Carroll County Delegation Meeting Minutes

March 22, 2010

Delegation Members Present: Betsey Patten, Stanley Stevens, Chris Ahlgren, Karen Umberger, Robert Bridgham, Mark McConkey, Susan Wiley, David Knox, Gene Chandler, Tom Buco, Dino Scala.

Others Present: Commissioner Sorensen, Commissioner Albee, Commissioner Solomon, David Babson, Maureen Spencer, Sandi McKenzie, Kathy Garry, Paula Coates, Jason Johnson, Nate Giarnese, Daymond Steer.

Meeting called to order at 9:09 a.m. by Rep. Betsey Patten, Pledge of Allegiance

Public Input: None.

1. Rep. Patten: We have two contracts that we have not made a motion to approve.

Hales Location

1. Rep Patten: Proposed budget for 2010 is $169,320. The actual for 2009 was $225,024. Would Commissioner Sorensen like to explain.

2. Commissioner Sorensen: The bottom line is what the Delegation needs to approve is the $169,320. The changes that were made include hiring a new administrative person and her salary is considerably less. We increased the audit as it should reflect what was spent last year. Legal expenses, we haven't spent any, so we cut that in half - from $10,000 to $5,000. The re-evaluation of property was reduced down to $4,700. Otherwise, everything else stays the same. The Carroll County taxes are not in there because the tax rate has not been set yet.

3. Rep. Bridgham: Is there a reserve associated with this budget.

4. Com. Sorensen: There is, it's in a CD. I believe there is $150,000 in the CD.

MOTION: Rep. Knox moves to approve the Hales Location budget of $169,320, seconded by Rep. Bridgham. Motion carries.

Contracts

1. Rep. Patten: We have approved some of the contracts, but there have never been any motions. There has been some discussion about whether we have to approve the contracts or not. Traditionally, we have and I would like

to go through and do it. We will look through the process. We have never come to the resolution whether we need to approve the contracts or not. As we have always done it, I would like to have an explanation and go from there.

2. Com. Albee: We negotiated new contracts with the jail and the nursing home in October and November. The subject to changes in money are that we reduce the health plan benefit to a higher copay and offset that with a 1% increase in pay for this year. If the Consumer Price Index exceeds 3% increase, there would be a 1% increase in pay again for the second year of the contract. If it exceeds more than 5%, up to a 3% increase in pay for the second year.

3. Rep. Ahlgren: Could you be more specific about what the deductible was and what it is now.

4. Com. Albee: The copay will change, not the deductible. It was presented with 4 different alternatives to the previous insurance plan. I can get those figures for you.

5. Rep. Bridgham: How far in advance are the health insurance costs fixed.

6. Com. Albee: They are fixed annually.

7. Rep Bridgham: So we have no idea what the insurance costs would be in the second year of this contract and yet that's the year in which we say whatever the price index does, we will follow. We might have some concerns.

8. Com. Albee: Historically, we have not had any control over the insurance costs on a year-to-year basis. When we negotiated the contract, we didn't know what our cost was going to be.

9. Rep. Bridgham: My concern is that we reached the point where we can't assume that we take care of wages and then health insurance does what it will. We need to think of these as a bundle.

10. Com. Albee: I took Rep. Ahlgren and Rep. Chandler's lead to include this as a benefit. It was easy to bundle it. It was a tough procedure as far as negotiations. We did have a 14% increase in healthcare costs this year.

11. Rep. Ahlgren: I concur with Rep. Bridgham's statements. It was great that you tied those two things together for this current year, but is there a possibility of using the same sort of offset for integrating into next year's wage increase to be offset by the increase in healthcare costs.

12. Com. Albee: To put it into perspective, a 3% increase in wages amounts to about .50 per hour increase which happened a year or so ago. If it's

the Delegation's desire to re-open negotiations healthcare issue, then so be it.

13. Rep. Chandler: When is the anniversary date?

14. Com. Albee: July is the insurance and April 1st is the contract.

15. Rep. Umberger: Which CPI was identified as the one we are going to follow?

16. Com. Albee: New England CPI. It more accurately reflects the economy.

17. Com. Patten: We are going to want to know the numbers. If you can get those numbers, we will come back to the contract. At the moment, let's leave the contract there.

Nursing Home Budget

1. Rep. Patten: Administration - bottom line is $1,023,340.

MOTION: Rep. Wiley moves to approve $1,023,340 for the Administration, seconded by Rep. Bridgham. Motion carries.

2. Rep. Patten: Dietary - bottom line $1,550,746.

MOTION: Rep. Stevens moves to approve $1,550,746 for Dietary, seconded by Rep. Bridgham. Motion carries.

3. Rep. Patten: Nursing Dept. - bottom line is $5,830,943.

MOTION: Rep. Bridgham moves to approve $5,830,943, seconded by Rep. Knox. Motion carries.

4. Rep. Patten: Plant operations - bottom line is $597, 365, up from actual.

5. Rep. Umberger: Are uniform expenses part of the contract?

6. Sandi McKenzie: Yes.

7. Rep. Bridgham: Why did salaries jump as much as they did?

8. McKenzie: The person who did the floors was put into housekeeping, but was put into plan operations.

MOTION: Rep. Bridgham moves to approve $597,365 for Plant Operations, seconded by Rep. Stevens. Motion carries.

