plymouth Nutrition Center for thirteen years. During that time she not only provided nutritional guidance, but also support, encouragement and love to all her customers. Her deep compassion led so many into the store for advice and hugs. In 1999 she founded the Pemi Youth Center of Plymouth. She saw the need to provide a safe and welcoming environment for young people of the community to gather and to learn and to grow. For the past nine years Glenda has welcomed the youth of the community into the center. She supports and encourages young dreams, while teaching lessons of love that inspire many.

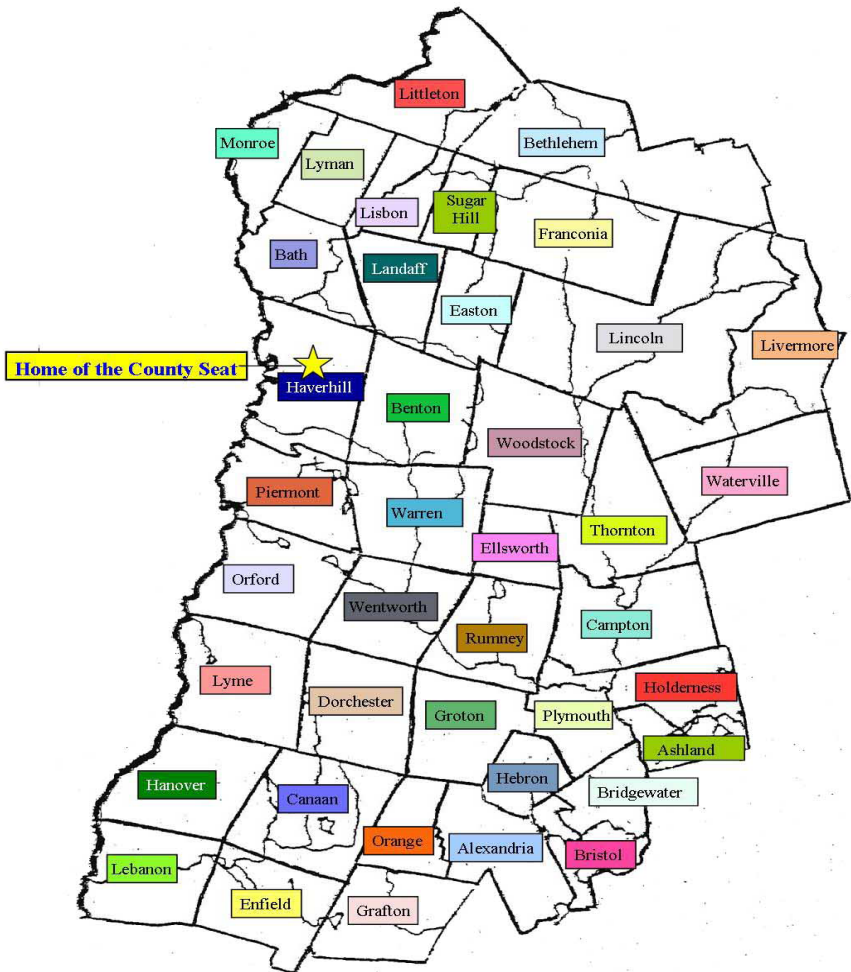
Glenda's high standards and commitment to serve God is the foundation upon which the Pemi Youth Center organization was built. Today the center not only provides a safe place for youth to gather during after school hours, but also strong positive programming including, academic assistance, mentoring, nutritional guidance and cooking instruction, art and recreational activities, community service opportunities, playgroups and much more. Glenda's dedication and love for children can be best understood by speaking to the youth of our community who call the Pemi Youth Center "home". An inspiration to many, Glenda Toomey is an amazing individual who makes a difference in the lives around her and lives her life with great passion.

Glenda Toomey

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The Towns of Grafton County



Towns in the Commissioners Districts

- 1.) Enfield, Hanover, and the city of Lebanon
- 2.) Bath, Benton, Bethlehem, Easton, Franconia, Haverhill, Landaff, Lincoln, Lisbon, Littleton, Lyman, Lyme, Monroe, Orford, Piermont, Sugar Hill, Warren, Wentworth, and Woodstock^k
- 3.) Alexandria, Ashland, Bridgewater, Bristol, Campton, Canaan, Dorchester, Ellsworth, Grafton, Groton, Hebron, Holderness, Orange, Plymouth, Rumney, Thornton, and Waterville Valley



Commissioners Mike Cryans, Omer C. Ahern Jr. and Ray Burton

COMMISSIONERS' REPORT FISCAL YEAR 2011

We are pleased to present the following reports and financial statements for the period of July 01, 2010 – June 30, 2011. We share these reports with you, the people of Grafton County, so that you may have a better understanding of your County Government.

Financially, the County finished fiscal year 2011 in sound financial shape. Total Revenues came in slightly below budget projections by \$881K. The total revenue received for the fiscal year was \$32,230,376. Expenses were below budget estimates by \$2,267,062. The total expended was \$30,845,136 with \$17,945,268 being raised in County taxes.

The budget process for FY 2012 was extremely challenging. As had been projected for several years, the County had to begin to build in the financial impact of the new Correctional Facility. Fiscal Year 2012 is the budget in which the first financing expenses had to be included. In addition and was discussed in the several public hearings, the new facility will require an increase in staff and an increase in operational costs. Balancing these needs, the needs of the rest of the County and the uncertain economic times was difficult. We wanted to produce a budget that was reasonable and did not cut the County workforce. Although there were increases in both the amount to be raised by taxes and the budget the majority felt that they were necessary increases. The County had been receiving FMAP (Federal Medicaid Assistant Percentage) funds which was an increase in funds attributable to the American Recovery and Reinvestment Act. This

program ended on June 30, 2011, which caused an automatic increase in the budget of \$830K. In addition employees and departments made many sacrifices to deliver budgets that were as reasonable as possible. The County did reinstate step increases for employees which were frozen in fiscal year 2011. There was no cost-of-living adjustment. In addition, in an effort to reduce health insurance expenses, the County changed health insurance plans and our employees now have a deductible plan. After the Commissioners' efforts to produce a reasonable and responsible budget, the Delegation felt that the proposed budget was too high and reduced the budget by \$900K. The fiscal year 2012 budget increased by 8.38% while the amount to be raised by taxes increased 8.16%. It should be noted that these increases were substantially lower than original projections. Looking forward, fiscal year 2013 will be equally as challenging as we continue to face difficult economic conditions and we will be in the first full year of operation of the new correctional facility.

The construction of the new Department of Corrections Facility continued during fiscal year 2011. The new facility has a projected completion date of May, 2012. The project is running on schedule and on budget as we close the fiscal year.

The photograph below is an aerial photo taken by Peter Kimball of the new facility on September 01, 2011.



We look very forward to the opening of our new facility during fiscal year 2012.

As many may remember the Commissioners' were authorized to borrow up to thirty-eight million (\$38M) dollars for this project. Due to a considerable effort to cut costs, save money and some good fortune the County has borrowed thirty-three million (\$33M) dollars to complete the project – a five million (\$5M dollars) savings.

As we begin to anticipate the completion of the new correctional facility the County has commenced the early planning process for a Woodchip Biomass Combined Heat and Power system for the campus. The County did receive an Energy Efficiency Conservation Block Grant for \$378,500 to be put toward that project. We are now in the process of putting together a Request for Proposals to be sent out for engineering and design services for the biomass plant. This phase of the project will be paid for with grant funding. As we move into the fiscal year 2013 budget process we will evaluate the dollars and cents of this project. We continue to seek grant funding to fund the balance of the project.

In January, 2011 we said good-bye to several of members of the elected County family: Commissioner Martha Richards and Register of Deeds Bill Sharp were both defeated in the November elections and Treasurer Vanessa Sievers did not seek re-election. At the same time we welcomed three (3) new members to the elected County family: Commissioner Omer C. Ahern, Jr. from Plymouth; Treasurer Carol A. Elliott from Plymouth and Register of Deeds Kelley A. Monahan from Orford.



Sadly, the Nursing Home has suffered the tragic loss of two (2) employees this year. Unexpectedly passing away was the Nursing Home Staff Development Director, Linda Klein in January and Karen Gordon, LPN in August. Our condolences are extended to both of their families and all of their co-workers.

Grafton County continues to participate in the NACO (National Association of Counties) prescription drug discount program that is sponsored by CareMark. This valuable program is at no cost to the County or to the citizens. This program can reduce the cost of prescription drugs by up to 20%. Since the inception of the prescription drug program in September, 2006, Grafton County citizens have saved a total of \$462,495. Getting enrolled in the program is simple – just place a call to the Commissioners' Office and request a card. The only information needed is your name and address and we will mail you a card. These cards are also available at many participating pharmacies in Grafton County.

The NH Association of Counties Annual Conference was held at the Mount Washington Hotel on October 25th & 26th. During the conference at the Annual Banquet, Commissioner Michael Cryans was recognize as the County Commissioner of the Year, Payroll Coordinator Leslie Lackie was recognized as the County Employee of the Year and Social Service Assistant Tony Gahn was recognized as the Nursing Home Employee of the Year Congratulations on a job well done, we are very proud of you!

The Grafton County Drug Court program continues to be a success. Participation has grown to over 20 with a number of participants graduating from the program.

During fiscal year 2011 the County was awarded a grant to start a Mental Health Court. County Attorney Lara Saffo has spearheaded this effort. Grafton County has hired a Mental Health Court Coordinator, Michelle Golden and now has two (2) functioning Mental Health Courts: one in Littleton and the other in Lebanon.

Our mission and focus continues to be to provide good quality service to the residents of Grafton County while maintaining a stable tax rate. This is very challenging considering the status of the economy and the increases in the cost of doing business.

The Commissioners hold regular weekly meetings on Tuesday's at 9:00 AM, at the County Administrative Building at 3855 Dartmouth College

Highway in North Haverhill, with periodic tours of the Nursing Home, Department of Corrections, County Farm and Courthouse. We also attend monthly meetings of the Grafton County Executive Committee. All meetings are public. Please call the Commissioners' Office to confirm date, time and schedule. For further information, minutes of the Commissioners' meetings and links to other departments please visit our website at www.graftoncounty.nh.us.

In closing, we continue to be proud of the accomplishments and successes of Grafton County Government. We realize that these accomplishments would not be possible without the dedication and hard work of our four hundred twenty five (425) employees and the countless number of volunteers. We would like to recognize and thank all of our employees and the many volunteers that do such a fantastic job.

Respectfully submitted,

GRAFTON COUNTY COMMISSIONERS:

Michael J. Cryans, Chair (District1)

Omer C. Ahern, Jr., Vice-Chair (District 3)

Raymond S. Burton, Clerk (District 2)

IN MEMORY OF

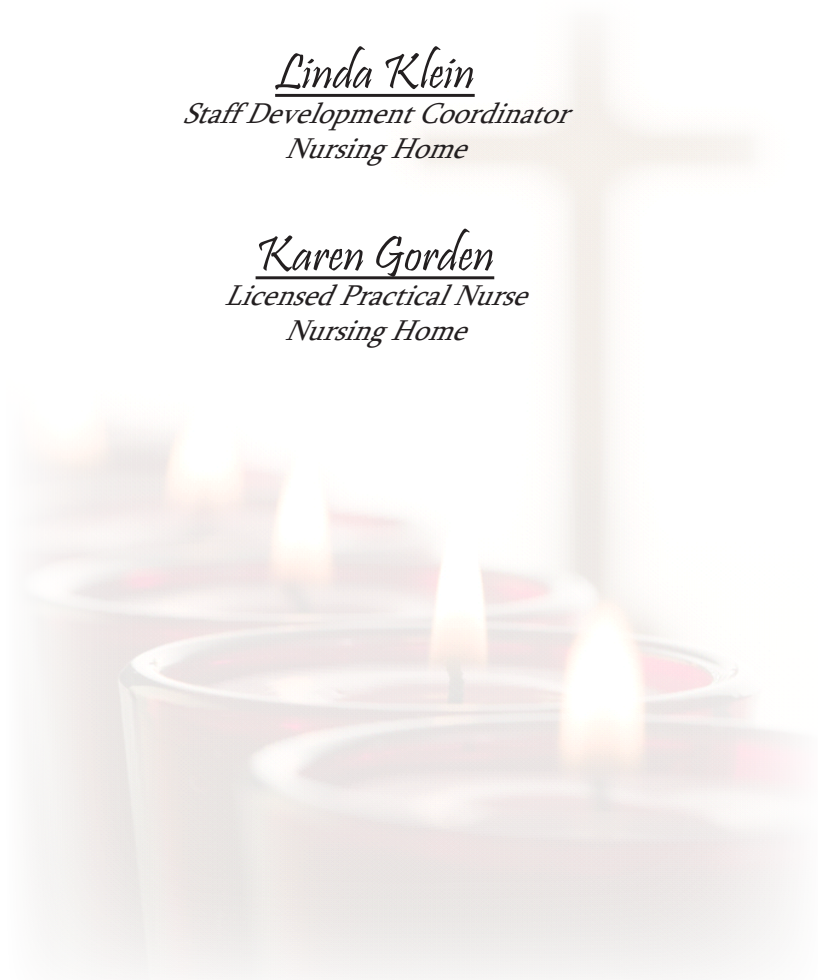
*Grafton County suffered the loss of two its employees
unexpectedly in 2011. It is with great sadness that
we present their names in memoriam.*

Linda Klein

*Staff Development Coordinator
Nursing Home*

Karen Gorden

*Licensed Practical Nurse
Nursing Home*



GRAFTON COUNTY
ELECTED AND APPOINTED OFFICIALS
July 1, 2010 ~ June 30, 2011

COMMISSIONERS

Michael J. Cryans, District #1 - Hanover
Raymond S. Burton, District #2 - Bath
Omer C. Ahern Jr., District #3 - Plymouth

EXECUTIVE DIRECTOR

Julie L. Clough, North Haverhill

TREASURER

Carol Elliott, Plymouth

COUNTY ATTORNEY

Lara Saffo, Benton

COUNTY SHERIFF

Douglas Dutile, North Haverhill

REGISTER OF DEEDS

Kelley Monahan, Orford

CLERK OF COURT

David P. Carlson

JUDGE OF PROBATE

Gary W. Boyle, Littleton

ADMINISTRATOR, NURSING HOME

Eileen Bolander, Bradford, VT

SUPERINTENDENT, CORRECTIONS

Glenn Libby, North Haverhill

MANAGER, COUNTY FARM

Donald Kimball, North Haverhill

SUPERINTENDENT, MAINTENANCE

James Oakes, North Haverhill

HUMAN RESOURCES DIRECTOR

Michael Simspon, North Haverhill

INFORMATION TECHNOLOGY MANAGER

Brent Ruggles, Bethlehem

MEDICAL DIRECTOR

Frederick Kelsey

AUDITORS

Melanson, Heath Nashua, NH

GRAFTON COUNTY DELEGATION

Jan. 1, 2011~ June 30, 2011

District #1

* Lyle Bulis, Littleton
Stephanie Eaton, Littleton

District #2

Kathleen Taylor, Franconia

District #3

*Edmond Gionet, Lincoln
Gregory Sorg, Easton

District #4

Lester Bradley, Thornton

District #5

*Rick Ladd, Haverhill
Paul Ingbretson, Pike

District #6

*James Aguiar, Campton
*Charles Brosseau, Campton

District #7

Suzanne Smith, Hebron
Mary Cooney, Plymouth

District #8

Skip Reilly,
Jeff Shackett, Bristol
Paul Simard, Bristol

District #9

Bernard Benn, Hanover
Beatriz Pastor-Bodmer, Lyme
Sharon L. Nordgren, Hanover
David Pierce, Etna

District #10

Paul Mirski, Enfield Center
*Charles Sova, Orange
*Chuck Townsend, Canaan

District #11

*Susan Almy, Lebanon
*Andrew White, Lebanon
Franklin Gould, Lebanon
Anna Harding, Lebanon

* Denotes Executive Committee

GRAFTON COUNTY BUDGET

July 1, 2010 to June 30, 2011

EXPENDITURES:

Administration & Treasurer	\$406,729.00
County Attorney	\$644,160.00
Victim/Witness Advocate	\$144,439.00
VAWA Grant	\$ 84,807.00
Child Advocacy Grant	\$ 0.00
Drug Court	\$298,945.00
Medical Referee	\$43,000.00
Delegation Expenses	\$10,000.00
Register of Deeds	\$545,914.00
Human Resources	\$57,656.00
Information Technology	\$202,922.00
Sheriff's Department	\$1,341,765.00
Dispatch	\$ 947,071.00
Courthouse Maintenance (Allocated to Depts)	\$0.00
Court System Maintenance Allocation	\$225,000.00
Human Services	\$ 6,852,435.00
GCEDC	\$ 50,000.00
Extension	\$313,886.00
Social Svc	\$583,550.00
Interest	\$978,038.00
Payment on Bonds & Notes	\$825,000.00
Capital Outlay	\$417,537.00
Wage/Benefit Adjustment	\$ 64,000.00
Contingency	\$ 97,500.00
Unemployment	\$ 10,000.00
Nursing Home	\$13,127,747.00
Jail	\$4,288,203.00
Farm	\$487,590.00
Conservation Dist	\$ 62,930.00
North Country	\$ 1,375.00
 TOTAL EXPENSES	 \$33,112,199.00
LESS REVENUE	\$12,936,628.00
LESS SURPLUS TO REDUCE TAXES	\$2,230,303.00
AMOUNT TO BE RAISED BY TAXES	\$17,945,268.00

GRAFTON COUNTY BUDGET

July 1, 2010 to June 30, 2011

REVENUE:

County Nursing Home	\$9,582,253.00
County Jail	\$194,337.00
County Farm	\$421,083.00
Building Rental	\$313,700.00
Register of Deeds	\$900,000.00
Human Services	\$35,000.00
Sheriff's Dept Fees	\$438,844.00
Sheriff's Dispatch	\$508,563.00
Extension Svc	\$9,400.00
Misc Revenue	\$104,815.00
Interest Earned	\$175,300.00
Federal in Lieu of Taxes	\$55,000.00
Victim/Witness Advocate	\$26,500.00
Attorney's Fees	\$30,000.00
Abandon Property	\$10,000.00
Capital Revenue	\$131,833.00

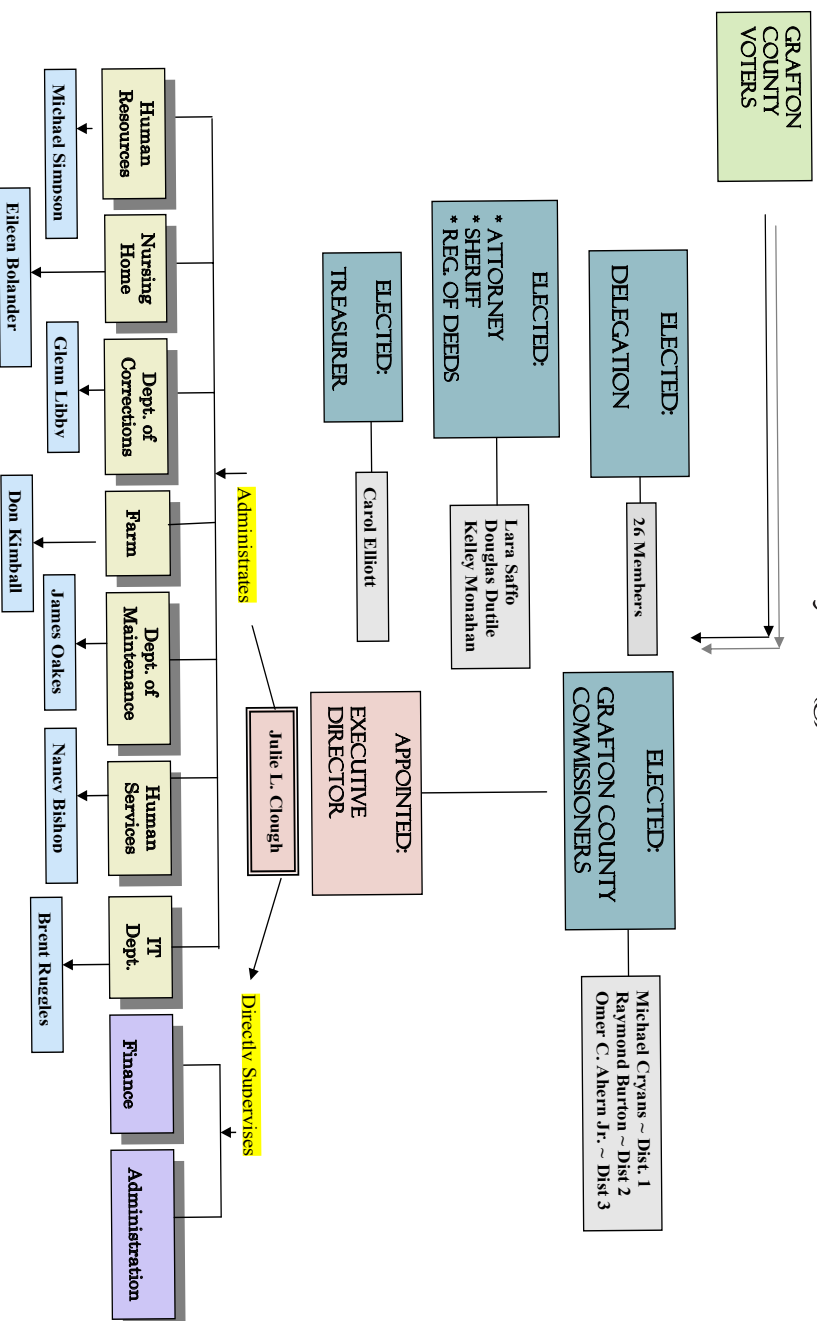
TOTAL REVENUE	\$12,936,628.00
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DELEGATION EXPENSES

Margie Maybeck	\$ 77.00
Jeff Shackett	\$ 80.00
Greg Sorg	\$ 84.34
Paul Ingbretson	\$ 90.00
Stephanie Eaton	\$ 94.44
Lester Bradley	\$ 114.64
Skip Reilly	\$ 161.10
Paul Mirski	\$ 171.20
Sharon Nordgren	\$ 183.72
Brien Ward	\$ 188.00
Beatriz Pastor-Bodmer	\$ 192.46
Kathleen Taylor	\$ 196.48
Paul Simard	\$ 242.20
Carol Friedrich	\$ 242.50
Bernard Benn	\$ 248.74
Franklin Gould	\$ 250.00
David Pierce	\$ 258.79
Mary Cooney	\$ 325.80
Suzanne Smith	\$ 328.31
Anna Harding	\$ 368.47
Susan Ford	\$ 376.00
Miscellaneous	\$ 402.64
Rick Ladd	\$ 481.10
Burton Williams	\$ 553.00
Suzanne Laliberte	\$ 556.50
Philip Preston	\$ 600.00
Charles Brosseau	\$ 763.60
Lyle Bulis	\$ 770.72
Charles Sova	\$ 834.00
Catherine Mulholland	\$ 855.00
Susan Almy	\$ 957.20
Andy White	\$ 957.54
Edmond Gionet	\$ 996.00
Chuck Townsend	\$1,048.54
James Aguiar	\$1,077.08

	\$15,127.11

Grafton County Organizational Structure



REPORTS FROM THE DEPARTMENTS

GRAFTON COUNTY TREASURER

Carol A. Elliott

Annual Report Fiscal Year 2011

County tax collections from all the towns in Grafton County and the City of Lebanon totalled \$17,945,268.00 in Fiscal Year 2011. A portion of the tax money was first used to pay off the Tax Anticipation Note owed for expenses the previous year. The remainder was invested in interest bearing accounts for future county expenses. A bidding process was used for these investments with the objective of gaining as much interest income as possible considering the existing economic conditions. The bidding process is open to all banks in Grafton County with the emphasis on rates of interest and the length of time funds can be invested in order to provide income strategically.

Interest income in Fiscal Year 2011 totalled \$189,967.16. This amount is broken down into interest from the investment of tax monies yielding \$47,107.88 and the investment of jail bond funds yielding \$142, 859.28. The jail bond funds, borrowed in 2010, were also invested through a bidding process for interest bearing accounts which provide funds in increments corresponding to projected construction deadlines.

It is once again a pleasure to serve the citizens of Grafton County. Even though interest rates are currently dismal, I shall continue to explore all possibilities for increasing interest revenue in order to decrease the tax burden.

Respectfully submitted,

Carol A. Elliott
Grafton County Treasurer

GRAFTON COUNTY ATTORNEY

Lara Joan Saffo

Annual Report Fiscal Year 2011

The Office of the Grafton County Attorney promotes public safety and pursues justice through the courts. County Attorney Lara Saffo continues to employ an experienced group of attorneys. The Deputy County Attorney is longtime prosecuting attorney Melissa Pierce. Assistant County Attorneys for 2011 are Paul Fitzgerald, Mary Bleier and Nancy Gray. Office Administrator Alison Farina, Administrative Assistant Christine Ash, and Legal Secretaries Ruth Maffei and Dawn Burleson continue to serve as staff to the office.

Prosecuting felony cases is the primary function of the county attorney's office. The greatest portion of attorney and staff time is focused on litigation, and the office is equipped to meet this challenge. During the fiscal year, the office opened 726 case files and represented the citizens of Grafton County in 2586 scheduled court appearances. Additionally, there were 106 cases reopened for post-conviction hearings, including probation violations. Arrest warrants were requested for 130 fugitive defendants during the fiscal year.

The special services investigator, Wayne Fortier, played an instrumental role in developing cases for prosecution, freshening cold case files, and working with the Grafton and Sullivan County Child Advocacy Center at DHMC.

The Office of Victim/Witness Assistance remains one of the County Attorney's most critical programs, helping to promote the Victim's Bill of Rights and providing information to crime victims. That office is coordinated by Carin Kniskern and assisted by Sabra Carroll.

As county attorney, I cannot express my appreciation for the dedication and hard work of all of the above noted members of the Office of the Grafton County Attorney. Our already busy caseload increased 30 percent this past fiscal year, and all members of the office have worked incredibly hard to accommodate this increase in work and caseload.

A highlight of the fiscal year was the establishment of mental health court programs in the Littleton and Lebanon District Courts. Shelly Golden was hired as the first Grafton County Coordinator of Mental Health Courts.

These specialty court dockets, known as the “Halls of Hope” in the Lebanon area and “A.S.S.E.R.T.- Alternative Sentencing Solutions for Education, Recovery and Treatment” in the Littleton area, offer sentencing alternatives that ensure treatment and case management for individuals with serious mental health illnesses that lead them to commit non violent, misdemeanor level offenses. The agencies and individuals who have contributed to the establishment and development of these programs are too numerous to mention in this report, and include the police departments, mental health agencies, NAMI-NH and the United Way. The Office of the Grafton County Attorney applied for and received a federal grant to cover the costs of developing and staffing this program for the first two years.

Grafton County also has actively participated in the continued success of the Grafton County Drug Court Sentencing Program. The drug court program is open to non-violent adult offenders with a history of addiction who face drug-related criminal charges that would likely result in a term of incarceration at the county jail.

The Office of the Grafton County Attorney accomplished several more tasks during the year, including:

- The attainment of federal funds to finance the Office of Victim/Witness Assistance, subsidize the costs of a prosecutor’s position to focus on domestic violence cases, fund advanced prosecutorial trainings and improve the access to media in the courtroom and during investigations.
- The receipt of a federal grant to purchase and install case management software. This software will result in increased efficiency in our case management. Other benefits are improved technology in the courtroom and the ability to network with all the other county attorney offices statewide.
- The continued successful operation of the Grafton/Sullivan Child Advocacy Center at Dartmouth Hitchcock Medical Center, which provides services for children throughout Grafton County.
- The continued promotion of the Plymouth Area Sexual Assault Resource Team (PASART), which results in collaborations between the various agencies serving adult victims of sexual assaults. Among other things, PASART offers free training in

the areas of domestic violence, sexual assaults, stalking, human trafficking and strangulation. PASAT has also begun to formally evaluate cases after the criminal prosecution is completed, with an eye on improving services in the future.

- Participation in the New Hampshire Partnership for the Protection of Older Adults. Deputy County Attorney Melissa Pierce is a member of the Partnership and conducts trainings for collaboration team members, including law enforcement.

The Grafton County Attorney's Office thanks the County Delegation and Grafton County Commissioners Michael Cryans, Raymond Burton, and Omar Ahern. Their backing, coupled with support from area law enforcement and private citizens, help make Grafton County a safe and peaceful place to live and work.

The Grafton County Attorney's Office also wishes to recognize the Halls of Hope and ASSERT team members for their efforts and dedication in addressing the issue of mental illnesses in the criminal justice system. We wish to extend our heartfelt appreciation for their hard work and dedication to Grafton County.

Respectfully submitted,

Lara Joan Saffo
Grafton County Attorney

GRAFTON COUNTY SHERIFF'S DEPARTMENT

Sheriff Douglas R. Dutile
Annual Report Fiscal Year 2011



To the Honorable Grafton County Commissioners,
Grafton County Delegation and Citizens of Grafton
County:

It is an honor to present the annual report of the Grafton County Sheriff's Department for Fiscal Year 2011. I would like to take a moment and recognize the retirement of Captain Paul C. Leavitt. Paul served over 50 years in NH law enforcement and more than 20 of those years at Grafton County. The Sheriff's Department along with the citizens of Grafton County has benefited from your employment and will certainly miss your presence. We wish you a special and enjoyable retirement.

The Code Red Program or public notification system has proven to be a valuable public safety asset. It was most recently used during Tropical Storm (Hurricane) Irene to notify residents of flooding and road closures.

Our mobile communications/command trailer continues to be a proven performer. It was deployed on numerous occasions to events, lost persons, explosions and pre-planning exercises to name a few. It provided back-up dispatch and field support operations for first responders. We are very proud of this state of the art piece of equipment and the professional communications personnel who operate it.

The Department continues to maintain its status with the Commission for the Accreditation for Law Enforcement Agencies (CALEA) by providing nationally recognized policies and procedures.

The Sheriff's Department work-load continues to increase each year. We noted an increase in most areas to include Prisoner Transportation, Civil Activity and the over-all calls for service. Members of the Sheriff's Department have a high sense of personal responsibility for the quality of their work and are doing a fantastic job by keeping up with the increased demand. All Sheriff's Department Deputies, Court Officers, Communication's Personnel, and Office Staff are very dedicated and committed in providing the highest quality of service to our citizens of Grafton County. We emphasize the concept of "TEAM EFFORT". I would

like to express my sincere appreciation to the entire staff for their loyalty, support and dedication.

I would like to thank Executive Director Julie L. Clough, her conscientious staff, the County Commissioners and the County Delegation for all of their support and interest in the operations of the Sheriff's Department. I look forward to your continued support and working relationship. Remember, we remain faithful in, "Protecting Property and Serving the People".

