

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.

	<u>COSTS</u>
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
<u>Nursing Home Allocation per Delegation vote for FY11</u>	<u>\$200K</u>
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 issues 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. Sova 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. Sova 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