

GRAFTON COUNTY EXECUTIVE COMMITTEE BUDGET MEETING

Administration Building

North Haverhill, NH 03774

June 6, 2025

PRESENT: Reps. Baldwin, Bolton, Franz, Oppel – via Teams, Sellers, Spahr, Stringham, Sykes. Commissioner McLeod, Commissioner Hedberg, County Administrator Libby, Assistant County Administrator Elsholz, and Administrative Assistant Norcross.

OTHERS PRESENT: Register Monahan, County Attorney Hornick, Maintenance Supt. Oakes, Donna Lee – UNH Extension, Paul Chiarantona - UNH Extension, Alternative Sentencing Director Mitchell, Ann Garland – via Teams, Nick De Mayo – via Teams, Sally Browne – via Teams, Trish Leplante – via Teams, Emilie Smith – via Teams

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

CA Libby explained that the departments put their budgets together based on wage charts for salaries. A COLA is negotiated further into the budget process; therefore, the salary lines in the Commissioners' recommended budget are all higher, as they include the COLA that was negotiated. She stated that there is no agreed-upon COLA for the Teamsters Union at the Sheriff's Department. The Nursing Home Union has tentatively agreed to the 2% COLA, and the rest of the employees in the complex include the 2% COLA.

County Attorney's Office – Attorney Hornick

Revenue

VAWA Grant – Atty. Hornick explained that the Violence Against Women Act (VAWA) and the Victims of Crime Act (VOCA) grants are federal funds managed by the Attorney General's Office and the Department of Justice. She stated that their office applies for these grants every year. These grants help offset the costs of their Victim Witness Program as well as their dedicated prosecutor, who prosecutes crimes primarily against children.

Circuit Court Prosecution – Atty. Hornick explained that the County subcontracts out a prosecutor to Enfield, Hanover, and Canaan. This prosecutor works out of the Hanover Police Department and prosecutes circuit court cases out of Lebanon Court. She is a part of their office in name only, but if she is out, Atty. Hornick stated she covers for her. Atty. Hornick noted that she will need to reduce this line by \$119,034 as they no longer have the contract with Plymouth and Haverhill for Circuit Court Prosecution. They will reduce the revenue budget, but they will not have the expenses associated with that contract, noting that the revenue is a wash with expenses.

Expense

County Attorney's Office

Clerical - Atty. Hornick stated that the salary line increases are due to the COLA. She noted that they have eliminated one (1) full-time Legal Assistant and a part-time file clerk. There are now two (2) part-time legal assistants. This \$450,432 expense covers eight (8) total employees.

Assistant County Attorney – Atty. Hornick stated that there are eight (8) Assistant County Attorneys covered under this line.

Expert Costs – The Commissioners reduced this line by \$5,000, and she feels comfortable with that.

SVP – Atty. Hornick stated that she includes this in the budget each year in the event that they have a Sexually Violent Predator case, as they are expensive cases. The Commissioners reduced this line by \$5,000 to \$2,500.

CAC Initiative – Atty. Hornick stated that the CAC Initiative allows a child victim of a crime to have a professional, forensically trained investigator interview in a safe space.

Books & Subscriptions – This line has increased by \$200, as specific subscriptions are required, and their costs have also increased.

Office Supplies – Atty. Hornick stated that they try to be online as much as possible, but they still need general office supplies.

Dues & Licenses – There is an increase of \$3,600 due to increased costs. Rep. Sellers asked if all these fees have gone up by the same amount. Atty. Hornick stated that this year they have seen an increase in all of their subscriptions and licenses.

Telephone – This line includes cellphones for all attorneys as they are all on call and assigned to different police departments. This line includes eleven (11) cell phones as well as the phones in their offices.

Vehicle Repair & Maintenance – Atty. Hornick stated that she budgeted \$2,200 for the general maintenance of their vehicle.