9. Rep. Patten: Laundry - bottom line is $135,650.

MOTION: Rep. Bridgham moves to approve $135,650 for Laundry, seconded by Rep. Stevens. Motion carries.

10. Rep. Patten: Housekeeping - bottom line is $442,499.

MOTION: Rep. Knox moves to approve $442,499 for Housekeeping, seconded by Rep. McConkey. Motion carries.

11. Rep. Patten: Physicians and Pharmacy - bottom line is $88,950.

MOTION: Rep. McConkey moves to approve $88,950, seconded by Rep. Bridgham. Motion carries.

12. Rep. Patten: Physical therapy - bottom line is $315,058.

13. Rep. McConkey: Question for Sandi. When we were talking about the new building and possibly expanding the departments and possibly becoming a revenue source, I was hesitant on doing that thinking that would effect the people in private practice on the outside. I have since spoken to several of them and proven that I was incorrect in the assumption, so this is a good move.

MOTION: Rep. McConkey moves to approve $315,058 for Physical Therapy, seconded by Rep. Knox. Motion carries.

14. Rep. Patten: Recreational therapy - bottom line is $421,213.

MOTION: Rep. McConkey moves to approve $421,213 for Recreational therapy, seconded by Rep. Stevens. Motion carries.

15. Rep. Patten: Social Services Dept - bottom line is $142,289.

MOTION: Rep. Bridgham moves to approve $142,289 for Social Services Dept, seconded by Rep. Wiley. Motion carries.

16. Rep. Patten: Special Services Dept. - bottom line is $239,350.

MOTION: Rep Scala moves to approve $239,350 for Special Services Dept., seconded by Rep. McConkey. Motion carries.

17. Rep. Patten: Total bottom line is $10,787,403.

MOTION: Rep. Stevens moves to accept total of $10,787,403 for the enterprise, seconded by Rep. Bridgham. Motion carries.

18. Rep. Patten: We need to go back to Regional Appropriations on page 30 for question. When we talked about the Carroll County Transit, they were requesting $1,000 this year. How many towns have voted?

19. Com. Sorensen: They were requesting $3,000 and we reduced it back to $1,000.

20. Com. Solomon: We don't have a definitive answer. What we do have is that there were two towns that voted it up being Albany and Ossipee of $3,000. Majority of other towns with no answers. Brookfield voted no. Bartlett voted no. Effingham voted no. Conway hasn't voted yet.

21. Rep. Patten: I know that Moultonboro wanted $3,000. It looks like we have 4 towns in Carroll County agree to give money.

22. Rep. Wiley: Sandwich voted with some contingency; being that the Lakes Region Transit is funded.

23. Rep. Patten: We don't know what is going to happen with the Lakes Region Transit. Moultonboro will probably be part of that, but I don't know.

MOTION: Rep. McConkey moves to approve $1,000 for the Carroll County Transit, seconded by Rep. Wiley.

-Rep. Chandler does not feel he can support this as the Transit does not include all the towns in Carroll County.
-Rep. Umberger: I thought that regional transit was receiving federal monies.
-Com. Solomon: Much of it is federal, but a great deal of it comes from private charitable organizations and that is basically why they have come to the County, so they need to show that the County is behind it.
-Rep. Umberger: The busses were funded by a Federal Grant.
-Rep. McConkey: I would agree with Rep. Chandler to the point that it should come to the point where this is completely town supported or becomes an issue entirely of the County. Even though the bus does not touch every district in the County, I would say that we have many services that we are paying for that our citizens from all the towns also are not being able to take advantage of on their own doing. We are the only County in the entire state that does not have a public transit system. We have been working on this for 20+ years. We are about to have that happen. The transit has spent so much of their time securing busses and making sure of the route, that we might have a little bit of a shortfall on how they approach their funding. I would support allowing the $1,000 to remain this year and then next year only support the position if they came to the County for more funds. They are going to strapped for operating funds and I think this is

more than worthwhile for $1,000 spent here.
-Rep. Bridgham: My towns are split, 2 are served, 1 is not. In the immediate future, I think there is a benefit for everyone and that is with the availability of a bus service that's functional. We could potentially take some DWIs off the road and we will all be safer. I am going to support this.
-Rep. Knox: the $1,000 budgeted last year was not used, does that mean they will have $2,000 or is that gone.
-Rep. Patten: Last year's $1,000 is gone.
-Rep. Wiley: The towns do have the option to getting to where the bus route is, so they could conceivably get a ride to that bus for use.
-Com. Albee: We have not a debate among the Commissioners as to what sort of parameters we would put on a public transportation system. I agree with Rep. Chandler at this junction that there are a lot of towns exempted from this that need to be brought into discussion.
-Rep. McConkey: This is round 1 of the of the bus schedule; Wolfeboro to Conway with connections to Laconia. The 2nd phase that would be most profitable would be to connect Wakefield. By connecting Wakefield, we pick up two advantages - we have the new health center that's there, but there is a possibility to get a coast connection to Wakefield, then we will finally have a quick route from Conway to Portsmouth/Boston.

