

“DRAFT”

Carroll County Delegation Minutes

July 20, 2009 - 9:00 A.M.

County Administration Building

Present: Reps. Ahlgren, Bridgham, Bucu, Butler, Chandler, Fleck, Knox, McConkey, Patten, Roberts, Scala, Stevens, Umberger Wiley; Commissioners Sorensen, Solomon and Albee;

Carroll County Delegation meeting called to order by Chair Rep. Patten at 9:00 a.m.

The focus of today’s meeting is to discuss the implications of the Delegation “Getting Out” of the Nursing Home Business; the new Mountain View Nursing Home Proposal; and the Commissioners’ request for funding the proposed Nursing Home Project.

Chair Rep. Patten led the Delegation, Commissioners’ and public in a pledge of allegiance to the new flag.

Chair Rep. Patten opened the floor for fifteen (15) minutes of public input.

Greg Froten, former Mountain View Nursing Home Administrator from 1984 – 2005. *Over the past twenty years Mr. Froten stated he has seen the current nursing home grow and go through many changes during that time period. He stated that in his opinion – “now is the time” to build a new nursing home. He also stated that waiting to build a new facility – will only cost more later.*

Karen C. Juvonen, Family Council Chairwoman. *Karen’s mother resided for many years at the Mountain View Nursing Home. Karen addressed the Delegation and Commissioners that in her opinion the current nursing home facility is currently in a state of deplorable condition. She asked the Delegation and Commissioners to go forward and build a facility in Carroll County that provides medical assistance, a nurturing environment, and support to patients and their families. Chair Patten asked Ms. Juvonen to provide the Delegation with a copy of her letter and a petition with over 300 signatures from Mountain View Nursing Home residents, family members and members of the community.*

Gene Goodwin, Representative for Sugarhill Retirement Community and Huggins Hospital Building Committee Member. *Mr. Goodwin stated that in his professional opinion he felt the proposed nursing home design is excellent and will positively represent the next thirty years in caring for Carroll County’s seniors and urged the Delegation to vote “yes” for the proposed nursing home project.*

Shirley Hatten, Resident of “The Ledges” (senior apartment

currently housing forty residents) and a representative for “Christian Ridge” (currently housing thirty-two seniors). Ms. Hatten advised the Delegation that her fellow residents are very “upset” with the closing of “Mountain View Nursing Facility”. Ms. Hatten also provided Chair Rep. Patten with a four (4) page Petition of signatures from the residents.

Kathleen Maloney, Chairwoman of the Board of Selectmen, Town of Ossipee. Chairwoman Maloney advised the Delegation and Commissioners that the Board of Selectmen are very much in favor of building the proposed nursing home facility and are of the opinion that the proposed facility is very necessary.

Linda Murray, Resident of Wolfeboro. Ms. Murray stated that she supports the proposed new nursing home facility in Ossipee. She asked the Delegation if they would consider bringing down the cost of the proposed nursing home facility. She agreed that the County is currently in need of a new nursing home facility.

Holly Sauer, her father is currently in a nursing facility. Ms. Sauer stated that now is the time to build the proposed nursing home facility. She further stated that in her opinion, the building of this facility will create jobs within the community and surrounding areas.

Chair Rep. Patten was provided with copies of numerous emails and letters relative to the proposed nursing facility as follows:

Shirley Hatten – in favor; Mike and Sue Wernett of Bartlett – not in support of the projected cost of the proposed nursing facility; letter from Conway Selectmen requesting an answer as to why the projected cost to build the proposed nursing facility increased from ten million to twenty-four million and asking the Delegation to look at cutting the cost; Robert Johnson of Wolfeboro – in favor; Wendy Hatten – in favor; Robert McKenzie – in favor. Emails from Kathleen of Back Road Farm; Ken Perry of Wolfeboro – in favor; Becky Gooding of West Ossipee – in support; Terri McLaughlin of Ossipee – in support; Lisa Howard property owner in Effingham and Wakefield – in support; Gail Gordon of Tuftonboro.

Several individuals signed up to speak after the Delegation Meeting for the public input segment - but did not stay for the entire meeting.

