

GRAFTON COUNTY EXECUTIVE COMMITTEE BUDGET MEETING
Administration Building
North Haverhill, NH 03774
June 14th, 2024

PRESENT: Reps. Sykes, Baldwin, Bolton, Stringham, Sellers, Murphy- via Teams, Morse, Simon, County Administrator Libby, Assistant County Administrator Burbank, Administrative Assistant Norcross, Commissioner Piper, Commissioner Ahern, Commissioner McLeod – via Teams

OTHERS PRESENT: Maintenance Supt. Oakes, Assistant Superintendent Colbeth, Interim Farm Manager White, Alternative Sentencing Director Mitchell

Rep. Sykes called the meeting to order at 9:00 am and began with the Pledge of Allegiance.

Maintenance – Superintendent Oakes & Assistant Superintendent Colbeth

A. Expense

Supt. Oakes gave the following budget summary:

FY25 MAINT. DEPT. REPAIR & MAINTENANCE BUDGET – SUMMARY

FY25 Total Budget: 2,006,581
FY24 Total Budget: 2,001,329
Difference: \$5,252 / 0.25% increase

Salaries (account 01-4165-002 page 17) Increase

- Added new Maintenance Assistant position that starts Jan 2025
- Increased salaries for some licensed positions

Affects: Social Security (account 01-4165-100 page 17) / Retirement (account 01-4165-130 page 17) / Uniforms (account 01-4165-520 page 17)

Education & Conferences (account 01-4165-170 page 17) Increase

- Greater number of licensed positions due renewal in FY25 than in FY24
 - Continuing Education Credits
 - State licensing costs
- The State of NH is now charging for the renewal of certifications

Contract Maintenance (accounts 01-4165-291 through 01-4165-299 page 17) Increases

- Resume HVAC/refrigeration PM program in lieu of in-house HVAC/refrigeration tech

Electricity (accounts 01-4165-619 through 01-4165-628 pages 17 & 18) Reductions

- FY24 Cost of Power Adjustment (COPA) roughly 11% less than Woodsville Water & Light (WW&L) projected
- 110,000 KWh reduction at nursing home due to department energy initiatives

Water (accounts 01-4165-629 through 01-4165-638 page 18) Increases

- WW&L projects a 7% rate increase in January 2025

Sewage (accounts 01-4165-639 through 01-4165-647 pages 18 & 19) Increases

- WW&L's projected rates exceeded their 2023 Rate structure by 47%. Thus, many of my FY24 sewer accounts are running a deficit. My FY25 budget has to make up for this change and then also accommodate another 7% rate structure increase in Jan 2025.

Fuels (accounts 01-4165-649 through 01-4165-658 page 19) Woodchip and propane prices remain stable, and diesel costs have decreased. Commodity price changes are listed below:

Fiscal Year →	FY24	FY25	Change
Woodchips	\$71.8 per ton	\$71.80 per ton	\$0
Propane	\$1.55 per gallon	\$1.55 per gallon	\$0
Diesel	\$3.36 per gallon	\$3.265 per gallon	(\$0.095) gallon
Heating Oil	\$0 (did not budget)	\$3.265 per gallon	+ 22,500- gallons of oil

As a contingency measure, we are budgeting \$7,500 gallons for each of our three Underground Storage Tanks, but we won't buy them unless needed.

Repair & Maintenance (accounts 01-4165-805 through 01-4165- 838 pages 19 & 20) Increases

- In FY24, we incurred many expensive, unexpected breakdowns, which put us heavily in the red. To hedge against this in the future, I've bolstered the DOC and nursing home budgets along with a few other smaller buildings where I feel current budgets are too low.

Structure insurance (accounts 01-4165-930 through 01-4165-938 page 20) All are up approximately 22.5% on average.

Supt. Oakes answered questions from the Committee.

B. Capital Outlay

1. Sidewalk Infills – Supt. Oakes stated that he wants to remove granite infills in six (6) sections and backfill with concrete. Supt Oakes explained that the granite pavers heave every winter, creating a sidewalk tripping hazard. It's also a hazard to the person plowing when the plow edge catches the edges of the pavement.

Farm – Interim Manager White

A. Revenue

1. Sale of Produce – Interim FM White stated that he had increased this line by \$5,000.
3. Sale of Wood—CA Libby stated that the RFP had been sent out for the timber harvest, and bids are due July 2nd.