Respectfully submitted

Douglas R. Dutile, Grafton County Sheriff

GRAFTON COUNTY SHERIFF'S DEPARTMENT

Activities Report ~ July 1, 2010 ~ June 30, 2011

	<u>FY2010</u>	<u>FY2011</u>
<u>Civil Activity</u>		
Civil Process Served & Attempts:	5,675	6,293
Civil Service Fee Revenue:	\$162,037	\$ 201,225

Prisoner Transports

Adult and Juvenile Prisoners Transported to Courts and Treatment Facilities:	4,198	4,953
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Extraditions

Fugitives returned to Grafton County:	61	21
They were returned from: North Carolina, New York Connecticut, Vermont, Massachusetts, Rhode Island, Maine, Pennsylvania,		

Criminal Investigations

General investigations conducted:	89	128
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Warrant Status – Criminal & Civil

Criminal warrant arrest:	44	37
Criminal warrant recalled:	21	28
Criminal warrants open:	339	393
Civil warrant arrest:	59	30
Civil warrants recalled:	51	73
Civil warrants open:	114	80

U.S. Forest Service Patrol Enforcement

Arrests made while patrolling:	99	110
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Citations Issued

Warnings:	92	62
Summonses	31	8

Grafton County Communications Center

Calls for service received at the center:	54,155	57,137
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Agencies Dispatched for:

21 Police Departments

26 Fire Departments

14 Emergency Medical Squads

Persons entering the Court House:	47,122	49,959
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Persons held in temporary detention at the Sheriff's Department:	1,201	819
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Assists rendered to Police Departments:	231	339
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GRAFTON COUNTY HUMAN SERVICES

Nancy Bishop

Annual Report Fiscal Year 2011

To the Honorable Commissioners of Grafton County:

In FY 2010, Grafton County Human Services continued to monitor monthly charges from the NH Department of Health & Human Services for Long Term Care Services. The total charges billed to Grafton County were \$8,304,146.29 . Nursing Home Service (INC) at \$6,371,908.09 and Home & Community Services (HCBC) at \$1,932,238.20.

The amount budgeted for Long Term Care Services in FY10 was \$6,733,848, based on estimated figures presented in the Spring of 2009 by Health & Human Services. At the end of FY09, the cap figures were revised based on the percentage of actual expenses. At that point it was determined that Grafton County's legally liable reimbursement would be \$6,689,132.29.

The average number of recipients per month receiving Nursing Care Services was 277 at a cost to the county of \$5,157,690.37.

The average number of recipients per month receiving Home & Community Care Services was 192 at a cost to the county of \$1,531,442.22.

Please refer to the chart on the next page for a breakdown of expenses by town. You will find the actual expenses represented are reduced by the total Estate Recoveries of \$68,864.90 received during the fiscal year.

In addition to these services, Grafton County also reimbursed the State of New Hampshire for it's prorated portion of the Medicaid Audit Teams salary and benefits totaling \$19,378.

I would like to thank the Board of Commissioners and the Executive Director for your support over the last year.

Respectfully submitted,

Nancy J. Bishop, Administrator

Grant Total by Town

From: 07 / 2010 To: 06 / 2011

Town	INC \$	# I Cases	HCBC \$	# H Cases	Total \$	# T Cases
ALEXANDRIA	84,595.70	8	4,664.57	1	89,260.27	9
ASHLAND	116,413.49	11	43,135.19	6	159,548.68	17
BATH	169,669.46	9	5,166.00	2	174,835.46	11
BETHLEHEM	106,471.63	9	65,341.05	10	171,812.68	19
BRIDGEWATER	23,502.39	3	12,642.27	2	36,144.66	5
BRISTOL	139,314.50	13	35,380.92	7	174,695.42	20
CAMPTON	122,255.78	15	99,762.42	16	222,018.20	31
CANAAN	133,447.04	8	91,156.46	9	224,603.50	17
DORCHESTER	5,858.91	2	14,751.46	2	20,610.37	4
EASTON	33,992.41	2	0.00	0	33,992.41	2
ENFIELD	148,290.36	13	51,433.90	6	199,724.26	19
FRANCONIA	114,459.21	10	7,639.39	2	122,098.60	12
GRAFTON	45,438.18	5	82,893.05	7	128,331.23	12
GROTON	5,318.32	1	0.00	0	5,318.32	1
HANOVER	268,348.71	28	15,703.28	2	284,051.99	30
HAVERHILL	588,674.18	46	233,784.41	31	822,458.59	77
HEBRON	-916.35	2	0.00	0	-916.35	2
HOLDERNESS	94,779.45	6	10,960.53	2	105,739.98	8
LANDAFF	68,808.41	7	8,190.83	1	76,999.24	8
LEBANON	771,389.07	70	285,432.75	39	1,056,821.82	109
LINCOLN	103,900.37	10	46,876.31	6	150,776.68	16
LISBON	206,848.92	13	79,084.69	11	285,933.61	24
LITTLETON	581,974.31	41	224,197.84	29	806,172.15	70
LYMAN	0.00	0	16,958.85	1	16,958.85	1
LYME	75,999.87	4	0.00	0	75,999.87	4
MONROE	98,872.78	7	13,926.43	2	112,799.21	9
ORANGE	22,698.82	1	0.00	0	22,698.82	1
ORFORD	102,777.71	6	1,658.08	1	104,435.79	7
PIERMONT	76,004.38	5	36,116.53	3	112,120.91	8
PLYMOUTH	235,885.10	18	106,069.96	17	341,955.06	35
RUMNEY	138,414.86	10	25,839.45	4	164,254.31	14
SUGAR HILL	-2,424.70	1	0.00	0	-2,424.70	1
THORNTON	77,059.07	8	20,053.88	6	97,112.95	14
WARREN	135,919.83	9	27,451.75	5	163,371.58	14
WATERVILLE	0.00	0	7,096.99	1	7,096.99	1
WENTWORTH	59,794.63	3	2,201.25	1	61,995.88	4
WOODSTOCK	93,966.32	10	21,332.98	2	115,299.30	12
XXXXX	-369,992.00	1	0.00	0	-369,992.00	1
Grand Total Count: 38	4,677,811.12	415	1,696,903.47	234	6,374,714.59	649

GRAFTON COUNTY HUMAN RESOURCES DEPARTMENT

Michael Simpson

Annual Report Fiscal Year 2011

To the County Commissioners, Grafton County Delegation and the citizens of Grafton County:

It is my privilege to present the following report for Fiscal Year 2011 on behalf of the Grafton County Human Resources Department.

The Human Resources Department works collaboratively with all departments at Grafton County in the areas of recruitment, retention, labor relations, benefits administration, compensation, employee relations, employment policies, maintaining personnel files, safety, wellness, training, orientation, and legal compliance with federal and state regulations.

As one of the area's largest employers, with approximately 435 employees countywide, recruiting new employees and retaining existing staff is essential as our employees at Grafton County are the most valuable resource we have.

Health insurance is not only a critical topic at the state and national levels, but also at the local levels too. In March of 2010, two federal statutes were enacted: Patient Protection and Affordable Care Act and the Health Care and Educational Reconciliation Act of 2010. The Grafton County Human Resources Department worked diligently with our health insurance carrier to comply with the new regulations that started to be effective in 2010. More regulations will be gradually implemented through 2018.

In addition to changing laws with health insurance, increasing health insurance premium rates was a challenge that Grafton County faced in FY11. Our initial renewal rates for FY12 were going to result in a 20% increase. Simply put, that was not going to be sustainable to Grafton County taxpayers and Grafton County employees. Fortunately, by implementing a deductible into our health insurance plan, we were able to reduce the premium increase by over 75% by making this and other changes to our plan design. The end result, our FY12 renewal rate increase was less than 5%.

We continue to generate revenue through participation in the Medicare

Part D (prescription drug) subsidy program. We currently have 8 applications approved and we have received payments totaling \$35,648.95 from the period of July 1, 2010 to June 30, 2011.

In addition to our day-to-day operations, other projects the Human Resources Department worked on during FY11 include the following:

- Obtained and processed \$10,000 in grant monies to purchase equipment to help improve the overall safety of our employees.
- Employee Handbook was updated in September of 2010.
- Worked with the Board of Commissioners, Representative Rick Ladd, and local business and educational leaders to ensure the Woodsville campus at White Mountain Regional College remained open.
- Enrolled in the Early Retirement Reinsurance Program (ERRP) through the U.S. Department of Health and Human Services.
- Created an extensive salary survey consisting of over 60 positions at Grafton County and administered the survey to all 10 Counties in New Hampshire.
- Began preliminary discussions with 4 local School Administrative Units (SAU) on creating a possible pool to purchase health insurance in the future.
- Wellness Committee worked on developing programs and initiatives to provide tools for our employees to help them become healthier.
- Served on the Grafton County Negotiating Committee to agree on various annual re-openers of our collective bargaining agreement with UE Local 278.
- Involved in the completion of the GASB 45 report.

In closing, I would like to recognize the Human Resources team of Karen Clough, Human Resources Generalist and Wanda Hubbard, Human Resources Clerk for their continued work to run the day-to-day operations, while providing excellent service to our employees. We are very fortunate at Grafton County to have many dedicated, long serving employees to successfully deliver all the diverse services provided by Grafton County. Thank you to the Board of Commissioners, Delegation, and the taxpayers of Grafton County for their continued support.

Respectfully submitted,

Mike Simpson, M.S., PHR
Director of Human Resources

GRAFTON COUNTY HUMAN RESOURCES DEPARTMENT

Statistical Report: July 1, 2010 thru June 30, 2011

Turnover Rate (Calendar year of 2010)

All employees (including full-time, part-time, and per diems) 19.21%

All 3/5, 4/5, and full-time employees (excluding per diems) 11.33%

Employee Headcount (as of 6/30/11) Total # of all employees 435

Total # of full-time employees 283

Total # of part-time and per diem employees 152

Family Medical Leave of Absence (FMLA)

Total number of approve FMLA applications processed in FY11 79

Workers Compensation

Total number of first report of injuries processed in FY11 53

Recruiting

Total number of new employees hired in FY11 109

Separations

Total number of employee separations processed in FY11 100

GRAFTON COUNTY REGISTRY OF DEEDS

Kelley Jean Monahan, Register

Annual Report Fiscal Year 2011

To The Citizens of Grafton County, the Honorable Commissioners, and Delegation Members:

Established in 1773, I am very proud to have been elected the 42nd Grafton County Register of Deeds. History and land use have fascinated me since the age of 8 when I unearthed an arrowhead while digging in our back woods. Holding and examining that piece of stone in my hand was a formative moment in my life. I looked around and imagined the moment that it fell to the place where I had discovered it. There were other stewards of your land before you and it is certain that there will be others to follow you. This is the chain of title that the County Register of Deeds preserves and protects, and it is my honor and privilege to serve the people of Grafton County in this capacity.

Upon taking office, I began by taking stock of the assets and liabilities present.

1. The Records The value of the records that we have in our library is incalculable. Grafton County is the second largest county in New Hampshire by land mass. As our county develops, the books, microfilm, subdivision plans and computer data base will be an invaluable asset for future generations of our county.

2. The Staff The Grafton County Registry of Deeds staff is a cooperative and efficient team. Deputy Register Beth Wyman has been with the Registry for 26 years and is meticulous in every aspect of her work. Beth oversees most of the financial responsibilities for the office.

Brenda Dodge is a dedicated staff member, who has been with Grafton County for 22 years, beginning with the County Attorney's Office and adds a wealth of knowledge of planning board and history of the county. Mary DeRosia is our Imaging Supervisor charged with staying current with emerging technologies. Mary also brings her years of experience in banking to the team. George Morris has 9 years with this office as a technical staff member, security and law enforcement qualifications. George's many years of experience is of great benefit to this department. Nancy Clement has

been with the office for 3 years, 2 previous years spent with the Human Resource Department. Nancy has a great manner with the public and is a great addition to the team.

3. Our Space Having outgrown the space in the County Court House In 2005, the Registry made the transition to the current location in the Administration Building. Many of our County Registries are running out of space, necessitating a decision to no longer retain original subdivision plans. We have reallocated some of our space to ensure that this will not be the case here. I have given careful consideration to the management of our facility. We have freed an underutilized space creating a new conference room. The Registry of Deeds Conference Room can be used free of charge by the legal and real estate professionals for real estate closings.

Revenue

For Fiscal Year 2011 the Registry of Deeds contributed \$958,900.55 to the county coffers, exceeding the projected revenue goal of \$900,000 by \$58,900.55. This figure, in part, represents the 4% of transfer tax, and the 4% of the LCHIP fee that the County receives, the State of New Hampshire receiving the 96% of those categories. Our online account subscription fees and copy fees also contribute to the total revenue generated that helps offset the county tax rate.

Moment of Reflection

Half of the time period of this report was under other leadership. Register William A. “Bill” Sharp 2006-2010 who took the difficult leap into the future by providing access to recorded documents on line. Bill’s reverence for history will be his legacy here, as under his 2 terms in office he made the preservation of our oldest documents a great priority. We, as citizens of this county owe him our gratitude for this achievement.

The only other woman to hold this office is our current Grafton County Treasurer Carol A. Elliott 1988-2002, a dedicated public servant who trained much of the present staff including former Register Joel A. Dupuis 2002-2006. Register Dupuis had been a staff member for 16 years before a successful run for office. Joel was committed to the integrity of this office and was resistant to the concept of allowing access to registry records via the internet out of concerns for identity theft. I, along with many people of our county and state were saddened to hear of Joel’s passing last fall. It is with great respect for his dedication to this

office and his vigilance in viewing emerging technologies with a healthy dose of skepticism that I take this moment to honor his service.

Challenges Ahead

I cannot imagine a time in history when this office has had more relevance. The challenges of sorting out the chaos of the mortgage crisis, the examination of the questionable practices of many in the financial sector and the entity know as Mortgage Electronic Registration Systems aka MERS is a daunting task. The jury is just starting to assemble and it will be over the next year that our courts and Attorney Generals make their determination in respect to the validity of MERS.

Last year at this time, the people of our state had yet to hear of the Northern Pass Project. Many citizens of this county sought out the Registry of Deeds in search of documents that would clarify how this project would impact their property. The jury will be out on that for some time, as well. It was particularly gratifying to be of service to the land stewards that required some guidance on how to search for the applicable deeds that included the PSNH rights of way.

We here, at The Grafton County Registry of Deeds will continue to be of service to the land owners of this county who are without internet service and computer training. These are generally the people who are actually at work on the land. It is a fact that due to our topography and somewhat remote location that many of our citizens may never have access to high speed internet service. I balance this reality with the need of the people at the other end of the spectrum, the historians, the legal and real estate professionals who seek modernization of our system. I must also consider the needs of these citizens as I strive to achieve balance among the voices of all of those who are fortunate enough to be stewards of the land in this wonderful place known as Grafton County New Hampshire.

Respectfully submitted,
Kelley Jean Monahan
Grafton County Register of Deeds

Grafton County Information Technology

Brent Ruggles

Annual Report Fiscal Year 2011

The IT Department continues to work in all areas of the County complex to ensure that all employees receive the most dedicated service regarding the technology they count on to do their jobs. With the help of the only other person in the Department, Barry Page, we strive to make sure that everyone's needs are met. Decisions regarding purchasing of software, hardware and various other electronic equipment, all come through the IT Department and are handled directly. The IT budget consists of ever other Department's request regarding computers and computer related items for purchase. Attempts are always made to do things in the most fiscally responsible manner and savings to the County have been substantial. We will continue to remain steadfast in that philosophy.

Some of the projects completed this year by the Grafton County IT Department include.

- Installation of new SQL Server for the Nursing Home Long Term Healthcare software and increase storage space for electronic health-care records.
- Replacement of 34 wireless Personal Digital Assistant hand held devices for the LNA's at the Nursing Home.
- Upgrade of Wireless Security Software at the Nursing Home.
- Installation of several Public Wireless Access Points throughout the Campus making WIFI available to the Public and vendors.
- Completion of New Network Design to consolidate 5 networks into one. RFP was completed and sent out and awarded to Carousel Industries as best vendor and low bidder.
- Installation of new Document Imaging Server to decrease amount of paper used on the campus.
- Completion of Network Design for new Department of Corrections Facility Computer Network and Phone System. RFP was sent out and

awarded to Carousel Industries as best vendor and low bidder.

- Upgrade of Unifund BudgetSense software used by Financial and Payroll Department.

The IT personnel also donated their personal time to help set up networks for places such as the Littleton Historical Society and Copper Cannon Camp in Franconia. We also work closely with the Littleton Police Department through the County Dispatch Center.

In closing I would like to thank my IT Support LAN/Technician Barry Page for his dedicated service. I would also like to thank Director Clough and the Board of Commissioners for their continued support of the projects put forth.

Respectfully submitted,

Brent Ruggles
IT Manager



LAN/Technician Barry Page sets up a camera on the roof of the Courthouse to take real time video of the Jail project

GRAFTON COUNTY MAINTENANCE

James C. Oakes

Annual Report 2011

Every passing year at the complex seems to be busier than the last. Fiscal year 2011 was no exception. As in the past many of our challenges fell into one of the following categories:

- Capital improvements
Health & life safety issues and concerns
- Energy conservation improvements
- Unanticipated Events
- Construction Oversight of the new correctional facility
Staffing, education and training requirements

Capital Improvements:

Over the past years we've repaired numerous areas eroded by uncontrolled storm water runoff and constructed storm drainage systems and infiltration ponds to prevent reoccurrence. This year we focused our attention on a steep slope and gully behind the heifer barn that experienced limited erosion in the past but had become exponentially worse. Following a heavy downpour, a large section of the slope washed down into a newly constructed swale near the infiltration basin on the lower plain that was created to handle storm water runoff from the new jail. To correct the problem the county hired Foresite Engineering to design a repair solution and hired Morrill Construction to implement it. The repair involved rebuilding the damaged slope, reconstructing the swale and riprapping the gully to handle future storm water runoff.

Last fall the department purchased a new 1-ton truck with a dump body and stainless steel V-plow. Our previous truck was 10-years old and required a lot of maintenance. In the last 3-years we spent \$6,238 on repairs with another \$1,000 pending in bodywork. The frame of the truck was extensively rusted and many of the parts were fused together. We sold the truck using a sealed bidding process and did quite well on the sale. The new truck and plow have proven to be very versatile in meeting the maintenance needs of the complex.

At the Community Corrections Building the department, with the help of contractors, installed a used backup generator and new automatic transfer switch. The generator provides power to the buildings furnaces and offices during power outages.

Health & Life Safety Issues and Concerns:

The most predominant health and safety concern was a carryover from last year, the unresolved issue of poor water turnover in the county's water storage tank and the potential for the growth of bacteria and elevated disinfection byproducts.

On the commissioners and delegation's approval, I contracted with Horizons Engineering to do a comprehensive study of the combined water systems of the Woodsville Water & Light Department (WW&LD) and the county. The study validated the department's concerns and offered several solutions. Of the solutions recommended Horizons Engineering felt that creating our own water supply fed by municipal wells offered the best solution in terms of water quality potential and life cycle cost effectiveness. Due to the initial high capital expense of drilling municipal wells and constructing an independent water system, the commissioners decided in favor of installing an automated butterfly valve and vault in WW&LD's water main to automatically force water turnover within the tank.

Concurrent with the study we continued to sample the water in the storage tank as an on-going proactive measure to monitor water quality even though it wasn't required. In late summer of 2010 our concern was validated by a positive sample for total coliform. Working together with WW&LD and Department of Environmental Services, we treated the tank's water and put the tank back on line. Until the automated valve is installed the county pays WW&LD to manually manipulate a gate valve upstream of the tank to force water turnover and preempt a possible reoccurrence of total coliform

Energy Conservation Improvements:

We continued on the path of implementing energy efficient solutions to reduce the operational cost of running the complex.

In the Nursing Home we utilized a \$25,000 American Recovery & Reinvestment Act (ARRA) grant to retrofit the kitchen hood with a Melink variable speed Intelli-hood control system. This system uses a combination of micro-processors, variable frequency drives and thermal & infrared optic sensors to reduce the hood's make-up air and exhaust fan speeds during idle, non-cooking periods. Based on a pre-installation energy analysis, the county is projected to save \$7,638 annually in lost heating, cooling and fan energy savings. Since its installation in March we recorded a 300-gallon a month drop in propane usage, validating the energy analysis lost heating savings.

At a macro level the maintenance department worked with Wilson Engineering, a subcontractor for the U.S. Forestry Service (USFS), conducting a feasibility study of the facilities and grounds to determine the viability of con-

structing a district biomass heating plant to reduce the county's dependence on foreign oil. The USFS recommended construction of a district biomass heating plant with cogeneration capabilities. Using a 15-year financing option, the fuel cost savings from this \$3,427,000 project would generate a positive cash flow of \$16,542 in the first year and yield a \$5,349,589 net present value over 25-years. Armed with this study, the county secured a \$377,500 ARRA grant for the design of this project.

On a more micro level the department continued to replace select lighting fixtures throughout the complex with more energy efficient replacements. At several buildings we replaced a variety of high wattage wall pack lights and flagpole lights with low wattage, energy efficient LED fixtures. The energy savings from these new fixtures will pay for themselves within 1-3 years. At the courthouse we finished retrofitting inefficient T12 lighting fixtures with high performance T8 ballasts and lamps.

Unanticipated Events:

In the maintenance business unanticipated events can often occur without any advance warning. This year we had more than usual.

At the jail we experienced a couple events, but the most significant happened last winter when a heating system line froze and burst in one of the kitchen storerooms along the exterior wall. The area was unoccupied when the event occurred thus it escaped early detection. That combined with a rapid loss of water was significant enough to cause the boiler system to shut down on low water cutout, a safety function designed for such events. We were able to isolate the leak, repair the pipe and restore the boiler system within a few hours of notification.

At the community Corrections Building the occupants complained of a propane smell. We immediately investigated the situation and discovered that one of the propane furnaces had a compromised heat exchanger, which was cause for the problem. Due to the old age of the furnace and the high cost to replace the heat exchanger, we replaced the furnace as the most cost effective solution.

During a snowstorm last winter the wet heavy snow and ice ripped many of the snow rails and a couple dozen slate tiles off the roof of the Administration Building. Additionally, the ice tore the roof flashing in several areas. We filed an insurance claim and contracted Robert Morgan Steeple & Building Restoration, a local slate roof repair specialist, to repair the damage. In doing so, they devised a more robust method of securing the snow rails to the roof to prevent reoccurrence.

During spring floods the Connecticut River carved out a section of embankment, undermining the farm access road to the meadow, causing a large section of road to drop 4-feet, making it totally impassible. It also overran its banks, carving out the farm road at field level, depositing large amounts of river stone onto the field. We solicited bids and selected Horne Construction to repair the damage. Within a few days Horne Construction completely restored both areas facilitating the farm's access to the fields for spring planting a few weeks later.

Construction Oversight of The New Correctional Facility:

The jail project continued to be a challenging process that demanded much of my time as well as my staff's.

As one of the Core Planning Team members & Clerk-of-the Works, I, with the help of my staff, have diligently remained engaged in the project through the process of reviewing plans & specifications, submittals, supplemental instructions and change proposals. My staff and I attend all production meetings held between the construction manager's (CM) site supervisor and subcontractors, all coordination meetings and weekly project meetings between the CM project manager, owner, architect and subcontractors. Additionally we performed site inspections 3-4 times a week to look for quality issues, ensuring labor and materials met specification, searched and identified a number of National Fire Protection Agency code oversights, took thousands of pictures and picked the contractors brains on the configuration and operation of equipment and systems being installed. We made numerous recommendations and added to the collective decision process for all change proposals and change orders.

As the owner's representative, I contracted and oversaw the services of several engineers and specialist hired to work directly for the county to perform International Building Code special tests, inspections and services.

- S.W Cole, Stewart Engineering and White Engineering performed all the special inspections and tests of soils, excavation & compaction, paving, concrete & rebar, masonry & mortar, structural steel welded and bolted joints, seismic resistance, fireproofing, and geothermal heat exchanger installation.
- SFC Engineering, acting on behalf of the State Electrical Inspector & State Fire Marshall's Office, performed code review and on-site inspections of electrical system installation, fire alarm and sprinkler systems.

- John F. Penny Consulting services performed plan review and commissioning services of HVAC systems, lighting, pumps, controls, kitchen hood, plumbing and balancing requirements.

Staffing, Education and Training Requirements:

To better meet the growing needs of the complex, I hired one new person and had some of my staff attend continuing education seminars to hone their skills and maintain certifications.

In May I hired one of two new people authorized for the new jail. By hiring him 1-year before opening it will allow him to become totally familiar with the project as it is being constructed, paying particular attention to electrical and mechanical systems as they are installed so that he knows the locations of imbedded items and how to disassemble things at a later date having seen them assembled at the beginning. He is a licensed Master Electrician in the State of NH and his skills will be beneficial in shedding contract maintenance for all future electrical projects and possibly fire alarm system testing and inspections throughout the complex.

As in years past, my staff and I attended a variety of training courses to learn new skills, hone existing ones and meet new and continuing certification requirements. Some of the courses attended were:

- CIA Water Operator Certification through NH DES
- Fundamentals of Small Ground Water System Operation sponsored by New England Water Works Association

Again, I thank my staff for the terrific job they do meeting the daily needs of the complex and keeping it running smoothly. Although we had an increased number of unanticipated events than usual, my staff did a great job responding to them. Lastly, I thank the Executive Director, County Commissioners and County Delegation for their continued trust and support, giving us the financial means and moral support to do our jobs effectively.

Respectfully submitted

James C. Oakes
Maintenance Superintendent

Annual Report Fiscal Year 2011

University of New Hampshire Cooperative Extension's mission is to provide New Hampshire citizens with research-based education and information to enhance their ability to make informed decisions that strengthen youth, families and communities, sustain natural resources, and improve the economy.

Five full-time educators are based out of our North Haverhill office: Heather Bryant, Dave Falkenham, Kathleen Jablonski, Michal Lunak and Deborah Maes are supported by Rebecca Colpitts and Administrative Assistants Kristina Vaughan, Teresa Locke and Donna Lee. Lisa Ford, is located at the Whole Village Family Resource Center in Plymouth.

Trained volunteers also support our programs in agriculture, forestry and youth development. Another group of volunteers serves on the Grafton County Extension Advisory Council and provide support and direction for our programs. Check out our Grafton County website to see a current list of members <http://extension.unh.edu/Counties/Grafton/Grafton.htm>.

Grafton County has 26 Master Gardener volunteers who work in 25 communities. Last year they contributed a total of 994 hours of education and service. These volunteers work on projects such as the Memorial Garden at the County Nursing Home and the Gardening Empowerment Project at the Whole Village Family Resource Center in Plymouth.

Our Nutrition Connections program at Whole Village in Plymouth uses the on-site gardens to teach nutrition to adults and children and the teaching kitchen to show adults and children how to make healthy food choices and stretch their food dollar. Almost 350 youth and adults participated in programming during the past year. Interns from PSU also support the program.

Our Agricultural program hosts multiple workshops each year for commercial agriculture and back yard food producers. In addition, a Sustainable Agriculture Research and Education grant supported a pepper

trial collaboration with the County Farm. Over 1,000 pepper plants representing 13 varieties resulted in a donation of approximately 2,000 pounds of peppers to local food banks and senior centers. Additionally, valuable data on yield, quality and consumer preference was obtained.

Our Forestry program works with professional loggers and foresters to improve local forest management. During the past year \$250,000 in logging contracts by licensed foresters and loggers resulted in over \$120,000 being paid directly to landowners for timber cut on their land. Educational workshops reached communities on such topics as selling timber, tree identification, wildlife management and Current Use regulations.

Our Statewide Dairy program coordinates and conducts programing and site visits year round to educate farmers on risk management programs, business management, livestock care and herd management. The program supports the 134 statewide commercial dairy farms that produced over 290,000,000 pounds of milk in 2010. Gross milk and livestock sales accounted for \$60,000,000 in New Hampshire last year.

Our 4-H Youth Development program coordinates training for the 103 volunteers who contributed over 9,300 hours of time in supporting numerous club events and over 15 county wide events each year. The economic value of this time is almost \$200,000. The 4-H program also offers technical support and training for after-school students and staff on the topics of healthy living and science education.

Our Family & Consumer Resources program has offered over 150 foods safety classes since 2,000 targeting food service workers. Over 1,000 food service workers have attended locally taught national certification classes in food safety. Eighty-eight percent have received certification.

Our office uses social media as well as weekly news columns, resource notebooks at local public libraries and an electronic calendar to reach a larger county audience. Find us on Facebook under UNH Cooperative Extension—Grafton County.

Respectfully submitted: Deborah B Maes
Extension Educator, Family & Consumer Resources
County Office Administrator

GRAFTON COUNTY NURSING HOME

Eileen Bolander, Administrator

Annual Report Fiscal Year 2011

Grafton County Nursing Home (GCNH) serves residents from all over Grafton County with most residents coming from the towns nearest the nursing home. Cottage Hospital, Littleton Hospital, Speare Memorial Hospital and Dartmouth Hitchcock Medical Center are the primary referring hospitals, in that order. Many residents come directly from their homes in the community to live at the nursing home as well.

The nursing home provides a wide range of services to the elders who reside at the home including skilled nursing services, social services, physical, occupational and speech therapy, restorative nursing, dietician and mental health services. Additionally there is a beauty parlor on site, laundry facilities and activities geared for the enjoyment of seniors.

Maintaining compliance in a rigid regulatory environment coupled with juggling budget expectations continues to be our biggest challenge. We value the customer service that we provide despite the challenges and are often rewarded by warm and graciously worded letters of thank you for a job well done.

Many of our staff members are involved in committees outside of the nursing home that enhance our community involvement within the healthcare arena of New Hampshire. Many of those staff members serve on Boards or as officers of various associations. These activities strengthen and increase the skills we bring to work each day.

Education of our staff members continues to be a priority at the nursing home. Tuition reimbursement allows employees to increase their skills and knowledge thus improving the care we provide.

Cathy Sulham was recognized as LNA of the Year by Grafton County Nursing Home. Cathy is a dedicated caregiver who enjoys going that extra mile for those elders in her care.

Our many volunteers are a blessing to the residents and the staff alike. They bring the community into the home, are helpful and energetic.

Whether it's to entertain, to visit or to comfort, we value their presence.

Our residents have become involved in several different initiatives this past year including a recycling campaign to save money for community projects they want to support. Many of the residents attend and eagerly participate in meal planning with our dietary department and activities staff. Taste testing sessions of new food choices is quite popular.

This past year our therapy dog, Tina passed away and she will be missed. Pixie and Annie, our resident felines, continue to be favorites in their neighborhoods at the nursing home. We also expect a new arrival, an English Golden Retriever named Simon, to join our many canine friends at the nursing home who visit regularly.

Each year I end with the same paragraph and this year is no different. It is a privilege to care for our elders at GCNH. We appreciate the ongoing support we receive from the Grafton County Commissioners, the families and friends of our residents, volunteers, local organizations, church groups and the Grafton County employees who every day contribute their time, effort and skills to assure that our residents receive the excellent care they deserve.

Respectfully submitted by:

Eileen Bolander
Administrator

GRAFTON COUNTY DEPARTMENT OF CORRECTIONS

Glenn P. Libby

Annual Report for Fiscal Year 2011



To the Citizens of Grafton County, the
County Commissioners and Grafton
County Delegation members:

I present the following report for Fiscal Year 2011 on
behalf of the Grafton County Department of Corrections and
Community Corrections.

The facility averaged 91 inmates per day for a total of 33,121 inmate days. The daily average was down significantly from last year. The average per day cost to house an inmate was \$104.77. The Correctional and Maintenance staff worked extremely hard to maintain security while providing a safe environment for staff, volunteers, and the inmate population. Proper inmate classification remains extremely difficult and a number of inmates were housed in non-traditional housing areas with other offenders who are at risk. In addition, secure transports of pre-trial inmates for medical appointments, mental health evaluations, and substance abuse evaluations have again increased. These fifty-one (51) additional transports strained operations by removing staff from the facility - increasing safety and security concerns.

The medical complexities regarding inmate health continues to be a challenge. The addition of Dr. John Eppolito has been extremely positive. Dr. Eppolito brings a wealth of experience and knowledge and is very dedicated to our mission – he has been a wonderful addition to our team. Medical Coordinator Achilles and RN Brenda Minot weathered many transitional issues related to staffing and are to be commended for providing excellent medical services to the population while building a new nursing team.