Jim Martin; Harvey Stephenson; Wanda Harding; Chris Bozuwa; Robert D. Partridge; Suzanne Ryan. (Three names on this list remain “illegible”).

Chair Rep. Patten closed the floor for public input.

Chair Rep. Patten stated that Rep. Bucu would clarify and answer the question from the Conway Selectmen relative to confirming the Commissioners’ proposed projected figure of 23.8 million.

Rep. Bucu stated that there never was a “serious” estimate of ten million dollars to build the proposed nursing home. Rep. Bucu further stated that for this year (2009) the Building Committee has not worked with anything less than \$250.00 sq. foot. Chair Rep. Patten stated that since the Delegation accepted the ten million dollar report – the Building Committee has extensively learned much more about the realistic cost(s) relating to the proposed nursing home project.

Rep. Stephens asked if any documentation was presented today that would request the Delegation “getting out” of the nursing home business. Chair Rep.

Patten advised that she had not received any emails/letters asking the Delegation to “get out” of the nursing home business.

Rep. Knox advised the Delegation he had received a series of questions from Selectman Linda Murray of Wolfeboro. He asked if Commissioner Albee wanted to deal with any of those questions. Chair Rep. Patten stated that the Delegation is “not” 100% unanimously “against the elderly in Carroll County. The interest of the Delegation is the impact the proposed nursing home will have on the tax rate and to the people that are losing their jobs and perhaps losing their homes. Chair Rep. Patten further stated that she was very pleased that the Delegation has made this a very “public process” and the Commissioners have spent a significant amount of time going to the communities, rotary, selectmen meetings gathering “input”.

Commissioner Albee advised that to operate the MVNH for 2009 costs the Carroll County tax payers a total of \$5,857,000. That is a combination of the 2008 operating losses and DEAS expense. Food service will still have to be provided to the county jail in the amount of \$230,000. The estimated operating costs if the Delegation is out of the nursing home business would be \$3,837,000. The tax impact would be .31 per \$1,000. Against the current tax impact (which is .47 per \$1,000.) is a savings of .16 per \$1,000. The short term exposure is as follows: Unemployment Benefits: \$1,592,428; accrued vacation/sick time estimated at \$256,000; re-equip kitchen at the jail is estimated at \$108,500; and removal of the building estimated at \$150,000. In addition – Carroll County would be obligated to pay a portion of the COBRA. The maximum exposure for that is approximately \$736,000 or \$756,000. Adding the short term costs in with closure – the tax impact of \$2,770,000 is approximately .18 per \$1,000. For the first two years – the net savings would actually increase the taxes by a few cents (depending on unemployment). Commissioner Albee explained that these figures are providing the most exposure that we could have. Rep. Wiley stated that the impact would be far greater if 207 or 208 are unemployed for two years - unable to find jobs. Consideration would also have to be given - if these individuals were unable to pay their tax bills or survive on unemployment insurance alone - or forced to apply for food stamps and other forms of assistance from the state level (which is ultimately responsible for paying taxes for those programs) – would this be a fair assumption? Commissioner Albee agreed that laying off 208 people would certainly impact a lot of towns. Chair Rep. Patten stated that the impact comes not at the County level – but at the town level – which was not calculated.

Rep. Chandler wants to directly go to the subject of the cost of the nursing home. Chair Rep. Patten asked if there is a Motion that the Delegation removes itself from the nursing home business”. Seeing that no Motion was proposed – Chair Rep. Patten requested a Motion for the Delegation to “stay in the nursing home business and be part of the record.

MOTION: Rep. Umberger moved the Delegation to approve staying in the nursing home business, seconded by Rep. Stevens. *All in Favor.* **Motion Carries.**

Chair Rep. Patten advised that the next order of business would be

the nursing home proposal.