Commissioner McLeod noted that Atty. Hornick did request a new position, which was a previously ARPA-funded position that she now wanted to include in the budget. The Commissioners chose not to fund that position or any new positions. Atty. Hornick explained that an Assistant County Attorney was partially funded through ARPA, and based on the number of cases they are seeing, the complexities of those cases, and the increase in child sexual abuse cases, it became clear they needed another Attorney. She had requested that this ARPA-funded position be included in her budget. She stated that she was hoping to hire an intern now as the 9th attorney. She said that one (1) of the attorneys in the office will retire in October. She hoped to be able to hire the intern as the 9th attorney, and then she would go back to eight (8) attorneys when the other attorney retires in the fall.

Commissioner McLeod also noted that with regard to the Expert Costs and SVP lines that the Commissioners reduced, there are encumbered funds still available for these line items and that is why they the Commissioners felt comfortable reducing those lines.

VAWA Grant

Atty. Hornick stated that this is the Assistant County Attorney, who is partially paid for by this grant. CA Libby stated that they break this position into its own line for grant and reporting purposes.

Victim Witness Program – Non-Grant Funded

Atty. Hornick stated that the Victim Witness Coordinators are the ones who work with victims of crimes. They are specially trained to translate what the court system is for victims.

CA Libby stated that the Victim Witness program is broken down into two (2) budgets for reporting purposes for the VOCA grant.

Medical Referee

Atty. Hornick stated that this line covers the costs when there is an untimely death, and a medical referee is called. She noted that all County Attorney's Offices are required to reimburse for these costs.

Maintenance – Superintendent Oakes

Expense

Supt. Oakes stated that the wage and benefit accounts all include salary increases and the 2% COLA. He noted that last year he added a new position for six (6) months, and this year reflects that full year's salary.

Rep. Sellers asked about the \$600 increase in the overtime line. Supt. Oakes explained that he has experienced significant turnover among custodians, so he increased the overtime line to cover those positions as needed.

Health Insurance – Supt. Oakes noted an increase due to employees changing plans.

Contracted Services - DoC – Supt. Oakes noted a significant decrease in this line. He explained that last year they had budgeted for a replacement of a sewer grinder, which is not in the upcoming budget.

Electrical – Supt. Oakes reported a 16% increase across the electrical lines.

Water – Supt. Oakes reported a 15%-meter fee increase. He explained that last year, they incurred double the projected increase that they had been told. They are looking at another 7% increase in January 2026.

Sewer – All sewer accounts are budgeted for a 7% increase for January 2026

Supt. Oakes stated that they have looked into their own power, water, and sewer. Woodsville is unwilling to change the tariff structure to support the County's own electricity. He explained that the County drilled test wells, and the Commissioners decided not to pursue that further. The sewer study that took place was favorable, but they ran into problems at DES, and that was not pursued either.

Rep. Sykes arrived.

Rep. Stringham asked how the amount of funding allocated to nursing home is determined. CA Libby explained that there are allocations for Accounting, HR, and Maintenance because they are ancillary services provided to the Nursing Home. She stated that they do this for Cost reporting purposes for Medicaid and Medicare, as it helps increase reimbursement rates at the Nursing Home if they accurately reflect all costs. She explained that Supt. Oakes has a spreadsheet that allocates costs based on percentages of use.

Fuel – Supt. Oakes reported that propane has increased by .10 cents per gallon, diesel has decreased, and heating oil has decreased as well. He explained that before the Biomass Plant was built, the complex was using 120,000 gallons of #2 heating oil a year. That amount decreased once the Biomass Plant was built. He stated that they did not add more fuel to those tanks, and over the years, they have drawn them down. Last year, they did a big refill, and this year, they will not need to do that. The budget has been reduced to reflect that.

CA Libby explained that the property liability insurance from Primex has increased. The general liability insurance is based on payroll and is based on the maintenance department's percentage of payroll.

Commissioner McLeod stated that the Commissioners decided not to implement changes to the water supply because DES indicated that the County is 25% of the Woodsville Water & Light system. WW&L needs to make significant improvements to their system, and they were very clear in stating that the County would be covering a substantial portion of the costs. There were a lot of discussions with DES and Supt. Oakes has worked very hard to try to find alternatives for these utilities over the years.