MOTION on the floor by Rep. McConkey and seconded by Rep. Wiley to approve the $1,000.
All in Favor: 8. All Opposed: 3. Motion carries.

24. Rep. Patten: Regional Appropriations - bottom line $190,425.

MOTION: Rep. Wiley moves to approve $190,425 for Regional Appropriation, seconded by Rep. Knox. All in Favor: 10. All Opposed: 1 by Rep. Chandler. Motion carries.

25. Rep. Patten: Interest Expense. There has been a change

26. Com. Sorensen: We want to change that to $200,000. We took $60,000 out of that. The rates are lower.

MOTION: Rep. Ahlgren moves to approve $401,737 for Interest Expense, seconded by Rep. Umberger. Motion carries.

27. Rep Patten: Registry of Deeds -

28. Rep. McConkey: I discussed that earlier and on page 12, they are wanting the addition of one more unit of shelving to store archived materials. Secondly, they have the need for a fireproof safe. They found what they were holding their records in was not fireproof. Those two items is an additional $3,200. Total would need to be adjusted. This comes from revenue side of the

surcharge which is Acct. 1004020-040 under income and we would need to reduce that line by $3,200.

29. Rep. Patten: .040 on line 2 of the Revenue Budget - the surcharge instead of $30,000 should be $33,200.

30. Rep. Chandler: I want to note that she is asking for other equipment that is not paid for from the surcharge fund; she is now asking for a total of $41,593. Not sure what is paid for out of the fund.

31. Rep. Patten: We did approve $501,713 last week. Now she has asked for another amount of money.

MOTION: Rep. Umberger moves to approve the addition of $3,200 to line .097 for a total of $41,593, seconded y Rep. McConkey. Motion carries.

32. Rep. Bridgham: Can we ask why only $30,000 was used from this special account to pay for equipment, whether it is as Rep. Chandler suggests, because the other pieces were ineligible or if she just decided that $30,000 was as much as she could spend.

33. Rep. Patten: This is for new equipment.

MOTION: Rep. Stevens moves to approve $504,913 for total bottom line, seconded by Rep. Umberger. Motion carries.

34. Rep. Patten: We now have a change to the grand total. We are going to add $3,200 to the revised 2010.

35. Rep. Chandler: Does the $60,000 reduction reflect in the new figures?

36. Rep. Patten: No. Any other changes. This is for the expenditures. Bottom line is $23,300,850 with addition of $3,200 for the Registry of Deeds and decrease of $60,000 from Interest Expense.

37. Kathy Garry: You had also asked me to change the Attorney's Office slightly for equipment. I get a figure of $23,299,370 after decreasing $1,480 for the County Attorney.

38. Rep. Patten: New figure is $23,299,370. This is only for expenditures.

39. Rep. Bridgham: When we did the jail, we were told that the mental health line would be changed as we had a problem where the nursing salaries incorporated essentially somebody who was dedicated to mental health. It was

my understanding that they were going to move that salary line to the mental health line.

40. Kathy Garry: This has been done and it doesn't change the bottom line.

41. Rep. Patten: On page 22, we are going to switch mental health on line 027 to a new line of 011. This came out of the nursing salary and made it $40,000 which was taken out of nursing salary which is now $202,117. Bottom line not changed.

42. Rep. Umberger: On page 9, County Attorney. We had approved the figure of $413.348 and you are saying that that number was not in the final figure.

43. Rep. Patten: This was just the sheriff's salary.

44. Rep. Bridgham: I raised the question about the salary for the Victim Witness.

45. Rep. Patten: We looked at that and checked the records. Com. Sorensen can explain.

46. Com. Sorensen: In each year from 2006, she got a raise and she agreed with these figures that Kathy Garry came up with, so this shouldn't be an issue again.

Revenue

1. Com. Sorensen: Page 1, Water Dept. income. I would like to change that figure to $58,000 dropping by $9,064.

2. Rep. Patten: We had estimated $67,464 and we are decreasing this as that is not what we brought in. The grand total for the County General revised is $13,245,208.

3. Rep. Bridgham: It seems to me the Registry of Deeds income effects the total.

MOTION: Rep. Bridgham moves to approve lines 012, 018, 019, 024, 030, 033, 034, 035 and 036 for County Attorney, seconded by Rep. Stevens. Motion carries.

4. Rep. Patten: Sheriff's income, bottom line of $287,126 was approved last week which includes the Dispatch. Registry of Deeds income $33,200 on line 040.

MOTION: Rep. Bridgham moves to approve $33,200 on line 040 for Registry of Deeds, seconded by Rep. Umberger. Motion carries.

5. Rep. Bridgham: Can we look at the budget in it's entirety. My understanding is that the economy is very gradually coming up and yet we took in nearly $818,000 through the registry last year, but are only estimating $780,000 for this coming year. It seems that we are grossly underestimating the amount of money that we can expect as revenue from the Registry of Deeds.

6. Rep. Ahlgren: I would like to remind the Delegation that when we overestimate revenues, we do get into a lot of trouble. Being a little conservative on estimating revenues is always a good idea.