Commissioner Sorensen stated that there are 14 Building Committee members (made up of 4 Delegation members and various other members of the community). There have been 15 building committee meetings where discussions have created specific plans for the proposed nursing home. Public hearings have been held at six different locations throughout the county – mainly to present the facts to the public. Commissioner Sorensen asked the Delegation if Jim Martin, a member of the building sub-committee, and a former representative - could speak a few words. He urged the Delegation not to “second guess” the building committee “too much”. Commissioner Sorensen further stated the building committee had spent a lot of time/hours working very hard to make numerous cuts to the budget. The Commissioners strongly advised the Delegation to “go with the current proposal for the new nursing home”. Commissioner Sorensen advised to date - \$150,000 had already been spent on this project. The initial study cost of \$35,000 was approved by the Delegation. After the CON is approved (sometime approximately in October) – Commissioner Sorensen asked the Delegation to consider moving ahead with the site plan and conceptual design of the project. Theoretically, the Commission would like to put this project out to bid sometime in January, 2010 – before the town meetings – so that local people can get the bids and help provide jobs for the local people of Carroll County as much as possible.

Commissioner Albee was asked to present a brief explanation of Option I (replacing the current nursing home with a similar but more efficient model){55,000 sq./ft} at an approximate construction cost of \$15,000,000; and Option II (a new nursing home for current market and design standards to optimize return on investment to the County){85,000 sq./ft} at an approximate construction cost of \$23,560,000. Commissioner Albee stated that Option II (the larger building) will drive the “budget” by increased occupancy and Medicaid reimbursements to enhance revenue. Rep. Umberger asked Commissioner Albee what justifies building Option II over Option I – by increasing the square footage per person from 600 – 700 sq. ft. to 800 sq. feet? Commissioner Albee advised that part of the answer to that question is going primarily into private rooms with some semi – private rooms. The other part of the equation is more “dignified” bathing areas (spaces). Rep. Chandler asked if both Options proposed 103 beds – why is there a proposed income from increase in occupancy for Option II and not Option I? Commissioner Albee advised that the “private” rooms in Option II will bring in approximately 3 – 4 more occupants and be filled quicker than “semi-private” rooms or 4 occupants of the same gender who must share one (1) bathroom . The current rate is \$245.00 per day. A rate of \$265.00 per day occupancy rate was used to calculate operating costs based on 97 to 101 beds for the proposed nursing home for 365 days. The rate was based on 26% private pay with 64% Medicaid. Rep. Bridgham asked if the 55,000 sq. ft. nursing home solve the current storage problems? Commissioner Albee stated that it probably would not. Rep. Bridgham summarized that over

the 20 year cost comparison of Option(s) I and II – both options are very close in cost. Option II meets our goals (it may cost a bit more) but that difference disappears two or three years after that – which shows that Option I (55,000 sq/ft home) does not meet our goals. Option I may save some money – but is very short term. Option II offers the opportunity to create more revenue – long term. Commissioner Albee further stated that we (Carroll County) need to give ourselves this opportunity. Rep. Umberger asked if they would have to decrease the number of Medicaid patients to increase revenue? The goal is to maintain a 60% Medicaid/40% private pay split. Chair Rep. Patten stated that the main question Rep. Umberger is asking - if we would be placing our less fortunate elsewhere to place private patients? Rep. Albee advised that Carroll County has the highest percentage of private pay patients of any county in the state. Commissioner Sorensen advised that over the next five years our elderly population will increase over 22%. Rep. McConkey expressed his concerns with the operation and maintenance costs associated with Option II – and whether or not they moved “too fast” – based on the fact that Option II is considered the best thing to do for the resident population. Rep. McConkey asked the Delegation if there was still room for discussing Option I? Rep. Butler stated some of his concerns for the proposed Option I nursing home relative to the needs for “more space” – but he did not feel that this “model” is “extreme”. Rep. Chandler agreed with Rep. McConkey that Option I may not be the answer – but Option II is not necessarily the answer either. Rep. Chandler does not know if he would propose spending an additional \$100,000 to get to the level in Option I. Randy Remick advised that 18 – 20 architectural proposals were reviewed at length. Rep. Knox had proposed a possible Option III to investigate if further cost cuts could be made to Option II? Commissioner Albee stated that his goal would be to bring this project under 23 million. Chair Rep. Patten asked the Delegation if they wanted to “flush out” the 55,000 sq. ft. Option I or if Option I was something the Delegation would like to further look into? Rep. Roberts stated he felt the Delegation should move forward with Option II and take a vote on Option II. Rep. Fleck feels the proposed design for Option II represents efficiency and longevity and he is ready to move forward with Option II. Rep. Butler stated there is a contingency with the amount the Delegation will vote on and a commitment this project will not go over that amount. He also spoke about the 501C3 (a non-profit piece of the nursing home) to assist in raising monies to support operations and close the “gap” which in the past cost tax payers money . He further stated he supported Option II with the building committee committed to controlling costs and reducing costs – if possible. Rep. Ahlgren disagrees with various areas of the current design – but agrees with the “neighborhood concept”. Rep. Ahlgren further stated he would like to see if private contributions could be discussed prior to going forward and asked the Commissioners if they would be willing to do private fund raising. Commissioner Albee stated that the 501C3 is an ongoing revenue source – and it may be a little late in the game to raise private funding or be prepared to “put off” the actual construction until 2011 if the bond is delayed. Commissioner Albee suggested the Delegation could vote on 23 million plus and then do the fund raising to “off set” the cost. Rep. Ahlgren disagreed that the

