

DELEGATION VOTE ON FY18 BUDGET

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
June 26th, 2017

PRESENT: See Attached Sheet

9:00 AM Rep. Sykes called the meeting to order

Rep. Smith called the role. Twenty one (21) members were present and a quorum was declared.

9:05 AM Rep Sykes recessed the meeting for Party Caucuses. Party members left the room to caucus with their respective parties

9:44 AM Party members returned and the meeting was reconvened

Rep. White move to appropriate \$43,105,252 for fiscal year 2018 of which \$25,170,129 is to be raised by taxes. Rep. Abel seconded the motion.

Rep. Brown moved to amend the motion by taking the FY17 budget and adding the rate of inflation of 2.1% to make the FY18 Budget. Rep. Ladd seconded the motion.

Discussion:

Rep. Sykes asked CA Libby what that impact would be on the budget. She stated that she would figure that number out and let the Delegation know.

Rep. White asked the Commissioners for an explanation regarding some of the salary lines. He stated that in the Commissioners memo it states that there is a 2% cost-of-living adjustment for non-bargaining unit affiliated members but when he looks at the budget it appears that some of the single office positions have a 4% increase and he would like an explanation as to why that is. Rep. Sykes stated that he would like to have the impact of this motion to the budget before they discuss that question.

Rep. Almy stated that she will be opposing any motion like this because they are the ones who are supposed to be responsible for deciding which programs get cut and by how much. If they are requesting that a large cut be made they will not know where it is being cut from and it is their responsibility to decide where those cuts need to be made.

Rep. Brown stated that they have a responsibility to our constituents. He feels this budget is over inflated and bloated which is why he made his motion. Rep. Abel

stated that he respects the comment that was made but would like to reiterate what Rep. Almy had stated. If they are going to protect the taxpayer, in their role as the Delegation, they need to make decisions and say where the cuts need to come from. He would oppose that motion as well.

Rep. Higgins stated that she is becoming aware of the amount of extra work the Executive Committee does and would like to have them stand up and thank them personally.

Rep. Maes stated that on the Executive Committee they looked at the figures that were given to them and made cuts where they felt were necessary. He feels that in making a random figure to cut a budget they need to take a look at who and how that is going to effect the people involved. Rep. Smith noted that there are many items in this budget that are out of their control.

CA Libby stated the impact of the motion would be a reduction in the budget by \$1,301,234.00. Rep. White asked CA Libby how that might affect the operation of the county. CA Libby stated that it would be tough. She stated that she does not know where they would take it from as 60% of the budget is salary and benefits. She stated that many items such as the health insurance and retirement rates go into effect July 1st which does not give them a lot of time to work with. She stated that if this motion were to pass it would require sitting down with the department heads and Commissioners to figure out where the money would be cut and it is a good likelihood that it would come from staff which impacts the services that they can provide. Rep. Almy asked CA Libby if she would be empowered by the motion to go further into the surplus we have and use more Tax Anticipation Notes to get through until property taxes are due at the end of the year. CA Libby stated that they do not have the surplus to do that. They are projected to have a \$1.3 million unassigned fund balance at the end of this year and that is very low.

Rep. Hennessey recognized that the county employees are having increases in their health insurance but that does not reflect what the average Grafton County constituent is paying.

Rep. Schwaegler stated that she would like to speak in favor of this motion. Senior citizens make up a large part of Grafton County and in 2016 Social Security received a 0% increase and a .3% increase in 2017. She stated that she has not received a raise in six (6) years. They are asking constituents to pay for something they cannot afford. Rep. Bennett stated that we have one of the most regressive tax structures in New Hampshire. He stated that he thinks that it is hypocritical to say that we do not want tax increases but they are not doing anything at the state level to make changes. Rep. Smith if we start cutting people in this service oriented county we won't be able to provide the services that we currently do.

A roll call vote on the amendment was called. Twelve (12) Reps., Bailey, Binford, Boutin, Brown, Darrow, Ham, Hennessey, Hull, Johnson, Ladd, Massimilla and Schwaegler voted in favor. Thirteen (13) Reps., Abel, Almy, Bennett, Campion, Dontonville, Higgins, Josephson, Maes, Mulligan, Rand, Smith, Sykes and White voted in opposition. With the vote being twelve (12) in favor and thirteen (13) in opposition the motion fails.