UNH Extension – County Office Administrator Lee & Paul Chiarantona

Salary—Professional Staff—COA Lee explained that the County pays 25% of the field specialist positions and 75% of the program manager positions. The County fully pays for its two (2) Administrative Assistants, who are County employees.

COA Lee & P. Chiarantona discussed the various programs that UNH Extension offers throughout the County, as well as the history of UNH Extension and answered questions from the Committee.

Alternative Sentencing – Director Mitchell

A. Revenue

Program Fees – AS Director Mitchell stated that they have implemented a Domestic Violence Program, which has an out-of-pocket cost for participants.

Insurance Reimbursement – AS Director Mitchell noted that they are not yet billing private insurance. They have obtained a Medicaid number, but they have not yet successfully contracted with the insurance, and therefore, she has reduced this revenue by \$5,000. However, she is hopeful that they will ultimately bring in more.

RJ Initiative – AS Director Mitchell reported that the Restorative Justice grant funding is anticipated to be the same. It is still in question as to what the amount will be but she stated that it will not be less than what has been received.

BDAS Funding – AS Director Mitchell noted an increase in this funding as well.

B. Expense

Alternative Sentencing

Education & Training – AS Director Mitchell stated that she has increased this line by \$1,000 because they are building their Juvenile Restorative Justice Program and hope to attend a conference to support their goal of creating a program to help families in their communities.

Treatment Services – AS Director Mitchell stated that she increased this line by \$450.00 due to a new anger management assessment tool.

Vehicle Repair & Maintenance – AS Director Mitchell explained that this increase is due to increased maintenance costs and higher gas prices for their vehicle.

Alternative Sentencing -SUD Treatment

CA Libby stated that this line is associated with the BDAS grant that is received. The grant offsets these expenditures. The two (2) salary lines have split salaries. Alternative Sentencing has staff who perform this work in addition to their regular Alternative Sentencing duties. They changed the percentage of wages that they attribute to the grant, and therefore, this line shows an increase.

Education and training – AS Director Mitchell stated that there is a decrease in this line because they have decided not to attend a training out west and stay on the East Coast to get their best practice training to maintain their licenses.

Satellite Office Rental – Director Mitchell explained that they have relocated their office. The budget shows an increase, but they split the rent with NCHC, which shows up in their revenue line.

Commissioner McLeod noted that AS Director Mitchell did ask for a new Case Manager position that the Commissioners did feel was important, but they were not able to fund it.

Miscellaneous Revenue – CA Libby

State/Federal Funds

Abandoned Property – CA Libby explained that she does a rolling average of past years' data to budget for this revenue. She has increased this line by \$10,000.

Federal PILT – She noted that this line increased by \$5,000. This is money received from the United States Treasurer for federal forest lands in Livermore.

Interest

CA Libby decreased this line by \$175,000 based on rates. She stated that she discussed this with Treasurer Cryans, and they are comfortable with this number. She noted that they budget \$300 for interest on taxes, as they typically have a town each year that is late paying their taxes.

Courthouse Rent

This increase is primarily due to a new rental agreement with the state. They have three (3) lease agreements, two (2) of which increase in July 1st.

Recoveries

CA Libby explained that recoveries are monies received from the state of New Hampshire for Medicaid. \$100,000 is roughly the average the County receives annually.

Dividends/Misc

Retiree Drug Subsidy – This line has been zeroed out because HealthTrust changed to the Medicare Advantage plan, and therefore, the County no longer receives the subsidy.

USAC Subsidy – CA Libby explained that they receive a rural healthcare subsidy for IT expenditures at the Nursing Home and ancillary services through the Commissioners' Office, which are provided to the Nursing Home. This year, she is budgeting this subsidy as its own revenue line, where it has not been in the current year.

Commissioners Office/Misc- CA Libby

Commissioners' Office

CA Libby stated that she has six (6) full-time staff in her office, and the salary and benefit lines items have been adjusted by step increases and COLA.

Allocation – N. Home – CA Libby stated that \$280,554.00 of her budget is allocated to the Nursing Home for cost reporting purposes.