total number that the Delegation votes on – does not have to be the \$23,560,000. Rep. Bridgham stated that he is in favor of going with Option II and while we are in rough economic times – we should be able to get good rates on construction costs and in terms of the bonding. Rep. Bridgham further stated that if we wait - we may find ourselves not getting the value we can achieve now. Rep. McConkey asked for realistic numbers from the building committee on the maintenance costs and that demolition of the old nursing home is included. He wants some assurance that we are not going to see further costs as the project moves forward. Otherwise - he is ready to approve Option II.

MOTION: Rep. Bucu moves to approve Option II and the concept of Option II , seconded by Rep. Butler.

Rep. Bucu speaks to his Motion. This proposal is an efficient facility and it is time to move forward. Rep. Butler speaks to his second and makes a commitment to the Delegation that the proposed \$23,560,000 figure will not go any higher and will hopefully go lower. In his experience as a nursing home administrator in the past – he feels that the proposed model is a good one. Rep. Knox is encouraged by the 501.3(c) status – and he will vote for Option II. Rep. Chandler is not convinced with Option II and has strong reservations with it's proposal.

Rep. Ahlgren proposed an amendment to the Motion that the first two (2) million dollars of the cost of the 501.3(c) – be reduced by private contributions. Seconded for discussion by Representative McConkey.

Rep. Ahlgren speaks to his Motion that by adding this Amendment – it will not slow down the bonding process. Anything we can do to lessen the burden to the taxpayers would be worthwhile.

Rep. Chandler asked if Rep. Ahlgren's idea is that 2 million has to be raised prior to going forward or if the goal is trying to "encourage" raising toward the capitalization of the building. Rep. Ahlgren advised that the 2 million is not a "requirement". Rep. Patten advised that if the Delegation votes on Concept II - and then make a goal to raise 2 million dollars in the 501C3 - that can be used to help off set the cost of the bond. Rep. Chandler stated that he agrees to establish the 501C3 – try to collect as much money as possible and use it against the bond – but he will not support "saying" we have to raise 2 million dollars toward the project – before anything happens. Rep. Ahlgren stated that was exactly his proposed amendment. Chair Rep. Patten asked Rep. Ahlgren to withdraw the Amendment to the Motion with the approval of Rep. McConkey's second; and then vote on Option II. Thereafter, Chair Rep. Patten asked Rep. Ahlgren to propose a Motion that it is the Delegation's intent under the 501.3(c) to raise 2 million dollars to off set the bond.

Rep. Knox motioned to move forward with the question of Option II. A vote was taken to move the question. **All in favor.**

Chair Rep. Patten restated:

MOTION: Rep. Bucu made a Motion to go forward with Option II, seconded by Rep. Butler. A vote was taken. **Yes – 12, No – 2. Motion Carries.**

MOTION: Rep. Ahlgren makes a motion that the Delegation members ask the Commissioners to have a goal - under the 501.3(c) - that the first 2

million raised by private contributions be used to reduce the bond for the proposed nursing home project, seconded by Rep. McConkey.