7. Rep. Umberger: I would agree with Rep. Bridgham that we could certainly use the $818,000 figure because we new that 2009 was going to be a bad year and we dropped it to $766,000 last year. It exceeded our expectations. I personally wouldn't go above the $818,000 under any circumstances.

8. Rep. Stevens: In order to do that, we would have to raise the estimates on some of the other lines to make the difference. Agree with Rep. Ahlgren that we don't want to go too high in overestimating lines.

9. Rep. Ahlgren: I concur with Rep. Stevens. The question is where do we want to put it and how much? I would support adding $20,000 to the transfer of tax commission.

MOTION: Rep. Ahlgren moves to change the total from 180,000 on line 014 to $200,000, seconded by Rep. Stevens. Motion carries.

10. Rep. Patten: The bottom line would be $800,750.

MOTION: Rep. Knox moves to approve $800,750 for Registry of Deeds, seconded by Rep. Bridgham. Motion carries.

Jail and House of Corrections.

1. Com. Sorensen: I would like to change the jail income from $54,000 to $42,000. The superintendent of jail can explain that.

2. Jason Johnson: We had estimated that we would get a grant, but we were not selected, therefore, income is reduced.

3. Rep. Patten: Bottom line of total will be $57,000.

MOTION: Rep. Stevens moves to approve $57,000 for Jail and HOC, seconded

by Rep. Bridgham. Motion carries.

Farm Income.

1. Rep. Patten: Farm Income - bottom line is $122,500.

MOTION: Rep. Knox moves to approve $122,500 for Farm Income, seconded by Rep. Bridgham. Motion carries.

Maintenance Income

1. Rep. Patten - Maintenance Income - bottom line is $20,000.

2. Rep. Bridgham: Can you explain the discrepancy between the actuals in 2009 and what you are projecting in the budget?

3. Com. Sorensen: We moved the equipment maintenance line to under the farm.

MOTION: Rep McConkey moves to approve $20,000 for Maintenance Income, seconded by Rep. Bridgham. In favor: 10 Opposed: 1 - Rep. Chandler. Motion carries.

Interest Income

1. Rep. Patten: Interest income - bottom line $125,000.

2. Rep. Ahlgren: Why are we going to make so much interest income this year as opposed to what we realized last year and the year before?

3. Com. Albee: We are borrowing money, so more interest is going to be earned.

MOTION: Rep. Bridgham moves to approve $125,00o for Interest Income, seconded by Rep. Stevens. Motion carries.

Mountain View Nursing Home Income

1. Rep. Patten: Bottom line is $8,411,266.

2. Rep. Umberger: We had over $9 million in income and we only are projecting $8.4 million. I am confused as to why the drop.

3. Sandi McKenzie: We are attempting to be somewhat conservative in the relation of what's happening in healthcare today. We were fortunate to increase our census and increase the utilization of rehab services. I am hoping

that will continue, yet we had a drop in Medicaid reimbursement of $9 a day per resident. We assume that it's going to stay the same, but it could be decreased. We went from a rate of $245 per day for private residents to $254 per day, we increased our census of 100 with 3 empty days. I think we have to be somewhat conservative.

MOTION: Rep. Wiley moves to approve $8,411,266 for MVNH Income, seconded by Rep. Bridgham. Motion carries.

1. Rep. Patten: We have $300,000 in surplus. Where are we in surplus. The Commissioners are proposing $300,000 in surplus.

2. Com. Sorensen: We have $2,700,000 left in surplus after the $300,000. We would like to keep it there for the reason that we received $797,000 in stimulus money.

3. Rep. Patten: Is the stimulus money included in the $2.7 million?

4. Com. Sorensen: We had $3 million and we took $300,000 out to reduce taxes.

5. Kathy Garry: The stimulus money is in the surplus.

6. Rep. Patten: Did we spend any of the stimulus money last year? We can't take any of the $797,000 stimulus to put it back to taxes, there are strings attached to stimulus.

7. Com. Albee: This is money that came in that we aren't going to get in again next year.

8. Rep. Umberger: How much of the $797,000 stimulus has been spent?

9. Rep. Bridgham: For Medicaid, the match is 50% State and 50% Federal. Over a 2 year period that has passed, we may get some stimulus money this year in June. For that period, the Feds paid 60% and we paid 40%. We budgeted as though we were paying the 50%. We have gotten back the difference between the 50% we budgeted to pay DEAS and the 40% that we actually had to pay back as a bolus, so we may get some more back this year. Because we have budgeted the way we have, I think we probably will be in reasonable shape if we can keep the budget in check.

10. Rep. Umberger: If we received $797,000 last year and this says we have spent 3.3, does that mean the surplus is 3.7 left?

11. Rep. Ahlgren: The surplus is a separate account. The DEAS line on

page 19 which we expense, that is what we actually sent to the State of NH. That's the number we sent net of a credit that was applied to that account for the money that was the stimulus money of $797,142. If we didn't get the stimulus money, that expense line would have been $800,000 more than it was. They have only projected about $400,000 more for next year because it's half a year. They have accounted for that reduction in money from the stimulus package on this year's budget. The amount of money that they are proposing coming in is a good estimate of what is actually going to happen.