Substance abuse treatment programs in the facility continue to be well attended in addition the number of placements into residential treatment programs continues to increase. Substance Abuse Coordinator William O'Malley, contracted counselors from Headrest, most notably David Belanger and independent counselor Karen McNamara continue to work hard – with over 1,509 combined client contacts.

Inmate Programs continue to excel – our GED program under the direction of Kenn Stransky had 86 students participate. A total of 230 GED tests were administered (5 tests are required for each GED) with 41 individuals earning their GED. Of the 86 participants 41 had recorded individual education plans (IEP's) from their last school of record. We are very proud to be the only correctional facility in the Northeast that are members of the National Adult Basic Education Honor Society – of the 41 GED's earned 19 graduates did so with honors. We *thank* Sister Carmen and Linda Clark for their tireless work and support.

The Thresholds and Decisions program was again very successful - unfortunately due to State budget cuts in the area of senior citizen program funding we were informed that the Grafton County Retired Seniors Volunteer Program (GCRSVP) would no longer be able to continue providing services. Under the leadership of Jan Kinder and her group of awesome volunteers we expect that the program will be reformed to be called Crossroads and Decisions – we look forward to continued positive results.

COMMUNITY CORRECTIONS

Community Corrections personnel supervised an average of 19 participants in the Grafton County Drug Court totaling 6886 days, supervision personnel utilized 3623 supervision hours, while performing 741 supervision checks, collecting 731 urine samples, and traveling 19,962 miles. During FY11 Drug Court clients spent 373 days in jail as the result of a Drug Court ordered sanction.

The Electronic Monitoring Program averaged 6 inmates per day in community supervision resulting in 2203 inmate days spent in the community and not in confinement. Four (4) inmates participated in the Daily Work Release Program. Community Corrections supervision personnel made 258 supervision checks, collected 222 urine samples and traveled 19,749 miles in support of these programs.

Our Operation Impact Program delivered a total of 99 presentations to 1,436 students or youth at risk.

Our Community Work Project program provided 2188 inmate work hours throughout the County to a variety of projects. The program allows inmates to give something back to the community while building self esteem and discipline.

I would like to thank Sgt Dale Paronto for his dedicated service to the

citizens of Grafton County – Dale retired in May and will be missed.

New Facility Project

From a construction standpoint the project is on schedule and on budget and it is anticipated that we will be able to occupy the facility by late May of 2012. The Delegation made significant budget reductions in the departments FY12 budget that are still being assessed. The FY11 budget included staff to form a Transition Team that was primarily focused on all the operational and essential tasks required to move into a new facility – the “transition process” is recognized on a National level as extremely vital to a successful project. The FY12 budget reductions eliminated our ability to staff a transitional effort and this will create a burden of increasingly difficult and potentially costly required functions. Other reductions made by the Delegation will continue to be assessed.

I would especially like to thank the Board of Commissioners who have continued their support of this project through some of the toughest economic and political times any of us have ever experienced. Our staff that have had to endure years of working in inhumane conditions truly appreciate your recognition and support.

The correctional staff once again performed their respective duties with professionalism and patience. Safety for everyone that has to live and work in the facility will continue to be a concern until the last person is transferred to the new facility. With difficult issues such as MRSA, hepatitis C, and the mentally ill we will continue to be vigilant. This combination creates complex inmate management situations which require good communication skills, dedication, and compassion especially since there are no appropriate housing areas for these individuals. I feel extremely fortunate to have an outstanding group of both full and part time officers. It takes special people to do this job and Grafton County is fortunate to have more than a few. Thank you staff. A special thanks to Captain Roland Lafond, Lt. Christopher Kendall, and Lt Tom Elliott who have provided excellent leadership during the past year, Thank you all for your support and loyalty.

Respectfully submitted,

Glenn P. Libby, Superintendent

GRAFTON COUNTY DRUG COURT

Robert Gasser

Annual Report Fiscal Year 2011

The Grafton County Drug Court is an alternative sentencing program supervised by a Superior Court Judge which allows defendants who have a significant past non-violent criminal record with new serious charges who are addicted and facing jail or prison, to plead guilty and enter into a program of intensive treatment and strict supervision.

The drug court model enrolls those of high risk and high need. The program is 24 months in length. However, without a sanction and with full compliance, a participant may complete the program in 18 months. The participants must obtain a job, attend treatment sessions, attend a minimum of 3 AA or NA meetings per week, and expect random visits from their Supervision Officers with 3-4 urine tests per week. In addition, the

participants appear before the Judge weekly at first to review how he or she is doing in the program. The progress of each participant is monitored by a Team consisting of the Judge, County Attorney, Public Defender, Coordinator, Case Manager, Clinical Evaluator, Treatment Provider and Supervision Officer. In



the event the participant does not succeed in complying with the requirements of the program, he or she may be terminated and sent to prison. If the participant succeeds in completing the program, he or she may have their felony record for the crime pled to removed of record.

The cost of the Grafton County Drug Court Program is paid for through the county budget. The cost savings are measured by an estimated \$11,000 per year per participant vs. an estimated jail cost of \$28,000 per year per person.

The Grafton County Drug Court Program was instituted in April, 2007. As of this filing, it has admitted 56 participants; 19 females and 37 males.

Eight females and eight males have been terminated and sent to prison. Thus, the termination rate for females is 42% and for males 21%. The overall termination for the program is 28%, which is lower than the national average. Nineteen participants have successfully completed the program and have graduated.

The Grafton County Drug Court Program is one of three such adult drug courts in the State of New Hampshire and 2,500 in the nation. This program has been strongly supported by the law enforcement community and citizenry. A 501c3 Trust Fund has been established under the name, “The Friends of the Grafton County Drug Court.” The funds raised pay for the various rewards given to participants who are in strict compliance with the vigorous requirements of the program and also provide enhancements for those with needs and those who wish to pursue higher educational and training goals.

Respectfully Submitted,

Robert Gasser

Drug Court Coordinator



Drug Court Coordinator Bob Gasser addresses the participants during a session

Grafton County Farm
Donald Kimball
Annual Report Fiscal Year 2011

To the Citizens of Grafton County, the County Commissioners and Grafton County Delegation members:

I present the following report for Fiscal Year 2011 on behalf of the Grafton County Farm.

Fiscal year 2011 was another challenging year for the farm. Milk prices rose to average between \$20 and \$22 per hundred. The quality of our milk continues to be outstanding.

The Spring of 2011 was very challenging with cooler than normal weather and wet and flooding run-off conditions – this set planting back and resulted in plantings that had to be done more than once. Fuel, feed, and fertilizer still remain high.

The vegetable crops were an ok – we were affected by late plantings that resulted in a shorter growing season and less production. We lost one (1) of our beehives to Winter conditions and one (1) came through healthy improving crop pollination and production.

Grafton County's 4-H Day, Pumpkin day, Sheep Shearing Day, Conservation Day and Family day are always very popular occasions at the County Farm.

We continue to partner with NH Fish and Game to plant three (3) acres of corn that is left standing during the Winter to provide feed for wild turkey's and to keep them off local farms feed stores.

In submitting this report I would like to thank my Herdsman Russell Keniston and Assistant Herdsman Gerb Aldrich for their hard work, the Farm Advisory Committee, Executive Director Julie Clough and the Board of Commissioners for their support.

Respectfully submitted,

Donald Kimball
Farm Manager

GRAFTON COUNTY CONSERVATION DISTRICT



Gary Peters, Chair
Annual Report Fiscal Year 2010

Grafton County Conservation District (GCCD) has been helping landowners make informed natural resource decisions in Grafton County since 1946. GCCD is co-located with the USDA Natural Resources Conservation Service (NRCS), providing technical assistance to County landowners. The USDA Service Center moved from Woodsville to Orford this year. GCCD works with many partners including USDA Farm Service Agency (FSA) and UNH Cooperative Extension (UNH CE). The District assists agricultural producers, forest landowners, schools and towns in conserving our natural resources and implementing Best Management Practices (BMPs) through education, workshops and tours. GCCD is grateful to have the support of the Grafton County Commissioners and County Delegates who provide funding for the Office Administrator and office space at the Grafton County Complex.

ACCOMPLISHMENTS IN 2011 INCLUDE:

Annual Fall Tour of Conservation Practices: The Fall Tour arrived with a wet northeaster and began at Steve Schmidt's property in Piermont. Heather Bryant, UNH CE Agriculture Resources, discussed the spread of yellow rattle and bedstraw, and control measures through mowing and soil improvement. Resource Management, Inc (RMI) produces soil-based products from municipal, pulp and paper, and the utility industries' secondary products. Charlie Hansen and Jeff Geary, RMI, introduced their products and best management practices for use. Steve has an Environmental Quality Incentives Program (EQIP) contract and a Wildlife Habitat Incentive Program (WHIP) contract. Conservation practices include a forest management plan, wildlife habitat improvement, forest access road, trails, and landings. With the heavy rain, we were able to see how an effective drainage system moves water off the roads and into ditches, and a lined rock waterway. Steve Schmidt, FSA CED, introduced a new program to assist landowners facing severe storm damage.





Hal Covert, Piermont, has installed a season extension high tunnel through an EQIP contract. Hal discussed fruit and vegetable production in a high tunnel, and the valuable assistance UNH CE and other growers are able to provide. We visited Arthur and Carol Boynton's property in Orford. A mid-July summer storm, (microburst) devastated acres of managed forest land in the Orford/Piermont area. GCCD Associate Supervisor and forester John discussed the challenges of salvage operations, including safety and loss of timber value.

Annual Meeting: GCCD recognized Chet Walker, Jr., Walker Farm Dairy Produce, LLC Cooperator of the Year and New Hampshire Timberland Owners Association earned our Forest Steward of the Year award.

Jim Page Conservation Scholarship: Three students were awarded scholarships to attend Barry Conservation Camp.

Planting and Pruning, and Attracting Pollinators Workshops were held in conjunction with the annual **Conservation Plant Sale**.

GCCD represents county resource concerns at the **NH State Technical**

Committee, State Conservation Committee, NH Association of Conservation Districts and holds **Local Work Group** Meetings as needed.

Respectfully submitted,
Gary Peters, Chair



*Grafton
County
Pictorial*





Recipients of the 2010 Annual report were presented with their copies in January. L to R: John & Linda Fischer, Martha Richards, Commissioners Cryans, Dick & Barbara Couch, Kate Vaughan and Commissioner Burton

People who were Recognized

New Hampshire Association of Counties Award Winners ~ October 25, 2010



Nursing Home Social Service's Assistant Tony Gahn was awarded Nursing Home Employee of the Year.

Leslie Lackie, Payroll Coordinator was awarded Grafton County Employee of the Year and Commissioner Mike Cryans was awarded Commissioner of the Year.

Congratulations to the Winners

GRAFTON COUNTY OPEN DAIRY BARN DAY

JULY 24, 2011

There were many festivities and fun filled events.



Martha Richards, (R) event organizer, takes a moment to chat with Farm Manager Don Kimball and Agricultural Educator Heather Bryant

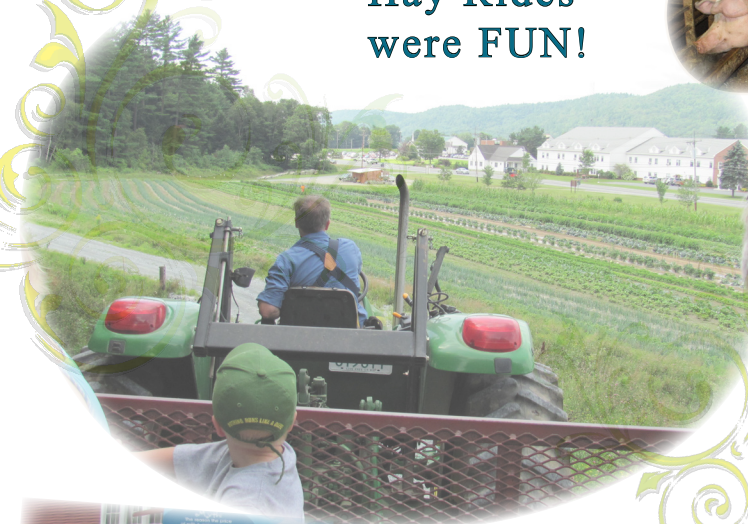


Music was
provided
by
Ed O'Brien
and his
calliope



THE OPEN DAIRY BARN DAY WAS HELD TO
SHOWCASE ALL THE WONDERFUL THINGS
ABOUT THE FARM AND ABOUT DAIRY.
IT WAS A SUCCESSFUL EVENT ENJOYED BY
MANY MEMBERS OF THE COMMUNITY.

Hay Rides were FUN!



*Commissioner
Ray Burton
spends some
time with folks at
the event*



NH Granite State Dairy Promotions was
on hand giving out “freebies”

In September of 2006, Grafton County introduced the Prescription Discount Card for all Grafton County Residents. The card can be used for

Spend less on your prescriptions

Introducing the **FREE**
Grafton County
Prescription
Discount Card



FREE enrollment for residents

Average savings of 22%!

- ▶ No limits
- ▶ No age requirements
- ▶ No income requirements
- ▶ Family coverage
- ▶ Use it any time your prescription is not covered by insurance

This program is offered in a joint effort of **Grafton County** and the National Association of Counties (NACo).



For more information, call
1-877-321-2652 or visit
caremark.com/naco

This is not insurance.
Discounts are only available at participating pharmacies.

Prescription medications by any resident who does not have any prescription coverage and is accepted at most all the pharmacies in the area, including Vermont. The card is a NO cost, NO enrollment benefit that can also be used for pet medications

that are purchased at a participating pharmacy.

Cards can be found at your local town hall, pharmacy or by calling the County at 603-787-6941

MEETINGS
OF THE
GRAFTON
COUNTY
EXECUTIVE
COMMITTEE
&
DELEGATION

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



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

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

Respectfully submitted,

Phil Preston, Clerk



EXECUTIVE COMMITTEE MEETING to Review FY11 Budget
Administration Building ~ UNH Conference Room
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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 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,

Phil Preston, Clerk



GRAFTON COUNTY DELEGATION VOTE ON FY11 BUDGET

Grafton County ~ UNH Conference Room

North Haverhill, NH

Monday July 26, 2010

PRESENT: Representatives Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbreton, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding. Commissioners Cryans, Burton and Richards, Executive Director Julie Clough and Sec. Martino

EXCUSED: Representatives Matheson, Maybeck Pastor-Bodmer, Almy and

White.

OTHERS: J. Chamberlin, D. Maes, T. Andross, M. Simpson, B. Ruggles, B. Patanovich, Sheriff Dutile, N. Bishop, J. Oakes, RD Sharp, N. Clement, D. Kimball, R. Clough and H. Wetherbee.

10:07 AM Rep. Mulholland called the meeting to order and Rep. Preston (Clerk) called the roll. 20 members were present when the roll was called and a quorum was declared.

10:17 AM Rep. Ward arrived

The floor was turned over to Maintenance Superintendent Jim Oakes to discuss an issue with the water tank. He provided informational materials for everyone to follow along with. *(see attached). The information gave a brief history of the need for the water tank and its construction. The current problem is that the water turnover in the tank is poor and does not follow DES recommendations. Possible solutions to the problem were discussed.

1. Woodville Water & Light can manually open and close a gate valve every 24 hours at a cost of \$50 per visit.
2. An automated valve system can be installed at a cost of \$80K
3. The County can pursue drilling wells and create their own municipal system at a one time cost of between \$320K and \$420K while also creating a revenue source.

Supt. Oakes would like to pursue option #3 and that H. Hatch of Hatchland Farm was very receptive to becoming a recipient if the County had its own water supply system.

Rep. Benn asked how sure it would be that a good source of water could be found and Supt. Oakes said there is no guaranty, only the hypothesis that the area will produce. Supt. Oakes said that some wells being drilled for the Jail project are pumping 50 gallons per minute.

Rep. Williams said the only real way to know is to drill the test wells. Supt. Oakes said ideally they would be looking at two wells that yield 40 gallons a minute.

Rep. Aguiar asked what the County usage was and Supt. Oakes replied that it was 29 thousand gallons a day and 60 thousand gallons are recommended at maximum build out of the Jail.

Rep. Laliberte asked about the cost of maintenance if the valve is put in and Supt. Oakes said he didn't really have that answer but expected it would be more than there is now.

Rep. Ladd shared the concerns that the County water tank is not turning over enough water and is concerned what problems that could cause for the communities below the County to the south. He also wondered why there wasn't an MOA in place with WW&L.

Rep. Ward said the County may need another party in place to give an objective opinion as to the best way to solve this problem.

Supt. Oakes said that WW&L is insistent upon using their own engineers, Dufresne & Assoc., and using the design they want which is what the County in designing the tank and how it ended up this way. It was stressed that WW&L has not been terribly cooperative with this situation from the beginning.

Rep. Benn asked if there was any way to go to a two pipe system and Supt. Oakes said that although he doesn't know what the cost would be to do that, from what he's seen and of what would need to be done to accomplish that, it could run at least \$150K.

10:50 AM Treasurer Sievers arrived.

Rep. Bulis asked to hear from the Commissioners on this issue.

Rep. Ladd said he feels there are some financial issues that need to be taken care of and that in his opinion; the County should get into the water business.

Rep. Mulholland asked the Delegation to break from this discussion as the County Treasurer had arrived and was short on available time. A vote on tax anticipation notes needed to be taken at that time.

Representative Townsend moved to authorize Tax Anticipation Loans in the amount of up to \$5M, which was seconded by rep. Preston.

Treasurer Sievers spoke and said that \$3.3M of TANs were used last year and the County will likely need around \$4.5M this year so the request is for \$5M.

When the vote was taken All (Reps. Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbretonson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. Motion passes.

Treasurer Sievers was excused and the meeting continued with the discussion of the water tank.

Rep. Williams was in agreement that another engineer should look at the water tank situation.

Commissioner Cryans said that Supt. Oakes has put a lot of effort into this project though he agreed that asking a third party to engage in the issue and review it would be a good idea and that the County would be better served to get someone highly professional to review this.

Commissioner Burton said the Commissioners have met with WW& L and Director Clough and Supt. Oakes have gone back and forth with them to no avail. He said that he believes that the County should be in the water business and not attached to another entity who can dictate to them. On another note, Commissioner Burton said he is not pleased with the water source which comes from the Ammonoosuc River.

Commissioner Richards concurred, saying that she is tired of being jerked around by WW& L and agree that an expert be consulted.

Rep. Ladd moved that upon Commissioner approval that up to \$420K from the undesignated fund balance be used for development of Grafton County Complex's own water supply as outlined in the hydro geologic site investigation report completed by Hoffer Consulting Inc. dated 2-28-09 and to include other water line infrastructure and delivery needs associated with the Grafton County Water System. Motion was seconded by Rep. Gionet.

DISCUSSION:

Rep. Harding thought a second opinion should come first before considering spending \$420K. Rep. Ward agreed and thought that a step was being skipped. He suggested maybe adding \$20K to the budget and having a study done first. Rep. Williams agreed with having a study done which would be heading in the right direction.

Rep. Benn agreed but he thought that there was an immediate concern and the valves should be opened for turnover.

Rep. Aguiar said he takes issue with the fact that the system doesn't work and that no one is being held accountable.

Rep. Ladd said that he did not agree that more studies are needed but that the motion gives the Commissioners that authority. He said that time and money have already been spent.

Rep. Mulholland did a review of what she believed she was hearing which was that people were leaning toward the County having their own water system and that there should be a third party consultant hired.

Rep. Pierce presented an amendment to the motion which added "and any other studies that the Commissioners may commission" after the date of 2-28-09, which was seconded by Rep. Ford.

DISCUSSION:

Rep. Benn didn't think there needed to be a full report but rather just a study. Rep. Williams asked the Commissioners how they would proceed. Commissioner Richards said that she is in favor of this route. Supt. Oakes said it may take up to a year and could be next summer before this is taken care of.

The Delegation took a vote on Rep. Pierce's amendment to the motion as stated above.

18 (Reps. Bulis, Taylor, Gionet, Ford, Ladd, Ingbreton, Cooney, Smith, Williams, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. 3 (Reps. Ward, Aguiar and Friedrich) were opposed. Amendment passes.

Rep. Benn said he feels it would be premature to authorize \$420K before looking at the study.

Rep. Ward said that there was no agreement with WW&L for an MOA prior to the beginning of the water tank project and this will be making the same mistake that was made two years ago.

Rep. Nordgren also felt that working with a two year old cost estimate is premature.

Rep. Taylor suggested leaving \$500K in the fund balance until the study is done and then appropriate the money that's needed.

Rep. Bulis stated that he thought that WW&L customers would be very interested in what their water supply company was doing in that they may lose two very large customers which would put more of a cost to the remaining customers.

Rep. Harding motioned to move the question and was seconded by Rep. Aguiar. Reps Ladd and Ingbreton were opposed, Reps Ward, Bulis, Taylor, Gionet, Ford, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding were in favor.

The amended motion reads:

that upon Commissioner approval that up to \$420K from the undesignated fund balance be used for development of Grafton County Complex's own water supply as outlined in the hydro geologic site investigation report completed by Hoffer Consulting Inc. dated 2-28-09 and any other studies that the Commissioners may commission and to include other water line infrastructure and

delivery needs associated with the Grafton County Water System

6 (Reps Gionet, Ladd, Ingbretson, Cooney, Preston and Laliberte) were in favor while 15 (Reps. Ward, Bulis, Taylor, Ford, Aguiar, Friedrich, Smith, Williams, Benn, Nordgren, Pierce, Mulholland, Townsend, Gould and Harding) were opposed. Motion fails.

Rep. Williams moved to authorize the Commissioners forthwith to proceed to investigate in developing their own water system and to hire a consultant to do what is necessary by October 1, 2010, which was seconded by Rep. Ford.

DISCUSSION:

Rep. Harding wanted to be sure that this was just a review of the options and not a complete re-studying of the project.

Rep. Ladd questioned what is to be done right now. He said he had concerns about what kind of water is being put out and the dependency on WW&L. Rep. Williams said that is the situation right now and there's not much that can be done about it.

The vote on the motion was taken:

20 (Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbretson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. 0 opposed (Rep. Nordgren out of the room) Motion passes.

Rep. Harding said she didn't feel they should ignore the issue of the liability of the water problem. Commissioner Cryans said he wasn't sure there was any liability as there hasn't been anyone sick at this point. Rep. Harding asked shouldn't the question of why the tank doesn't drain should be important, and Rep. Benn said the situation may be tenuous if the County is asking another firm to investigate. He said they didn't want to convey the message to the consultant that this is about litigation.

Rep. Pierce said the liability goes to whether the tank does what it was built to do. Supt. Oakes said the tank was designed for when the Jail came online. Rep. Taylor said that the tank was designed at the time when there was a larger Jail proposed and now the Jail is smaller.

Rep. Ladd said the tank was built to the size it is because of the need for fire protection and now is being used for drinking water which is quite different in terms of quality regulations.

Rep. Ward said the Dufresne's argument doesn't pass the laugh test. He said that whole design of the Jail was for 300 people but it was going to take 20 years to get to that point, so there would have been a problem for 19 years until they

reached that 300th person. He said it is not a logical argument and in his opinion there is a liability there. He said that system should work.

The Delegation moved on to the issue of the budget.

Rep. Laliberte moved to appropriate \$32,912,281 for fiscal year 2011 of which \$17,445,268 is to be raised by taxes, which was seconded by rep. Ladd

Rep. Taylor amended the motion to add \$500K back into the fund balance which was seconded by Rep. Ford.

DISCUSSION:

Director Clough had a spread sheet of information which compared budget numbers and she reviewed these for the Delegation.

Rep. Benn asked what the final surplus number was and Director Clough said it was approximately \$3.8M.

Rep. Benn communicated an email that was sent by Rep. Almy which stated that in her opinion, the surplus should not be raided as there will be upcoming cuts in both State and Federal government. She advised that the fund balance not go below 6% of operating expenses.

Rep. Ward said that surplus numbers have been fluctuating but still growing because of underestimated revenues. He said that money should go towards taxpayers.

Rep. Preston said he supports the amendment and Rep. Ford agreed that they will need the surplus next year as there is a great concern that next year there will be a greater need for that surplus money. Rep. Benn said that he feels that even with the \$500K coming out it would not drop below 6%. Rep. Ladd said however that he worries about next year too. Commissioner Richards echoed that sentiment and Commissioner Cryans said that the Commissioners came back with changes to reduce their recommended budget. He said they try hard not to have the spikes in the taxes and doesn't think it is prudent to use that \$500K.

Rep. Ward said that he doesn't feel that surplus should be grown in the time of a recession and that it is necessary to balance the revenues and the surpluses in order to help the taxpayers. Rep. Ladd thought it was better to think of what might happen down the road.

Rep. Taylor motioned to move the question which was seconded by Rep. Ford. All were in favor.

Vote is on the amendment to add \$500K back into the fund balance.

13 (Reps. Taylor, Ford, Ladd, Cooney, Smith, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, and Harding) voted in favor, 8 (Reps. Ward, Bulis, Gionet, Ingbertson, Aguiar, Friedrich, Williams and Gould) were opposed. Amendment passes.

Delegation then took the roll call vote to pass the budget in the amount of \$32,912,281 of which \$17,945,268 was to be raised by taxes.

15 (Reps. Taylor, Ford, Ladd, Aguiar, Cooney, Smith, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. 6 (Reps. Ward, Bulis, Gionet, Ingbertson, Friedrich and Williams) were opposed. Budget passes.

Rep. Ford moved to expend \$60,475 from the Register of Deeds Surcharge Account for equipment in the Registry which was seconded by Rep. Williams.

21 (Reps. Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbertson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. 0 were opposed. Motion passes.

Rep. Nordgren moved to contribute \$56,507 from the Dispatch Fees for fiscal year 2011 to the Dispatch Capital Reserve Fund, which was seconded by Rep. Pierce.

20 (Reps. Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbertson, Aguiar, Friedrich, Cooney, Smith, Preston, Benn, Nordgren, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. Rep. Williams was out of the room. Motion passes.

Rep. Bulis moved to expend \$71,358 from the Dispatch Capital Reserve account for equipment for the Dispatch Center, which was seconded by Rep. Taylor.

DISCUSSION:

Rep. Bulis asked what Dispatch would be purchasing and Director Andross said that primarily the money would be going toward narrow band transmissions which has been Federally mandated. Money would also be spent on mobile data communications which are in need updating.

When the vote came down, 20 (Reps. Ward, Bulis, Taylor, Gionet, Ford, Ladd, Ingbertson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Pierce, Laliberte, Mulholland, Townsend, Gould and Harding) were in favor. 0 were opposed. Rep. Nordgren had left. Motion passes.

Rep. Benn moved to establish a Nursing Home Capital Reserve account in the amount of \$25,000 to be taken from the FY10 Pro-Share funds, which was seconded by Rep. Williams.

17 (Reps. Bulis, Taylor, Gionet, Ladd, Ingbretson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Pierce, Laliberte, Mulholland, Townsend, and Gould) were in favor. 0 opposed. Reps. Ward, Ford, Nordgren, and Harding had left. Motion passes.

Rep. Aguiar motioned to permanently end the practice of compensating Grafton County Elected Officials with longevity pay. This applies to any and all elected officials, including those currently eligible to receive longevity pay under the current practice. Elected officials shall include: the Treasurer, the Register of Deeds, the County Attorney, the Sheriff, the Commissioners and any future elected positions which may be added to the governing body of Grafton County. This policy is to become effective July 26, 2010, which was seconded by Rep. Bulis.

DISCUSSION:

Rep. Aguiar discussed what longevity at the County was and said that in prior jobs that he has had, it is generally offered when a person is maxed out on wages or has a low pay to begin with but he feels it is inappropriate that Elected Officials should be receiving this pay. He said to his knowledge, longevity pay has never been voted on by the Delegation who statutorily set the pay for Elected Officials. He said it is not a question of the amount of money being spent or the qualifications of the people but rather the principal. There was a discussion about whether or not this broaches involvement in County policy which is set by the Commissioners. Rep. Aguiar said that he did not agree this had anything to do with that and again stated that longevity is a financial compensation and the Delegation sets that amount.

Sheriff Dutile spoke and said that he had gotten two legal opinions regarding longevity and said that it is a policy set by the Commissioners and not by the Delegation, noting it was similar to health benefits.

Rep. Ladd said he didn't feel that longevity should be changed for anyone who is currently receiving it. Rep. Aguiar reiterated that the body of the Delegation never voted on such.

Rep. Laliberte agreed with Rep. Ladd and said that it shouldn't be changed for those who are already receiving the longevity stipend.

Rep. Benn said he agreed with the concept but thought that it should be amended to use the date of November instead, which would be after the upcoming election.

Commissioner Burton said that he felt this would be treading on the Administration of the Commissioners and felt that the Sheriff and County Attorney (those currently eligible for longevity) are valuable to the County.

Rep. Ingbretson thought that those receiving it should be grandfathered in.

The question was called and with a hand vote it was determined that the discussion would continue.

Rep. Harding wanted to think about fairness, particularly if the money was already in the budget. Rep. Ladd said the money is negligible but they would be sending the wrong message. He would like to consider grandfathering in those who currently receive it.

Rep. Bulis moved an amendment to say effective January 1, 2011 as opposed to July 26, 2010, which was seconded by Rep. Taylor. 1 was opposed, all other present were in favor. Amendment passes.

Rep. Ladd moved to amend the motion to change the word “including” to “excluding”, which was seconded by Rep. Laliberte. 4 were in favor, all others opposed. Amendment fails.

Vote on the final motion reads:

To permanently end the practice of compensating Grafton County elected officials with longevity pay. This applies to any and all elected officials, including those currently eligible to receive longevity pay under the current practice. Elected officials shall include: the Treasurer, the Register of Deeds, the County Attorney, the Sheriff, the Commissioners and any future elected positions which may be added to the governing body of Grafton County. This policy is to become effective January 1, 2011.

15 (Reps. Bulis, Taylor, Gionet, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Benn, Pierce, Mulholland, Townsend, Gould and Harding) were in favor. 3 (Reps. Ladd, Ingbretson and Laliberte) were opposed. Motion passes.

Farm Manager Kimball wanted to thank the members of the Delegation who attended the Open Barn Day for coming to the event and publically thanked everyone who was involved in helping that day and organizing the event. He said it was a great day with a good turn out.

Rep. Aguiar publically thanked Rep. Burton Williams, (who will not be running for office again) for his participation in the Grafton County Delegation and Executive Committee and said he had a very positive influence in County

government. Members applauded Rep. Williams.

12:50 PM With no further business the meeting was adjourned.

Respectfully submitted,

Phil Preston, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday September 20, 2010

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

ABSENT: Representative Friedrich

OTHERS: Harold Brown and John Chamberlain.

Rep. Mulholland called the meeting to order at 9:08 AM

Rep. Williams moved to approve the minutes from the July 22nd meeting which was seconded by Rep. Preston. All were in favor.

Rep. Williams moved to approve the minutes from the July 26th Delegation meeting which was seconded by Rep. Ford.

Rep. Preston asked whether the Executive Committee should be approving the minutes of the full Delegation. Rep. Mulholland said that she felt that the Executive Committee was given the authority to make those decisions and had also approved them in the past.

When the vote came down, all were in favor.

Rep. Williams asked if there was any update on the water tank and Director Clough said that they had until the beginning of October and that three consultants had put in bids that were reviewed by Supt. Oakes. A company out of

Littleton was hired and the work had begun. A full report will be forthcoming. Rep. Williams said he would like to be sure to get a copy of the report.