Audit Services – CA Libby explained that every two (2) years, an actuarial attestation needs to be done on their Other Post Employment Benefits (OPEB). Therefore, there is an increase in the upcoming budget to cover that cost.

Office Supplies – CA Libby stated that she has increased this line by \$1,500. She noted that this line was cut last year to reduce the budget, and due to increased usage and costs, they will exceed that budget this year. She is requesting to increase it in the next fiscal year.

Dues – CA Libby noted a \$1,000 increase due to additional costs.

Travel & Expense – This line has a \$4,500 increase, allowing all three Commissioners to attend the NHAC conference. This line also includes funds to send two (2) Commissioners to the NACo conference.

IT Department – CA Libby

CA Libby stated the new IT Director starts on Monday.

Expense

CA Libby explained that the FY2025 budget has a full-time IT Director position budgeted for six (6) months. This upcoming FY26 budget has the whole year at the actual salary offered for this position, and that is the increase in that line.

Contracted Services – CA Libby stated that this increase is based on the two (2) contracts with SNS totaling \$378,168.

USAC Subsidy – CA Libby further discussed the USAC Subsidy and explained that the County is eligible for reimbursement of 65% of the SNS contract. The County contracts through a third-party agency, NETC, to handle the subsidy. NETC receives 15% and the County gets 50%. CA Libby decided this year to break that out and put it into a revenue line, and the total for that subsidy is \$143,161.00.

New Equipment – CA Libby stated that majority of this line item is new computers that are due for replacement.

Software Maintenance & Renewal – CA Libby stated that this line includes all of the Microsoft licenses for employees.

Human Service

CA Libby read the following definition of the County Cap:

County taxpayers are responsible for 100% of the nonfederal share of Medicaid spending for certain long-term care supports and services in the State of NH. This includes nursing homes, assisted living facilities, and community-based services. In New Hampshire, the Federal Government contributes 50% of the cost of these Medicaid programs – or the Federal Share. State law does cap the amount of funds that counties are responsible for.

CA Libby explained that the current law states that the cap billings cannot exceed an annual increase of 2% in any year of the biennium. The House budget that was passed included a 3% increase for each year of the biennium, and the Senate budget maintained this increase. The Commissioners' budget accounts for a 2% increase, as mandated by state statute, due to optimism that the Senate would reduce the cap back to 2%. Without that happening, an \$81,690 increase will be necessary if the 3% increase is implemented. CA Libby noted that, in addition to that, the budget includes the credit that is part of HB547, which is the bill that was introduced to reimburse Counties for FMAP monies that were not appropriately paid during the pandemic. Grafton County is scheduled to receive \$351,807.00 for each of the next four (4) years. It is included in both the House and Senate budget currently, and therefore, they have included it in the County's budget. She explained that if this does not proceed, they will have to include an additional \$351,000 in the Human Services budget for Grafton County to meet its obligations under the County Cap. She stated that the Cap is broken down by the ten (10) counties based on average of the last three (3) years of actual claims.

Rep. Stringham stated that if they fail to reach a budget, it will default to a 2%. If there is no budget, he believes they will not receive the HB547 credit. He explained that there was ARPA money to be distributed to the County but no way to do that 3-4 years ago. It went to the state and sat there. It took about six (6) months for the right organizational set up to disburse those monies. The Counties are asking for those funds because they were not distributed and have introduced the HB547 to recover those funds.

Treasurer

Mileage – CA Libby noted that she has increased this line \$2,000 due to the change in Treasurer. Treasurer Cryans visits the complex more frequently than the previous Treasurer.

Conservation District

CA Libby explained that the County supports the Administrative Assistant position for the Conservation District. There is a decrease in this budget due to the current Administrative Assistant's upcoming retirement and the hiring of a new staff member at a lower rate.

Miscellaneous Expense Accounts – CA Libby

Wage & Benefit

Health Reimbursement Account – CA Libby noted that this is the deductible reimbursement for non-nursing home employees.

Flexible Spending Administration – CA Libby explained that when the County switched to the higher-deductible SOS insurance plan, the County now contributes \$500 to all employees who are part of the SOS insurance plan to help offset the higher deductible.