12. Rep. Bridgham: I agree with Rep. Ahlgren about this coming year. Assuming that the Medicaid line follows the trajectory it is on, then add another $400,000, that's a big hit and it may be worthwhile to hold back some money not this year, but for the coming year.

13. Rep. Ahlgren: Is there a specific target amount of reserve as required by the bonding agency for the upcoming bond to get that interest rate?

14. Com. Albee: It's a factor in setting the interest rate, but it's not the only factor. We have been told that we should maintain as close to at least 10% of our operating budget as possible to maintain the current bond rating that we have. The bond rating also includes things like property value, tax rates, income levels, etc.

15. Rep. Patten: Do you know if there is a target that we want to have? How much is it that finance people are saying to us we should have in our surplus to be able to get a good bonding rate?

16. Com. Sorensen: $2.3 million.

17. Rep. Patten: So it's the $2.3 million is what the bond people and the finance people are saying.

18. Com. Albee: Aside from the Medicaid issue, one thing to keep in mind, there is 6 years left on the jail bond of $535,000. In order to keep your taxes flat, one part of the equation that you should think about is allocating some of the surplus towards keeping that debt payment a little flatter.

19. Rep. Patten: The Commissioners are proposing $300,000 out of surplus. If we stayed with that, we would have to go back to Income from Taxes. If we don't want to stay with that, we have got to make a decision.

We have done some changes and now we have to come up with a bottom line. We didn't change anything in the Enterprise Fund. We added to the Registry of $23,200, then we took $12,000 from the Jail. Bottom line is now $13,146,905.

21. Rep. Chandler: We anticipated a high interest because of borrowing money for the bond and investing that. When is the first payment due.

22. Com. Albee: No payment until the first of 2011.

Contract

1. Com. Albee: The original insurance copay was $5 with 0/15/15 on prescriptions. We negotiated that to a $15 copay with 0/20/30 on prescriptions. There is a 1% increase in wages what at the nursing home amounts to $21,915 increase. Insurance savings for the nursing home with the higher copay is $42,473. It's a 2 year contract and at the end of the first year, if the Consumer Pricing Index exceeds 3%, the workers will receive a .5% increase in addition to the 1% that they are receiving this year.

2. Rep. Umberger: So what you are saying is that if CPI exceeds 3%, then it's a .5% increase as opposed to this year which is 1%.

3. Com. Albee: For the jail, there is 1% increase in wages which amounts to $6,582. There is an insurance savings of $10,165. The increase in pay is the same for the second year at the jail as the nursing home. Once we got our insurance quote from the insurance company, is that we have a $52,638 reduction in our insurance cost and a $38,501 increase in our wages. So there is a difference of $14,137.

4. Rep. Umberger: The unions at the school in Conway just negotiated a $500 deductible with the school picking up the deductible and that took 2 years for all of the unions to come to grip with that. One of the unions has been under that plan for a year and I don't remember off the top of my head which one it is, but you could perhaps get some feedback from them to see what the reaction of the union members are.

5. Com. Albee: Another discussion was that of a health savings plan and the benefits of that are to the employees and not the County, and it's difficult to get that going.

6. Rep. Chandler: The County should look at.

7. Rep. Ahlgren: I was interested in the HSAs, it's a huge benefit to the employees. It's a tax savings to us. I can only encourage you to see that out. I don't believe that we need to vote up or down the labor contract. It is the Commissioner's job.

8. Rep. Patten: We have always done and approved the contracts and there is some angst about whether we should do it. I would like to do it this year

to continue the process and then find out what is really needed to be done so that we can take the time to research it. I would prefer to keep it the way it is and have research over the next year, so when we can come back next year, we can make a determination about that.

9. Com. Albee: I know that I found it helpful to get direction from you as to where we want to end up.

10. Rep. Patten: I think our employees like the idea of knowing that we are behind the contract that the Commissioners have agreed to.

11. Rep. Ahlgren: What I am trying to say is that if we had the total number spent this year on insurance County complex wide, we could give you direction that said we would not authorize more than 2% or 3% of that number next year, regardless of what your contract says, we are not authorizing that, so that would give you bargaining power at the table to negotiate that.

Expenditures

1. Rep. Patten: The bottom line on the expenditures is $23,299.370. The amount of income from taxes is going to be $13,088.625 which is different that what we had come up with earlier.

MOTION: Rep. Patten moves to go into convention, seconded by Rep Umberger. Motion carries.

MOTION: Rep. Umberger moves to accept the union contract for the Jail, House of Corrections and Nursing Home. Rep. Stevens seconds this motion. Motion carries.

MOTION: Rep. Knox moves to approve $169,320 for Hales Location Budget. Rep. Stevens seconds this motion. Motion carries.

MOTION: Rep. Stevens moves to ratify our actions in executive session for the revenue budget. Rep. Scala seconds this motion. Motion carries.

MOTION: Rep. Bridgham moves to approve the decisions on the expenditure budget as we did in executive session producing a total of $23,299,370. Motion seconded by Rep. Stevens. Motion carries.

MOTION: Rep. Stevens moves to approve the minutes of March 15th, 2010. Motion seconded by Rep. Knox. Motion carries.