Rep. Wiley asked to speak to this Motion and supports the Motion to work toward the goal of raising 2 million dollars – but she does not feel that the first 2 million goes to reduce the bond. Rep. Wiley suggested that the goal be set at 2 million – but that “essentials” be provided first - before using contribution money to reduce the bond.

Rep. Bulter spoke to the Motion and agreed with Rep. Wiley about “essentials” necessary to improve the quality of life that might be able to be contributed in the fund raising process that would not necessarily go toward reducing the bond.

Rep. Ahlgren spoke to his Motion confirming that the first 2 million be specifically used to reduce the bond. Rep. Stevens spoke to the Motion and hoped that the Delegation would vote “yes” to raise the first 2 million dollars to “off set” and reduce the bond – and that he intended to vote that way.

Rep. Bridgham spoke to the Motion that the Delegation would consider an Amendment to not only allow the first 2 million to be used specifically for reducing the bond.

Rep. Knox spoke to the Motion and agreed with Rep. Stevens that his vote would be the first 2 million dollars raised be specifically used to reduce the cost of the bond.

Rep. Fleck spoke to the Motion and also agreed the first 2 million dollars raised should be used to reduce the cost of the bond. This shows the community that we are making a valid attempt to reduce the cost of the proposed nursing home as much as we can. Rep. Umberger agreed with Rep. Wiley that we could have the amenities that were not included in the 23 million dollars – and it was her understanding the 501.3(c) was not set up for this purpose.

Rep. Ahlgren stated that this Motion is not going to preclude anyone from giving a “gift” to the nursing home. Rep. Wiley suggested that this matter may be solved by having two different 501.3(c)'s – with two different issues. One would be used to raise money in addition to the money that is used for the amenities. Rep. Wiley further asked to defeat the current Motion or alter it in some way by having two – separate 501.3(c)'s. Rep. Butler disagrees with Rep. Wiley. He feels that having the Motion as it is complicates the matter too much – but having a robust fund raising effort (part of which goes to reduce the debt).

Rep. Stevens votes to move the question to go forward with Rep. Ahlgren's Motion. **All in favor.**

Chair Rep. Patten restated:

MOTION: Rep. Ahlgren made a Motion to have the Delegation Members ask the Commissioners to have a goal of 2 million dollars – raised by a 501.3(c) - to reduce the bond. **Yes -10, No – 4. Motion Carries.**

Chair Rep. Patten advised the Delegation that in order to get construction and design phase completed – it is necessary to have money available now in the form of a supplemental budget in the amount of \$300,000. This \$300,000 will be part of the “overall” cost. The amount of \$23,500,000 or \$23,800, 000. – will not begin to be paid for until 2011. If we go for a

supplemental budget now in the amount of \$300,000 now – we would have to go through the process and it would “hit” the tax payers on their December 2009 bill(s). That is the distinction between whether we do a bond for anticipation of note(s) because the bank will not provide any monies until we have the “Certificate of Need” (and it is not in place). Commissioner Sorensen advised that no ground breaking or construction can be started until the CON is “approved.

Chair Rep. Patten advised that a motion could be made for a supplemental budget of \$300,000.

MOTION: Rep. Bridgham made a Motion to authorize the Commissioners to fully develop plans and bids for the proposed nursing home project and to continue with the civil engineering and other preliminary site work –in the amount of \$300,000, by obtaining a bond anticipation note; seconded by Rep. Butler. **Yes – 13; No – 1. Motion Carries.**

Chair Rep. Patten opened the discussion relating to Howard Godfrey, Carroll County Treasurer’s resignation (due to illness). Rep. Patten would like to have a publication in the newspaper relative to a request for resumes to be submitted by a specific date. The resumes will be reviewed and the Delegation will render their decision on August 31, 2009.