Commissioner Ahern noted a challenge on the Farm with the inmates from the Department of Corrections is that they do not have to work out on the farm. If they had more inmates out working, they could increase the revenue on the farm.

Interim FM White answered questions from the Committee.

B. Expense

1. Custom Cropping – Interim FM White stated that Murdo Limlaw is doing the Farm’s custom cropping this year for the first time; therefore, there is a \$20,000 increase in that line. He explained that in the past, the county had done its grass cutting and baling while Hatchland Farm had helped with corn, but the County’s equipment was aging and in need of replacement. Instead of purchasing new equipment, they hired Murdo Limlaw to do all custom cropping.

Interim FM White answered questions from the Committee.

Grafton Regional Development Corporation – Commissioners

Commissioner Piper stated that GRDC has requested \$40,000. She explained that GRDC has expanded what they offer to help meet the needs of the post-Covid economy. She noted that they are currently trying to tackle childcare availability issues in the area. Anne Duncan Cooley has regularly met with the Commissioners, and Commissioner Piper supports this request. This budget has been trimmed in the past, but she does not recommend cutting it during this budget cycle. Commissioner Piper discussed the various services that GRDC offers and stated that they are happy to support this agency. She answered questions from the Committee.

Alternative Sentencing – Director Mitchell

A. Revenue

AS Director Mitchell stated that she anticipates her department bringing in more revenue than budgeted. She noted that she is now approved to bill Medicaid and will start that process. They have also received a large increase in BDAS funding, increasing revenue by roughly \$184,000 overall.

B. Expense

1. Education & Training – This line was reduced by \$1,000 due to the request from the Commissioners to reduce their budget.

C. SUD Treatment Expense

AS Director Mitchell noted that this is the grant-funded portion of her budget.

1. Supplies – The AS Director noted an increase in this line due to the 6-month figures.
2. Dues—This line has a slight increase due to the addition of more licensed staff who need to maintain their certifications.
3. Education and Training – AS Director Mitchell stated that she reduced this line as a part of the Commissioners’ request to reduce the overall budget.

Commissioners’ Office – CA Libby

Commissioners’ Office

CA Libby stated that she made reductions to many lines as a result of the Commissioners request to reduce the budget by 1.5%

1. Travel Expense – Comm – CA Libby noted a slight increase in this line.
2. Telephone—CA Libby explained that she budgeted for the current fiscal year's increase; therefore, this upcoming budget does not show the increase that the other departments will show.
3. New Equipment—CA Libby stated that one of her staff members requested a new desk.

Treasurer – CA Libby

CA Libby noted no changes in the Treasurer’s budget.

Information Technology – CA Libby

New Position – CA Libby stated that they have requested a new IT Director position to start in January. She explained that many budgetary issues contributed to the over-expenditure of the IT budget this fiscal year, and from the County’s perspective, it will be very important to have its own IT Director who manages their systems and is on-site every day. The contract with SNS ends in 2025, and part of this request is to have this position assess what is truly needed. An IT Director could help determine whether the County should go back to its in-house IT department or look at a hybrid model. This position will help them be in a much better position to determine the County’s IT needs.

Allocated Services to the Nursing Home – CA Libby stated that this line was initiated in the early 2000s. There is no basis or justification as to what this allocation is for or based on.

Therefore, they have decided to do away with it. She explained this is a wash item between the IT and Nursing Home budgets.

CA Libby answered questions from the Committee regarding the IT Director position.

Software – CA Libby noted that the most expensive software in this line is for the Sheriff's Department at \$240,000. She explained that this line does not include any software at the Nursing Home but includes everything else on the campus. CA Libby went on to explain that the reason for the increase is due to very poor communication from their managed service provider regarding what they have and need on the campus. She was not told everything that was needed when she developed last year's budget. They have a new project manager with whom they worked very hard to ensure this budget includes everything they need, and she is hopeful this budget will be much more in line with what they need.

Human Services – CA Libby

CA Libby stated that this is the County's share of the county cap for Medicaid services. Last year, the cap was frozen for the biennium, so this upcoming year is the same as the current fiscal year. She noted that the cap was over-budgeted in this current fiscal year, and in FY25, the budget is \$8,023,879.00.

Conservation District – CA Libby

The County pays the salary of the Administrative Assistant.