MOTION: Rep. Chandler moves to have the Chair check the budget. Motion seconded by Rep. Stevens. Motion carries.

MOTION: Rep. Umberger moves to go out of Convention. Motion seconded by Rep. Knox. Motion carries.

1. Rep. Patten: Rep. Ahlgren has sent us out a motion of being able to ask for a business plan for the nursing home. I felt that it would be a good idea to be able to give this to the subcommittee, talk about what it is that's going on and if Rep. Ahlgren would like to give us any more specifics so that we understand what you say - that County operated Nursing Homes in the State of NH have the same statutory obligations as privately operated nursing homes - so if you would like to say anything more, I would like to hand it to the subcommittee.

2. Rep. Ahlgren: I don't think the timing on this motion is particularly critical to be passed today. If you want to set up a subcommittee and we can meet back in May, that would be fine.

3. Rep. Wiley: I think I understand what someone is trying to do here. I wonder if when this research starts and the subcommittee work begins, if they look at the other publicly funded nursing homes in the county to see how we stand compared with other nursing homes and might we learn something from other publicly funded nursing homes. The privately funded nursing homes are important as well, but I would be interested in seeing the comparison.

4. Rep. Patten: I think that there are 3 or 4 questions that we have to discuss as a whole delegation, but I would like to be able to get them in the parameter and have the subcommittee look at them and I would assume our next meeting is sometime in May to be able to look at the first quarter.

5. Commissioner Sorensen: Can you give us the RSA that states we have the same statutory obligation as a private nursing home?. Is there an RSA on that?

6. Rep. Ahlgren: I have the voicemail from HHS that states exactly that. There isn't an RSA. You are under no set of rules that a privately owned home is. We often hear that we can't do that because we are a County home. That may not be a policy that is directed from the commissioners that you don't do something, but it's not because you are statutorily bound which was the impression that you have certain statutory requirements that bind you that are beyond what a privately owned nursing home would be.

7. Rep: Patten: We do not that when the private nursing homes choose not to keep you there, they need to have a place to come and it is County that they come to. I know that we are not under any obligation to have a nursing home and this Delegation in a very public meeting with many people here that

were agitated because they weren't in the room, had decided, I thought, once and for all, that we were not going to get out of the nursing home business, and so I think that we need to be able to have the discussion and have you come to the subcommittee and put out what your assumptions are, what we assumed and then we will come back and we will discuss whether all of our assumptions are on the same page. Rep. Ahlgren, do you have a motion?

8. Rep. Ahlgren: This came as a result from an article I read in the Granite State News where we were realizing savings from the budget and there seems to be a lot of conversation within the budget committee about using that money of savings to purchase additional things. The purpose of this motion is to clarify, as I recollect, I sat here and posed the question to the commissioners, that we are bonding only these things that were on the budget that was being presented to us that day. This is not a knock on Com. Albee. Com. Albee said that what was being presented were the things that we were approving them to build. What they talked about in the article seemed to be within the parameters of what I think the delegation's intentions were that day of, we are approving bonding up to a certain amount based on the things that are in this budgeted sheet, and that a deviation from that is not what we approved. So, it's clarifying that and lays out some ground rules as far as if we come under budget, then our approved bonding amount will be reduced by that amount saved. So if you told us on the budget that we approved that it was going to cost 1 million dollars to build a parking lot and it only cost $900,000 to build the parking lot, that it was, I believe the Delegation's intent, that the money that would be bonded would be $100,000 less; not that the $100,000 could be used to purchase, for example, flat screen TVs for everyone, something that wasn't included in the budget.

9. Rep. Patten: You got this from the newspaper report? Were you at the building committee meeting where were discussed all of the issues that are being brought up here?

10. Rep. Ahlgren: No, I was not at that meeting.

11. Rep. Patten: Have you read the minutes?

12. Rep. Ahlgren: No, I have not read the minutes.

13. Rep. Patten: What I would like you to do is go to one of the building committee with these ideas that you don't like. There was nothing that I heard at the meeting during the half an hour that I was there, that they were adding anything to the project. One of the things that we looked at is what was shown on the proposal and the fact is that it was all put out to bid and it has come in lower than what we figured it was going to be. And we had also discussed that we weren't going to put in the brick, but there was some concern that without doing that, we would end up with problems with landscaping. We had put in money to do landscaping, but not all of it, and we though that we might want to

be able to do some more. There was nothing that we discussed in that building committee meeting that was anything more than what was brought before the board. - No matter what Granite State Newspaper says, and I have all the faith in the world, I do not govern by the newspaper. I govern by either sitting in the meetings or reading the minutes.

14. Rep. McConkey: Perhaps giving a second read of this is giving me a different impression, but what I thought Rep. Ahlgren was working at, and I am sure he welcomes that invitation, I believe the intention of this was that if we were to see a savings which was one of the big decisions made in favor of this building at a much higher price we originally intended, was that that savings would continue to be taken off, and that smaller committee of peers and other people, wouldn't being adding that money back in or items that we had already decided we were going to cut out and from what I am listening to right now is that if we decided that a cost savings was that if we were going to take work out of this project, if a project was brought to this delegation was that we were going to sacrifice some sunlight with windows being removed, then I take objection to a subcommittee adding those things in. If I am incorrect in that assumption, then I apologize right now. I don't think the building committee at this point and time has the option of adding things back in. If they do, then it's my impression that the building committee may be overstepping their abilities.