MOTION: Rep. Stevens made a Motion to have a publication advertised in the newspaper for the position of Carroll County Treasurer - requesting resumes for this position be submitted to the Delegation for review. The Delegation will render their decision to fill the Carroll County Treasurer’s position at the next Delegation Meeting scheduled on Monday, August 31, 2009, seconded by Rep. Roberts. **A vote was taken. All in favor. Motion Carries.**

Commissioner Sorensen stated that \$7,500 has already been spent on the existing “old” nursing home. The Commission has been working with a designer who is looking to take down the “wings” and saving the core building. Commissioner Sorensen asked the Delegation if they would be willing to approve the release of \$15,000 out of the capital reserves for the Cooperative Extension – (which currently is at \$27,000).

Chair Rep. Patten advised the Delegation that the core of the “old” nursing home would be renovated for the Cooperative Extension to “move in”. Rep. Butler advised that previously – Cooperative Extension was looking to build a “new green building” – but the Extension is willing to do this as an alternative.

MOTION: Rep. Bridgham made a Motion to move \$15,000 from the UNH Cooperative Extension Capital Reserve Account for the purpose of developing plans for office space for the Cooperative Extension – seconded by Rep. Fleck. **A vote was taken. All in Favor. Motion Carries.**

MOTION: Rep. Butler made a Motion to go into Convention, seconded by Rep. Stevens . **A vote was taken. All in favor. Motion Carries.**

IN CONVENTION

Chair Rep. Patten has requested a Motion to ratify: (1) That the Delegation stay in the nursing home business; (2) That the Delegation move towards Option II; and (3) That the Delegation ask the Commissioners to have a goal of \$2,000,000 on the 501.3(c) to reduce bond.

MOTION: Rep. Stevens moves to ratify the aforementioned - three (3) votes; seconded by Rep. Knox. A vote was taken. **All in favor. Motion Carries.**

Chair Rep. Patten advised there is a Motion to the Supplemental Budget requesting \$300,000 toward the continuation of Option II – for the construction design.

MOTION: Rep. Stevens made a Motion to ratify the actions of the Supplemental Budget request for \$300,000; seconded by Rep. Butler. A vote was taken. **All in favor. Motion Carries.**

MOTION: Rep. Stevens makes a motion to ratify - moving \$15,000 out of the UNH Cooperative Extension Capital Reserve Account for the purpose of developing plans for office space for the Cooperative Extension; seconded by Rep. Bucu. A vote was taken. **All in favor. Motion Carries.**

MOTION: Rep. Stevens moves to come out of convention, seconded by Rep. Butler. A vote was taken. **All in favor. Motion Carries.**

OUT OF CONVENTION

Chair Rep. Patten opens the floor for public input.

Jeff Ballard, East Wakefield – If the Delegation still has concerns about the nursing home is too much like a “Marriott” – then keep in mind that this nursing home will be designed to take us in to (hopefully) the next century. If you have stayed at any of the Marriotts before – you can tell a huge difference between a 40 year old Marriott and a 5 year old Marriott. So – over time the Marriott that we have now – will become more like the Fairfield Inn – in comparison. Keep in mind that over time – even the proposed nursing home will lose it’s lackluster.

Ray O’Brien, Madison Budget Committee – He has seen a lot of great input here today and a lot of discussion. He also said that Commissioner Albee’s comparison of the two options after 20 years where the numbers were quite close – was a “good idea” to have that kind of long-term budget view. When Rep. Ahlgren suggested creating a vehicle to donate – those donations at the beginning of the project will have an impact over the next 20 years. It may be a good idea to keep a running tabulation on it – so that people will be encouraged at the beginning. He also spoke about energy utilization and how to evaluate if this investment will translate in savings over the next 20 year period – taking the long-term view.

Tina Savage, Co-op Extension – She has a copy of the preliminary plan for the proposed remodel on the current MVNH. She is very happy that they are moving forward.

MOTION: Rep. Stevens moves to adjourn the meeting, seconded by Chair Rep. Patten. A vote was taken. **All in favor. Motion Carries.**

Meeting adjourned at 11:56 a.m.

Respectfully submitted,