Wage & Benefit – CA Libby

1. Health Reimbursement Account—CA Libby explained that the current plan has a \$1,000/\$3,000 deductible that will now be \$3,000/\$9,000. To compensate for the higher deductible, the County has increased this line to cover 50% of the deductible.
2. Retiree Health Insurance – non-nursing home retirees. After specific requirements are met, employees receive their health insurance paid for after retirement. Their premiums for July 1st went up 24.2%, there was a significant increase in their rates, HealthTrust is switching to a Medicaid Advantage plan on January 1st, and those plans are half the cost. There is not a lot of impact on the dollar amount because one increased.
3. Flexible Spending Administration—CA Libby explained that the significant increase, in addition to the County paying 50% of employees' deductible expenses, was an incentive to have employees switch to the lower plan. The County offered \$500 FSA cards for those employees who switched to the lower-cost plan.
4. Earned Time Buy Back—CA Libby stated that employees are able to buy back 40 hours of earned time twice a year, provided they meet certain criteria. The decrease in this line is based on their first full year of having two (2) buybacks and seeing how many employees participated.

5. Employee Benefit Payout—CA Libby noted that many long-term employees are retiring, and they are retiring with high balances in their earned time accounts. She explained that the County pays out 100% of employees' earned time and a percentage of extended sick leave. The County is seeing more long-term employees retire, and she anticipates that continuing.

Tax Anticipation Note – CA Libby

CA Libby stated that she anticipates borrowing money this year and has included \$7,500 in TAN interest. She noted that she feels the County will be through October before they have to borrow money. She explained that they had to tie up \$4 million on the letter of credit for the broadband project but noted that it could be reduced based on project completion. She added that last year, the County received a \$4.5 million ProShare payment, and this year, they are receiving \$700,000, and those two (2) items will contribute to the County having to borrow money.

Contingency – CA Libby

1. Outside Counsel – CA Libby reported that they have far exceeded the budget this year. They have a significant Supreme Court case pending over a right-to-know lawsuit, and they have a couple of more significant lawsuits that include the Sheriff's suit against the Commissioners and some issues they have dealt with, with the Register of Deeds that have both cost \$20,000. The Sheriff's lawsuit was dismissed by Belknap County Superior Court, and there was a motion to reconsider, which was denied. The Sheriff has thirty (30) days, which ends June 20th, to file a Supreme Court repeal or remand it back to Belknap. CA Libby also noted that the County is paying an attorney to help with Teamsters union negotiations.

2. County Government Promo—CA Libby explained that the decrease in this line is due to the removal of the Employee Recognition Dinner. She stated that the money left in this line will cover service pins and jackets for employees who reach milestones in their years of service.

Transfer to Dispatch Capital Reserve

CA Libby stated that 5% of the Dispatch fees are contributed to this reserve.

Surplus/Fund Balance Discussion

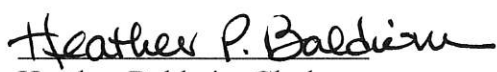
CA Libby explained that fund balance is the accumulation of revenues minus expenditures for each fund maintained by a local government. She stated that no rule or law in New Hampshire governs the level of fund balance for counties, but she noted that the New Hampshire Department of Revenue recommends that municipalities maintain a fund balance that represents between 5 – 10% of their total annual appropriations. The Government Finance Officers' Association recommends as a best practice that "general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures. She stated that the County has set a policy to maintain an unassigned fund balance between 8% and 16% of its annual budgeted appropriations, representing one to two months of operations. For FY '25, this would be between \$4,497,764 and \$8,992,328. CA Libby stated that the County is

looking at an unassigned fund balance of \$2,813,102.50 which equals 5% and less than one month of general fund operating expenses. One month is \$4,683,504, leaving a difference of \$1,870,401.50. She further explained that if they were to maintain an 8% unassigned fund balance, that would be \$4,497,764. This would only allow for the use of \$3,054,632 in surplus to reduce taxes, resulting in a 9.43% tax increase to the proposed budget.

The Executive Committee further discussed the surplus and CA Libby answered various questions. CA Libby stated that she wanted the Executive Committee to have this information prior to their deliberations on Monday.

11:44 AM With no further business, the meeting adjourned.

Respectfully Submitted,


Heather Baldwin, Clerk