Rep. White stated that he would like to inquire about the question he raised regarding the COLA for non-bargaining unit employees is set at 2% yet in some budget line items employees have a 4-5% total increases and step increases are not noted in all of those line items. Commissioner Lauer explained the pay structure in the county budget. She stated that the county uses a step and grade system for salaries. The individuals that are maxed out on steps at their current grade will get the 2% COLA only. Some employees have not reached the max step on the wage chart. These step increases are awarded based on performance. She explained that you may see that an employee is getting their step increase as well as a COLA. CA Libby noted that each department head does their own descriptions in their budgets and everyone does them a little differently and you will not see step increases labeled for each line item. She explained that if there is more than a 2% increase in a salary line it is either because there is also a step increase included or it is an upgraded position based on the wage study that was performed this past year.

Rep. White moved to reduce the Maintenance Capital Outlay by the sum of \$95,000.
Rep. Bennett seconded the motion.

Discussion:

Rep. White stated that he is concerned about the growth of the county. He feels the parking lot paving can be put off another year and is not necessary this year. He stated that they need to make cuts where they can that do not affect the people and services that are provided.

A roll call vote on the motion was called. Twenty – three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Brown, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Sykes and White were in favor. One (1) Rep. Smith was in opposition. With the vote being twenty three (23) in favor and one (1) in opposition the motion passes.

Rep. Hennessey moved to remove one (1) Legal Assistant and one (1) Assistant County Attorney from the County Attorney's Budget totaling \$140,000. Rep. Binford seconded the motion.

Discussion:

Rep. Hennessey stated that the County Attorney's Office is adding three (3) and a half new positions and she feels that is a lot and if this amount is needed they should be added one (1) at a time. Atty. Saffo was asked to speak to her positions. Atty. Saffo explained the increased work load as well as Felonies First with the Delegation and answered

various questions Rep. Abel spoke against the motion and stated that he felt very strongly about the Attorney's Office needing an additional attorney if they are to continue to provide the best service that they can. Rep. White stated that he feels that cutting the new positions out seems problematic. Rep. Hennessey clarified that she is not trying to cut all the new positions. Her motion would leave in place the second added attorney who would start in January.

A roll call vote on the motion was called. Ten (10) Reps., Bailey, Binford, Brown, Darrow, Ham, Hennessey, Hull, Johnson, Ladd and Schwaegler voted in favor. Fourteen (14) Reps., Abel, Almy, Bennett, Campion, Dontonville, Higgins, Josephson, Maes, Massimilla, Mulligan, Rand, Smith, Sykes and White voted in opposition. With the vote being ten (10) in favor and fourteen (14) in opposition the motion fails.

Rep. Ladd moved to reduce the Social Services budget by \$21,923.00 to the level of \$500,000. Rep. Hennessey seconded the motion.

Rep. Ladd stated that local towns also contribute to these agencies as well so taxpayers are being hit twice. Certain services are important but there are new agencies and this budget continues to grow. Rep. Sykes stated that this is an example of where county expenditures in this part of the budget keep other expenditures throughout the budget down whether it is keeping people in their homes and out of the nursing homes or others out of the jail. He noted that they have not caught up with 2012 levels of funding as of yet. Rep. White stated that a blanket reduction and not specific cuts he cannot support. Rep. Ladd stated that the \$21,000 will have to be split up amongst the agencies and the people who present these figures will have to decide where to make these cuts. He stated that they cannot continue at this pace of spending.

A roll call vote on the motion was called. Ten (10) Reps., Bailey, Binford, Brown, Darrow, Ham, Hennessey, Hull, Johnson, Ladd and Schwaegler voted in favor. Fourteen (14) Reps., Abel, Almy, Bennett, Campion, Dontonville, Higgins, Josephson, Maes, Massimilla, Mulligan, Rand, Smith, Sykes and White voted in opposition. With the vote being ten (10) in favor and fourteen (14) in opposition the motion fails.

11:00 AM Rep. Sykes recessed the meeting for Party Caucuses. Party members left the room to caucus with their respective parties.

11:15 AM Party members returned and the meeting was reconvened

Rep. Brown moved to reduce the Farm budget by \$67,378. Rep. Hull seconded the motion.