TREASURER'S REPORT

Treasurer Sievers presented a report for the committee which included investments for the Jail bond money. \$500K that was previously invested in a three month CD with Community Guaranty Savings Bank was transferred to Woodsville Guaranty this month to pay for Jail expenses. Other CD's will mature in 6 and 9 months.

The Commissioners have accepted a bid from Meredith Village Savings bank at a rate of 1% for the Tax Anticipation Notes. Director Clough projects that the County will need to borrow approximately \$2.5M which is less than was needed last year.

Director Clough noted that interest earned from the Jail bonds has been dismal because of the low rates.

Rep. Williams moved to accept the Treasurer's Report which was seconded by Rep. Aguiar. All were in favor.

Treasurer Sievers excused herself from the meeting.

COMMISSIONERS' REPORT

Commissioner Cryans gave the report:

- • A two year mental health court grant has been approved and the County Attorney's office will be setting up a Mental Health Court.
- • Retired Supreme Court Justice Broderick will be speaker at the next Drug Court graduation on November 17th at 10:00 AM at the Courthouse.
- • There will be a GED graduation on September 30th at the Jail at 10:00 AM
- • Union negotiations are still in progress.

Commissioner Cryans said he would like to have a tour of the Jail site the next time the Executive Committee meets and suggested the members wear appropriate foot attire.

Rep. Williams asked what the hold up was with the negotiations. Director Clough said that the Union wants to have an Agency Shop and the County opposes that, adding that she believes that negotiations are close now. Rep. Preston asked what portion of employees are dues paying and Director Clough said that there are about 170 Bargaining Employees and only 50 of them currently pay dues.

Rep. Williams said that he saw some of the well drilling equipment over at the Jail site and asked about the wells. Director Clough said that they had to drill extra wells and that there were certain wells that couldn't be drilled. There will be an additional field of eight more wells. She said that once those are done the system should work as designed and should be as efficient as expected.

Rep. Preston asked who was financially responsible for the added wells. Director Clough said that the County will incur some of the additional expenses.

Rep. Gionet asked why the certain well couldn't be drilled and Director Clough replied that they had problems with the sides collapsing in.

Rep. Preston moved to accept the Commissioners' Report which was seconded by Rep. Ford. All were in favor.

Grafton County Economic Development Executive Director Mark Scarano and new GCEDC board President Bill Webb were on the agenda for a brief overview and update of events. Commissioner Cryans wanted to note that the Valley Business Journal had an article about the expansion of the DRTC incubator which M. Scarano played such a big part in.

M. Scarano said that this has been a good year, but trying. He said there are some challenges coming up and one project being worked on that will affect the eastern part of Grafton County.

B. Webb said that they have been looking at developing an incubator in the Plymouth area for quite some time now but didn't really have a place. They knew they wanted to get PSU on board but without a definite building that was hard to do. The DOT had a building that they took by eminent domain and the price was right. If approved, they will be able to take over the building and PSU is willing to partner with them and run a program on entrepreneurship. He said they will be looking for money for the fit up next year and said this will be a great opportunity for the Plymouth area.

Rep. Aguiar asked who would be running the program and B. Webb replied that a member of PSU faculty will run the program and there will be some graduate students as well. He said it was too early to see exactly how the structure will work.

Rep. Ford said she was very impressed at the outreach of PSU.

M. Scarano said that there will be a 25,000 square foot expansion of the DRTC and that there has been very strong economic success in the area because of it. He said that if anyone were interested in touring the facility he could set it up.

In the North Country GCEDC is working on the North Country Workplace

Education program which pairs high school students with local businesses. The purpose is to attract and retain skilled labor in the rural communities and it is a way to keep people who are already in NH, interested enough to stay. The businesses actually work with the students who then go on to community and/or a four year college. The business then keeps track of the student and the thought is that they will hire them back on in the future. A \$235K grant from the Governor's discretionary fund was received to continue the project. There will be three high schools and nine businesses taking part in the program.

GCEDC is starting a strategic planning process which will update their existing one bringing them more up to date with the times.

The Revolving Loan Fund has provided more loans and received more inquiries than in the past. \$330K in total was financed for four different loans. Rep. Mulholland asked what the interest rate was and M. Scarano said it runs between 6 and 7 percent.

Rep. Williams asked about collateral. M. Scarano said they usually don't have problems getting the money back and that they are either second place to the lead bank or their loan is unsecured saying that GCEDC takes higher risks.

Rep. Ford spoke highly about the workplace education program and said that Commissioner Burton was a great supporter as well.

M. Scarano said that Celdara Medical will be moving into DRTC and has received a \$180K grant with the expectation of creating nine new jobs.

Commissioner Richards said she would like to see the education program expand to the Enfield/Canaan area.

B. Webb thanked the Commissioners and the Delegation for their continued support and noted that under the leadership of Mark Scarano many new programs have been implemented. He said that the new strategic plan is a very important part of understanding what is needed in Grafton County.

The two gentlemen were thanked for their information and for coming in.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough passed out a sheet which outlined where the \$17.5M from the Jail bonds money was invested.

The final total for the guaranteed maximum price on the Jail project has come in. Originally the cost for construction was projected at \$31,154,000., and has now been reduced to \$28,991,000 which is \$2M less than estimated. The total cost

for the redesigned building is \$34,200,000.

The second round of bonds will be issued around February and the amount will be below the projected \$17.5M.

Estimated completion of the project will be in April 2012 and right now everything is on schedule. The masonry is scheduled for October 4th and the steel-work for October 18th. The goal is have the three enclosed sections to be able to work inside in the winter.

NIC will be onsite October 11th to work with the transition team who currently include three in-house staff members. A new Training Sergeant will be starting today and he came from the Sheriff's Dept. Director Clough said there are many locals working on the project and on any given day there are around 50 people working onsite which is providing a boost to the local economy.

J. Chamberlain asked what the contingency percentage was. Director Clough replied that it is 5% on the owner's side and the Construction Manager is also carrying 5%.

Moving on, Director Clough said that census at the Nursing Home was 130 and the Jail was 94 with 7 out on electronic monitoring and 20 in Drug Court.

The monthly variance report was reviewed.

Revenue: Many Departments are lagging behind which is usual at the beginning of the year.

Expense: Three Departments are over expended but should come back in line. The prorated report was reviewed.

Rep. Ford moved to accept the Report of the Executive Director which was seconded by Rep. Aguiar. All were in favor.

Human Service Director Nancy Bishop had a request of the Executive Committee. She asked that \$11,150 was allowed to be removed from her Long Term Care budget line to be used to pay the balance of the cost of a generator that was purchased through a grant for Horse Meadow Senior Center. The cap for Long Term Care had been reached and there is money available in that budget line.

The total cost of the generator with a propane tank amounted to \$36,250. The grant awarded to the County was \$17,700. Horse Meadow put in \$1400 and Cottage Hospital has funded \$6000. Horse Meadow acts as the temporary shelter for both the County Nursing Home and Cottage Hospital in the event that they lose power. The remaining balance for the generator is \$11,150.

Rep Gionet moved to approve using the extra money in the Long Term Care line in the HS budget to pay the balance of the generator which was seconded by Rep. Williams.

DISCUSSION:

Rep. Aguiar asked what the relationship is with Cottage Hospital and Director Clough said that Cottage and Grafton County have collaborated to share the Horse Meadow Senior Center space in the event of an emergency. Rep. Aguiar asked who would be responsible for the maintenance of the generator. Director Clough said that she believes that the County will assume ownership of the generator and will take on all the responsibilities. Rep. Aguiar said he would like to be sure and see that in writing so that they didn't have another issue like the water tower. Director Clough said she would make sure to have that.

When the vote came down, all were in favor.

Rep. Mulholland asked HSA Bishop if there was a report from the incentive meeting that was held last week. HSA Bishop replied that there was not at this time. Rep. Ford said that there were some complaints about the way the meeting went and noted that there was no information provided to committee members until a day or two before and there didn't seem to be anyone in charge of the meeting.

Rep. Mulholland said that she didn't see any excuses why information couldn't have been prepared for people well ahead of time.

Rep. Williams said that incentive funds should be brought back to the County to be dispersed.

Rep. Williams asked HSA Bishop how things were working out with all the changes that had been done with Human Services. She said that because of legislative decisions, the County has taken on the largest portion of HHS in long term care. Director Clough said that next year there will be an enormous increase since FMAP money will be gone.

The committee thought that perhaps that needed to be discussed in Concord and that changes should be considered.

Rep. Mulholland informed the committee that Representative Ward had resigned from the Executive Committee as of August 13th so there will be an eight member committee through November. She also noted that both she and Rep. Laliberte made it through their primaries.

The next Executive Committee meeting will be October 18th at 9:00 AM.

Rep. Williams will not be able to attend.

There will be a tentatively scheduled full Delegation meeting on the 6th of December, after members are sworn in on December 1st, in Concord. The reorganization of the Executive Committee will take place on that day.

10:43 AM Rep. Williams moved to adjourn, which was seconded by Rep. Aguiar. All were in favor.

Respectfully submitted,

Phil Preston, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday October 18, 2010

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

EXCUSED: Representatives Laliberte, Gionet and Williams

OTHERS: Harold Brown and John Chamberlain.

Rep. Mulholland called the meeting to order at 9:17 AM

Rep. Preston moved to approve the minutes from the September 20th meeting which was seconded by Rep. Ford. Edits were made. All were in favor.

Steve LaFrance from Horizon Engineering and Maintenance Superintendent Oakes were in attendance to present the report on the water tank to the committee. Each committee member was previously mailed a written report to follow along with.

LaFrance said that he was contracted by the County to take a look at the tank and to offer recommendations. The concerning issue was the lack of turnover in the tank.

Rep. Mulholland asked if the design of the tank was poor and LaFrance said that the actions that Supt. Oakes was taking right now to mix the water is currently taking care of the issue. He added however, that for the last two to three years now the traditional standard is to have a two pipe system coupled with mechanical devices within the tank to facilitate mixing and these are introduced at the time of construction.

LaFrance said that chemicals are used to treat the bacteria in the tank which produce disinfection byproducts. He said these byproducts create carcinogens, however, the chances of having a health problem from the byproducts is far less than from bacterium.

Rep. Mulholland asked about the use of ultra violet and LaFrance said that there are certain “bugs” that are not killed by UV alone so it would need to be coupled with chlorine.

Rep. Friedrich asked about reverse osmosis and LaFrance replied that RO would work although it is very expensive and not likely that Woodsville Water and Light would consider it.

LaFrance continued on with the presentation referring to some alternatives which he outlined beginning with not doing anything at all to the County getting off of WW&L supply, creating their own water source and inviting Hatchland Dairy to join as a source of revenue.

An interim method being used currently is opening and closing a valve in the line, however, WW&L would not allow the County to open and close the valve and charges the County to perform this rudimentary action, this sometimes has to be done twice a day. Rep. Aguiar asked why WW&L would not allow the County to do this and Supt. Oakes said that they (WW&L) do not want the County touching their infrastructure. The valve has to be on WW&L property as well because of the structure set up.

For the County to have their own water supply would mean they would have to drill some wells. Two are required as a minimum and there is no guarantee that they would draw enough water or that the water would be suitable and not contaminated somehow.

Rep. Preston asked if the problems that the County is or has experienced with the water tests, is being passed on to people south of the County and S. LaFrance said that they were. Rep. Aguiar asked if that creates a risk to the public and makes the County libelous and LaFrance said it could.

Moving on, LaFrance said that looking at the various alternatives, County water with Hatchland on the system would be the least expensive alternative in the long run. This presupposes that Hatchland will pay the same amount for water from the County as it does to WW&L. Based on analysis, Horizon recommends the County pursue this avenue.

If wells did not produce enough water or produce something caustic then the suggestion would be to abandon that idea and not put any more money into it drilling more wells.

Rep. Friedrich asked if there would be any added liability to the County for

adding Hatchland Dairy to the system and LaFrance said there would be some responsibilities, particularly if there was no water for some reason. He said that it would be incumbent upon the County to figure out why, whereas now, they rely on WW&L to find that out.

Commissioner Cryans clarified that right now WW&L is responsible for the water that comes out of the faucet regardless of the tank.

Supt. Oakes said that if the problem begins with the tank and then gets introduced into the system then there is some liability.

LaFrance said it was his belief that there will come a day when the storage tank will be an asset to WW&L.

There was a discussion about funding and where the County may get additional funds for the project, which could take up to three years to complete.

LaFrance said that if anyone had any follow up questions after digesting the information they could phone him personally.

Steve LaFrance and Supt. Oakes were thanked for their time.

Human Services Administrator Nancy Bishop brought the committee information on the generator which indicated that the County would be responsible for the maintenance and ownership of it. She said the LP tank was installed and the pad was poured for the generator and that it should be up and running by the end of November, beginning of December.

No one had any further questions for HSA Bishop

TREASURER'S REPORT

Treasurer Sievers was not in attendance but provided a written report for the committee which was passed out. According to Director Clough, no TAN money has been borrowed at this time.

Rep. Aguiar moved to accept the Treasurer's Report which was seconded by Rep. Ford. All were in favor.

COMMISSIONERS' REPORT

Commissioner Cryans gave the report:

- The next Commissioner meeting will be held in the town of Holderness. Commissioner Cryans invited the Representatives to attend. The meeting will be at the new Ice Area at 9:00 AM.
- Two members from the National Institute of Corrections (NIC) were at the County last week to do some training with the Transition Team. The training was at no cost to the County and though many new things were

learned, Grafton County was ahead of the curve on much of it. One NIC member was the original person who reviewed the Jail five years ago.

- The Jail project is on target with steel arriving on Thursday. Masonry work is being done.
- There will be a Drug Court Graduation on November 17th with Chief Justice Broderick as speaker.
- The reorganizational meeting for the new Grafton County Delegation will take place on December 6th at 10:00 AM at the County.

Commissioner Cryans said that the Nursing Home did not do well on their most recent survey which resulted in a \$5000 fine and they are not allowed to have any more LNA classes. They have until December 3rd to fix the infractions or any new or returning admissions will be denied. The Commissioners have had a conversation with NHA Bolander regarding this and her request is to add more staffing. This will be discussed further between NHA Bolander and Director Clough.

Rep. Preston asked why LNA classes had to cease and Director Clough said that it was part of the penalty imposed.

There was a discussion about what the Nursing Home is doing at present to remedy the situation. Commissioner Cryans said this is going to take a little time to figure out just what needs to be done.

Rep. Mulholland asked when this was discovered and Director Clough said that the survey was in the second week of September but they just received the review from CMS via the survey.

Rep. Aguiar asked if there was any kind of appeal to CMS and Commissioner Cryans said that there is an appeal being planned by NHA Bolander regarding LNA classes. He added that he has always been very proud of the Nursing Home saying it's one of the best around, and if this Nursing Home took a hit on the survey he can only imagine what some others might be going through.

Rep. Aguiar asked what the harm is to not being able to hold LNA classes here and Director Clough said it was difficult to calculate since not all the graduating LNA's are hired here.

Rep. Aguiar said he would like to see both the fine and the prevention of the LNA classes appealed.

Rep. Preston moved to accept the Commissioners' Report which was seconded by Rep. Aguiar. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough began with the Jail census which is at 97 in-house, 21 in Drug Court, 1 hospitalized and 5 inmates were on electronic monitoring.

Nursing Home census is 129 and NHA Bolander has asked that it be held at that

number.

The monthly variance report was reviewed.

Revenue: Most Departments are under budget.

Expense: Three Departments are over expended but should come back in line.

The prorated report was reviewed.

Rep. Ford moved to accept the Report of the Executive Director which was seconded by Rep. Preston. All were in favor.

Rep. Aguiar wanted to note that he finds the whole issue with the water tank very discouraging and doesn't see how this all came to pass. He said that according to the information presented today the best alternative was one that was made by Rep. Gionet all along. He said that he agrees with Rep. Williams who had said that someone dropped the ball.

Rep. Mulholland replied that is unfortunate but there was no use in weeping over spilled milk.

11:05 AM Rep. Preston moved to adjourn, which was seconded by Rep. Ford. All were in favor.

Respectfully submitted,

Phil Preston, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building

3855 Dartmouth College Highway

North Haverhill, NH

Monday November 15, 2010

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

EXCUSED: Representatives Aguiar and Friedrich

OTHERS: Harold Brown, Omer Ahern and Carol Elliott.

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

Rep. Preston moved to approve the minutes from the October 18th meeting which was seconded by Rep. Ford. Reps. Gionet and Williams abstained, all others were in favor.

TREASURER'S REPORT

Treasurer Sievers began by thanking the committee for their support over the last two years. She said that she will be working with incoming Treasurer Carol Elliott to invest the funds that will be coming in from the Towns for taxes and asked the committee if there was anything in particular that they thought should be looked at when the bid requests go out. No one had any special preferences above what it usually done.

Rep. Preston moved to accept the Treasurer's Report which was seconded by Rep. Williams. All were in favor.

COMMISSIONERS' REPORT

Commissioner Cryans began by thanking those on the committee who will be leaving office which included Commissioner Richards and Treasurer Sievers. He thanked those on the committee for serving and wished everyone well. Commissioner Richards echoed the sentiments of Commissioner Cryans.

Commissioner Cryans said that the Delegation will meet next week to vote on appropriating an additional \$200K to the Nursing Home from the surplus. The public hearing will begin at 10:00 AM with the Delegation meeting starting at 11:00.

There will be a Drug Court graduation on Wednesday with retired Chief John Broderick as guest speaker.

A geophysical test will be preformed and a test well drilled to see if there are proper water conditions to support the creation of a County water system. Supt. Oakes will be preparing an RFP for the project. This is being conducted as a result of the recent engineering study.

Rep. Gionet asked if the Nursing Home report is available to read and Director Clough said that NHA Bolander said it is a lengthy document which has not been put out yet, but that she would get a copy from NHA Bolander for the committee. Director Clough said that NHA Bolander is also supposed to be giving her a breakdown on exactly what the requested \$200K will be used for.

Rep. Williams said that what he got out of the letter that NHA Bolander sent out

to the Delegation was that there was something else going on at the Nursing Home and that in his opinion, just throwing money at it doesn't solve the problem.

Commissioner Cryans said that in fairness to NHA Bolander, the Dept. Heads have been asked to bring in a level funded budget and that RN's were used to do work that would normally be done by LNA's and because of that problems did occur.

Commissioner Richards spoke in support of the need for more money to be appropriated to the Nursing Home.

Commissioner Cryans discussed the request for money which he said began at \$150K. Commissioner Richards had asked NHA Bolander if that was enough money and she indicated that it would be a start. Commissioner Richards made a motion to appropriate \$200K because she felt that more money was need in order for the Nursing Home to achieve their goals.

Rep. Gionet suggested that if not for the survey, the problems at the Nursing Home would have been apt to continue, adding that they had to have been going on for a while now in order to be where they're at now.

Commissioner Cryans said that the questions and concerns really need to be addressed to NHA Bolander. He said that these surveys can have dire consequences and reviewed what the penalties were and could have been.

Commissioner Cryans said that he was actually stunned at the survey because it was his belief that the Nursing Home has always received high marks and praise.

Rep. Williams said that it seemed to him that there is a lack of communication between the Nursing Home and the Commissioners.

Rep. Laliberte asked if there were any other Depts. that are going to have trouble because of having to hold a level budget.

Rep. Ford said the Courts are having serious troubles.

Commissioner Cryans said that when you take the two largest departments and compare them, the Nursing Home is highly regulated and the Jail, which is the second largest department, does not have the tight regulations. He said that he's sure there are pressures on all the departments and that tremendous efforts are being made by the staffs.

He wanted it noted that aside from all of this, the County still has a phenomenal Nursing Home.

Rep. Mulholland said that she had spoken to NHA Bolander and is in support of the additional money saying that she finds it extraordinary that the Nursing Home is not looked at as in investment in the future and that not looking at it that way will have dire consequences.

Rep. Gionet said that he doesn't think that there's no support for the Nursing

Home, he just doesn't feel that it got that way overnight and would like to see the report.

Rep. Williams still had concerns about the water tank and said that it feels like unfinished business and he wanted to know what was going to happen.

Director Clough said they didn't know that yet. Commissioner Cryans said that they will be following the recommendation by the engineers regarding looking into having a County water system.

Rep. Williams said his preference would be to install the \$80K valve and then later on down the road take a look at possibly putting in a water system. He said that it was going to take a few years to get the wells drilled and for permitting anyway.

Director Clough said the tank is being drawn down manually right now and Rep. Williams said he thought that was fine in the interim, but he would like to see the valve put in.

There was further discussion about this. Rep. Preston thought that putting the valve in would be like "throwing money down a rat hole" and Rep. Gionet agreed with that and said that Lincoln managed to get a well drilled in a year.

Rep. Gionet said he would like to be able to get the newspaper articles on the other side of the mountain so he knows what's going on at the County and Director Clough said they could be forwarded on if we have them here.

Rep. Williams said that he will be becoming a Grafton County citizen soon and would offer his services to the County regarding the water tank if anyone was interested.

Rep. Williams moved to approve the Commissioners' Report which was seconded by Rep. Ford. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough began with the Nursing Home census which is 127 and holding due to the current issues. The census at the Jail is 85 in-house, 20 in Drug Court, and 4 inmates on electronic monitoring.

The monthly variance report was reviewed.

Revenue: Most Departments are under budget though the Farm and the Sheriff's Dept. are over. Milk prices are at \$19.20

Tax payments are due to the County on the 17th of December.

Expense: there were three payrolls in October which has thrown things off but will level out. Correction will be over expended due to a hospitalized inmate who has so far cost the County \$120K in medical expenses.

Director Clough reviewed the prorated report which is four months into the year. Right now it is under expended due to the HS budget but is expected to level out.

Rep. Williams asked if there was anything that could be done legislatively about the County having to pay medical costs of inmates and Director Clough said there isn't anything that can be done at this point and that the State goes through the same thing.

Director Clough presented the committee with information regarding Grafton County grants and RSA: 29:8-a, which pertains to those grants. She informed the committee that it was time to approve authorization for the next year so that the County could continue to apply for grants.

Rep. Preston moved to authorize the Grafton County Commissioners to apply for, accept and expend grants of federal and/or state aid as per RSA 29:8-a. on a yearly basis and for the full Delegation to be brought up to date on all grants at the yearly meeting, which was seconded by Rep. Ford. All were in favor.

There was a discussion about the County receiving private donations and Director Clough said that Drug Court and the Nursing Home, Home Association were set up as non-profits and which was the only way money could be received privately.

Director Clough gave the committee an update on the Jail project which she said was proceeding on time, on schedule and under budget. She said that within the next five weeks the steel portion of the building will be erected.

\$3M has been expended so far of the first \$17.5M so there is \$14.475M left in investments, though the interest on those funds is dismal.

\$2M has been drawn down from the TAN money and \$2.2M is still available.

Rep. Williams moved to accept the Report of the Executive Director which was seconded by Rep. Gionet. All were in favor.

H. Brown was recognized and said that the water tank is an issue and that he does not want one more cent spent on it. He said that the tank was not built right and that the expenses should be borne by those who designed and built the tank. He questioned its elevation and size of the piping. He said that the County was on the hook for \$1M and that \$853K was actually spent on it and the rest of the money was squandered. He repeated that he didn't want any more tax payer money spent on that tank which included any cost to turn the valve.

10:10 AM Rep. Williams moved to adjourn, which was seconded by Rep. Ford. All were in favor.

Respectfully submitted,

Phil Preston, Clerk



GRAFTON COUNTY DELEGATION VOTE SPECIAL NURSING HOME APPROPRIATION
Grafton County ~ UNH Conference Room
North Haverhill, NH
Monday November 22, 2010

PRESENT: Representatives Bulis, Gionet, Ford, Ladd, Aguiar, Cooney, Smith, Williams, Preston, Benn, Pastor-Bodmer, Laliberte, Mulholland, Townsend, Almy, White, Gould, Harding.

OTHERS: Commissioner Cryans, Executive Director Clough, Secretary Martino, O. Ahern, W. Fortier, B. Patanovich, M. Tyler, S. Leavitt-Doubleday, M. Simpson, E. Bolander, R. Blechl, J. Gregg, R. Crocker, and Harold Brown.

Rep. Mulholland called the meeting to order at 11:05 and gave the floor to Commissioner Cryans who wanted to thank Reps. Mulholland, Williams, Laliberte, Ford and Preston for their work on the Executive Committee and all they've done for the County.

Rep. Preston then called the roll. Eighteen delegates were present and a quorum was declared.

Rep. Preston moved that the Delegation approve an additional appropriation for Fiscal Year 2011, for the Nursing Home, of \$200,000. from the undesignated fund balance which was seconded by Rep. Ford.

Discussion:

Rep. Williams said he feels this should be approved. Rep. Ladd said he supports this but because of the increased standards; things need to be looked at in the way of better efficiencies for next year's budget.

A roll call vote was taken. All members were in favor. Motion passes unanimously.

Rep. Ladd said that he would like to have support in looking at trying to get away from a grandfathered agreement that states the County must use Woodsville Water & Light for their utilities so that the County can look outside for better rates. He asked for help with a co sponsor. Rep. Almy suggested waiting until the new Delegates come on board.

Rep. Townsend asked if there was anything that the Delegation could do to help with the appeal that NHA Bolander was planning and she said there really wasn't, and that paperwork has been filed and they are just waiting on an appeal date. She thanked the Delegation on behalf of the nursing home for their support of the appropriation.

Rep. Bulis said he felt that the Commissioners should write a letter to the State because he feels that the transfer of money from one government agency to another is wrong. NHA Bolander said that the federal government really doesn't care and that she has spoken every year about the roll of CMS to the Congressional Delegates and it is not something that is on their priority list. Rep. Almy suggested that perhaps the Commissioners from all the County nursing homes get a letter penned and express their concerns. Rep. Mulholland thanked everyone for their support of her as Chairperson and said that she would miss the work at the County.

11:20 AM Rep. Williams moved to adjourn and was seconded by Rep. Ford. All were in favor.

Respectfully submitted,

Phil Preston, Clerk



GRAFTON COUNTY DELEGATION REORGANIZATION MEETING

Grafton County ~ UNH Conference Room

North Haverhill, NH

Monday December 6, 2010

PRESENT: Representatives Aguiar, Almy, Bradley, Bulis, Cooney, Eaton, Gionet, Gould, Harding, Ingbreton, Ladd, Mirski, Nordgren, Pastor-Bodmer, Pierce, Reilly, Brosseau, Shackett, Simard, Smith, Sorg, Sova, Taylor, Townsend and White, Commissioner Cryans, Executive Director Clough, Secretary Martino.

OTHERS: RD Sharp

Commissioner Cryans introduced himself and said that he and Commissioner Burton along with incoming Commissioner Omer Ahern would be the Board of Commissioners. Commissioner Martha Richards is the outgoing Commissioner. He asked the representatives to fill out information on a sheet so that the County has their correct names and addresses along with their emails and mileage.

Commissioner Cryans stated that both parties had caucused before the meeting and now will have to make a decision about an Executive Committee. Commissioner

Cryans noted that there were 13 members of each party.

A roll call was taken by Secretary Martino and it was determined there was a quorum.

Rep. Pierce began by presenting the Democrats suggestion on how to fill the positions on the Executive Committee in recognition of the 13/13 split. The suggestion was that each caucus chooses four members and put up (nominate) one other person for the full Delegation to vote on. The chairman would be chosen from the party that was in the minority and the majority party would have the vice chairmanship.

Rep. Bulis said that the republican caucus came up with a different thought in that members from each Commissioner district would be chosen proportionate to the way of the election and that there should be four Democrats and five Republicans. He said that they want to give recognition to the way things are in the state but they would like to blur the party lines and work for the good of the County.

Rep. Pierce asked how they came up with that split and Rep. Bulis said that they would choose Reps. Ladd, Gionet and Bulis from Commissioner Burton's district, Reps. Aguiar, Brosseau and Sova from Commissioner-elect Ahern's district and then there would be three Democrats from Commissioner Cryans

district.

Rep. Pierce asked about having the chair from the minority party if they were to agree to Rep. Bulis's suggestion and Rep. Bulis said they thought the chair should be a republican in order to have some clear direction. He stated there are large issues to tackle this year and there needs to be consistency so alternating chairs would not be a good idea.

Rep. Harding said that she struggles with having a republican majority and having the chair be a republican also and said that does not represent what the people wanted since there is a 13/13 split. She said there should be a better balance and perhaps a change of chair would be fairer.

Rep. Bulis said that fairness was an issue but so is consistency and that is important to be able to stick with the goals that were set.

Rep. Aguiar said that his concern when splitting things up between districts, is that there may not be representatives in those districts who have the time to serve on the Executive Committee. Rep. Bulis said that he identified representative that did agree to serve.

Rep. Almy said that she agreed that changing chair parties was not a good idea. She said that she has served on the Executive Committee and feels they've always managed to work across party lines.

Commissioner Cryans said there seems to be a stalemate and questioned how this was to be decided. Rep. Almy said that she would like to see them go with the suggestion from the Democratic caucus. Commissioner Cryans asked if there was to be a motion made.

Rep. Almy moved to have each caucus appoint four members to the Executive Committee and to nominate another person and the full Delegation would vote on that person. Whoever has the minority party of the committee will hold the chair and the majority party will hold the vice chair. This would be in recognition of the 13/13 split. Motion was seconded by Rep. Aguiar.

DISCUSSION:

Rep. Sova asked if it wouldn't be more prudent to vote on the officers of the Delegation first as they become officers of the Executive Committee.

Rep. Ladd said that they need to look logically at things and agreed with Rep. Sova and would also like to see the officers put in place first and then make up the Executive Committee.

Rep. Mirski said he would like to call the question. Commissioner Cryans asked that all those in favor of calling the question raise their hands. The majority of members were in favor.

Rep. Smith asked if it were ethical to vote for the motion before having a chairperson and Commissioner Cryans said there was a motion on the table. She asked if the motion was in order.

Rep. Almy said the way it had been done in the past is to elect the Executive Committee from the Commissioner districts and then elected the officers.

A roll call vote was taken by Sec. Martino. 13 were opposed (Reps. Bradley, Bulis, Eaton, Gionet, Ingbreton, Ladd, Mirski, Reilly, Brosseau, Shackett, Simard, Sorg, and Sova) and 12 were in favor (Reps. Aguiar, Almy, Cooney, Gould, Harding, Nordgren, Pastor-Bodmer, Pierce, Smith, Taylor, Townsend and White). Motion does not pass.

Rep. Ladd moved to go into caucus which was seconded by Rep. Nordgren. By a show a hands a majority was declared.

Commissioner suggested that they take 10 minutes to caucus. Republicans remained in the room while Democrats left to use a room in another part of the building.

10:52 AM Upon the return of the Democrats, a motion was made.

Rep. Ladd moved to appoint three officers to the Executive Committee. Those officers would be Rep. Bulis as Chair, Rep. Aguiar as Vice Chair and Rep. Sova as Clerk; this was seconded by Rep. Simard.

Rep. Pierce said that the Republicans have the full authority to do this but felt that everything was being rammed because the Democrats were down one person. He said even though they talked about working together, this does not represent that. He said that the suggestion from the Democrats is far more reasonable. He did not think this was a good start to the beginning of the next two years.

A motion was made to move the question. A show of hand showed a majority of 13.

A roll call vote was taken by Sec. Martino. 21 were in favor (Reps. Bradley, Bulis, Eaton, Gionet, Ingbreton, Ladd, Mirski, Reilly, Brosseau, Shackett, Simard, Sorg, Sova, Aguiar, Almy, Cooney, Gould, Harding, Nordgren, Pastor-Bodmer, and Smith,) and 4 were opposed. (Reps. Pierce, Taylor, Townsend and White) Motion passes.

