

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget
Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 14, 2010

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

EXCUSED: Representatives Gionet and Aguiar

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

Treasurer Sievers was in attendance to present the investment recommendations for the \$17.5M from the bonds sold for the new Jail project. *(see complete letter from Treasurer Sievers attachment including bids) Recommendations below.

Treasurer Sievers recommendations are as follows:

\$5M in a municipal sweep at Mascoma Savings bank at .60%

\$4M in a NOW account at Mascoma Savings bank at .50%

3 Month CD - \$500K in a CD at Community Guaranty Savings Bank at .50%

6 month CD -

\$4M at Mascoma Savings at .90%

\$3.5 M in a CDARS account (which will be a legal form of investment as of 07/03/10) at Mascoma Savings Bank @ 1.05%

9 month CD -

\$500K at Community Guaranty Savings Bank

Treasurer Sievers said that she will be investing the money today after the committee's approval. The County will be looking for the second bond in around 9 months.

Rep. Williams said that he would like to have the bid construction phases so he could see how the project is to progress. Director Clough said that bids have gone out June 7th and are due back July 1st for the whole project. Site bids had already been awarded and work has begun.

Commissioner Richards asked Treasurer Sievers if she knew how much interest would be gained by the investments and she replied that had not been calculated yet. Director Clough said that she could do that now that she has all the information. \$125K, which was a conservative estimate, is what had been budgeted for FY11.

Rep. Ward asked how much lead time was required before being able to go for the next bond. He said that it would be important to know in the event that the interest rates begin

to rise. Director Clough said that she will be getting updates from Financial Advisor D. Ranaghan and figured they would need about a month. If the County had to go back to Standards & Poor, then it might take a bit longer.

Rep. Preston moved to approve the recommendations by the Treasurer for the investment of \$17.5M, which was seconded by Rep. Ford. All were in favor.

BUDGET REVIEWS:

COUNTY ATTORNEY: Representative Ford with Atty. Saffo & OFCM Farina present (Including Victim Witness, Violence Against Women Act grant and Medical Referee) Rep. Ford presented a spread sheet of items that she felt key to the Atty's budget.

Director Clough gave the committee the new figure for the County Attorney's salary according to what the Delegation voted on for an increase for Elected Officials.

Revenue and general expenses were reviewed. Atty. Saffo said that the Deputy County Atty's line decreased because she was working out of the Victim Witness Dept. before she took over as County Attorney and that was grant money. When she hired a replacement it was someone less experienced so that person is being paid less. Because of changes in staffing, amounts will be reduced. There was a discussion about Atty's being able to take vacation time.

Atty Saffo discussed the reduction in Court time because of the loss of Judge time.

There was a discussion about the reduced population in the Jail and Atty. Saffo said that in speaking to the Chief of Police in Lebanon, arrests are down but he feels that this is cyclical and will change. Atty. Saffo said there is also a movement to send more cases to District Court and that Drug Court and the GED and Thresholds programs also help.

Atty. Saffo discussed some of the values of Drug Court and spoke about the application for a grant for Mental Health Court.

Rep. Ward said that Corrections are not going to be as they have been in the past and Community Corrections is going to facilitate the change out of necessity.

Medical Referee budget is down from last year and the Atty's Capital Expense budget contains a laser fiche lease for \$2K.

DRUG COURT: Representative Ford

The Drug Court budget has increased by \$33K and they will have the capacity to accept 3 more individuals than last year, bringing the total to 28. The cost increase to the Treatment line comes from the fact the line had been underestimated from the beginning and now represents a more accurate total. No grants other than one for caseworker have ever been received for Drug Court since its inception.

It is estimated that the cost to house an inmate runs around \$35K a year and costs for an individual for Drug Court is between \$8 and \$11K, which does *not* include supervision.

Rep. Williams said that he was very impressed with the new County Attorney and Rep. Ford echoed that sentiment.

HUMAN SERVICES: Representative Ford with HSA Bishop present.

The HS budget totals come primarily from mandated costs to the State. There was a discussion about FMAP money which is additional money toward medical costs for long term care nursing. The amount expected in the months from July to December is \$830K which was used to offset this budget.

HSA Bishop said that the cap amount on care has been increased 12% and without the help of the federal money, this budget would have been considerably higher. The hold harmless clause has expired.