Discussion: Rep. Brown stated that it seems like it is costing the tax payers \$100,000 to subsidize a farm. He stated they have a farm with free labor and is losing \$63,000 a year. Rep. Brown stated that the Farm Manager either needs to make money, break even or do away with the farm. Rep. Smith stated that there are benefits that the farm provides to the

county that are not reflected in the budget. The jail is able to provide better quality food to the inmates as is the nursing home. If the inmates are in the minimum unit they are working and it is benefiting them to learn a skill. The jail provides the labor and the farm provides the food. Rep. Massimilla asked if the dairy program benefits the county. Rep. Sykes stated that the herdsman have bettered the quality of the herds and they are the #1 farm in the state for milk production in pounds. Rep. Champion stated that in terms of dollars, there is almost \$59,000 worth of produce used to feed the residents and inmates. Rep. Ladd stated that he feels there are two (2) issues. The dairy business throughout New England is having a difficult time. The cost of agricultural insurance is increasing dramatically and the real question is if the dairy aspect is a venture they want to continue. He noted that they do need to teach work ethic but needs to know if this is the way to do it. Rep. Ladd stated that he has always supported the dairy farm but knows there is not another farm here in the area other than Hatchland that is not running in a lot of debt. Rep. Sykes stated that they have made progress and the promise for a lot more progress in years to come. Rep. White asked what the revenue expense ratio looked like in the last full year. Rep. Ladd stated that the dairy business is not in good shape and they need to look into it. CA Libby stated last year we budgeted \$534,761.00 in revenue and collected \$511,670.54. They had total expenditures of \$581,856.25 or a gap of \$70,000 and that does not include capital expenses. Rep. Sykes noted that this year they have put off the purchase of capital equipment on the farm in an effort to reduce that gap.

A roll call vote was called on the motion. Eleven (11) Reps., Bailey, Binford, Brown, Darrow, Ham, Hennessey, Hull, Johnson, Ladd, Massimilla and Schwaegler were in favor. Thirteen Reps., (13) Abel, Almy, Bennett, Champion, Dontonville, Higgins, Josephson, Maes, Mulligan, Rand, Smith, Sykes, and White were in opposition. With the vote being eleven (11) in favor and thirteen (13) in opposition the motion fails.

Rep. White asked if a subcommittee will be looking into this issue with the Farm and try to find some answers. Rep. Sykes stated as an Executive Committee they are fully open to subcommittees and invite members of the Delegation to join.

Rep. Darrow stated that it has come to his attention that when they eliminated the \$95,000 for the Courthouse parking lot paving it was explained that Supt. Oakes would need the \$2,000 added back into the budget for crack sealing that was taken out.

Rep. Darrow moved to restore the \$2,000 back to the Maintenance budget. Rep. White seconded the motion. A roll call vote was called on the motion. Twenty –four (24) Reps., Abel, Almy, Bailey, Bennett, Binford, Brown, Champion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-four (24) in favor and none in opposition the motion passes.

Rep. White stated that this is a \$42 million budget and asked if there is an expenditure policy that departments are following. CA Libby stated that there is a statute that they are required to follow

that states anything that is to be purchased for over \$5,000 is put out to bid but a bid waiver can be requested by the department head and approved by the Board of Commissioners.

Rep. Massimilla asked what the break down is of the \$314,000 Community Corrections line in the Department of Corrections. Supt. Elliott explained that the Community Corrections line item is made up of six (6) full time employees; one (1) Lieutenant, two (2) Sergeants, one (1) Corporal, one (1) officer and an Administrative Assistant. Rep. Ladd asked Supt. Elliott if Grafton County is still receiving inmates from other counties. Supt. Elliott stated that they receive Coos County females and this year they have received roughly \$95,000 in revenue from those inmates. They charge \$50 a day and Coos County pays for medical expenses. Rep. Massimilla asked if there are grants that are applied for within the Department of Corrections on a regular basis to help with costs. Supt. Elliott stated that they have two (2) grants within the Department of Corrections. The Governor's Commission Grant from the Bureau of Drug and Alcohol funds 75%-80% of their programming inside the facility. They also have an RSAT grant from the Attorney General's Office that allows counseling for female inmates in the jail.

Rep. Sykes moved to appropriate \$43,012,252.00 of which \$25,077,129.00 is to be raised by taxes. A roll call vote was called on the motion. Thirteen (13) Reps., Abel, Almy, Bennett, Campion, Dontonville, Higgins, Josephson, Maes, Mulligan, Rand, Smith, Sykes and White voted in favor. Eleven (11) Reps., Bailey, Binford, Brown, Darrow, Ham, Hennessey, Hull, Johnson, Ladd, Massimilla, and Schwaegler voted in opposition. With the vote being thirteen (13) in favor and eleven (11) in opposition the motion passes.