Earned Time Buyback – Employees have capped earned time banks and are allowed to buy back earned time twice a year, provided they meet specific requirements. This line is increased by roughly \$17,500 based on usage.

Employee Benefit Pay Out – CA Libby explained that this line is for all non-nursing home employees. When an employee resigns or retires, they are paid out earned time and a percentage of sick leave. She stated that she decreased this line \$45,000 based on projections for the upcoming year, noting last year they had a large number of long-term employees leave and had increased this line.

TAN Interest

CA Libby stated that she has increased this line as they will be borrowing more and borrowing earlier next fiscal year. She explained that last year, the County's ProShare payment was \$759,000, and the previous year was \$4.2 million. That created an enormous gap in cash flow. When the Delegation approved the Broadband grant, there was also a matching component. That grant also required a cash-secured letter of credit, and over \$4 million is set aside in a bank account that they cannot access. CA Libby stated that between those factors, which took \$8 million of their normal cash, this created a cash flow shortage. She stated that there is less cash, they are spending more cash, and that is creating a cash flow issue, which leads to needing to borrow more and sooner. She noted that by next summer, the broadband project should be completed and that \$4 million should be freed up. CA Libby noted that they can reduce the letter of credit as the project progresses. She stated that things will get better from a cash flow standpoint, but it will take time. Rep. Stringham noted that this is also a much tighter budget, which means there is less extra in the budget to help with the surplus.

Bonded Debt

CA Libby stated that this is the bond payment for the Department of Corrections and noted that this will be paid off in 2031.

Contingency

Outside Counsel – There is an increase of \$25,000 based on usage. CA Libby noted that one of their lengthy lawsuits has been settled, but it is hard to budget for this line. Primex covers many lawsuits, but some need outside counsel for claims that are not covered.

County Government Promo – CA Libby reported that she increased this line by \$3,000. This includes employee recognition events as well as a raffle basket for the NHAC Conference that each county is asked to put together.

County Delegation

CA Libby increased this line by \$2,500 based on usage.

Transfer to Dispatch Capital Reserve

CA Libby stated that they have traditionally set this amount at 10% of the Dispatch fees. Over the last couple of years, it has been reduced to 5%, and it has not been restored to the original 10%. The upcoming budget includes a 5% increase.

Surplus Discussion:

CA Libby handed out the attached explanation of the fund balance and reviewed it with the Executive Committee.

CA Libby stated that last year, their unassigned fund balance at the end of FY24 was 6.19%. This year, they have proposed using \$2,250,000 in surplus to reduce taxes, which leaves them at 4.46%. This is trending in the wrong direction, but in order to change that, they would need to raise taxes or reduce expenditures.

CA Libby further discussed surplus with the Committee and answered various questions.

Rep. Sykes stated that they have continued to use fund balance to reduce taxes over the years, to give back to taxpayers through a reduced tax rate, rather than maintain a higher fund balance. He stated that they now have the perfect storm and do not have the surplus to help offset taxes. The Executive Committee will need to make a decision this year as to what to recommend to the full Delegation. CA Libby stated that each year, in order to get the tax increase down, they use more and more surplus. They have perpetuated their own problem. Rep. Sellers asked why they need an undesignated fund balance. CA Libby stated that they need to have an unassigned fund balance to cover emergencies. She stated that it is crucial that they have an undesignated fund balance. Rep. Sellers asked what they are anticipating at the end of June. CA Libby stated right now it is \$2.6M, but she will be able to update that next week when she has May's financials. Rep. Sykes stated that this will be an essential part of their deliberations on June 16th. He encouraged the committee to reach out to CA Libby or the Commissioners in the meantime, if they have any questions.

CA Libby stated that DRA does not have equalized valuations available yet. The appeal period runs through this week, and DRA anticipates it will be available next week. She will release that information as soon as it is available.

Register Monahan stated that Bar Harbor is taking legal ownership in late July, and that is when they will get answers to their questions about the merger.

11:55 AM With no further business, the meeting adjourned.

Respectfully Submitted,


Heather Baldwin, Clerk