

GRAFTON



New Hampshire

COUNTY

Annual Report **July 1, 2009 to June 30, 2010**

*Grafton County • 3855 Dartmouth College Highway •
North Haverhill, NH 03774*

ANNUAL REPORT
OF THE
GRAFTON COUNTY
COMMISSIONERS

TOGETHER WITH THE REPORTS FROM



The

CONSERVATION DISTRICT
COUNTY ATTORNEY
HUMAN RESOURCES
NURSING HOME
SHERIFF'S DEPARTMENT
TREASURER † AUDITORS
UNH COOPERATIVE EXTENSION
CORRECTIONS
HUMAN SERVICES
FARM
REGISTRY OF DEEDS
INFORMATION TECHNOLOGY
DEPARTMENT OF MAINTENANCE

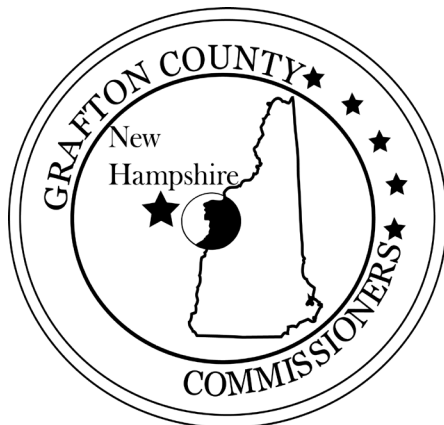


FOR THE YEAR
JULY 1, 2009 - JUNE 30, 2010

Dedication of the
Annual Report
The **Grafton**
County Commissioners

Districts I, II & III have each chosen people whom they feel have made a large impact within the County.

It is with great honor that this Annual Report is dedicated to them



DISTRICT I - COMMISSIONER MICHAEL CRYANS
DISTRICT II - COMMISSIONER RAYMOND BURTON
DISTRICT III - COMMISSIONER MARTHA RICHARDS

Dick & Barbara Couch



Hypertherm co-founder CEO Dick Couch and wife Barbara Couch, who joined Hypertherm in 1987, have inspired tremendous success with their leadership, technology and progressive employee relations in the Upper Valley area.

Hypertherm, founded in 1969, is a Hanover-based company that designs and manufactures advanced metal cutting systems for use in a variety of industries such as shipbuilding, manufacturing, and automotive repair. In forty-two years, Hypertherm has never had layoffs, and the company has offered profit-sharing since its inception. Both Dick and Barbara's efforts have resulted in amazing success. Hypertherm has over 1000 employees.

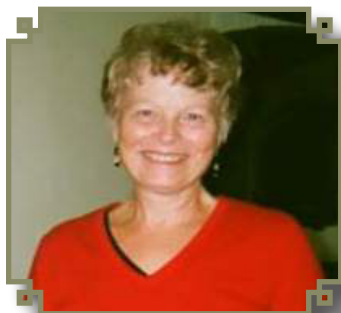
In addition to their winning business accomplishments, Dick and Barbara take joy in their participation and contributions to many organizations in the Upper Valley, New Hampshire, and beyond. Dick was a founding member of Ledyard National Bank and is currently serving on their Board of Directors. In addition to their support of many initiatives at Dartmouth College, Dick also serves on the Thayer School Board of Overseers. In addition, he is a member of the Upper Valley Corporate Council and on the Board of Advisors for the American Precision Museum. Outside of the Upper Valley area, Dick also serves on the Boards of the New Hampshire Charitable Foundation and the NH Business and Industry Association.

Barbara is also heavily involved in many organizations in the Upper Valley and in the state. She is currently serving on the Dartmouth-Hitchcock Board of Trustees and Chairman of the NH Public Radio Board of Trustees. Locally, she also serves on the Friends of CHaD Board, the Dartmouth Skiway Advisory Board, and the Montshire Museum Board of Corporate Associates. After several years of service, she recently completed her term of office on the Upper Valley Business Education Partnership Board. Barbara also serves on numerous committees associated with local organizations and is the driving force behind the philanthropic efforts at Hypertherm.

The company philosophy has been fed and nurtured by Dick and Barbara Couch throughout its 42-year history. Kudos to them for fostering and realizing a dream that has impacted the lives of so many in the Upper Valley and beyond!



Kate Vaughan



*K*ate Vaughan has been the Director of the Littleton Regional Senior Center for nearly 8 years. She is responsible for the day to day operations of a multi-purpose senior Center and bases her daily work on the philosophy that there's something at this Center for everyone. She manages the nutrition program, including

home delivered meals, senior dining room and nutrition education as well as supervising the coordination of the senior transportation program, which is such a much needed form of assistance in the North Country.

On a day to day basis she assures financial accountability and collaborates with Advisory Councils to promote participant involvement in programs. The center serves four thousand meals per month with the help of its 14 employees.

Volunteerism is an essential key to the success of any Senior Center and Kate supervises recruitment, training and supervision of the large volunteer staff of over 130 dedicated volunteers.