Commissioner Cryans announced the new officers as Rep. Bulis as Chairman,

Rep. Aguiar as Vice Chair and Rep. Sova as Clerk, and handed the meeting over to Rep. Bulis as new Chairman.

Rep. Harding said she would like to have another discussion about fairness and would like to have a 5th person sharing the majority membership. She discussed the 5th person as an alternate on the committee.

Rep. Harding moved to have an alternate on the Executive Committee and rotate the majority from Republican to Democrat. Rep. Pastor-Bodmer seconded the motion.

Rep. Mirski said that having a non-voting member of the committee would be an absurd position in that the person will have to spend all their time in a no voting position.

Rep. Smith said that there are alternates on Town boards and she feels that because they can participate they can be very helpful.

Rep. Cooney stated that they become a voting member when another member is absent.

Rep. Almy said she had worked as an alternate and they are allowed to ask questions and even make motions, though not allowed to vote on them.

Rep. Sorg wanted clarification on the motion.

Rep. Pierce said that clarification to that would be that the alternate in the first year would be a member of the minority caucus and the second year that would switch.

Rep. Bulis asked why it would switch and Rep. Pierce replied that the two parties could share the power of the 13/13 Delegation.

Rep. Harding clarified her motion which was to have an alternate on the Executive Committee and that alternate the first year would be just that, and the second year the alternate would become an active voting member of a ten member committee.

Rep. Bulis said why not have the alternate just be the alternate. He did not see why there should be change half way through. Perhaps the alternate would be from the minority party. He said the issues were the issues and there should be no party line.

Rep. Mirski said there is no minority in a 50/50 split.

Rep. Harding said there is a minority party on a nine person Executive Committee.

Rep. Aguiar said he would like to address the split on the Executive Committee and thought the alternate issue with a 10th person has merits.

Rep. Sovia agreed that the Executive Committee should be addressed first and then they could take up the issue of an alternate.

Rep. Bulis said they could elect the Executive Committee today and said he assumed that the Democrats had an alternate in mind.

Rep. Gionet motioned to move the question and was seconded by Rep. Simard.

Rep. Almy called a point of order and said that if the motion is voted on then they can't come back to it.

A discussion ensued.

Rep. Bulis said that if they can withdraw the motion to move the question then they can they can deal with the alternate now, otherwise they can't go back to it.

Rep. Harding asked a procedural question regarding her motion. Rep. Bulis said that if the motion to move the question is rescinded and the second is rescinded then she can withdraw her motion and if the second is withdrawn then the motion can be brought up again at a later time. This way they can address the issue with the Executive Committee and go back and revisit the suggestion of an alternate.

Rep. Bulis asked if Rep. Simard was willing to withdraw his second to call the question and he said yes, Rep. Bulis asked Rep. Gionet if he were willing to withdraw his motion to call the question and he replied no. Rep. Simard then reinstated his second of calling the question.

Rep. White asked what rules are being followed in these procedures as they are operating under an assumption of certain rules and the way that the motion is handled depends upon which rules are being followed.

Rep. Bulis said that they have not formally adopted any rules and they have sort of been more "hybrid" rules but tend to go primarily with Roberts Rules.

Rep. Pierce said that if Rep. Harding wanted to modify her motion then it should be voted down.

Rep. Bulis said that the motion then was to end debate and asked for all those who were in favor. The majority was in favor. Debate ended.

Rep. Bulis asked if Rep. Pastor-Bodmer would withdraw her second which she did and then he asked Rep. Harding if she wanted to withdraw her motion, which she did.

Rep. Gionet nominated Reps. Ladd, Bulis, Sova, Brosseau and himself for the Executive Committee.

Rep. Almy nominated Reps. Aguiar, White, Townsend, Smith and herself to the Executive Committee.

Rep. Pierce suggested that there could be a 10 person committee and a discussion ensued.

Rep. Bulis then asked for a consensus for a 10 member Executive Committee by voice vote. He declared that to be a majority and the said there would be a 10 member committee.

Rep. Ladd said he had a real hang-up with having an alternate. And felt there wasn't a proper discussion about having a 10 person committee and questioned how it would function for the betterment of the County with an even number. Rep. Bulis said that there needs to be a discussion then.

Rep. Taylor said she felt that that a 10 member committee would foster working together and she would suggest applying the same officers from the Delegation to the Executive Committee. Rep. Cooney agreed.

Rep. Sorg called this a formula for endless deadlock and he was more in favor of Rep. Harding's suggestion of an alternate of the party of the minority (on the committee).

Rep. Mirski supports Rep. Sorg's comments.

Rep. Gionet said that there has been no problem in all the time that he's spent on the Executive Committee with a 9 person board.

Rep. Nordgren said that what happens in July needs to be considered and she believes that the likelihood of coming up with a budget is better with a 10 person committee.

Rep. Pastor-Bodmer said she thinks that a 10 person committee is better for negotiating and also better for when decisions finally come to the full Delegation.

Rep. Sorg said that 5 to 4 votes brought to the Delegation gives you something to go on. He said that where there are disagreements, it causes people to vote with their party, calling it the default position.

Rep. Harding said she liked the 5/5 split better than the alternate suggestion as it takes the element of suspicion out of the decisions. She said she hoped they would be able to support this as a group. She asked if the three officers elected for the Delegation would also be the three officers of the Executive Committee. It was agreed that was the way that it had always been done in the past.

Rep. Mirski moved to create a 9 person Executive Committee which was seconded by Rep. Brosseau.

DISCUSSION

Rep. Pierce said this motion assumes that a 10 person committee can't work together. Rep. Smith said she feels a 10 person group will have to come together and bring a decision to the Delegation and she feels there would be a better chance for balance. Rep. Cooney concurred.

Rep. Bulis said that he had never worked on a committee with an even number of people.

Rep. Gould said that he would rather see a balanced committee work on the budget as opposed to what is going on right here.

Rep. Gionet moved to amend the motion on the table and add that the Executive Committee take up an alternate member, if they wanted to, at their regular meeting, which was seconded by Rep. Eaton.

Rep. Aguiar said that goes against the recommendation of a 9 person committee. Rep. Sorg said in his opinion, a 10 person committee can not bring forth a fair vote.

Rep. Almy said it could either be deadlock in committee or deadlock in July and be forced to go into the summer. She said that the members have to come to a conclusion in order to bring a decision to the full Delegation.

Rep. Ingbreton said there is a reason that the committee is broken into 9 members and that's to be able to make a decision.

Rep. Ladd suggested that they could always consider choosing to go with a 2/3'rds vote on a 9 member committee.

Rep. Pastor-Bodmer said that she still believes that 10 people can work together and that she agrees with Rep. Sorg statement that members may resort to the default position. She said a 10 person committee would be wiser.

Rep. Bulis said that a gridlocked committee could hold up the County issues.

Rep. Gionet said he had faith in his colleagues.

Rep. Gionet moved to call the question and was seconded by Rep. Sova. In a voice vote the majority voted yes.

A hand vote was called on the amended motion. 4 Reps were in favor and 21

were opposed. Motion amendment fails.

Rep. Sova moved to call the question on the original motion of a 9 person committee and was seconded by Rep. Brosseau.

11:55 AM Rep. Pierce called for a Democratic caucus and the Democrats left the room while Republicans remained.

The Democrats were asked to return in five minutes.

A roll call vote was taken by Rep. Sova which reflected 13 Republican members present (Reps. Bradley, Bulis, Eaton, Gionet, Ingbertson, Ladd, Mirski, Reilly, Brosseau, Shackett, Simard, Sorg, and Sova). At this time Rep. Bulis declared a quorum.

The vote was taken on the motion to have a 9 member committee. 13 Reps. (Reps. Bradley, Bulis, Eaton, Gionet, Ingbertson, Ladd, Mirski, Reilly, Brosseau, Shackett, Simard, Sorg, and Sova) were in favor. Motion passes.

Rep. Ingbertson moved to appoint Reps. Bulis, Sova, Brosseau, Ladd and Gionet to the Executive Committee which was seconded by Rep. Simard. 13 Reps. (Bradley, Bulis, Eaton, Gionet, Ingbertson, Ladd, Mirski, Reilly, Brosseau, Shackett, Simard, Sorg, and Sova) were in favor. Motion passes. Nominees were approved.

Rep. Sorg moved to appoint Reps. Almy, Aguiar, Townsend and White to the Executive Committee which was seconded by Rep. Ingbertson.

Rep. Bulis noted that Rep. Taylor and Townsend had entered the room and then called the roll on the vote. 16 Reps were in favor (Reps. Bradley, Bulis, Eaton, Gionet, Harding, Ingbertson, Ladd, Mirski, Nordgren, Brosseau, Shackett, Simard, Reilly, Sorg, Sova, and Taylor) 1 Rep. was opposed (Rep. Townsend) 8 Reps were not present in the room (Reps. Aguiar, Almy, Cooney, Gould, Pastor-Bodmer, Pierce, Smith and White)
Motion passes. Nominees were approved.

Rep. Bulis declared that there was now a full slate of officers and Executive Committee and said that the new way of doing things would be to first begin with the Pledge of Allegiance which would be lead by Rep. Reilly.

Following the Pledge, Rep. Harding said that she was disappointed in the process and thought there was going to be an opportunity to have an even committee and that was not represented in the outcome of this election. She said that she would hope to see that cooperation in the future.

Rep. Bulis said that they are sincere in wanting to move forward with making

progress on the work that has been done.

Rep. Sorg said that as a matter of happenstance there were 13 members of the Republican party and 12 members of the Democratic party and the Republicans could have elected nine members of their own party to the committee, but didn't. He added that he thought they had been very fair.

Rep. Simard moved to certify the results of the meeting which was seconded by Rep. Brosseau. The vote was unanimous.

Rep. Bulis said that it was his intent to establish rules for the Delegation and to have good communication amongst all members.

Director Clough stated that the Executive Committee has always met the third Monday of the month and that the next meetings will be on December 20th at 10:00 AM.

OTHER BUSINESS:

Rep. Gionet moved that the Grafton County Delegation strongly recommend to the Commissioners that they hire as soon as possible, a Clerk of the Works for the Jail project. Said clerk should be a qualified and experienced construction supervisor, which was seconded by Rep. Townsend.

DISCUSSION:

Rep. Bulis feels there needs to be a dedicated Clerk of the Works for a \$34M project. He feels there needs to be quality assurance.

Rep. Reilly asked about a performance bond. Rep. Gionet said it was the only way to have any recourse.

Rep. Reilly moved to amend the motion to add that the Clerk of the Works must carry a performance bond for the project, which was seconded by Rep. Simard. A voice roll call was taken and all were in favor.

Rep. Bulis asked that a letter be drafted to that affect.

Rep. Bulis said it was a very important matter and Director Clough said that the County took it very seriously.

Rep. Ladd asked why there wasn't a Clerk hired to begin with and Rep. Gionet said it was discussed at a past Executive Committee meeting and that the County did not feel it was needed.

Rep. Sorg wanted to change the wording of the motion by Rep. Gionet from “recommend” to “direct”, which was seconded by Rep. Ingbretson.

Director Clough said they could not do that.

Rep. Sova said that as elected officials they really don’t have the right to direct other elected officials on how they should perform their duty.

Rep. Harding said that she hoped this could be a discussion between the Executive Committee and the Commissioners and that using the word direct is very disrespectful.

Rep. Shackett said he agreed with that and said that the decision by the Commissioners had to have been made with some thought and reason and he would like to have that explained to him before he voted on that.

Rep. Ingbretson asked Director Clough to tell them what her understanding was of the role of the Delegation. Director Clough said her understanding is that the role of authority of the Delegation is with finances and the budget and the Commissioners set policies and procedures.

She went on further to explain the reason the decision was made to use the Maintenance Supt. as Clerk of the Works as opposed to hiring an outside person. She noted that there were a number of issues with the Nursing Home when a Clerk was hired, who was an engineer, which turned into a bad experience. She said that there are always eyes on the Jail project and meetings with the architects and construction manager on a weekly basis. Everyone has a vested interest in seeing that the project goes well. The process has been ongoing for six months and is going well.

Rep. Ladd asked who makes decision on change orders. She replied that she does.

Reps. Smith and Almy returned.

Rep. Ingbretson was concerned about the fact that the construction company that are the contractors for the Jail project is the same company who did the Nursing Home and feels that the company could let us down. Director Clough said she didn’t feel the problems at the Nursing Home were the company’s issues. She said there are also outside consultants who are doing reviews and inspections on the project. That consultant works for the County.

Rep. Reilly asked if funds were recovered for issues at the Nursing Home. Director Clough said they were not, though most problems were fixed at no cost to the County.

Rep. Harding questioned why this was even being discussed and wondered if there was any kind of problem going on with the project. Rep. Bulis said this is being considered as a precautionary measure.

Rep. Harding said she is not convinced that the people that are overseeing the project are not properly qualified.

Rep. Mirski said that when multiple individuals are making decision on a project that is when things go bad. He asked what the chain of command was regarding decision making. Director Clough said that there are three people involved and that she makes all the final decisions. Rep. Mirski said that only one person should be talking with the contractor to relieve miscommunications. He said that the decision line needs to be clear.

Rep. Ladd said there needs to be expertise in the area of supervision and knowledge of construction so that there is not a repeat of what happened in Haverhill school and to protect the interests of the County.

Rep. Reilly wanted to move to add to his amendment that had already been voted on, that the Clerk of the Works be independent of judgment and have authority and freedom to act as an individual and that the buck stops with that person and not with three other people.

Rep. Bulis said that it would be best to see where it goes from here as the meeting was not warned and there will not any binding decisions. The intent is what is known, he said.

Rep. Brosseau agreed with Reps. Mirski and Sova

Rep. Sova said that contractors like to have Clerk of the Works and that issues can be taken care of right away.

Rep. Sorg withdrew his motion to “direct” the Commissioner... and Rep. Ingbretson withdrew his second to the motion.

Rep. Sorg said that he feels there really needs to be a bond so that there are ways for recourse if needed, after the fact.

When the vote came down on the motion: that the Grafton County Delegation strongly recommends to the Commissioners that they hire as soon as possible a Clerk of the Works for the Jail project... 13 Reps. (Bradley, Bulis, Eaton, Gionet, Ingbretson, Ladd, Mirski, Reilly, Brosseau, Simard, Sorg, Townsend and Sova) were in favor, 4 Reps. (Harding, Shackett, Smith, and Taylor.) 1 (Rep. Almy) abstained. Motion passes.

Rep. Ladd said he would like a report on the status of the water tank and

Director Clough said that the recent recommendation from the Engineer hired by the County to review the various possibilities re: water, the most cost effective choice was for the County to create its own water system and add Hatchland Farm on as a customer and source of revenue. The Commissioners have made the decision to go forward with further testing for that.

Rep. Gionet asked if there was a feel for the possible volume of water given what has been drilled for the Jail project. Director Clough said that the preliminary hydrology reports show there is sufficient supply.

Rep. Mirski said that the social needs of the County need to be the ones that are focused on, such as the Nursing Home. He said that the Jail is going to take away from that and he would like the Commissioners to think about what can be done, such as revision of the bond or staffing expenses. He believes that expenses can be changed to look more towards the social issues. He also said there should be a cost benefit analysis done.

Rep. Harding moved to adjourn which was seconded by Rep. Townsend. A hand vote was taken and 6 were in favor while 11 were opposed. Motion does not pass.

Rep. Gionet was recognized and said that there was money put into the budget for a performance audit and he feels it should be done. Rep. Bulis said that the consensus was to proceed with that and a discussion for that should be put on the agenda for the next Executive Committee meeting.

Rep. Almy said that she would like to know what other Counties have done because the only one she was aware of was in Coos and that one was done because there were serious issues which she didn't think that Grafton County had.

Rep. Ladd asked how much money was put in the budget and Rep. Gionet said \$40K

Rep. Ladd asked why it was put in if it wasn't necessary to do and Rep. Gionet said that he didn't think it wasn't necessary to do.

Rep. Bulis said that discussion needs to be had.

Rep. Mirski said he would like to move that Mason's Rules be used in conducting meetings. Rep. Bulis asked that that be left to the discretion of the chair and that it will be brought up in the future.

Rep. Shackett asked how to obtain information about what's going on at the County so he can become more informed. Rep. Bulis said he can contact Director Clough or Secretary Martino for information when need, or to go onto the County website where all the minutes can be found. Director Clough said she would forward all the information for getting in touch with her to the Delegates.

1:15 PM Meeting was adjourned

Respectfully submitted,

Charles Sova, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday January 24, 2010

PRESENT: Representatives Bulis, Aguiar, Sova, Gionet, Almy, White, Brosseau, Townsend and Ladd, Commissioners Cryans and Ahern, Executive Director Clough and Secretary Martino.

OTHERS: Rep. Harding and Robert Blechl

Rep. Bulis called the meeting to order at 10:06 AM and Rep. Sova called the role. All members were present and a quorum was declared.

Rep. Bulis asked that everyone stand for the pledge of allegiance led by Rep. Brosseau.

Mark Scarano and Bill Webb from Grafton County Economic Development Council (GCEDC) were present to speak with the committee and to update them on the projects of GCEDC.

M. Scarano introduced President Bill Webb saying that he is also the owner of the Inn On Golden Pond. M. Scarano brought along the Annual Report and gave a brief overview of GCEDC and how it began out of a conglomeration of a number of similar agencies. They are one of ten RDC's in New Hampshire covering Grafton County. They are not in competition with the private sector but act more as a compliment. Over the twelve years in service they have provided \$2.8M in loans to Grafton County companies which ultimately resulted in over 400 jobs either created or retained.

GCEDC: Supports entrepreneurship, works to establish incubator projects such as the one at Dartmouth and a new startup in Plymouth working with PSU, and has created an intern program for high school students to work with local

businesses in the North Country in the hopes of retaining the youth in the state.

Rep. Almy said she appreciated the block grant in Enfield and M. Scarano said that funds from that business will support them while they are in the incubator at Dartmouth and was done because Lebanon had expended their CDBG funds. He said it would still be beneficial to the Enfield area though.

Rep. Bulis said he appreciated the youth program and then asked if loans are revolving so that money could be used over again and M. Scarano said they were.

Rep. Brosseau asked if Plymouth High School was involved in the youth program and M. Scarano said that right now they are only in the northern area but they have developed manuals to work from and the program could be taken anywhere. B. Webb said that the impetus for the program came from New England Wire so if there was a business that wanted to start this program that would be a good beginning.

Rep. Ladd asked if there were any tax incentives for towns and M. Scarano said that they are limited as far as incentives go but there are such things as tax increment financing.

Mark Scarano and Bill Webb were thanked for their update and their time for coming in.

Maintenance Superintendent Oakes was asked to come and give an update and informational talk on the water tank project. Supt. Oakes had a handout for the committee which outlined where the County stood regarding the water system study that was requested by the Delegation.

Supt. Oakes began with a comprehensive overview, beginning with the barn fire in 2006 which led to the decision to find a way to be able to have enough water flow to the County in the event that something more drastic happened. The decision was made to build a water tank, which then lead to exploring options for potable water for the rest of the complex, including the new Jail. After various ideas were discussed the end result was to have the water tank built across the road and to have it be a potable water source for the Jail in the future. In working with Woodsville Water & Light (WWL) a verbal agreement was made that WW&L would assume ownership of the tank once it was constructed. With that in mind, WW&L required that the County use their engineer, Dufresne & Assoc. to design the tank. Once the tank was built, WW&L was not willing to take ownership or responsibility of the tank. Coupled with that disappointing news, the tank did not perform as was expected by the County in that it did not turn the water over properly to keep bacterium from growing. The tank also sits a bit higher than WW&L's water system.

Supt. Oakes has taken measures to keep the water moving in the tank but this is

not a permanent solution and it involves paying WW&L to open and close a valve on a regular basis. Recommendations from another Engineer suggests putting a butterfly valve in the line at a cost of close to \$90K, which was added to the budget last year. At that point and at last year's budget vote the Delegation asked that the Commissioners explore other options and requested a study be done. The handout from Supt. Oakes explained where the County stood and was a summary of the full study done by Horizon Engineering, which was given to the Executive Committee at a prior meeting.

It is the recommendation of the Superintendent to have a geophysical survey and to drill a test well to see if there may be a source of viable potable water and to create an independent water system for the County. Approximate cost to the County to do this would be \$40K. The Horizon Engineering Study cost \$11,463 and \$62,236 remains of what was put aside in the budget for the butterfly valve. Of the possible methods to do a geophysical survey the one that Supt. Oakes would like to consider can not be done until there is no longer any snow on the ground.

Rep. Bulis asked if the County would be in this same position if the tank worked as it was supposed to and Supt. Oakes replied no.

Rep. Brosseau asked if the main reason that this is being considered is because the water is now not only for fire protection but for consumption as well and Supt. Oakes said basically that's true but added that there were concerns from the builder in the beginning as to why the tank was only a one pipe system and that when the builder addressed it, the Engineer, Dufresne & Assoc held fast to their conviction that it should be built as specified. Supt. Oakes said that as he has gained more knowledge there are things that have come to light that in hindsight were incorrect.

Rep. Brosseau asked why potable water was determined to be necessary and Supt. Oakes replied that at the time it seemed logical since the Jail will be coming online and that existing county complex sprinkler and drinking water systems are supplied by the same source..

Rep. White asked if the water tank elevation was the main problem and Supt. Oakes said that elevation and the size of the tank according the Horizon Engineering.

Rep. White asked how much was spent on the tank and the study and Supt. Oakes replied \$1M on the tank, \$11.5K on the study and more on a report by Hoffer but he didn't have the amount.

Supt. Oakes said that there are new EPA regulations that will be coming out in 2013 and he believes that the cost to be on WW&L's water system will rise dramatically as the costs will be passed down to the users.

Rep. Brosseau asked if there was a performance bond on the project and Supt. Oakes said there was. Rep. Brosseau then asked if the \$90K valve would be covered in that instance and Supt. Oakes said there has been no decision to pursue litigation regarding this matter.

There was further discussion about the turnover and whether or not there may be another issue with bacteria in the summer.

Rep. Almy asked when the system could be up and running if the County did decide to create their own water system and Supt. Oakes replied that it would be two to three years given the time it takes for permitting. She asked if the temporary solution of opening and closing the valve would get them through in the meantime and Supt. replied that he thought it would.

Rep. Gionet said he felt that the County should be looking at their own water system and to get away from WW&L.

Rep. Bulis said that very simply the tank needs to work and that because it doesn't the Commissioners should be exploring liability.

Rep. White said that if the County raises \$30K to put the valve in, it will solve the problem and they won't have to wait two to three years to solve this. Supt. Oakes said that he feels that things need to be looked at for the long term and noted that there could also be grants available for the water project

Rep. Gionet disagreed with Rep. White and thought that the \$40K should be used to move forward with the proposed recommendation of a County water system and that it was important to rid themselves of WW&L.

Rep. Aguiar asked about the rising rates of WW&L and Supt. Oakes said they have increased about 5% each year but noted there will be required EPA changes in 2013. Going back to the question of liability, Rep. Aguiar stated that litigation could be a nightmare and very costly.

Rep. Bulis asked about the two pipe system as an option and Supt. Oakes said that to go back and try to retrofit would be far too expensive an option.

Rep. Bulis asked if anyone would like to hear from WW&L regarding this issue. Rep. White said he would like to know what was done in regards to negotiations. He added that having an independent water system doesn't preclude having other problems in the long run. He said he would like to be able to speak with the WW&L Commissioners.

Commissioner Cryans said they have met with them at their meeting and suggested there were bigger issues.

He said right now there doesn't seem to be a consensus of the Board of Commissioners as to which way to go with this. He said that the initial goal was to provide water for fire suppression and there has been further exploration, although the Commissioners have not explored litigation. He said there is no consensus at this point as to which way to go. Commissioner Cryans said there remain a number of possible choices.

Rep. Gionet said that dealing with WW&L has shown no results and have been a waste of time. He stated that the County should go forward with its own water system and it is foolish to think that the County can keep WW&L as a partner.

Supt. Oakes said if the well is not drilled then there can be nothing gained and the answer as to whether or not a county water system using this tank for storage is achievable will always be unknown. He said he felt they should go forward.

Rep. Almy asked about the DES rules and if being in a larger pool of recipients with WW&L would be less of a problem. She also noted the possibility of wells going dry and said she would like to see the long term costs of staying with WW&L

Supt. Oakes asked if perhaps the committee might be interested in speaking with Horizon Engineering regarding the study.

Rep. Ladd said that he has dealt with WW&L Commissioners and doesn't expect to get any real information by bringing them into a meeting. He said they are big business people and he suggested leaving that talk to the administrators. He also noted the he has not seen anything in writing from H. Hatch regarding coming on to a water system if one were available and the County has already gotten itself in trouble with the verbal agreement with WW&L in the beginning.

Rep. Townsend asked about disinfectants used on a well system. Supt. Oakes said that there would be very little chlorine used though treating for minerals could be costly.

Rep. White said that the assumptions in the cost estimates need to be better reviewed, such as the population of the Jail and the operational and maintenance costs of the water system. He questioned whether or not a future Maintenance Supt. would need to be skilled in water operation and how easy it would be to find someone with those skills. He stressed that taking this on could be very costly and voiced his concern about the future costs to taxpayers.

Rep. Gionet said that he didn't think that filling that position would be that difficult if it came down to it and stressed again that he would like to see this move forward and get the questions answered.

Rep. Aguiar said that they needed to keep in mind that this is not an area that is

under the control of the Executive Committee to make a decision on. He said their purpose is to deal with financial recommendations only. He said that it is important to keep in mind that the Committee deals with the budget only.

Rep. Bulis asked what the Commissioners would like to see and Commissioner Cryans replied that he would like to go forward and to see if there is a possibility of creating an independent water source for the County.

Supt. Oakes said he would like to have an engineer go over the process.

Rep. Gionet moved to encourage the Commissioners to move forward with the plan presented and to develop options, which was seconded by Rep. Brosseau.

DISCUSSION:

Rep. Almy asked if the motion precludes the option of looking at the possibility of putting in the water valve. Rep. Ladd said he would like to see all the options properly examined.

Rep. White said that if Horizon Engineering proposed the valve the assumption was that it would work properly. The motion only states to go ahead with the well and not to see if the valve will work. He said he still felt that the most financially responsible thing to do was to also be sure that the automatic valve would in fact work and exploring both options. To say one thing over the other in the motion means that they will be going down only one path and that path would be the most expensive.

There was further discussion as to how the motion would be stated.

When the vote was taken, 7 (Reps. Bulis, Aguiar, Gionet, Almy, Brosseau, Townsend and Ladd) were in favor and 2 (Reps. Sova and White) were opposed. Motion passes.

12:19 PM Rep. Bulis called for a short recess

12:25 PM Rep. Bulis called the meeting back to order

Rep. Townsend moved to accept the minutes of December 12, 2011 which was seconded by Rep. Ladd. All were in favor.

TREASURER'S REPORT:

Treasurer Elliott began by informing the committee that \$17,907,773 has been collected in taxes though they are still waiting for payment from the town of Benton.

\$2M in TANs has been repaid along with \$2,616 in interest and \$1,381 in legal fees for work done to secure funds.

\$3M has been deposited into a 6 month CD at Mascoma Savings Bank as per

votes of the Commissioners and Executive Committee and the remaining balance was put into Woodsville Guaranty Savings Bank earning .6% which is no longer a sweeper account but an investment account.

Letters were sent out for investments of funds to see if there were any better interest rates out there. Three banks didn't bid, three didn't respond and the other four produced rates that did not exceed .5% so the decision was made to keep the money at Woodsville.

Rep. Aguiar asked if there may be any better rates outside the County and Treasurer Elliott said Laconia, Mascoma and Citizen's Bank are all outside the County and some are national and the rates are still quite low.

Rep. Almy asked if the interest rates for the Jail bond will be a problem as the municipal bond market is very shaky.. Commissioner Cryans said they have an appointment with the Financial Advisor soon who indicated that rates will be similar to what there were with the first bond.

Rep. Bulis asked about having to borrow for the next fiscal year and Treasurer Elliott said they probably won't have to borrow again until perhaps August.

Rep. Gionet said it was good to have a Treasurer on board again.

Rep. Gionet moved to accept the Treasurer's Report which was seconded by Rep. Brosseau. All were in favor.

COMMISSIONERS' REPORT:

Commissioner Cryans began by saying that all the County Elected Officials were sworn in on January 5th and the Board of Commissioners reorganized as Commissioner Cryans Chairman, Commissioner Ahern Vice Chairman and Commissioner Burton Clerk.

Budget packets have been distributed to the Dept. Heads to begin the process. Budget meetings with Dept. Heads will begin on the 3rd of March and the tentative public hearing on the budget will be in mid May. The Commissioners have asked that the Dept. Heads be as frugal as possible.

Commissioner Cryans said there was a variance in the opinions on the Board regarding the budget and he asked Commissioner Ahern to voice his opinion.

Commissioner Ahern said that he wanted to see Dept. Heads work toward a 10% reduction of the budget and to identify mandates and requirements of state and federal regulations that they were bound by. He said that he is looking out for the taxpayers and thought the Dept. Heads should begin their budgets at a 10% decrease.

- A GED graduation was held at the Jail on the 19th and so far over 80 inmates have received their GEDs.
- The Annual Report is complete and the Commissioners will hold their dedication ceremony next Tuesday.
- It was reported to the Commissioners by NHA Bolander that the Nursing Home is not in immediate jeopardy and can continue with their LNA program. NHA Bolander is working to get the fine removed.
- There will likely be a tour of the new Jail scheduled for either March or April for the Executive Committee.

Rep. Brosseau commended Commissioner Ahern on his efforts to reduce the budget.

Rep. Gionet questioned why NHA Bolander suggested that the Executive Committee needed more education after they toured the Nursing Home in December and Commissioner Cryans said he did not know and NHA Bolander would have to be asked that question.

Rep. Gionet read a letter that was sent to the town of Lincoln regarding the 2011 Dispatch fees and then read a letter of response from the town stating their opposition to what the letter inferred. He also noted that the letter from Dispatch suggested that the information was under review by the Delegation and yet none of them had any knowledge of it.

*(see attached letters)

Commissioner Cryans said that Dispatch would like to change their billing to fiscal year and they are reviewing various ways of billing. He said that nothing has been presented to them yet.

Rep. Ladd asked about Vermont users and Commissioner Cryans reiterated that nothing had been presented and that it is a process that has to be played out.

Rep. Gionet said that it appears that it looks like taxpayers are going to be asked to pay for services.

Rep. Bulis asked that the Delegation not be mentioned in such a way in letters unless they are actually aware of what is going on so as not to appear uninformed by constituents who may have questions.

There was a discussion about the Northern Pass and Rep. Ladd said that the issue is of concern to a lot of people and asked if the Commissioners could assist

the towns in finding out where this is all going by speaking with North Country Council.

There was further discussion about this and whether or not information or facts were available.

Rep. White moved to accept the Commissioners' Report which was seconded by Rep. Brosseau. All were in favor.

EXECUTIVE DIRECTOR'S REPORT FINANCIAL REPORT

Director Clough began with the Nursing Home census at 132 and the Jail census at 88 with 46 out of the facility, 6 on electric monitoring and 19 in Drug Court.

Monthly Variance Report

Revenue: Interest will likely be off at the end of the year and interest on the bond is current.

Expenses: there is nothing too alarming. The Farm is a little over expended but grain prices have increased

Prorated Report The County is six months thru the year. There was a discussion about how Human Services pays their bills. It was noted that HSA Bishop believed that Grafton County will not reach their cap and there is some concern as to how the state is going to handle that.