HSA Bishop said that the total budget figure could change in July due to calculations because of the higher elderly population in Grafton County. She said to expect to see a higher budget year after year from now on.

Incentive funds have been removed from the County budget to the State.

Rep. Ward asked about increases to Intermediate Nursing Care and the variation of spending in the current budget. HSA Bishop said it has to do with the way her computer figures the payments as HCBC first and then Intermediate Care, which all ends up going toward the \$7.5M cap, it's just broken down differently.

Rep. Ward noted that he likes the way the FMAP money is now allocated as an offset as opposed to revenue. It's clearer this way he said.

NURSING HOME: Representative Preston with NHA Bolander and H. Wetherbee present.

Revenue: Total revenues are up slightly with Medicare revenues down due to hospitals keeping patients longer before sending them to nursing home care.

Rep. Ward said that there are three hospitals in the North Country that are teetering on the edge financially.

There was a discussion about how Medicare payments are figured.

Director Clough passed out information on revenue projections through fiscal year 2010. There has been \$606,895 in Pro-Share payments and \$762,703 in Bed Tax revenue with another \$254,234 expected. \$547,457 is the total expected in supplemental payments bringing the total for FY10 to \$1,564,394.

Bed Taxes are distributed to every nursing home in the State to offset the cost of long term care and are based on revenues. Director Clough said that if the FMAP money ends, so will the supplemental Bed Tax payments.

Expenses: Computer hardware and maintenance is up \$50K which is required in order to comply with new medical information and a new server is necessary as the existing one is just limping along.

Rep. Ward asked why contract nursing services is not projected in the budget as it appears that money was spent for that in FY10. NHA Bolander said that she doesn't plan to have to use contract services next year and if she does, money can be taken from the nursing line.

Rep. Ward asked about audit costs and Director Clough said they run just under \$30K and roughly half of that is for the Nursing Home.

Rep. Williams asked why the Director of Nursing is paid so much more than in any other County in the State and NHA Bolander said it was because she has more experience and years than others coming into the position at other County Nursing Homes.

There was a question about the new line Legal Fees/Survey Fines. NHA Bolander said that she has budgeted that in the event that fines will need to be paid because of infractions from a survey. She said that because of cutbacks, she is concerned that they may not be able to comply with everything. Rep. Ward questioned why the Nursing Home is skimping on care but putting money into the surplus fund.

Rep. Laliberte asked NHA Bolander if she was making preparations for when the new Jail goes on line and will be requiring less of the Dietary and NHA Bolander replied that it wouldn't be for two years but she is keeping an eye in that direction.

Other Departments in the Nursing Home were reviewed with minimal questions asked.

SOCIAL SERVICES: Rep. Williams

Rep. Williams said that he has full confidence in the review by consultant Cindy Swart and that she scrutinizes all of the agencies very closely.

Commissioner Richards said that she understands that Grafton County is the most generous of all Counties when it comes to funding social service agencies and that if there were cuts to be made it could happen in this \$600K budget, but she and fellow Commissioners feel that it is very important to give to the most needy citizens and that she is very proud of the funding.

Rep. Ford said that taking money away from social service agencies ends up costing more in the communities and they provide a beneficial service.

Rep. Williams recommended funding the Social Service budget as is.

Director Clough said that the budget is down \$10,200 due to new reductions and passed out the monthly variance and pro-rated reports to the committee for review. She also passed out the Farm's preliminary deficit projections and the FY10 milk revenue.

There was a discussion about the Farm and the use of inmates on the Farm which Commissioner Cryans said was immeasurable. Rep. Ford said that she thinks that there needs to be a decision made as to what the Farm is for.

Commissioner Cryans said that there is a purpose for the Farm and one of them at this point is taking care of inmates during the day. He said he's never heard anyone ask him why the County is running a Farm.

Rep. Ford said she has heard that and doesn't feel the purpose has been articulated.

Commissioner Cryans said he has in fact articulated it and this is a dairy Farm whose revenue depends on the price of milk.

Rep. Ward said that Coos County, who is reviewing the possibility of closing their Farm, has gotten their performance audit.

Commissioner Richards said that she feels that there is a lot of potential for the Farm and more can be achieved from it if the County is more progressive.

Next meeting on budget will be Friday June 18th beginning at 9:00 AM.

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

11:42 PM Meeting adjourned.

Respectfully submitted,

Phil Preston, Clerk