15. Commissioner Albee: First of all, the building committee is there for advisory purposes only. Secondly, you are putting $23.5 million in a design that we presented and included in that design, there were some options, stating that if the price cannot be met at 23.5 million, we then prioritize, leaving out some things. What we have received are bids that include all those things which we could have omitted and we are still $1.2 million under currently. If we run into some other unforeseen consequence, we can now use that money. We have not added anything that wasn't in the original plan. We did discuss at the building committee putting lift tracks in all the room as opposed to just 25 by maintaining that savings that we have seen; so we are removing something within the list of things that were removable to accommodate the tracks. Regarding the brick, this is something that we are trying to accommodate and still maintain that savings so that we are actually saving that money. There is money in the budget currently including some grant money that we have been awarded which will further reduce the cost of the nursing home by $60,000 plus perhaps some additional money for boilers, which is in the budget we currently have. That said, and will all due respect to Rep. McConkey, we will save as much money as we possibly can on this building. We are not at all interested in having delegate members or the delegation as a whole adding line items to this budget. Carroll County has asked us to credentially manage this nursing home project. You are all welcome to come to the building committee meetings. We ask them for advice, but every decision made on this nursing home is made by the County Commissioners.

16. Rep. Ahlgren: I agree with you, Commissioner Albee, on many

points, and one of those being that the items that you were discussing were maybe not quite how we thought things were going on that day, we thought things were being cut out and you were approving amount of a bare bone type of idea that day, and that the discussion that went on at that meeting were within the parameters of the answer that you gave, that only these items would be the items that would be purchased as far as budgeting the nursing home. So, if you read this motion, it's a clarification that allows you to do exactly what you are authorized to do by us, but changing the amount and taking savings from one of those line items, with the idea that now you can add that into the contingency fund, that wasn't, I believe, the Delegation's intention, that you could be able to just up that contingency fund and that the savings wouldn't be more directly realized by the tax payers. When you save something on something, then that was a savings and that would bring down the cost of the bond. I think every single Delegation member walked out of that room that day with the idea that if we save money on any item, that that would reflect a savings to the tax payer. Now, if you go over on a different line item, that's what the contingency fund is for. Lets say it costs you an extra $100,000 to put the siding on the building that was in that budget, then that is money that you can pull from the contingency fund. It also states that if the contingency fund is exhausted, then you can come to the Delegation to ask for more money in the contingency fund. I think it's all very simple. I think there is no reason not to pass this today and I think it clarifies not only to the Delegation, but also to the general public who also read this and may have walked away with what's going on there. I am not accusing you of anything, but this I believe is a reasonable motion to make and it doesn't handcuff you in any way and it doesn't make it impossible for you to have more problems down the road and that we would increase the contingency fund upon our approval of it.

17. Com. Albee: In the event that the budget or the supporting worksheets do not specifically authorize an expenditure item that the Commissioners may seek approval from the Delegation - What that tells me is if we save $100,000 on the paving, and the electrical and mechanical systems come in at $175,000 higher than what was anticipated, that we are going to have to come back and talk to you about taking money out of the contingency fund to pay that additional $175,000 - Perhaps that's not your intent.

` 18. Rep. Ahlgren: What it says, if an expenditure ITEM specifically authorized, such as TVs.

19. Com. Albee: So if wiring cost more money, where am I going to get that money without coming to you?

20. Rep. Ahlgren: You will get that money from the contingency fund.

` 21. Com. Albee: In the language of her motion, it specifically says that you must seek approval from the Delegation. That's my reading of it, but it's not

your intention and perhaps you need to restructure the reading of it.

22. Rep. Patten: This can go back and forth for as long as anybody wanted. We have voted $23.5 million for the project. What would the Delegation like to do? I think that I asked for this motion three weeks ago and I think it was good. What is the pleasure of the Delegation regarding this.

23. Rep. Chandler: However we go on this, I think the meeting was perfectly clear, but we did approve that amount of money and a number of specific items, and if there is a way to save money on any part of the bidding process, then that should reduce the amount of the bond. It shouldn't be for finding something else that we would like to do that got cut out of the original thoughts. In my mind, whether you agree or not that we should do that, I think the motion is clear. You shouldn't need approval from the Delegation to use the contingency fund, but you shouldn't be using it for things that aren't specifically approved as part of the original budget.

24. Rep. Buco: I just heard the Commissioners say that every item, including items that could have been excluded, have been included in the estimates that are coming in at $1.2 million under. I don't know how you would go about following the instructions under this motion with taking pieces of money out of this thing before it's complete. If the total project comes in under the budget, then you can take that money and put it towards the principal on the bond. I don't know how this can be done as you go along until the project is actually done.