Director Clough passed out some handouts which reviewed the percentage of total County tax per individual in a town and the total apportionment paid by the town for County taxes which is determined by DRA.

Rep. Sova said when it comes to the smaller towns such as his, the percentages don't amount to much and that it's the actual money that matters. He said he would like to see the comparisons of what the towns have paid over the last few years. Director Clough said she could get that information for him.

Director Clough said that there is a Jail report available on the County website and there will be quarterly updates with the next one being in April.

The Jail project is moving a little slower in this weather but still on schedule.

Rep. Gionet asked how salaries at the County are established and Director Clough said that a wage consulting firm was used and they do the research using comparisons and market data.

Rep. Almy moved to accept the Executive Director's Report which was seconded by Rep. Brosseau. All were in favor.

OTHER BUSINESS

Rep. Ladd said the rules committee which consists of Reps. Ladd, Townsend and Almy are working on a draft using a variety of sources. Their next meeting will be January 31st at the Lebanon Library at 10:00 AM.

Rep. Bulis discussed having a subcommittee to put together information on the performance audit for the County and discussed what is expected from the audit and the hopes of learning better ways of doing things more productively. He said that it is not an uncommon practice to have one of these done and many non-profits take advantage of them.

Rep. Almy said that Coos had one done and after speaking with some others involved, feels better about agreeing to have one done. She said it doesn't necessarily mean that the County is not performing properly.

Rep. Ladd moved to establish a performance audit sub-committee and appoint Reps. Gionet, Aguiar and Bulis as members. Said committee is authorized to interview qualified performance audit firms and to recommend a firm to the Executive committee as soon as possible, which was seconded by Rep. Sova.

DISCUSSION

Commissioner Cryans said he had not heard of other non-profits doing this type of thing and would like to check with the Coos Commissioners to see how they felt about it.

Rep. Bulis asked Commissioner Cryans how he felt about it and he said he didn't have an opinion either way.

Rep. Gionet said he had spoken to people from Coos and they felt they got a lot out of it.

Director Clough suggested this request for an audit firm needed to go out to bid and didn't think the committee could just pick firms to interview. Rep. Bulis said he would take care of that.

When the vote was taken, all were in favor.

The next meeting will be held on February 28, 2011 at 10:00 AM

1:40 PM Rep. Aguiar moved to adjourn, which was seconded by Rep. Brosseau. All were in favor.

Respectfully submitted,

Charles Sova, Clerk

EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday February 28, 2011

PRESENT: Representatives Bulis, Sova, Gionet, Almy, White, Brosseau, Townsend and Ladd, Commissioners Cryans and Ahern, Executive Director Clough and Secretary Martino.

EXCUSED: Rep. Aguiar

OTHERS: H. Brown and Register of Deeds Monahan

Rep. Bulis called the meeting to order at 10:03 AM and Rep. Sova called the roll. Rep. Gionet had not arrived yet but a quorum was declared.

Rep. Bulis asked that everyone stand for the pledge of allegiance led by Rep. Townsend.

Rep. Bulis said that they were going to try something a little different with the minutes and that if anyone had any correction after receiving the minutes, they should send those corrections to Sec. Martino and Rep. Bulis and they would be made. At that point a copy of draft minutes would be put on the website for public review.

Rep. Bulis asked if anyone had any corrections or amendments to the minutes and hearing none he asked for a motion.

Rep. Almy moved to approve the minutes from January 24, 2011 which was seconded by Rep. Townsend. All were in favor.

TREASURER'S REPORT:

Treasurer Elliott said that she wanted to check with some banks to see if interest rates had increased at all and found they had not. She said that money would then be left at Woodsville Guaranty Bank with a rate of close to .6%
Treasurer Elliott said the County is doing well financially having spent only \$93K over revenue receipts since the first of the year.

The Deeds Account CD has matured and the recommendation was that the money be put into the surcharge account. Treasurer Elliott suggested that some of that money should be spent.

Rep. Almy moved to accept the Treasurer's Report which was seconded by Rep.

Brosseau. All were in favor.

10:09 AM Rep. Gionet arrived.

COMMISSIONERS' REPORT:

Commissioner Cryans began his report by saying that they were beginning to see Dept. Head budget presentations on Thursday.

In regard to the budget.

COSTS

The County is looking at a 20% health insurance increase

\$500K

There will be Retirement System increases.

\$250K

Federal Medicaid Assistance Percentage (FMAP) payments will cease

\$830K

Jail debt will increase

\$1.375M

Jail hiring will increase

\$1.374M

Nursing Home Allocation per Delegation vote for FY11

\$200K

Immediate increases to the budget

\$4.5M

Commissioner Cryans said these are things that are beyond their control.

The Commissioners would like to have the Committee take a tour of the Jail site on the 18th of April. Approx. one year from that date the Jail should be completed.

Commissioner Cryans wanted to recognize the Maintenance Dept. for all the work they've done in keeping up with the amount of snow this winter.

Commissioner Cryans, Director Clough and Supt. Libby met with the Financial Advisor and did a telecom meeting to present themselves to Standard's & Poor and Moody's for the next bond. Commissioner Ahern also sat in on the meeting. The plan is to go out to bid on the 16th of March and to open the bids on the 29th. Money would be expected around the 12th of April in the amount of \$15.5M +/-, which will bring the total amount bonded to \$33M which is \$5M less than approved.

Commissioner Cryans asked Commissioner Ahern to speak on the presentation

that was given at the last Commissioner meeting regarding biodiesel. Commissioner Ahern said that he had invited Dr. Ihab Farag from UNH to come and talk to the Commissioners about the possibility of creating biodiesel at the County by using wastewater and the growth of algae. Dr. Farag would like the County to participate in a pilot program to see how feasible it might be. Commissioner Ahern said that there might be grant money available at some point and the County has a grant right now that could potentially be repurposed.

Commissioner Cryans continued on saying that there are a number of communities in the southern area who will be celebrating their 250th year anniversary on the first of July.

Rep. Bulis asked Commissioner Cryans about the biomass and he replied that Martha Richards is still working with a group to see if there are any possibilities there but there still are a lot of questions and that's true of either type of alternative fuel/energy.

Commissioner Ahern said that he attended a meeting regarding the Laidlaw project in Berlin and got the impression that they will be taking the lion's share of biomass chips in the area which puts a whole different perspective on biomass.

Rep. Almy asked what kind of federal grant the County has and Director Clough said it was an EECGB grant from Dept. of Energy in the amount of \$378,500 and the application was based on the biomass project to be used towards engineering. The grant has been on hold while the County continues to discuss how to proceed. She said they could apply to repurpose the grant but they only have until October to obligate to it and 2013 to spend it.

Rep. Bulis asked what the plan is from this point and Commissioner Cryans said that they need to keep in mind that each project comes with many questions still and additional expenses.

Rep. Gionet moved to accept the Commissioners' Report which was seconded by Rep. Almy. All were in favor.

EXECUTIVE DIRECTOR'S REPORT FINANCIAL REPORT

Director Clough reported that there was a census of 133 at the Nursing Home and at the Jail there were 85 inmates, 19 in Drug Court and 4 out on electronic monitoring.

The County is seven months through the budget and Director Clough reviewed the Monthly Variance Report and the Prorated Report. The County is \$152K over revenue and \$1.7M under expended with an undesignated balance of \$4.4M.

There was a discussion about the cap not being reached in the Human Service budget and there are some invoices in question that are being held back awaiting proper information, which the state is unwilling to produce. The HS Administrator is not sure of the particular consequences that the County will face in not having reached the cap, such as possibly having to pay up to that amount anyway. This has yet to play out.

\$1.4M will be received in the way of FMAP money and \$830K was budgeted. Rep. Ladd asked where that money would be used and Director Clough said that is already being used to offset the Human Services budget. Rep. Almy pointed out that the additional money received over that budgeted amount will be added to the surplus and can be used to reduce taxes in July. Director Clough agreed.

Director Clough said that the Jail project is 35% complete and there is still a lot going on. The project is approximately three weeks behind schedule but they expect to make up that time in the summer. The project is following along budget with just \$30,844 in change orders to this point.

Rep. White moved to accept the Executive Director's Financial Report which was seconded by Rep. Brosseau. All were in favor.

OLD BUSINESS:

By-Laws

Reps. Ladd, Almy and Townsend have been working on the by-laws and passed out a copy of what they compiled. Rep. Ladd suggested that the committee review the information at their leisure and that they would have to be presented to the full Delegation for approval.

Rep. Bulis voiced his appreciation for the time and effort put into work by all three members.

Water Tank

Rep. Bulis asked if there was any new information regarding the water tank and Director Clough said nothing has proceeded further during the winter. Rep. Bulis said that he had requested to find out what the cost would be to convert the current system to a two pipe system and was surprised to find out the cost would be \$350K, which to him indicates that something is wrong. He said he thought the Commissioners should investigate and review culpability of the both the engineer and architect of the project.

Rep. White said that he had looked into some historical information about drilling in North Haverhill and said that in the 1980's some test boring was done which did not produce much in the way of water, however, it was not done on property that was adjacent to the complex.

Rep. White also wanted to voice his concern again about the cost of the project and the financial burden it will place on the city of Lebanon and said that he would like to see any further large investments put off.

Rep. Almy asked if anyone knew what it might cost to separate the sprinkler system from the potable water and Rep. Ladd said that the problem actually lies with the tank and how that could possibly contaminate the water on down the line which is supplied by Woodsville Water & Light.

Rep. Gionet said that he initially recommended a fire pond which would have cost less and noted that the need for potable water is far less than what would be needed for fire protection.

Commissioner Cryans said that right now it costs about \$4 to \$5 thousand dollars a year to open and close the valve which seems more palatable than some of the alternatives which are being looked at. He said that there is a move to get with the Commissioners from WW&L and try to work out some kind of negotiation.

NEW BUSINESS:

Performance Audit

Rep. Bulis said that a subcommittee consisting of Rep. Aguiar, Rep. Gionet and himself met with Melanson Heath & Co. regarding having a performance audit done for the County and they prepared a contract for the Executive Committee to review. Rep. Bulis said that they had put an ad in the Valley News and received no response so Melanson Heath & Co. remains the only qualified company heard from, and they met with Mr. Sullivan from that firm. Rep. Bulis said that Mr. Sullivan will meet with the Commissioners to describe the process and that he (Rep. Bulis) hoped for full cooperation from the County so as to have a productive performance audit.

The Committee reviewed the cover letter and contract which was in the amount of \$39,850. (\$40K was put in the budget for an audit). The Committee members had some questions and concerns.

Rep. Almy said that she had concern over spending money and then not being able to receive the information needed which was stated in the contracts as "If for any reason we are unable to complete the procedures, we will describe any restrictions on the performance of this procedure in our report, or will not issue a report as a result of this engagement"

Rep. Bulis said that payments are to be made in progression so that could be addressed then. He said he would also like to see a letter of expectations to employees that they should be cooperative for this audit.

Rep. Ladd said he would like to see a broader scope of issues regarding efficiencies such as use of utilities, insurances, costs of personnel, labor, retirement etc. Rep. Gionet said he feels this audit will do what Rep. Ladd suggests.

Rep. White said he is uncomfortable with having a sole source vendor being aware of what was put into the budget for costs, and not having any other companies to choose from. Rep. Bulis said that an ad was put into the Valley News which requested that qualified firms send a letter of interest and he didn't receive any. He said that he felt they arrived at a good decision. Rep. Gionet said they had actually met with another firm who recommended MH & Co.

Rep. Almy said she didn't quite understand why some departments had more expected of them than others and Rep. White said it makes sense that all departments are looked at equally and in particular, management practices and compliance policies and procedures.

Rep. Sovia said it would make sense for the contract to state all that they are going to do and then list the departments.

Commissioner Cryans said that Grafton County has the third lowest budget over the largest counties and there are a lot of ways to gauge things but that he feels that Grafton County works very hard to keep their budget in line. He also said that he would prefer to see this done after July first and then to move forward at that point as there is a very large budget to tackle which is going to be incumbent upon Director Clough and the Dept. Heads to do.

Rep. Bulis said he feels that this is a good time to do this.

Rep. Almy said she didn't see any reason why they should double stress the County and Rep. Sovia said that the money in FY11 could be encumbered and then after the budget process is complete, the audit can be done.

Director Clough said that managers will certainly be willing to cooperate but March through June is an extremely bad time to take this on coupled with the budget and that right up to the month of June there are changes and alterations made for the final budget. She said that these months are not the best time to take this on.

Director Clough also stated that looking at the categories it doesn't seem right that there are a lot of singular items that some departments have, in particular the Commissioners' Office that others don't. She also had an issue with the fact that the report was to be "...intended solely for the use of the Grafton County Legislation delegation and should not be used by anyone other than the specified parties.", which she felt should also be shared with the managers and the Commissioners and added it was a public report.

Rep. Ladd said he did not think this could be done by the first of July and agreed that the money should be encumbered until next fiscal year and done after budget season.

It was also agreed upon that there should be one list of items and those items should include all the departments equally with the exception of Information Technology which would also include security.

Rep. Almy said she would also like to see an area that included responses from the Dept. Heads as to their agreement or disagreement with the finding and the reason for such.

Rep. Bulis asked what the start date would be. Commissioner Cryans said that historically only one budget that he is aware of has gone past the July 1 dates so he thought that should be fine and Rep. White and Sova agreed with that.

Rep. Gionet stated that he didn't see why the County couldn't endure an audit at the same time as their budget process but received no support on that.

Register of Deeds Monahan said that she would like to be included in the security portion of the audit along with the Information Technology dept as the Deeds area needs to be kept secure.

Rep. Ladd said that he would like to follow the statues regarding performance auditing as shown in the new Grafton County bi-laws draft document. There was further discussion as to how the report should go forth and Rep. Ladd said that he did not think that work notes were meant to be shared as public as stated in the RSA 24:26

Rep. White wanted to confirm that this was not to be a financial audit and was told it is not.

Rep. Townsend said he would like to see a revised proposal from MH&Co. next month with the suggested changes made.

It was decided that the date for the start of the performance audit would be July 1, 2011.

Rep. Bulis asked the Commissioners if they were in favor of this and Commissioner Cryans replied that he couldn't speak for Commissioner Burton , but as he had said in the beginning he had some concerns and said that he felt the County does a good job but that the County would be cooperative and it was fine. Commissioner Ahern concurred, as did Director Clough.

Rep. Brosseau moved to conceptually approve the hiring of Melanson Heath & Co. with the understanding that the contract would be altered to encompass the concerns of the Executive Committee as noted above which was seconded by Rep. Sova. All were in favor.

Director Clough said it would be a good idea for the Committee to think about which departments they might want to review regarding the budget and then explained how that typically works. The Reps. made the following decisions:

Rep. Gionet	Maintenance
Rep. White	Attorney/Drug Court

Rep. Brosseau	Deeds
Rep. Sova	Human Resources/IT/Commissioners/Misc
Rep. Bulis	Human Services/Social Services
Rep. Aguiar	Sheriff's/Dispatch
Rep. Townsend	UNH/Farm
Rep. Almy	Nursing Home
Rep. Ladd	Corrections

Director Clough presented a packet of information of Salary and Benefits for Grafton County Employees as of February 17, 2011 to the Committee and went over the different categories. She also presented them with some statistics regarding employee status and eligibility for retirement.

Rep. Bulis noted that Grafton County annually funds a variety of Social Service agencies in the County in the amount of almost \$600K. It was explained that agencies send an application to Human Services and these are then vetted by a private consultant that the County has hired for many years who has a vast experience with the agencies. The consultant then brings her recommendations to the Commissioners at budget presentation. For the past two budgets the Commissioners have said that they will not accept any new agencies and that the agency should expect only level funding.

Rep. Sova asked if any other public money that an agency receives is disclosed to Grafton County at the time of application and Commissioner Cryans said yes.

Rep. Almy said the original rationale for social service funding was to save the county money by keeping people out of the jail or nursing home, and questioned if the agencies were being told to focus their applications on this. Director Clough said that she did not know.

Rep. Ladd said that there was a concern about the social agencies in the Northern part of the state and Director Clough said that the consultant tries to divide the money out amongst the three Commissioner districts. Rep. Ladd said services are being whittled out of the rural areas and Commissioner Cryans said that if the agencies continue to do the jobs they're supposed to do, then in theory they're given the same amount of money each year.

Rep. Almy said that supplemental funding is not coming into the agencies and so even in the Lebanon area there are struggles.

Rep. Ladd said it would be nice to see some consolidation of agencies with the elimination of management and Rep. Almy said that the consultant for Grafton County seems to push the agencies in that direction if it seems feasible.

Rep. Gionet referred back to the performance audit by saying that it's conceivable that MH&Co. may want more money because of the changes and wondered if this was a way to scuttle the program. Rep. Almy said that what is being

asked of them is for them to simplify.

The next meeting will be held on March 21, 2011 at 10:00 AM

H. Brown was recognized and suggested that a way to save money would be to privatize the Nursing Home and to get rid of the Farm.

He also noted that there was a discrepancy in the Annual Report in that the Audit firm had written that they presented their audit in October when in actuality it was submitted in January and is over 100 days beyond statute. He said that if they were untrue about that then he wondered what else may be false.

Mr. Brown also said that the water tank should be torn down and re-erected and that when the valve is closed there is no water for fire protection. He also stated that the County should hold the builders and engineers accountable.

12:30 PM Rep. Sova moved to adjourn, which was seconded by Rep. Gionet. All were in favor.

Respectfully submitted,

Charles Sova, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday April 18, 2011

PRESENT: Representatives Bulis, Sova, Aguiar, Gionet, Almy, White, Brosseau, Townsend and Ladd, Commissioners Burton and Ahern, Executive Director Clough and Secretary Martino.

OTHERS: Rep. Eaton

Rep. Bulis called the meeting to order at 10:20 AM after returning from a tour of the new Jail. Representative Gionet led the Pledge of Allegiance.

Rep. Bulis asked if there were any comments on the project and Rep. Aguiar said that it was all very mind boggling to see it all brought together. Rep. Bulis said that it was a very neat and clean construction site and efficiently well put together. Rep. Almy said it brought into perspective just how much it's going to cost to run.

Rep. Bulis asked for a motion to approve the minutes from February 28, 2011.

Rep. Sova moved to approve the minutes as presented which was seconded by Rep. Almy. All were in favor.

TREASURER'S REPORT

Treasurer Elliott informed the committee what she had received for bids for the \$15.5M bond investment. Twelve banks were solicited. There were three who did not respond, three who said they could not bid and out of remaining six, only Mascoma and Woodsville Guaranty Savings Bank had anything worth investing with. The following investments were approved by the Commissioners last Thursday.

\$1.5M to Woodsville Guaranty Savings Bank for 12 months at 0.90%

\$3.0M to Woodsville Guaranty Savings Bank for 9 months at 0.75%

\$4.5M to Mascoma Savings Bank to be invested in CDARS for 6 months at 0.65%

\$6.5M to Mascoma Savings Bank Municipal Investment Sweep Account at 0.60%

Director Clough said that the interest rate on the bonds for the \$15.5M was 4.05% and the previous interest rate a year ago was 3.38%.

Rep. Aguiar moved to accept the Treasurer's Report which was seconded by Rep. Townsend. All were in favor.

COMMISSIONERS' REPORT

Commissioner Burton briefed the committee as to what was going on saying that the Commissioners have been working on the budget and hope to tie everything up at their meeting tomorrow.

- He has been visiting the Selectboard's in his district and has attended six so far.
- In March Commissioner Burton and Nursing Home Administrator Eileen Bolander attended the NACo Conference in Washington DC and had some "face time" with Senators Shaheen and Ayotte and Congressmen Bass and Guinta. Much of the discussion was centered on the over-regulation of nursing homes through CMS.
- Veterans were honored at a breakfast held by the Governor for County Week and 35 people from Grafton County received citations. • There will be a Drug Court graduation on May 9th at 1:30 PM

- Mental Health Court is now underway in the County.
- Commissioner Ahern added that there was some structural roof damage to the Administration building over the winter which is being addressed.
- Congressman Bass will be making a courtesy call to the Commissioners tomorrow at around 11:00 AM.
- The Commissioners will be meeting with Woodsville Water & Light on the 14th of June
- Grafton County Economic Development will have their annual meeting tomorrow night in Lebanon at the Fireside Inn and the GCEDC road tour will be from Bristol to Littleton on May 16th.

Rep. Almy asked when the public hearing would be held and Director Clough said it is tentatively scheduled for the 12th of May at 6:00 PM in the UNH conference room.

Rep. Almy asked if budget cuts in mental health will affect the Drug and Mental Health Court at the County and Director Clough said that they shouldn't. She said that Drug Court is funded by the County and Attorney Saffo seemed to feel very confident that the grant they have for Mental Health Court is very safe. She said that the Jail may be losing the Governor's Commission grant however.

Rep. Ladd asked if there was a plan to discuss the change in the cost of electricity when they visit with WW&L and Commissioner Ahern said that could be discussed.

Rep. White said he assumed that the reason for the visit was the water tank and the reply was affirmative.

Rep. Almy moved to accept the Commissioners Report which was seconded by Rep. Brosseau. All were in favor.

Commissioner Burton excused himself

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough began with the census at the Nursing Home saying it was 133 and census at the Jail, 93.

Director Clough reviewed the Revenue and Expense Report saying that nine months have been completed at this time. The DoC is below revenue but the rest of the Departments look okay. Expenses look good and noted that the Mental Health Court is a 100% grant which will show in the Attorney's budget. The Farm is over expended. The Bond will eventually even out.

Director Clough then reviewed the Prorated Report.

Director Clough informed the committee that they should have received the new

updated information regarding the impact the Jail has on taxes. This was sent out to all towns and to the full Delegation.

It is expected that the budget is to go out between April 22nd and May 2nd and beginning the week of May 16th the Executive Committee can meet to go over the budget.

The tentative date for approval of the budget will be June 27th.

Rep. Sovo asked why they had to wait until the 16th to begin looking at the budget and Director Clough said that statutorily it must be available no more than 20 days and no less than 10 days before the public hearing. Rep. Sovo asked if it could be done by May 9th and then they could have their first meeting with the Dept. Heads on that day from 9:00 AM to 12 noon and then meet for the regular meeting on the 16th.

Rep. White said he would like to see an all day meeting to get things accomplished.

Rep. Ladd said he would also like to see a Dept. Head schedule so things could be followed sequentially.

It was suggested that they could do their all day meeting on the 23rd of May.

It was decided that the meetings would be held on May 9th from 9:00 to 12:00 PM and then if anyone wanted to go to the Drug Court graduation they could.

The next meeting would be their regular meeting on the 16th and then they would have an all day meeting on the 23rd. This would still leave some time in June if needed.

Rep. Almy moved to accept the report of the Executive Director which was seconded by Rep. Sovo. All were in favor.

OLD BUSINESS

Water Tank

The first item brought up was the water tank and Commissioner Ahern said that right now there is not a unanimous position amongst the Commissioners as to what they would like to see done. He said that Supt. Oakes has been asked to provide a timeline and backup information about meetings and who was at the meetings and so that they can speak from a position of facts when they visit WW&L. He said that there was an article written in the local paper that caused some consternation.

Rep. Bulis asked if it was safe to assume that the valve would be open and closed by WW&L and not dealt with by any other means by the end of the budget and Commissioner Ahern said yes.

Rep. Gionet asked about the article and Director Clough said there were quotes by WW&L that stated they were not involved in the plan design of the tank which did not work and that they did not want to take over the tank nor did they want their taxpayers to have to pay for this either. She said that she would make

copies of the article for everyone.

Rep. Gionet asked if there would be any exploratory drilling and Commissioner Ahern said there will be no drilling at this time and at least until after they meet with WW&L.

Rep. Aguiar asked if they will be discussing changes that could be done that would lead to WW&L taking the tank over and Commissioner Ahern said that there are a broad number of things to discuss, but again, there is no consensus among the Commissioners at this time as to how they want to proceed.

Rep. Bulis said he thought this should move forward as the County is their customer and WW&L is the provider.

Rep. Gionet asked if minutes are kept of the WW&L meetings and Director Clough said they are public meetings so she believes there should be.

Rep. White said he is deeply troubled by all the red flags that were not addressed prior to building the tank and that he has a copy of a letter from DES that was written to WW&L pre-construction stating that the tank was too low and would be a problem causing the water to stagnate. He said they owe it to the taxpayers to look at culpability.

Rep. Bulis questioned how involved the Executive Committee wanted to be in this issue.

Rep. Ladd said that for the Delegation to delve into this matter is incorrect and the Commissioners have the authority to deal with this. He added that knowing what he does of WW&L, the Commissioners shouldn't hold on to a lot of hope.

Rep. Almy said she didn't think any more time should be spent on this topic today, but the Commissioners should have a copy of that letter for their WW&L meeting in June. A copy of the letter was provided to everyone.

Rep. Sova concluded by adding that if the Commissioners do need some support that they should be encouraged to come to the Delegation.

Rep. Ladd said it should be kept in mind that the WW&L is not a public utility but a private money making machine.

By-Laws

Rep. Bulis welcomed comments as to the by-laws that were presented at the last meeting. Rep. Gionet said that he would like to see travel expenses reviewed and said that he feels that when he comes to the County for something he should be reimbursed for travel.

Rep. Almy said she never puts in for travel when she comes to public events and said this is addressed on page 4.

Rep. Bulis said the statute is clear.

Rep. Ladd said there need to be a resolution on the issue of travel and said if they come for County business then they should be reimbursed.

Rep. Gionet restated that he shouldn't have to feel that these trips he makes are gratuitous and he should be paid.

Rep. Aguiar asked what the track record has been in the past and had anyone put in for reimbursements. Director Clough answered that by saying that Rep.

Gionet asked for travel each time but that she doesn't think that if an invitation

to an event is extended and people decide to attend that they should be reimbursed for that.

Rep. Sovia said that perhaps the Chairman should make that decision so that the budget can be kept in line. Travel should be at the approval of the Chairman unless it is a required meeting.

Rep. White thought that Rep. Gionet had a point and that maybe coming to the County in an official capacity, reimbursement should be considered, but he also agreed that it should be at the pleasure of the Chairman.

Rep. Gionet said that if he needs to come to the County to speak to someone face to face about something that he doesn't want to discuss over the phone that he should be compensated.

Rep. Ladd said that meetings and sub-committee meetings should be the reason that payments are made and he doesn't feel that should be an open ended decision.

He said the question becomes whether or not social event should qualify.

Rep. Aguiar said that if the event is required then they can be paid but if not, you're on your own.

There was further discussion about this topic.

Rep. Gionet was adamant that one should be paid if they come to the County and Rep. Aguiar said parameters needed to be set.

Rep. Bulis said it would be best if everyone mulled it over until next time.

There was a discussion about whether there should be a section on "conflict of interest".

Rep. Bulis said he would like to see a document agreed upon by the committee so that it can be sent to the full Delegation. He said he would hope to have this done by next meeting.

Performance Audit

Rep. Bulis asked if everyone had a chance to look at the changes to the Performance Audit and if so, was there a consensus. Everyone agreed it satisfied all their concerns.

Rep. Sovia moved to accept the proposal for the Performance Audit and authorize the Chairman to sign the Melanson-Heath Engagement Letter. This was seconded by Rep. Almy. The vote was unanimous.

Rep. Almy said that she has been pushing Senator Shaheen's Office about the CMS regulations and that the Senator's aide suggested that there are issues at a State level. Rep. Almy wondered if NHA Bolander could put something together regarding the paperwork requirement coming from the State. She said that she would like to see all the Counties put something together.

Rep. Bulis said that in following the lead of the Commissioners, perhaps the

Delegation could discuss and vote on the Northern Pass project at their meeting in June. Everyone agreed that would be a good idea.

12:10 PM With no further business the meeting was adjourned.

Respectfully submitted,

Charles Sova, Clerk



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday May 16, 2011

PRESENT: Representatives Bulis, Sova, Gionet, Almy, Brosseau, Townsend and Ladd, Commissioners Cryans, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Aguiar and White

Rep. Bulis called the meeting to order at 9:08 AM. Representative Ladd led the Pledge of Allegiance.

Rep. Bulis asked if there were any corrections to the minutes which Rep. Gionet said the date was incorrect at the top. Rep. Bulis asked Sec. Martino to make the correction.

Rep. Bulis asked for a motion to approve the minutes from April 18, 2011.

Rep. Sova moved to approve the minutes as amended which was seconded by Rep. Ladd. All were in favor.

TREASURER'S REPORT

Treasurer Elliott said there was \$5M in the general account at the end of April and \$3M in a CD at Mascoma Bank which will come due in June. She said she hopes the County can go until September without having to borrow money.

Treasurer Elliott said that because the Nursing Home is making more frequent deposits, Woodsville Bank has increased the service charge another \$5 a month. Treasurer Elliott said she would like the Delegation to increase her service

charge line another \$60 for FY12 when they vote on the budget. She also said that there have been a number of stop payments on checks because employees have either misplaced or lost them. The fee for that is \$20 for each stop payment.

Rep. Bulis asked about using direct deposit and Director Clough said the County offers direct deposit but can not mandate that employees use that service.

Rep. Almy said there ought to be a penalty for lost checks and suggested that an employee be allowed only 2 per year before being charged.

Rep. Sovo said that he thought the penalty should happen with the first one. After some discussion a motion was made.

Rep. Almy moved to recommend to the Commissioners that the cost of a stop payment on a check be borne by the employee, which was seconded by Rep. Sovo. All were in favor.

Rep. Ladd moved to accept the Treasurer's Report which was seconded by Rep. Townsend. All were in favor.

COMMISSIONERS' REPORT

Commissioner Cryans said that most of the effort of the Board of Commissioners has been put into the budget, with the public hearing being held on Wednesday the 18th at 7:00 PM.

There were five people who recently graduated from Drug Court and two Correctional Officers from Grafton County received their certification at a graduation in Boscawen. Both events were well attended.

The Jail is still two weeks behind schedule but in the overall scheme of things, is not too bad.

The Farm planting will be delayed due to the wet weather.

Rep. Gionet moved to accept the Commissioners Report which was seconded by Rep. Brosseau. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough reviewed the Variance Report and began with the revenue.

Victim Witness is below revenue but that is due to the grant being reimbursed at the end of each quarter and Interest is down because of interest rates being so low. In expenses, the Mental Health Court is a 100% grant therefore there is a 100% revenue offset for all expenses. This grant is also reimbursed at the end of each quarter. The Farm is over expended by about \$13K and the Bond will eventually even out.

Rep. Ladd asked why the Corrections revenue is down and Director Clough said

that the bulk of their revenue comes from the inmate's use of the phones, which has been down.

Director Clough then reviewed the Prorated Report which is shown 10 months into the year or 83.33%. The County is slightly over revenue and \$1.7M under expended. After a correction in the HS area, the undesignated fund total is \$4,134,322 and Director Clough said she still feels comfortable using \$3M to reduce taxes. The Grafton County policy is to keep 5-8 % of the operational budget for a proper bond rating.

There was a discussion about reports and Rep. Almy said that she would like to be able to review what happens in a particular month without having to look back at last month for the information. There was some discussion as to what exactly Rep. Almy was looking for. After some conversation, Director Clough said she would work on something and then forward to Rep. Almy. The two would work together to produce a report.

Director Clough gave the committee a bound booklet of information regarding employee benefits and wages so they could review it before the next budget review meeting on the 23rd.

Director Clough informed the committee that the census in the Jail was 98 in-house, 16 in Drug Court (with 3 in custody) and 6 out on electronic monitoring. Census at the Nursing Home is 133.

Rep. Almy asked Director Clough if she would take the committee through the booklet.