Rep. Campion moved to authorize the Treasurer to borrow Tax Anticipation Loans in an amount up to \$10,000,000. Rep. Rand seconded the motion.

Discussion: CA Libby read the following email from Treasurer Hill as she was unable to make it to the meeting:

Dear Members of the Grafton County delegation,

A last minute emergency with my business has prevented me from attending this morning's important meeting regarding the County budget. Please accept my apology that I cannot be with you in person.

As many of you know, county property taxes are collected at the end of the calendar year, and there is each year a period of time around mid/late summer through December when the County depends on short-term borrowing (tax anticipation notes) to maintain adequate funds in our accounts to pay bills and cover payroll. This has become a standard practice in Grafton County, as well as in counties (and towns) across the state facing similar challenges.

I hope that the County delegation will support the prudent proposal offered by our County Administrator to authorize the County to follow this course of action once again

this year. Her experience and expertise are a true asset to the County, and I support her recommendation wholeheartedly.

Again, I apologize that I cannot be with you in person due to a work emergency. But I do feel confident that Julie will be able to answer any questions or concerns that you may have.

Best wishes,
Karen Liot Hill
Grafton County Treasurer

A roll call voted was called on the motion. Twenty –two (22) Reps., Abel, Almy, Bailey, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-two (22) in favor and none in opposition the motion passes.

Rep. Josephson moved to contribute \$34,000 from Dispatch Fees for fiscal year 2018 to the Dispatch Capital Reserve Account. Rep. White seconded the motion. A roll call vote was called on the motion. Twenty –three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-three (23) in favor and none in opposition the motion passes.

Rep. Maes moved to expend \$44,000 from the Dispatch Capital Reserve account for equipment for the Dispatch Center. Rep. White seconded the motion. A roll call vote was called on the motion. Twenty –three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-three (23) in favor and none in opposition the motion passes.

Rep. Almy moved to contribute \$50,000 from Medicaid ProShare funds to the Nursing Home Capital Reserve account. Rep. Bennet seconded the motion. A roll call vote was called on the motion. Twenty –three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-three (23) in favor and none in opposition the motion passes.

Rep. Rand moved to expend \$101,479.87 from the Nursing Home Capital Reserve account for equipment at the nursing home. Rep. White seconded the motion. A roll call vote was called on the motion. Twenty –three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson,

Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-three (23) in favor and none in opposition the motion passes.

Rep. Bennett moved to expend \$36,854.98 from the Register of Deeds Surcharge account for equipment. Rep. White seconded the motion. A roll call vote was called on the motion. Twenty –three (23) Reps., Abel, Almy, Bailey, Bennett, Binford, Campion, Darrow, Dontonville, Ham, Hennessey, Higgins, Hull, Johnson, Josephson, Ladd, Maes, Massimilla, Mulligan, Rand, Schwaegler, Smith, Sykes and White voted in favor. With the motion being twenty-three (23) in favor and none in opposition the motion passes.

Rep. Darrow stated that throughout the course of the Executive Committee meetings if someone was absent there was no one to take their place. He stated that he would like to propose a change to the bylaws that would allow someone from the Delegation to sit in on the Executive Committee and take the absent member's place. Rep. Sykes stated that a change in the bylaws is something that should be entertained. Rep. White stated that he understands the concept but the purpose of the Executive Committee is to have stability throughout the term and when substituting members you lose that stability. He stated that you are bringing someone in to that role for a first time and it puts that person in an uncomfortable position. The members on the Executive Committee are subject matter experts and it would be a difficult situation to be in if you are substituting in for a meeting. Rep. Ladd stated that he worked with Rep. White on the Executive Committee and agrees with what he said. Rep. Ladd suggested that each caucus appoints an alternate from their group. If the alternate is on board with what is going on at the Executive Committee meetings that would be a benefit to all. Rep. Sykes stated that changing by laws is a serious matter and he is anxious to change them short notice. He also noted that they are not sure of the exact wording to change the bylaws. They discussed working on the wording at their Executive Committee meetings and have the vote in Concord with the full Delegation as that would be an easier way to get the group together. Rep. Darrow stated that he likes the idea of the alternate. CA Libby noted that the next Executive Committee meeting is Sept. 18th.

Rep. Sykes thanked the members of the Executive Committee who made it to the meetings as they did not have a quorum issue this year.

12:24 PM with no further business the meeting adjourned.

Sincerely,

Suzanne Smith, Clerk