Director Vaughan looks to the future of continued growth in senior programs and assistance and believes her center is ready for challenges of the future. The center is open 8 AM- 4 PM five days per week, with programs that include three exercise classes each week, a weekly women's support group, a book club and a bone builder's class and artist and musicians that are brought in regularly. This all adds up to what Kate calls a happy and pleasant place to be any time.

Born and raised in Boston, Kate attended Girls' Latin School. She spent her junior year of college at the University of Freiburg in Freiburg, Germany and received her BA, from the University of Massachusetts.

Kate moved to the White Mountain area in 1973 and has lived in Sugar Hill for 30 years. She loves the outdoors and is an avid hiker, biker and skier. Kate lives with her husband in Littleton where they both enjoy their time with their three grandchildren.



John & Linda Fischer



John and Linda Fischer of Hebron are not newcomers to accolades but when these community activists continue on with their incredible spirit of volunteerism and community work then another award is not superfluous!

Both Linda and John Fischer have taken on many needs of the Hebron area since their move in the 1970's. Linda started the Hebron FAST squad in 1980 and now holds the title of Emergency Management Service Chief where her impact has been felt by many with her CPR instruction. Her charitable acts of kindness to those in need whether it be from her own resources, recognizing area volunteers, or delivering tasty food under adverse conditions to a hungry family, are part of Linda's unselfish and giving persona. Reverend Chief John Fischer has been Hebron's Fire Chief for over 32 years where his leadership not only encourages his men to keep their skills current but is an ardent booster for their morale and self confidence. As a retired Reservist Lt. Army Colonel he has served both Hebron and Alexandria churches as their pastor. True to this calling he has been involved with a prison ministry as well as guidance to the Grafton County inmates who annually help set up at the Hebron Fair followed by his and Linda's complementary lunch. He originated a community breakfast open to all on the first Saturday of each month as well as a Thanksgiving feast for the locals who are welcomed and treated spiritually in this sometime lonely world.

The Fischer Team, as they're lovingly known in Hebron, are a testament to someone seeing a need and going way above and beyond the original cause. Their compassion, friendship, generosity of spirit and spirituality, camaraderie and deep community involvement which guides this special couple as well giving Hebron residents great pride, also gives Grafton County pride in dedicating this year's Annual Report to these real life team volunteers. Their impact has been felt by hundreds over the past 40 years, as well as raising a family, could be written on many more pages. It is only fitting that this dynamic duo be included into Grafton County's historical annals.



TABLE OF CONTENTS

| | |
|--|--------|
| COMMISSIONERS' REPORT..... | 1-4 |
| GRAFTON COUNTY ORGANIZATIONAL CHART..... | 5 |
| GRAFTON COUNTY ELECTED & APPOINTED OFFICIALS..... | 6 |
| GRAFTON COUNTY DELEGATION..... | 7 |
| GRAFTON COUNTY BUDGET (EXPENDITURES)..... | 8 |
| GRAFTON COUNTY BUDGET (REVENUE)..... | 9 |
| DELEGATION EXPENSES..... | 10 |
| TREASURER'S REPORT..... | 13 |
| GRAFTON COUNTY ATTORNEY'S OFFICE - REPORT..... | 14-15 |
| GRAFTON COUNTY SHERIFF'S DEPARTMENT - REPORT..... | 16 |
| SHERIFF'S DEPARTMENT ACTIVITY STATISTICS FOR FISCAL YEAR 2009..... | 17-18 |
| HUMAN SERVICES REPORT..... | 19 |
| HUMAN SERVICES EXPENSE BY TOWN REPORT..... | 20 |
| HUMAN RESOURCES DEPARTMENT - REPORT..... | 21-23 |
| REGISTER OF DEEDS' REPORT..... | 24-25 |
| IT MANAGER'S REPORT..... | 26-27 |
| MAINTENANCE REPORT..... | 28-32 |
| UNH COOPERATIVE EXTENSIONS' REPORT..... | 33-34 |
| REPORT OF THE GRAFTON COUNTY NURSING HOME..... | 35-36 |
| REPORT OF THE GRAFTON COUNTY DEPARTMENT OF CORRECTIONS..... | 37-39 |
| REPORT OF THE GRAFTON COUNTY FARM..... | 40 |
| GRAFTON COUNTY CONSERVATION DISTRICT'S REPORT..... | 41-42 |
| COUNTY PICTURES AND EVENTS..... | 43-48 |
| DELEGATION PROCEEDINGS..... | 49-133 |
| GRAFTON COUNTY PRESCRIPTION DISCOUNT INFORMATION..... | 134 |
| AUDITORS' REPORT..... | |



COMMISSIONERS' REPORT FISCAL YEAR 2010

We are pleased to present the following reports and financial statements for the period of July 01, 2009 – June 30, 2010. We share these reports with you, our citizens, so that you may have a better understanding of your County Government.