Rep. Ladd asked if the Bargaining Unit employees were in one specific department and Director Clough said were not all in one department but all in the Nursing Home.

Director Clough said that Primex is the insurance provider and they offer Harvard Pilgrim. She said that Primex will no longer be in the health insurance business as of June 2012 and there will have to be a comprehensive look at insurance for FY2013.

Rep. Ladd asked if there was any effort for all the Counties to join together in a group insurance and Director Clough said there was not, but Grafton County is working with the SAU's right now to see if that is something that might make sense to do.

Rep. Almy asked if there was a five year comparison of salaries and Director Clough said she had the information but it was not printed. She would have that printed by the end of the meeting.

Rep. Gionet said he noticed that some positions were missing from the comparison of salaries between Counties and Director Clough said that the information was gathered by the HR Affiliate and not all the positions were requested. She said she could try and get last year's information and Rep. Bulis asked that she send that to him, and he will forward to committee members.

Rep. Almy moved to accept the report of the Executive Director which was seconded by Rep. Ladd. All were in favor.

OLD BUSINESS

Rules & By-laws

Rep. Bulis said he would like to see these approved today so that they could be approved by the full Delegation at their meeting. He said that he did have a written comment from Rep. Aguiar which basically said he would like to avoid the type of confusion that they had on reorganization day, in the future. Rep. Bulis didn't think that scenario would present itself again and Rep. Ladd said that with redistricting, he didn't think it would either and they did not expect to see another 50/50 split which is why the language was taken out. There was discussion as to how the first meeting of the reorganization would be called.

In a discussion about compensation, Rep. Bulis felt that if a Representative attends a meeting such as the public hearing on Wednesday, or if for example, the Chair, V. Chair and Clerk need to present at some seminar, then he feels that mileage should be paid but not for anything other than that kind of situation.

Rep. Townsend thought Rep. Bulis's suggestion seemed reasonable, and that perhaps it could be at the approval of the Chair when it came to other kinds of events. Rep. Almy suggested that would put a lot of strain on the Chairman to approve.

Rep. Gionet said that if it appears that the Commissioners don't feel that they need a Representative at the County, then there is no need to come, but he said that he feels that the County shouldn't be any different than the state when it comes to mileage and that if you show up for some kind of business, you should get paid.

Rep. Ladd said they had to be careful as to what "business" is and he thought it should be at the pleasure of the Chairman also.

Rep. Gionet disagreed and thought the State and the County ought to be looked at the same. Rep. Bulis said there is a difference between the State and the County and that here (County), they act as a group and vote for an outcome whereas at the State, Legislators act more independently.

Rep. Bulis said he thought there should be a mechanism in place so as not to put the onus on the Chair.

There was continued discussion as to what should be considered when paying

mileage.

Rep. Sovia suggested that approval for mileage by the Executive Committee be considered before attending the event. Rep. Ladd agreed with that and suggested that an addendum should be added to the rule of compensation which says “at the approval of the Executive Committee”.

Rep. Gionet said that maybe Rep. Ladd should make that suggestion to the State and see how far that goes. Rep. Ladd said there have been times when the State has said they will not pay for mileage.

Rep. Ladd moved to add the line “unless otherwise authorized by the Executive Committee”, at the end of the paragraph titled Compensation in the proposed Delegation Bylaws, which was seconded by Rep. Townsend. Reps. Brosseau, Bulis, Sovia, Ladd, Townsend and Almy were in favor. Rep. Gionet was opposed.

The subject of Conflict of Interest was then discussed and Rep. Bulis had passed out an addendum to that bylaw. Rep. Almy said the committee needs to be more rigorous at a County level because there is more of a potential of having close personal ties to someone who could benefit from a vote.

Rep. Sovia said he doesn’t see why they should not be allowed to vote if they state they have a conflict in the beginning. Rep. Bulis said if you have a direct pecuniary interest it would make a difference.

Rep. Gionet said that all this was getting a bit ridiculous and pretty soon they’re going to need a lawyer at their meetings to make sure they’re doing everything right.

There was further discussion

Rep. Townsend thought that perhaps they should just leave the language in suggesting that this would not be apt to happen often.

Rep. Sovia suggested changing wording from “should” to “may”.

Rep. Ladd said he just thinks that if you have a conflict it should be made public.

Rep. Sovia moved to accept the proposed addendum to the bylaw addressing Conflict of Interest which was seconded by Rep. Brosseau. All were in favor.

There was a discussion about the bylaw that addressed appropriation transfers but nothing was changed. Director Clough said that it is rare to transfer money from a different department and that transfer appropriation approvals are done at the end of the year. A report can be generated which shows which lines are over expended so the committee can keep abreast of that information. Director Clough said this is the best year she’s seen so far regarding fewer over expenditures.

The committee agreed to remove the information in parentheses after the Call to Order in regard to the Reorganization or Special Delegation Meeting agenda format, as it was addressed under a previous title.

Rep. Sova moved to adopt the Bylaws as amended and to present them to the full Delegation to be voted on at a future meeting, which was seconded by Rep. Brosseau.

Reps. Brosseau, Bulis, Sova, Ladd, Townsend and Almy were in favor. Rep. Gionet was opposed.

Rep. Bulis congratulated the subcommittee, Reps. Almy, Townsend and Ladd, for the fine work on the bylaws which had been long overdue. Rep. Ladd said once these are approved he would like to see them sent to the other counties as there has been some interest.

Rep. Gionet asked about the water tank and Director Clough said there is a meeting with Woodsville Water & Light on the 14th of June at 7:00 PM,. Other than that, things are on hold.

Rep. Gionet asked about test wells and Director Clough reiterated that nothing is being done until after the meeting with WW&L.

NEW BUSINESS

Rep. Bulis said for the next budget meeting he would like to have a goal setting and probably want to start with wages and benefits.

Rep. Townsend moved that mileage be paid to Delegation members for travel to the Commissioners' Budget Hearing on Wednesday evening, which was seconded by Rep. Sova.

Discussion

Rep. Almy said that the State doesn't pay for car pooling but that doesn't seem to be the same for the County. Director Clough said she is never informed about who is car pooling but agreed that mileage should only be paid to the driver.

Rep. Ladd said in Concord they have a sign in sheet and it was decided that is what would be used at the County from now on and only those driving would received mileage.

When the vote was taken, all were in favor.

Rep. Bulis will inform all the Delegates regarding this vote.

Dates for future meetings were discussed. The next budget review meeting will be on the 23rd and it would be an all day meeting. There will be another meeting on the 27th from 9:00 AM to 1:00 PM and then another meeting on June 6th beginning at 9:00 AM. The final Delegation vote on the budget will be on either the 20th or the 27th of June, depending on how soon the Executive

Committee can get the budget wrapped up.

11:05 AM With no further business the meeting was adjourned.

Respectfully submitted,

Charles Sova, Clerk



EXECUTIVE COMMITTEE BUDGET REVIEW

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 20, 2011

PRESENT: Representatives Bulis, Aguiar, Gionet, Almy, White, Brosseau, Townsend, Sova and Ladd, Commissioners Cryans, Burton (late) and Ahern, Executive Director Clough and Secretary Martino.

OTHERS: Sheriff Dutile, T. Andross, M. Simpson, N. Bishop, D. Maes, L. Saffo, P. Gilbert and H. Brown

Rep. Bulis called the meeting to order at 9:08 AM. Director Clough led the Pledge of Allegiance.

Rep. Bulis stated that this would normally be their regular monthly meeting day so they would be taking care of some of those essentials and asked Director Clough to begin with her reports.

Director Clough said that the Committee members should have received their reports in the mail which would include the new report that Rep. Almy had requested. She reviewed the reports beginning with the Monthly Variance Report.

Revenues: similar to last month. The Nursing Home was a little below revenue. She said they were expecting a Proshare payment by the end of the year and a Bed Tax and Bed Tax Supplemental payment which should leave the County on or above revenue for the fiscal year.

Expenses: Mental Health Court is a 100% offset and the Farm is over expended. There was an interest payment made on the first of June for the Jail bond and it will straighten itself out.

Director Clough then went over the Prorated Report and undesignated fund balance which is \$4.4M.

The Committee also received a report of over expended lines as of May 31st.

Rep. Sova moved to accept the report of the Executive Director which was seconded by Rep. Aguiar. All were in favor.

Commissioner Cryans was asked to report on the Commissioners meeting with Woodsville Water & Light. He said that the best first step was the opening of the lines of communication. Hydrant fees were discussed, which B. Fagnant said was part of their tariff.

Commissioner Ahern said that he asked WW&L if they wanted Grafton County as a customer and it appeared that they did but they stressed that the lines of communication needed to be kept open.

Other items discussed at the meeting included the water tank, what happened during engineering and building of the tank, two pipe system vs. a single pipe system and the opening and closing of the valve. Commissioner Cryans said there was no great conclusion from the meeting. It was suggested that Supt. Oakes and the WW&L treatment Supervisor work together to come to some kind of agreement.

Rep. Bulis, who also attended the meeting, said that electrical rates are expected to increase 10% every year. He said that at least a dialog has been opened

Rep. Gionet asked about the liability of the elevation of the tank and Commissioner Cryans said there really was no determination of liability. Commissioner Ahern said they did discuss the planning and engineering phases and there was discussion as to how they should proceed from here.

Rep. Bulis said that WW&L was not interested in taking over the tank. Commissioner Cryans said things weren't resolved but this is a process and they will meet again in September, so at least they're communicating.

Rep. Almy asked when they will get to a long term solution saying that all the County is doing is paying them more money. Rep. Bulis said the long term solution is the goal.

Rep. White asked if they can start negotiating a turn valve price. Director Clough said they were not interested in discussing that.

Rep. Sova asked if WW&L is aware of what the financial loss to WW&L would be if they were to lose the County as a customer and both Commissioner Ahern and Cryans said they were aware.

9:30 AM Rep. Bulis declared that the meeting would now become about the budget.

Rep. Gionet moved to approve the minutes from June 6, 2011 which was seconded by Rep. Almy. All were in favor.

Rep. Bulis asked to let the record show that the minutes were well done.

Rep. Brosseau moved to reduce the budget \$1,089,834 which was seconded by Rep. Ladd.

DISCUSSION:

Rep. Brosseau passed out a sheet which outlined the amount of money he moved to reduce the budget by and an itemized list of how that would be done. *(see attached)

The list was gone over and Rep. Bulis reviewed briefly the reasons how decisions were made to make the reductions.

Rep. Almy asked that they go over the list slowly and asked where all that information came from, particularly in regard to Corrections because she wanted to know where exactly the cuts come from.

Rep. Bulis said the intent is not to stop the Jail but to slow down the process.

Rep. Brosseau said he didn't understand where Supt. Libby gets his numbers and what he needed and motioned to move the question.

Rep. Almy said if he moves the questions then she would vote against it and she would be sure that there would be a partisan fight.

Rep. Brosseau withdrew the motion.

Rep. White said that there is some mystery to the numbers requested for the Jail and is disappointed because Supt. Libby has not been back to speak to the group. He said that he felt the numbers given by Executive Director Clough were prudent but the ones he's received today are not. He said he feels this is all a bit premature.

Rep. Gionet said he can understand Rep. White but felt the Committee needed to come up with some conclusions and he feels these are reasonable. He said he feels they've worked very hard to get to this point.

Rep. Almy said a long time ago when they were building the Nursing Home there were cuts made that ending up costing the County more in the long run. She said they have an obligation to understand what they're doing. She said that she wanted to understand how Corrections will be readjusted and wanted to hear

from Supt. Libby.

Rep. Sova said budgeting is a planning process and by looking at the report the County is under expended which is half of the needed amount, he hoped that management will be able to move the million dollar difference between last year around and live within the budget. Director Clough said that at the end of the fiscal year the money is not appropriated for the County to spend so none of that made sense to her.

There was further discussion both in opposition and in defense of the motion for reductions.

Rep. Almy stated they needed to be able to open a Jail safely and questioned if that could be done with staff reductions. She said that what will exist is a holding center with dangerous people, who have nothing to do and not enough people to run the facility. Rep. Bulis said that when they spoke with Supt. Libby he didn't seem willing to make any changes.

Rep. Bulis said they should have a better idea of what the costs will be in about six months.

Rep. Aguiar said there needs to be segregation of inmates so that you don't end up with dangerous people in with innocent ones. He said bad things can happen and that this facility is a different entity than the existing Jail.

Rep. Brosseau said they're locked in a cell.

Director Clough reviewed how the segregated areas work, particularly those that house the worst offenders. She said that for the Committee to say that things don't make sense to them have not done their homework. She said that if they make these reductions now they will be setting themselves up for a huge, huge budget increase next year because the positions they're cutting are going to need to added at that point. She said this information for reductions came completely out of the blue today and has not been the conversation that they had been having.

Rep. Ladd said that this did not come out of the blue and discussed the fact that he had spoken before about the taxpayers in Haverhill who are hurting. He said that he is hearing from his constituents who say they can not sustain this type of impact. He said he feels that they need to dig down into this budget and find out what the actual cost of an inmate is. He said he will not support a budget with 11 new Correctional Officers in it.

Rep. Almy found it interesting that the Committee was willing to let the slowness of communication with WW&L go and not willing to listen to Supt. Libby because he was hard-line when he came in the first time.

Rep. Townsend said he didn't think it would be right to make decisions when the Supt. was not here to answer questions.

Rep. Ladd said he felt the motion on the floor was appropriate.

Rep. Bulis said there has been a lot of focus on the Jail and on what will happen there if they don't do certain things. He said if the Administration is asked to step up they will. He said there were no other layoffs being addressed except for the one in Deeds, and that's because of technology.

Rep. Almy said she is not willing to accept the reductions as shown and if the Delegation is deadlocked then the Commissioners budget will pass.

10:15 AM Commissioner Burton arrived.

Discussion continued.

Rep. White said there were some things that they didn't understand the ramifications of and they should not support. He said he doesn't want to guess when it comes to those things.

Commissioner Cryans said he didn't think that Supt. Libby was hard-lined but called it passion. He said the Committee doesn't recognize that there has already been a \$5M savings due to lower cost in building the facility, which has been stumbled over. Commissioner Cryans said all the consultants from the Corrections field that have been used for Jail have said that there needs to be a certain amount of staff and they need to be properly trained. He said he has always prided the Board of Commissioners for presenting a good budget and feels this is a good budget. He said they were still able to come back with cuts as requested. He said that people were told up front what the costs of the new Jail would be and he has never run away from that information.

Rep. Ladd said that there was a concern about the operation and management when voting for the new Jail in the beginning and that's what needs to be considered.

Rep. Bulis said that even with the cuts the budget is \$2.6M over last year.

Rep. Brosseau said he's been involved with many budgets over the years and a lot of them are already padded.

Rep. Brosseau motioned to move the question which was seconded by Rep. Gionet. 4 Reps. (Gionet, Bulis, Brosseau, and Sova) were in favor and 5 Reps. (White, Townsend, Almy, Aguiar and Ladd) were opposed. Motion fails.

Rep. Aguiar moved to amend the motion and to reinstate the program personnel and two staff members in Corrections, which was seconded by Rep. Townsend.

DISCUSSION:

Rep. Ladd asked what the status is of the program personnel and Director Clough said they are regular hourly employees of Grafton County. They are slated to start March of 2012 for three months. Rep. Ladd asked to know what the total costs of salary and benefits would be.

Rep. Ladd moved to divide the amendment and separate the program personnel from the staff which was seconded by Rep. Brosseau.

DISCUSSION:

Rep. Aguiar said it was suggested by Supt. Libby that you have to have staff to supervise the inmates when either escorting them to counseling or when they're at counseling.

Director Clough provided the answer for Rep. Ladd regarding total salary and benefits cost which she said was \$49,654. She questioned where the \$140,111 that was listed on the reduction sheet came from. She said that amount does not translate into two positions at the Jail.

The vote was taken to divide the question. 2 Reps. (Brosseau and Ladd) were in favor. 7 Reps. (White, Townsend, Almy, Sova, Gionet Bulis and Aguiar) were opposed. Motion failed.

The discussion then turned to Rep. Aguiar's amendment to the original motion, which was to add back \$49,654 and \$140,111(\$189,765) into the list of reductions leaving the total amount to be reduced to \$900,069.

Rep. Brosseau asked the Chairman for a caucus.

10:49 AM Recess was taken to caucus. Republicans went to the front conference room while Democrats went to a closed room off the main conference room.

11:05 AM Chairman Bulis called the meeting back in order.

The vote was taken on Rep. Aguiar's amendment. All were in favor.

Director Clough pointed out that in regards to the Computer Line item on the Deeds list; the \$9000 is needed in order to pay the software contract to Connor & Connor. She explained that if that were removed as proposed then there would be no money for that. She said the money could come out of the surcharge account if that's what the Committee wanted.

Rep. Almy said she would like to see Rep. Brosseau's motion amended as much as possible before going to the full budget.

There was more discussion.

Rep. Sova moved to remove \$9000 (line 4120-970) from the reduction list and add that amount to line 9200-987 in the Deeds surcharge, leaving the total balance reduction at \$891,069 which was seconded by Rep. White. All were in favor.

Rep. White moved to change the reductions regarding Social Services from \$88K to \$44K and to add 50% of the money back to the agencies.

DISCUSSION:

Rep. White said that this change would allow the agencies to receive at least half of their money for a six month period and allow them to get their finances in order. He said that he feels this would be only fair.

Rep. Brosseau said it's not a matter of fair; it's a matter of finance.

Rep. Almy said that immediate cuts may have an affect on families who use these services of childcare in order to hold down jobs. She said however, that these cuts would send a clear message that the county is not in the childcare business.

Rep. Gionet questioned whether or not this should be a County or a local obligation.

Rep. Aguiar stated that this is a debate they need to have but would probably need to be done at a different time.

Rep. Bulis said that if daycare should be provided, then it should be provided for all, but it is not a mandate.

Rep. White said this motion would be a way of providing a transition to non-profits but with a front loaded amount of money, which will be helpful. He said that he didn't think that it is right to tell these agencies, who are expecting this funding, that a few weeks before the fiscal year they will not be funded.

Rep. Ladd said there has been some health cuts for services right here at the County and feels that the towns should be providing this help.

Commissioner Cryans said he thought it was a bad idea to cut funding for these groups at this point of time. Commissioner Burton said that between Lisbon and Littleton there are probably 1000 people who depend on child care. Rep. Bulis, reading from the budget, said that Kindercenter in Littleton serves 20 children and Lisbon serves 20.

There was some further discussion.

When the vote was taken, 4 Reps. (Aguiar, Almy, Townsend and White) were in favor and 5 Reps. (Gionet, Bulis, Brosseau, Ladd and Sova) were opposed. Motion fails.

Director Clough said that she didn't know where the Committee has come up with the idea that a person should be cut from Deeds. She questioned what information the Committee might have received in order to make this decision, particularly after hearing from the Register that the position was warranted. She questioned why they couldn't wait for the performance audit to look at the situation if there was a concern.

Rep. White moved to restore the \$40K in line 4120-001 which was seconded by Rep. Townsend.

DISCUSSION:

Rep. White said the Register of Deeds made it clear that there was no decrease in the amount of work that was being done in Deeds and he didn't know if this was a good idea. Rep. Bulis said that technology has increased in that office and property sales have been down. He said he feels this cut is appropriate.

Rep. Almy said this felt wrong and defended the need for the position. She agreed with Rep. White and said the Register of Deeds said she needed all the people in that department and didn't understand why this cut is being considered.

Rep. Brosseau motioned to move the question which was seconded by Rep. Gionet.

5 Reps (Brosseau, Ladd, Gionet, Sova and Bulis) were in favor and 4 Reps. (White, Almy, Townsend and Aguiar) were opposed. Motion passes

Rep. Almy stated that if this kind of conduct (closing debate) continues then she will leave the room and will oppose everything. She said she was not finished debating and was quite willing to talk. She said that she did not feel this was normal, polite or civil.

Rep. Bulis said they have been open and willing to compromise but they want to move forward.

Although the question was called Rep. Townsend asked if he may make a comment which the Chair allowed. Rep. Townsend said that there has been a slowdown in the sale of properties in the last three months but it does appear to be increasing.

When the vote on Rep. White's motion was taken, 4 Reps (White, Aguiar, Townsend and Almy) were in favor and 5 Reps (Brosseau, Ladd, Gionet, Sova and Bulis) were opposed. Motion fails.

Rep. Ladd said that he feels they need to arrive at a budget that has allowed everyone to speak.

Rep. Ladd moved to reinstate \$44K to the Social Services area and to have that same amount removed from Corrections line 6100-003 which was seconded by Rep. Brosseau.

DISCUSSION:

Rep. Ladd questioned whether there needed to be so much money spent in Corrections.

Rep. Aguiar asked just to be clear, that this was the same money in Corrections that the Committee had just voted to put back in the budget a moment ago and Rep. Ladd replied it was. Rep. Aguiar asked how that would be distributed and Rep. Ladd suggested that it be done in accordance with the motion that Rep. White suggested.

Rep. Ladd said that taking the money out of Corrections will give everyone a year to look at the true needs of the Jail. Rep. Almy said everyone will still need to be trained and she reiterated that the County is responsible for inmates and not children as they relate to the Social Services.

Rep. White said he would reluctantly support this because he can see that this could work. Rep. Aguiar said he too would reluctantly support it.

When the vote was taken, all were in favor.

Rep. Sova asked about the appropriation transfers and whether the Executive Committee has the authority to transfer money if needed in the event that anything they've decided today might cause an issue. Director Clough said they can if the money is available.

Rep. Almy asked why so much money has to be spent on video cameras for the Sheriff's cruisers. Rep. White said that they are a highly specialized piece of equipment and seems like a valuable tool to protect both prisoners and the County.

DISCUSSION:

Rep. Bulis asked if there was any more discussion or amendments to Rep. Brosseau's motion. Seeing none, the Chair then asked for a motion to end debate.

Rep. Sova moved to end debate on the motion which was seconded by Rep. Brosseau. 6 Reps. (Bulis, Almy, Ladd, Sova, Brosseau, and Gionet) were in favor and 3 Reps. (White, Aguiar and Townsend) were opposed. Motion passes.

Rep. Sova (Clerk) took a roll call vote on the motion as amended, adjustments and decreases as discussed at this meeting in the amount of \$891,069 as reviewed and recommended.

6 Reps. (Almy, Bulis, Gionet, Ladd, Bulis, and Sova) were in favor and 3 Reps. Aguiar, Townsend and White) were opposed. Rep. Brosseau's amended motion passes.

REVENUES:

Director Clough reviewed the revenues. There was a discussion as to whether or not a specific number had to be used in revenues since there was really no control over the amounts received. Rep. Almy said these numbers are what the State uses to determine the property taxes so they do need to be as close as possible.

Rep. Almy moved to adopt the revenue changes in the document given to the Committee by Director Clough with the exception of the increase of \$9000 and decrease of \$29,500 in the Deeds budget which was seconded by Rep. Sova. All were in favor.

Rep. Almy asked for a caucus.

12:23 PM Recess was granted for caucus. Republicans went to the front conference room while Democrats went to a closed room off the main conference room.

12:35 PM Chairman Bulis called the meeting back in order.

Rep. Sova moved to recommend to the full Delegation, the Grafton County fiscal year 2012 budget in the amount of \$35,894,624, which was seconded by Rep. Gionet.

DISCUSSION:

Rep. Almy said that she will vote for this despite the fact that there are pieces of it she doesn't like. She said she will support this at the Delegation meeting as long as everyone else does.

The Clerk took a role call vote which showed all members were in favor. Motion passes.

Rep. Bulis said that it has been an honor and a privilege to serve with everyone.

Rep. Aguiar stated that this is the full Committee's budget and that everyone should be prepared to support this at the meeting with the Delegation.

Rep. Ladd asked that the Committee also review the by-laws which will also be presented for a full Delegation vote.

Rep. Sova said he would also like to see a vote by the Delegation on the opposition to the Northern Pass.

Director Clough will have other items that will require votes as well.

12:40 PM All were in favor of adjourning.

Respectfully submitted,

Charles Sova, Clerk

COUNTY OF GRAFTON, NEW HAMPSHIRE

Annual Financial Statements

For the Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
County of Grafton, New Hampshire
North Haverhill, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Grafton, New Hampshire, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County of Grafton, New Hampshire's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Grafton, New Hampshire, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for all budgeted funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Additional Offices:

Andover, MA • Greenfield, MA • Ellsworth, ME • Manchester, NH

The management's discussion and analysis appearing on the following pages and the supplementary information on page 38 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 30, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Melanson, Heath + Company P.C.

Nashua, New Hampshire
September 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Grafton, New Hampshire, we offer readers this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2011.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The statement of net assets presents information on all assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, corrections, human services, and cooperative extension. The business-type activities include Nursing Home activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The governmental fund financial statements provide separate information for the General Fund and the Jail Construction Project Fund, which are considered to be major funds.

An annual appropriated budget is adopted for all budgeted funds. A budgetary comparison statement has been provided in order to demonstrate compliance with this budget.

Proprietary funds. Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for Nursing Home operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Nursing Home operations, which is considered to be a major fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary infor-

mation which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets exceeded liabilities by \$ 13,782,580 (i.e., net assets), a change of \$ (590,527) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$ 21,616,108, a change of \$ (336,749) in comparison to the prior year.
- At the end of the current fiscal year, the fund balance for the general fund was \$ 6,580,353, a change of \$ 1,944,516 in comparison to the prior year.
- Total long-term debt (i.e., bonds payable) at the close of the current fiscal year was \$ 42,475,000, a change of \$ 14,675,000 in comparison to the prior year.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide financial data for the current and prior fiscal years.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current assets	\$ 24,311,979	\$ 22,389,799	\$ 1,092,131	\$ 1,305,186	\$ 25,404,110	\$ 23,694,985
Non-current assets	<u>31,326,544</u>	<u>12,891,614</u>	<u>8,356,673</u>	<u>9,701,418</u>	<u>39,683,217</u>	<u>22,593,032</u>
Total assets	<u>55,638,523</u>	<u>35,281,413</u>	<u>9,448,804</u>	<u>11,006,604</u>	<u>65,087,327</u>	<u>46,288,017</u>
Long-term liabilities outstanding	36,385,832	22,051,735	7,841,013	8,920,363	44,226,845	30,972,098
Other liabilities	<u>5,470,111</u>	<u>725,493</u>	<u>1,607,791</u>	<u>217,319</u>	<u>7,077,902</u>	<u>942,812</u>
Total liabilities	<u>41,855,943</u>	<u>22,777,228</u>	<u>9,448,804</u>	<u>9,137,682</u>	<u>51,304,747</u>	<u>31,914,910</u>
Net assets:						
Invested in capital assets, net	9,462,174	9,460,364	2,776,909	2,632,668	12,239,083	12,093,032
Restricted	4,889	-	-	-	4,889	-
Unrestricted	<u>4,315,517</u>	<u>3,043,821</u>	<u>(2,776,909)</u>	<u>(763,746)</u>	<u>1,538,608</u>	<u>2,280,075</u>
Total net assets	<u>\$ 13,782,580</u>	<u>\$ 12,504,185</u>	<u>\$ -</u>	<u>\$ 1,868,922</u>	<u>\$ 13,782,580</u>	<u>\$ 14,373,107</u>

CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,518,522	\$ 2,777,168	\$ 10,447,776	\$ 10,998,974	\$ 12,966,298	\$ 13,776,142
Operating grants and contributions	638,559	3,187,595	-	-	638,559	3,187,595
General revenues:						
County taxes	17,945,268	17,657,408	-	-	17,945,268	17,657,408
Grants and contributions not restricted to specific programs	-	22,898	-	-	-	22,898
Investment income	189,967	71,108	-	4	189,967	71,112
Miscellaneous	628,477	108,187	56,973	(64,525)	685,450	43,662
Total revenues	<u>21,920,793</u>	<u>23,824,364</u>	<u>10,504,749</u>	<u>10,934,453</u>	<u>32,425,542</u>	<u>34,758,817</u>
Expenses:						
General government	3,769,870	4,568,875	-	-	3,769,870	4,568,875
Public safety	2,703,238	2,622,244	-	-	2,703,238	2,622,244
Corrections	4,952,782	4,211,699	-	-	4,952,782	4,211,699
Human services	6,064,576	6,973,491	-	-	6,064,576	6,973,491
Cooperative extension	380,762	337,380	-	-	380,762	337,380
Nursing home	-	-	14,497,924	14,308,685	14,497,924	14,308,685
Interest expense	646,917	177,065	-	-	646,917	177,065
Total expenses	<u>18,518,145</u>	<u>18,890,754</u>	<u>14,497,924</u>	<u>14,308,685</u>	<u>33,016,069</u>	<u>33,199,439</u>
Change in net assets before transfers	3,402,648	4,933,610	(3,993,175)	(3,374,232)	(590,527)	1,559,378
Transfers in (out)	<u>(2,124,253)</u>	<u>(3,578,299)</u>	<u>2,124,253</u>	<u>3,578,299</u>	<u>-</u>	<u>-</u>
Change in net assets	1,278,395	1,355,311	(1,868,922)	204,067	(590,527)	1,559,378
Net assets - beginning of year (as restated)	<u>12,504,185</u>	<u>11,148,874</u>	<u>1,868,922</u>	<u>1,664,855</u>	<u>14,373,107</u>	<u>12,813,729</u>
Net assets - end of year	<u>\$ 13,782,580</u>	<u>\$ 12,504,185</u>	<u>\$ -</u>	<u>\$ 1,868,922</u>	<u>\$ 13,782,580</u>	<u>\$ 14,373,107</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net assets were \$ 13,782,580, a change of \$ (590,527) from the prior year.

The largest portion of net assets \$ 12,239,083 reflects our investment in capital assets (e.g., land, land improvements, buildings and improvements, equipment and vehicles, and construction in progress), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net assets \$ 4,889 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$ 1,538,608 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental activities. Governmental activities for the year resulted in a change in net assets of \$ 1,278,395. Key elements of this change are as follows:

Operating Results:	
General fund	\$ 1,944,516
Jail construction project fund	(2,284,144)
Nonmajor governmental funds	<u>2,879</u>
Subtotal operating results	(336,749)
Purchase of capital assets in excess of current period bond proceeds	2,408,823
Depreciation expense in excess of principal debt service	(137,879)
Change in accrued interest liability	55,887
Change in compensated absence liability	(51,023)
Change in net OPEB obligation	<u>(660,664)</u>
Total	<u>\$ 1,278,395</u>

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$ 21,616,108, a change of \$ (336,749) in comparison to the prior year. Key elements of this change are as follows:

General fund revenues in excess of expenditures and transfers out	\$ 1,944,516
Excess of current year capital expenditures over current year bond proceeds	(2,284,144)
Non-major governmental funds revenues over expenditures	<u>2,879</u>
Total	<u>\$ (336,749)</u>

In fiscal year 2011, the County implemented *Governmental Accounting Standards Board Statement #54 Fund Balance Reporting and Governmental Fund Type Definitions*. In general, amounts previously reported as undesignated fund balance, are now reported as unassigned fund balance. Full definitions of all fund balance classifications can be found in the notes to financial statements. Additionally, amounts previously reported in capital reserve funds, are now required to be presented as committed fund balance in the general fund.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$ 1,753,749, while total fund balance was \$ 6,580,353. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total budgeted expenditures. Refer to the table below.

<u>General Fund</u>	<u>6/30/11</u>	<u>6/30/10</u>	<u>Change</u>	<u>% of Total Budgeted Expenditures</u>
Unassigned fund balance	\$ 1,753,749	\$ 1,866,220	\$ (112,471)	5.3%
Total fund balance ¹	\$ 6,580,353	\$ 4,635,837	\$ 1,944,516	20.0%

¹Now includes capital reserve fund. Prior period balances have been revised to conform to current presentation.