25. Rep. McConkey: I don't think that the intent is to take out each savings as it occurs and lock box it and then bring it back at the end to reduce. I was under the impression, from what I am reading here, is saying that as the savings accumulate, that there won't be things added back into the project that weren't approved. It is my understanding that we have a well intentioned 501C to raise $2 million which the intention of part of that was to our good citizenry and other people, that we were going to help drive this cost down. Where they are with that, I am not sure. I do know that they are working diligently on this. My thought is that what ever savings we are able to incur down the line, won't be added back in. Items won't be added back into the budget and we are going to enjoy every piece of savings we have and if something else happens, then they can ask for it. I don't see this as a detriment, I see it as re-affirming the great intentions of our Commissioners who are working so diligently to drive down the bottom line and that no money creeps it's way back in without approval.

26. Com. Sorensen: The Commissioners and the building committee have been up front on everything that we have done. The only change that we made is the tracks for the rooms. These are for the lifts. If we don't put them in and we want to put them in later, it is going to cost us more money because of the ceiling. The structure will be there, but we will have to tear down part of the

ceiling down to put the tracks in. We are not going to put lifts in all the rooms, just the tracks. I want to keep my credibility and I am sure the other Commissioners do too, as well as the building committee. I really don't think this motion is necessary to be honest with you. We are trying to do the best we can. Right now, we have $1.2 that we think were are going to save and we are not going to spend it if we don't have to.

27. Com. Albee: We have only awarded two bids currently and there is a lot more to do. We haven't gotten responses on all the other parts of the project. I think this motion is premature. I don't agree with the premise. I think you are totally off the mark as far as what your place should be. But be that as it may, I think once the bidding is all done and the awards are given, I think that's the point where, if you want to make a motion like this, that it should be done then because that's when we will know how much money we have got in the pot.

28. Rep. Wiley: It seems to me at this point that it's a solution to a problem that doesn't exist. I wasn't at the building committee and I don't know what was said, and we know our Commissioners are working to do all they can to save every penny. For me, I feel like I trust them to do what they have to. If we have the recommendation of the nursing home administrator to put in some tracks and it appears that there is going to be that money, whether it's contingency money or money saved, it would just make sense to do that. I can't support this motion because I don't think we need it at this point. Maybe we will 3 months down the road if the building committee comes back and says that they want to see more things happen and it's going to exceed the budget.

39. Rep. Chandler: Can you explain about the bricks that are being added?

40. Rep. Patten: The bricks were on the plan when we showed them. We knew that if the price came in too high, that we would eliminate the brick. The brick is apparently going to protect the base of the building from landscaping. The building committee decided that if the bricks came in and we came above the total budget, then they wouldn't be put in. We can now have the bricks without changing anything that was approved by the Delegation. They made a priority list so that if they couldn't meet the $23.5 million, what would be taken out.

41. Rep. Scala: Is the $1.2 million contingency money included in the $23.5 million, because I am hearing that we are $1.2 million under.

42. Com. Albee: What happens is when the bids come in, any difference of the lowest bid, that money goes to the benefit of the contingency fund. The original contingency was estimated at $800.000 and the current bids we have received, we are under $400,000. It could grow.

43. Rep. Bridgham: I was at the building committee meeting and I haven't read the newspaper article, so I am not sure what is said or implied in that article, but I would be a little careful about this. What the Commissioners did was they asked the building committee and agreed with them that there are a series of design features that would be put out as potential options, they were included in the package that was presented, and they were not sure how the bidding would go, but it turns out that we were wrong in projecting the estimate and we were over, then we could say we can get rid of some things. As the bids are coming in, it's fairly clear that all of those options can be included and that we don't need to let go of, can stay in under that $23.5 million budget. Over time, we may see some things that we would like to include the nursing home, either extensions, or some features that we already have that could be better expanded, and you could say we can't do that. What the building committee was asked basically was, would we give up some of the options to have one of those features that looks more valuable now. In other words, to do something that wouldn't expand the price as we understood it, but to give us features that they thought were better. We couldn't do that under this motion. You are going to drive the building committee or essentially the Commissioners who make the decisions, to basically only do what was designed, not what over time they could see would be a better design for the same money.

44 Rep. Chandler: I think what we voted to do is build the nursing home as it was designed, not something people changing their mind later on. What I hear is, that we are going to spend the whole amount of money.

45. Rep. Ahlgren: The main crutch of this motion is that it's not saying that you can't make a change. It's only saying that the Delegation would like you to come and ask us, that is all. It is saying that the Delegation would like to approve additional expenditures if they are in advantage for the County and we would like to say yes we agree or no we don't agree. It just asks that the Commissioners present the differences to the Delegation and we can say yes or no.

MOTION: Rep. Ahlgren moves to accept the motion presented to the Delegation, seconded by Rep. Chandler. 6 are in favor. 5 are opposed.

MOTION: Rep. Umberger moves to go into convention. This motion is seconded by Rep. Stevens. Motion carries.

1. Rep. Patten: We have grants for $401,000 for the piping and biomass boiler.

MOTION: Rep. Umberger moves that we accept the $401,000 for piping and biomass boiler. Motion is seconded by Rep. Stevens. Motion carries.

MOTION: Rep. Stevens moves to come out of convention. Motion is seconded

by Rep. Knox.
Motion carries.
Meeting adjourned at 12.35