The total fund balance of all funds changed by \$ (2,205,671) during the current fiscal year. Key factors in this change are as follows:

Revenues in excess of budget	\$ 1,132,002
Expenditures less than appropriations	2,038,029
Use of fund balance as a funding source	(2,030,385)
Use of reserves as a funding source	(70,583)
Non-major governmental and capital project funds (non-budgeted)	(2,281,265)
Other timing differences	<u>(993,469)</u>
Total all funds	<u>\$ (2,205,671)</u>

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to a deficit of \$ (2,776,909), a change of \$ (2,013,163) in comparison to the prior year.

E. BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in an overall change in appropriations of \$ 70,583. This change relates to a use of voted reserves (fund balance).

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$ 39,683,217 (net of accumulated depreciation), a change of \$ 17,090,185 from the prior year. This investment in capital assets includes land, land improvements, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset events during the current fiscal year included jail construction costs of approximately \$ 18,000,000.

Additional information on capital assets can be found in the notes to financial statements.

Long-term debt. At the end of the current fiscal year, total bonded debt outstanding was \$ 42,475,000, all of which was backed by the full faith and credit of the County.

Additional information on long-term debt can be found in the notes to financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County of Grafton, New Hampshire's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

County of Grafton, New Hampshire
3855 Dartmouth College Highway
North Haverhill, New Hampshire 03774

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 24,082,422	\$ 975	\$ 24,083,397
Accounts receivable, net of allowances	193,503	951,416	1,144,919
Intergovernmental receivables	-	21,064	21,064
Inventory	36,054	118,676	154,730
Noncurrent:			
Internal balances	945,236	(945,236)	-
Capital Assets:			
Land	214,190	-	214,190
Construction in progress	20,782,120	-	20,782,120
Capital assets, net of accumulated depreciation	<u>9,384,998</u>	<u>9,301,909</u>	<u>18,686,907</u>
TOTAL ASSETS	55,638,523	9,448,804	65,087,327
LIABILITIES			
Current:			
Accounts payable	3,266,660	246,881	3,513,541
Accrued expenses	294,785	326,325	621,110
Other liabilities	79,662	475	80,137
Accrued interest	232,664	74,698	307,362
Current portion of long-term liabilities:			
Bonds payable	1,156,250	543,750	1,700,000
Accrued compensated absences	440,090	415,662	855,752
Noncurrent:			
Bonds payable, net of current	34,793,750	5,981,250	40,775,000
Accrued compensated absences, net of current	202,781	112,365	315,146
Net OPEB obligation	<u>1,389,301</u>	<u>1,747,398</u>	<u>3,136,699</u>
TOTAL LIABILITIES	41,855,943	9,448,804	51,304,747
NET ASSETS			
Invested in capital assets, net of related debt	9,462,174	2,776,909	12,239,083
Restricted	4,889	-	4,889
Unrestricted	<u>4,315,517</u>	<u>(2,776,909)</u>	<u>1,538,608</u>
TOTAL NET ASSETS	<u>\$ 13,782,580</u>	<u>\$ -</u>	<u>\$ 13,782,580</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

		Program Revenues		Net (Expenses) Revenues and Changes in Net Assets		
		Charges for	Operating	Governmental	Business-	Total
	Expenses	Services	Grants and Contributions	Activities	Type Activities	
Governmental Activities:						
General government	\$ 3,769,870	\$ 1,041,440	\$ 423,122	\$ (2,305,308)	\$ -	\$ (2,305,308)
Public safety	2,703,238	999,471	64,275	(1,639,492)	-	(1,639,492)
Corrections	4,952,782	477,611	151,162	(4,324,009)	-	(4,324,009)
Human services	6,064,576	-	-	(6,064,576)	-	(6,064,576)
Cooperative extension	380,762	-	-	(380,762)	-	(380,762)
Interest expense	646,917	-	-	(646,917)	-	(646,917)
Total Governmental Activities	18,518,145	2,518,522	638,559	(15,361,064)	-	(15,361,064)
Business-Type Activities:						
Nursing Home	14,497,924	10,447,776	-	-	(4,050,148)	(4,050,148)
Total Business-Type Activities	14,497,924	10,447,776	-	-	(4,050,148)	(4,050,148)
Total	\$ 33,016,069	\$ 12,966,298	\$ 638,559	(15,361,064)	(4,050,148)	(19,411,212)
General Revenues and Transfers:						
County taxes				17,945,268	-	17,945,268
Investment income				189,967	-	189,967
Miscellaneous				628,477	56,973	685,450
Transfers, net				(2,124,253)	2,124,253	-
Total general revenues and transfers				16,639,459	2,181,226	18,820,685
Change in Net Assets				1,278,395	(1,868,922)	(590,527)
Net Assets:						
Beginning of year, as restated				12,504,185	1,868,922	14,373,107
End of year				\$ 13,782,580	\$ -	\$ 13,782,580

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2011

	General Fund	Jail Construction Project Fund	Nonmajor Governmental Fund	Total Governmental Funds
ASSETS				
Cash and short-term investments	\$ 7,164,054	\$ 16,913,479	\$ 4,889	\$ 24,082,422
Accounts receivable	193,503	-	-	193,503
Inventory	36,054	-	-	36,054
Advance to Nursing Home	945,236	-	-	945,236
TOTAL ASSETS	\$ 8,338,847	\$ 16,913,479	\$ 4,889	\$ 25,257,215
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,384,047	\$ 1,882,613	\$ -	\$ 3,266,660
Accrued expenses	294,785	-	-	294,785
Other liabilities	79,662	-	-	79,662
TOTAL LIABILITIES	1,758,494	1,882,613	-	3,641,107
Fund Balances:				
Nonspendable	981,290	-	-	981,290
Restricted	-	15,030,866	4,889	15,035,755
Committed	390,515	-	-	390,515
Assigned	3,454,799	-	-	3,454,799
Unassigned	1,753,749	-	-	1,753,749
TOTAL FUND BALANCES	6,580,353	15,030,866	4,889	21,616,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,338,847	\$ 16,913,479	\$ 4,889	\$ 25,257,215

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET ASSETS OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET ASSETS

JUNE 30, 2011

TOTAL GOVERNMENTAL FUND BALANCES	\$ 21,616,108
<ul style="list-style-type: none">• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,381,308
<ul style="list-style-type: none">• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(232,664)
<ul style="list-style-type: none">• Long-term liabilities, including bonds payable, accrued compensated absences, and net OPEB obligation are not due and payable in the current period, therefore, are not reported in the governmental funds.	<u>(37,982,172)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ <u>13,782,580</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2011

	General <u>Fund</u>	Jail Construction Project <u>Fund</u>	Nonmajor Governmental <u>Fund</u>	Total Governmental <u>Funds</u>
Revenues:				
County taxes	\$ 17,945,268	\$ -	\$ -	\$ 17,945,268
Charges for services	2,533,038	-	2,879	2,535,917
Intergovernmental	628,233	-	10,325	638,558
Investment income	189,967	-	-	189,967
Miscellaneous	628,479	-	-	628,479
Total Revenues	21,924,985	-	13,204	21,938,189
Expenditures:				
Current:				
General government	3,036,236	-	-	3,036,236
Public safety	2,506,948	-	10,325	2,517,273
Corrections	4,607,673	-	-	4,607,673
Human services	6,058,428	-	-	6,058,428
Cooperative extension	355,765	-	-	355,765
Capital outlay	307,112	17,784,144	-	18,091,256
Debt service:				
Principal	281,250	-	-	281,250
Interest	702,804	-	-	702,804
Total Expenditures	17,856,216	17,784,144	10,325	35,650,685
Excess (deficiency) of revenues over expenditures	4,068,769	(17,784,144)	2,879	(13,712,496)
Other Financing Sources (Uses):				
Proceeds of bonds	-	15,500,000	-	15,500,000
Transfers to Nursing Home	(2,124,253)	-	-	(2,124,253)
Total Other Financing Sources (Uses)	(2,124,253)	15,500,000	-	13,375,747
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,944,516	(2,284,144)	2,879	(336,749)
Fund Equity, at Beginning of Year, as restated	4,635,837	17,315,010	2,010	21,952,857
Fund Equity, at End of Year	\$ 6,580,353	\$ 15,030,866	\$ 4,889	\$ 21,616,108

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	(336,749)
<ul style="list-style-type: none"> Governmental funds report capital asset purchases as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: 		
Capital asset purchases, net of disposals		17,908,823
Depreciation		(419,129)
<ul style="list-style-type: none"> The issuance of long-term debt (e.g., bonds payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets: 		
Repayments of bonds payable		281,250
Proceeds of bonds		(15,500,000)
<ul style="list-style-type: none"> In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 		
		55,887
<ul style="list-style-type: none"> Some expenses reported in the Statement of Activities, such as accrued compensated absences and net OPEB obligation, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. 		
Accrued compensated absences		(51,023)
Net OPEB obligation		<u>(660,664)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>1,278,395</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

ALL BUDGETED FUNDS

STATEMENT OF REVENUES AND OTHER SOURCES, AND EXPENDITURES AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts				Actual	Variance with
	Original	From Prior	Approved	Final	Amounts	Final Budget
	<u>Budget</u>	<u>Budgets</u>	<u>Transfers</u>	<u>Budget</u>	(Budgetary	Positive
					<u>Basis</u>)	(Negative)
Revenues:						
General Fund:						
County taxes	\$ 17,945,268	\$ -	\$ -	\$ 17,945,268	\$ 17,945,268	\$ -
Charges for services	2,324,990	-	-	2,324,990	2,533,038	208,048
Intergovernmental	275,552	-	-	275,552	230,095	(45,457)
Investment income	175,300	-	-	175,300	189,967	14,667
Miscellaneous	578,533	-	-	578,533	628,479	49,946
Nursing Home	<u>9,582,253</u>	<u>-</u>	<u>-</u>	<u>9,582,253</u>	<u>10,487,051</u>	<u>904,798</u>
Total Revenues	30,881,896	-	-	30,881,896	32,013,898	1,132,002
Expenditures:						
General Fund:						
General government	2,623,702	9,852	11,335	2,644,889	2,546,034	98,855
Public safety	2,587,781	6,798	-	2,594,579	2,438,792	155,787
Corrections	4,752,523	-	(33,363)	4,719,160	4,493,769	225,391
Human services	7,435,985	1,046	-	7,437,031	6,055,218	1,381,813
Cooperative extension	363,886	9,999	5,128	379,013	349,825	29,188
Capital outlay	417,537	42,122	-	459,659	307,112	152,547
Debt service - principal	281,250	-	-	281,250	281,250	-
Debt service - interest	720,188	-	16,900	737,088	702,804	34,284
Nursing Home	<u>13,729,429</u>	<u>766</u>	<u>-</u>	<u>13,730,195</u>	<u>13,770,031</u>	<u>(39,836)</u>
Total Expenditures	<u>32,912,281</u>	<u>70,583</u>	<u>-</u>	<u>32,982,864</u>	<u>30,944,835</u>	<u>2,038,029</u>
Excess (deficiency) of revenues over expenditures before other financial sources	(2,030,385)	(70,583)	-	(2,100,968)	1,069,063	3,170,031
Other Financing Sources:						
Use of fund balance	<u>2,030,385</u>	<u>70,583</u>	<u>-</u>	<u>2,100,968</u>	<u>2,100,968</u>	<u>-</u>
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,170,031</u>	<u>\$ 3,170,031</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Business-Type Activities Enterprise Funds
	<u>Nursing Home</u>
<u>ASSETS</u>	
Current:	
Cash and short-term investments	\$ 975
Accounts receivable, net of allowances	951,416
Intergovernmental receivables	21,064
Inventory	<u>118,676</u>
Total current assets	1,092,131
Noncurrent:	
Capital assets:	
Capital assets, net of accumulated depreciation	<u>9,301,909</u>
Total noncurrent assets	<u>9,301,909</u>
TOTAL ASSETS	10,394,040
<u>LIABILITIES</u>	
Current:	
Accounts payable	246,881
Accrued expenses	326,325
Other liabilities	475
Accrued interest	74,698
Current portion of long-term liabilities:	
Bonds payable	543,750
Accrued compensated absences	<u>415,662</u>
Total current liabilities	1,607,791
Noncurrent:	
Advance from General Fund	945,236
Bonds payable, net of current	5,981,250
Accrued compensated absences, net of current	112,365
Net OPEB obligation	<u>1,747,398</u>
Total noncurrent liabilities	<u>8,786,249</u>
TOTAL LIABILITIES	10,394,040
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	2,776,909
Unrestricted	<u>(2,776,909)</u>
TOTAL NET ASSETS	<u>\$ -</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Funds
	<u>Nursing Home</u>
Operating Revenues:	
Charges for services	\$ 10,447,776
Miscellaneous	<u>56,973</u>
Total Operating Revenues	10,504,749
Operating Expenses:	
Administrative	1,230,813
Contracted services	319,276
Dietary	1,542,961
Health information management	235,158
Laundry and linen	800,031
Nursing service	7,157,605
Pharmacy and medical director	13,018
Physical therapy	245,541
Plant maintenance	915,822
Special services	186,450
Therapeutic recreation	<u>428,614</u>
Total Operating Expenses	<u>13,075,289</u>
Operating Income (Loss)	(2,570,540)
Nonoperating Revenues (Expenses):	
Depreciation	(406,089)
Accrued compensated absences adjustment	(188,305)
Net OPEB obligation expense	(550,630)
Interest expense	<u>(277,611)</u>
Total Nonoperating Revenues (Expenses), Net	<u>(1,422,635)</u>
Income (Loss) Before Transfers	(3,993,175)
Transfers:	
Transfers from General Fund	<u>2,124,253</u>
Change in Net Assets	(1,868,922)
Net Assets at Beginning of Year	<u>1,868,922</u>
Net Assets at End of Year	<u>\$ -</u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities Enterprise Funds <u>Nursing Home</u>
<u>Cash Flows From Operating Activities:</u>	
Receipts for services provided	\$ 10,786,492
Miscellaneous receipts	56,973
Operating expenses	<u>(12,934,000)</u>
Net Cash Used For Operating Activities	(2,090,535)
<u>Cash Flows From Noncapital Financing Activities:</u>	
Transfers	2,124,253
Net change in advance from General Fund	<u>782,437</u>
Net Cash Provided By Noncapital Financing Activities	2,906,690
<u>Cash Flows From Capital and Related Financing Activities:</u>	
Acquisition and construction of capital assets	(6,580)
Principal payments on bonds	(543,750)
Interest expense	<u>(265,350)</u>
Net Cash Used For Capital and Related Financing Activities	<u>(815,680)</u>
Net Change in Cash and Short-Term Investments	475
Cash and Short-Term Investments, Beginning of Year	<u>500</u>
Cash and Short-Term Investments, End of Year	<u><u>\$ 975</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities:</u>	
Operating income (loss)	\$ (2,570,540)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Changes in assets and liabilities:	
Receivables	338,716
Inventory	37,613
Accounts payable	(40)
Accrued expenses	103,241
Other liabilities	<u>475</u>
Net Cash Used For Operating Activities	<u><u>\$ (2,090,535)</u></u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Agency Funds
<u>ASSETS</u>	
Cash and short-term investments	\$ <u>104,715</u>
Total Assets	\$ <u><u>104,715</u></u>
<u>LIABILITIES</u>	
Due to others	\$ <u>104,715</u>
Total Liabilities	\$ <u><u>104,715</u></u>

See notes to financial statements.

COUNTY OF GRAFTON, NEW HAMPSHIRE

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the County of Grafton, New Hampshire (the County) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The County is a municipal corporation governed by an elected Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County and applicable component units for which the County is considered to be financially accountable. In fiscal year 2011, it was determined that no entities met the required GASB 39 criteria of component units.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual

governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Generally, all other revenue items are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.
- The *Jail Construction Project Fund* accounts for the County's ongoing jail project.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating

revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

The County reports the Nursing Home as a major proprietary fund.

The *Agency Fund* is used to account for money held by the County on behalf of others (e.g., inmate funds, patient funds, and sheriff funds).

D. Cash and Short-Term Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the general fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments". The interest earnings attributable to each fund type are included under investment income.

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

E. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds are offset by a nonspendable fund balance account in applicable governmental funds to indicate the portion not available for appropriation and not available as expendable financial resources.

F. Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method.

G. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, equipment and vehicles, and construction in progress (for enterprise funds only) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	8 - 50
Building and improvements	8 - 50
Equipment and vehicles	3 - 20

H. Accrued Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net assets”.

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. The County reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The County’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or advances to other funds) or can never be spent.
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the County (i.e., the County Delegation).
- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance voted to be used in the subsequent fiscal year.
- 5) Unassigned funds are available to be spent in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the County uses the following order to liquidate liabilities: restricted, committed, assigned, and unassigned.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, con-

sist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

K. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

L. Reclassifications

The accompanying financial statements reflect various changes in classification from the prior year.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

The County follows the following procedures establishing the budgetary data reflected in the basic financial statements:

- Prior to May 1st, the County departments submit to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Hearings are conducted by the County Commissioners prior to the County's budget meeting to discuss the proposed budget.
- The budget is legally enacted by the County Delegation prior to September 1st.
- Appropriations for certain projects and specific items not fully expended at the fiscal year-end are carried forward as continued appropriations to the new fiscal year in which they supplement the appropriations of that year.
- The budgets for all departments and operations of the County are prepared under the direction of the County Commissioners. Original appropriations are acted upon by the County Delegation vote.

- A copy of the budget is published in the Annual Report of the County of Grafton, New Hampshire.

B. Budgetary Basis

The final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and proprietary funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting.

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures - (GAAP Basis) - General Fund	\$ 21,924,985	\$ 17,856,216
Revenues/Expenditures - (GAAP Basis) - Nursing Home	<u>10,504,751</u>	<u>14,497,924</u>
Subtotal (GAAP Basis)	32,429,736	32,354,140
To reverse non-budgeted grants	(415,838)	(415,838)
To record use of fund balance	2,030,385	-
To record use of voted reserves (fund balance)	70,583	-
GAAP to budget basis adjustments	<u>-</u>	<u>(993,467)</u>
Budgetary Basis	<u>\$ 34,114,866</u>	<u>\$ 30,944,835</u>

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. RSA 29:1 limits “deposit in any one bank shall not at any time exceed the

sum of its paid-up capital and surplus.” The County does not have a deposit policy for custodial credit risk.

As of June 30, 2011, \$ 386,589 of the County’s bank balance of \$ 30,567,816 was exposed to custodial credit risk as uninsured or uncollateralized.

4. Allowance for Doubtful Accounts and Contractual Allowances

The allowance for doubtful accounts for Nursing Home receivables has been estimated at approximately \$ 241,000 at June 30, 2011. Nursing Home receivables are also reported net of contractual allowances.

5. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows (in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 2,241	\$ 5	\$ -	\$ 2,246
Buildings and improvements	10,184	-	-	10,184
Equipment and vehicles	<u>2,209</u>	<u>142</u>	<u>(85)</u>	<u>2,266</u>
Total capital assets, being depreciated	14,634	147	(85)	14,696
Less accumulated depreciation for:				
Land improvements	(198)	(22)	-	(220)
Buildings and improvements	(3,325)	(232)	-	(3,557)
Equipment and vehicles	<u>(1,437)</u>	<u>(165)</u>	<u>68</u>	<u>(1,534)</u>
Total accumulated depreciation	<u>(4,960)</u>	<u>(419)</u>	<u>68</u>	<u>(5,311)</u>
Total capital assets, being depreciated, net	9,674	(272)	(17)	9,385
Capital assets, not being depreciated:				
Land	219	-	(5)	214
Construction in progress	<u>2,998</u>	<u>17,784</u>	<u>-</u>	<u>20,782</u>
Total capital assets, not being depreciated	<u>3,217</u>	<u>17,784</u>	<u>(5)</u>	<u>20,996</u>
Governmental activities capital assets, net	<u>\$ 12,891</u>	<u>\$ 17,512</u>	<u>\$ (22)</u>	<u>\$ 30,381</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Land improvements	\$ 509	\$ -	\$ -	\$ 509
Buildings and improvements	11,740	-	-	11,740
Equipment and vehicles	<u>1,304</u>	<u>7</u>	<u>-</u>	<u>1,311</u>
Total capital assets, being depreciated	13,553	7	-	13,560
Less accumulated depreciation for:				
Land improvements	(509)	-	-	(509)
Buildings and improvements	(2,553)	(289)	-	(2,842)
Equipment and vehicles	<u>(790)</u>	<u>(117)</u>	<u>-</u>	<u>(907)</u>
Total accumulated depreciation	<u>(3,852)</u>	<u>(406)</u>	<u>-</u>	<u>(4,258)</u>
Total capital assets, being depreciated, net	<u>9,701</u>	<u>(399)</u>	<u>-</u>	<u>9,302</u>
Business-type activities capital assets, net	<u>\$ 9,701</u>	<u>\$ (399)</u>	<u>\$ -</u>	<u>\$ 9,302</u>

Depreciation expense was charged to functions of the County as follows (in thousands):

Governmental Activities:	
General government	\$ 217
Public safety	74
Corrections	<u>128</u>
Total depreciation expense - governmental activities	<u>\$ 419</u>
Business-Type Activities:	
Nursing Home	<u>\$ 406</u>
Total depreciation expense - business-type activities	<u>\$ 406</u>

6. Accounts Payable

Accounts payable represents 2011 expenditures paid after June 30, 2011.

7. Long-Term Debt

A. General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds currently outstanding are as follows:

	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/11
<u>Governmental Activities:</u>			
Nursing Home - Phase III	09/01/23	3.00 - 4.30%	\$ 2,175,000
Fire sprinkler system water tank	01/01/19	4.50 - 5.00%	775,000
Jail construction - 2010	12/01/30	3.00 - 4.00%	17,500,000
Jail construction - 2011	01/01/32	2.50 - 4.75%	<u>15,500,000</u>
Total Governmental Activities			<u>\$ 35,950,000</u>

	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/11
<u>Business-Type Activities:</u>			
Nursing Home - Phase I, II	09/01/23	3.00 - 4.30%	\$ <u>6,525,000</u>
Total Business-Type Activities			<u>\$ 6,525,000</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2011 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,156,250	\$ 1,116,697	\$ 2,272,947
2013	1,931,250	1,226,459	3,157,709
2014	1,931,250	1,169,900	3,101,150
2015	1,926,250	1,109,284	3,035,534
2016	1,926,250	1,048,758	2,975,008
2017 - 2021	9,441,250	4,320,573	13,761,823
2022 - 2026	8,612,500	2,727,619	11,340,119
Therafter	<u>9,025,000</u>	<u>1,165,687</u>	<u>10,190,687</u>
Total	<u>\$ 35,950,000</u>	<u>\$ 13,884,977</u>	<u>\$ 49,834,977</u>

<u>Business-Type</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 543,750	\$ 246,863	\$ 790,613
2013	543,750	228,103	771,853
2014	543,750	208,800	752,550
2015	543,750	188,953	732,703
2016	543,750	168,698	712,448
2017 - 2021	2,718,750	516,970	3,235,720
2022 - 2026	<u>1,087,500</u>	<u>46,763</u>	<u>1,134,263</u>
Total	<u>\$ 6,525,000</u>	<u>\$ 1,605,150</u>	<u>\$ 8,130,150</u>

C. Changes in General Long-Term Liabilities

During the year ended June 30, 2011, the following changes occurred in long-term liabilities (in thousands):

	Total Balance <u>7/1/10</u>	<u>Additions</u>	<u>Reductions</u>	Total Balance <u>6/30/11</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/11</u>
<u>Governmental Activities</u>						
Bonds payable	\$ 20,731	\$ 15,500	\$ (281)	\$ 35,950	(1,156)	34,794
Other:						
Accrued compensated absences	592	51	-	643	(440)	203
Net OPEB obligation	<u>729</u>	<u>660</u>	<u>-</u>	<u>1,389</u>	<u>-</u>	<u>1,389</u>
Totals	<u>\$ 22,052</u>	<u>\$ 16,211</u>	<u>\$ (281)</u>	<u>\$ 37,982</u>	<u>\$ (1,596)</u>	<u>\$ 36,386</u>
<u>Business-Type Activities</u>						
Bonds payable	\$ 7,069	\$ -	\$ (544)	\$ 6,525	\$ (544)	\$ 5,981
Accrued compensated absences	111	417	-	528	(416)	112
Net OPEB obligation	<u>1,197</u>	<u>550</u>	<u>-</u>	<u>1,747</u>	<u>-</u>	<u>1,747</u>
Totals	<u>\$ 8,377</u>	<u>\$ 967</u>	<u>\$ (544)</u>	<u>\$ 8,800</u>	<u>\$ (960)</u>	<u>\$ 7,840</u>

8. Restricted Net Assets

The accompanying entity-wide financial statements report restricted net assets when external constraints from grantors or contributors are placed on net assets.

9. Fund Balances

The following is a summary of fund balances at June 30, 2011:

	<u>Unassigned</u>	<u>Assigned</u>	<u>Committed</u>	<u>Restricted</u>	<u>Nonspendable</u>	<u>Total</u>
<u>General Fund</u>						
Inventory reserve	\$ -	\$ -	\$ -	\$ -	\$ 36,054	\$ 36,054
Advance to Nursing Home	-	-	-	-	945,236	945,236
Delegation voted reserves	-	-	390,515	-	-	390,515
Commissioner voted reserves	-	454,799	-	-	-	454,799
Use of fund balance in subsequent year budget	-	3,000,000	-	-	-	3,000,000
Remaining fund balance	<u>1,753,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,753,749</u>
Total General Fund	<u>1,753,749</u>	<u>3,454,799</u>	<u>390,515</u>	<u>-</u>	<u>981,290</u>	<u>6,580,353</u>
<u>Jail Construction Project Fund</u>						
Project funded with bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,030,866</u>	<u>-</u>	<u>15,030,866</u>
Total Jail Construction Project Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,030,866</u>	<u>-</u>	<u>15,030,866</u>
<u>Nonmajor Governmental Funds</u>						
Jail canteen fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,889</u>	<u>-</u>	<u>4,889</u>
Total Nonmajor Governmental Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,889</u>	<u>-</u>	<u>4,889</u>
Total All Funds	<u>\$ 1,753,749</u>	<u>\$ 3,454,799</u>	<u>\$ 390,515</u>	<u>\$ 15,035,755</u>	<u>\$ 981,290</u>	<u>\$ 21,616,108</u>

10. **Commitments and Contingencies**

Outstanding Legal Issues - There are several pending legal issues in which the County is involved. The County's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

11. **Post-Employment Healthcare and Life Insurance Benefits**

Other Post-Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the statement of revenues, expenses, and changes in net assets when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Assets over time.

A. Plan Description

The County provides post-employment healthcare benefits for certain retirees.

B. Benefits Provided

The County provides medical benefits to its eligible retirees. The benefits are provided through Primex.

C. Funding Policy

The County pays 100% of the retiree's medical benefits. The County also received a subsidy from the New Hampshire State Retirement Systems that it uses to offset its OPEB.

The County does not contribute towards the cost of spouses' OPEB. Spouses desiring to remain covered under the County plan pay 100%.

The spouse is required to pay 100% of the cost of benefits following the death of the retired employee.

D. Annual OPEB Costs and Net OPEB Obligation

The County's fiscal 2011 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the County's annual OPEB cost for the year ending June 30, 2011, the amount actually contributed to the plan, and the change in the County's net OPEB obligation based on an actuarial valuation as of June 30, 2009.

Annual Required Contribution (ARC)	\$ 1,515,163
Interest on net OPEB obligation	77,016
Adjustment to ARC	<u>(109,184)</u>
Annual OPEB cost	1,482,995
Contributions made	<u>271,701</u>
Increase in net OPEB obligation	1,211,294
Net OPEB obligation - beginning of year	<u>1,925,405</u>
Net OPEB obligation - end of year	<u><u>\$ 3,136,699</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 1,482,995	18%	\$ 3,136,699
2010	\$ 1,199,261	20%	\$ 1,925,406

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, the date of the most recent actuarial valuation was as follows:

Actuarial accrued liability (AAL)	\$ 13,897,328
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 13,897,328
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ N/A
UAAL as a percentage of covered payroll	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to Financial Statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the County and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation the projected unit credit cost method was used. The actuarial value of assets was not determined as the County has not advance funded its obligation. The actuarial assumptions included a 4.0% investment rate of return and an initial annual healthcare cost trend rate of 20%, which decreases to a 5% long-term rate for all healthcare benefits after fifteen years. The amortization costs for the initial UAAL is a level percentage of payroll for a period of 30 years, on a closed basis. This has been calculated assuming the amortization payment increases at a rate of 4.5%.

12. Pension Plan

The County follows the provisions of GASB Statement No. 27, *Accounting for Pensions for State and Local Government Employees*, (as amended by GASB 50) with respect to the employees' retirement funds.

A. Plan Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer contributory defined benefit pension plan. NHRS provides service, disability and death, and vested retirement benefits to plan members and beneficiaries. NHRS is administered by a 13-member Board of Trustees. The Board of Trustees formulates administrative policies and procedures and authorizes benefit payments to members and their beneficiaries. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New Hampshire Retirement System, 4 Chenell Drive, Concord, NH 03301-8509.

B. Funding Policy

Sheriff's deputies and correctional officers plan members and all other employee plan members are required to contribute 9.3% and 5%, respectively, of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate for sheriff's deputies and correctional officers is 14.63% of annual covered payroll. The current rate for all other employees is 9.16% of annual covered payroll. The contribution requirements of plan members are fixed by statute. The County's contributions to NHRS for the years ended June 30, 2011, 2010, and 2009 were \$ 1,161,818, \$ 1,109,401, and \$ 1,007,778, respectively, equal to the required contributions for each year.

13. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

14. Beginning Fund Balance and Net Assets Restatement

The beginning (July 1, 2010) balances of the County have been restated as follows:

Government-Wide Financial Statements:

	Governmental Activities	Business- Type Activities Nursing Home	Total
As previously reported	\$ 12,502,175	\$ 1,868,922	\$ 14,371,097
Report Jail Canteen Fund as governmental fund	<u>2,010</u>	<u>-</u>	<u>2,010</u>
As restated	<u><u>\$ 12,504,185</u></u>	<u><u>\$ 1,868,922</u></u>	<u><u>\$ 14,373,107</u></u>

Fund Basis Financial Statements:

	General Fund	Jail Construction Project Fund	Nonmajor Governmental Fund
As previously reported	\$ 4,402,750	\$ 17,315,010	\$ 233,087
Report Jail Canteen Fund as governmental fund	-	-	2,010
Recategorize capital reserve fund	<u>233,087</u>	<u>-</u>	<u>(233,087)</u>
As restated	<u><u>\$ 4,635,837</u></u>	<u><u>\$ 17,315,010</u></u>	<u><u>\$ 2,010</u></u>

COUNTY OF GRAFTON, NEW HAMPSHIRE
SCHEDULE OF FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2011

(Unaudited)

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent- age of Covered Payroll [(b-a)/c]
7/1/2008	\$ -	\$ 8,798,701	\$ 8,798,701	N/A	N/A	N/A
7/1/2009	\$ -	N/A	N/A	N/A	N/A	N/A
7/1/2010	\$ -	\$ 13,135,173	\$ 13,135,173	N/A	\$ 10,100,140	130%
7/1/2011	\$ -	\$ 13,897,328	\$ 13,897,328	N/A	N/A	N/A

See Independent Auditors' Report.