Financially, fiscal year 2010 was a good year for the County. Total Revenues exceeded budget projections by \$369K. The total revenue received for the fiscal year was \$32,891,342. Expenses were below budget estimates by \$1.650M. The total expended was \$31,224,314 with \$17,555,749 being raised in County taxes. The budget process for FY 2011 was grueling. We requested for a second year in a row that the department heads submit level funded budgets for the upcoming fiscal year. It is an incredibly difficult task to do for one year let alone two, especially considering the increases that are beyond the control of the departments. We wanted to produce a budget that spared the taxpayers but at the same time did not cut the County workforce. The County accomplished this, the budget increased by 1.19% while the amount to be raised by taxes increased 2.22%. The County is receiving FMAP funds (Federal Medicaid Assistant Percentage) which is an increase in funds attributable to the American Recovery and Reinvestment Act. This did provide assistance with the fiscal year 2011 budget, but this program is scheduled to end during FY 2011. This will cause a gap in future years. In addition employees and departments made many sacrifices to deliver level funded or reduced budgets as requested. The County did give employees a two percent (2%) cost-of-living adjustment but step increases for all employees were frozen

for fiscal year 2011. In addition, in an effort to reduce health insurance expenses, the County changed health insurance carriers and offered a different plan to our employees.

The Department of Corrections continued to be a major focus during fiscal year 2010. While awaiting for the legal battle to go through the Supreme Court, redesign efforts continued. In April, 2010 the Supreme Court upheld the decision that was made by the Superior Court, which supported the validity of the Delegation's bond vote in February, 2008. This essentially cleared the way for construction of the new facility to begin.

The County borrowed \$17.5M, which is the first portion of funding needed for the project. A second bond will be sold at some point during fiscal year 2011.

On June 10, 2010, the official groundbreaking ceremony for the new Department of Corrections was held. Construction began at that time and is expected to take twenty-two (22) months to complete. Completion date is May, 2012.



The County continues to evaluate the Woodchip Biomass concept for the campus. We did receive a Energy Efficiency Conservation Block Grant for \$378,500 to be put toward that project but have not secured the additional funding for the project. We prefer to use energy grants rather than adding to the tax base for our citizens. We have decided to put this project on hold while construction of the new Correctional facility takes place.

On October 13, 2009, we were privileged to dedicate Courtroom #1 at the Grafton County Courthouse to the Honorable William R. Johnson of Hanover, New Hampshire, who was a Superior Court Judge, a New Hampshire Supreme Court Justice and a State Senator. Justice Johnson passed away unexpectedly in the summer of 2009. This is the first time in the history of Grafton County that a Courtroom has been named in honor of someone.

Many of Justice Johnson's family, classmates and colleagues were in attendance, including former NH Governor Walter Peterson. A framed

picture was placed on the wall near Courtroom #1 as well as a plaque over the door. That same picture was presented to Justice Johnson's wife and family. The event was well attended and every New Hampshire Supreme Court Judge, along with the Chief Justice and United States Supreme Court Justice David Souter (ret.) turned out for the occasion. It was an historical and memorable event.

Grafton County continues to participate in the prescription drug discount program that is presented to the County through the National Association of Counties and sponsored by CareMark. There is no cost to the County or to the citizens. The program is a discount program that reduces the cost of prescription drugs on the average of 20% for those who have no prescription drug coverage. Grafton County residents had saved a total of \$360,680.51 on prescription drugs since the County began offering the program in September, 2006. Getting enrolled in the program is simple – just place a call to the Commissioners' Office and request a card. The only information needed is your name and address and we will mail you a card. These cards are also available at many participating pharmacies in Grafton County.

The NH Association of Counties Annual Conference was held at the Mount Washington Hotel on October 26th & 27th. During the conference at the Annual Banquet, Grafton County Corrections Captain Roland Lafond was recognized as the County Corrections Employee of the Year and Human Resource Generalist Karen Clough was recognized as the County Employee of the Year. Congratulations on a job well done, we are very proud of you!

During Fiscal Year 2010 County Attorney Rick St. Hilaire resigned from his position to pursue a career in the private sector. Deputy County Attorney Lara Saffo was appointed to fill his vacated term through 2010.

The Grafton County Drug Court program continues to be a success. Participation has grown to over 20 with a number of participants graduating from the program. Grafton County received a grant in fiscal year 2010 which enabled the County to hire a Case Manager for the Drug Court program. This position has been a huge asset to the program.

The Barbara B. Hill Fun (d) continues to be available for children who are less fortunate to experience fun activities. During the past year the fund has given scholarships to many children throughout the County. Anyone wishing to make a donation can do so through the Commissioners'

Office.

Our mission and focus continues to be to provide good quality service to the residents of Grafton County while maintaining a stable tax rate. This is very challenging considering the status of the economy and the increases in the cost of doing business.

We hold regular weekly meetings on Tuesday's at 9:00 AM, at the County Administrative Building at 3855 Dartmouth College Highway in North Haverhill, with periodic tours of the Nursing Home, Department of Corrections, County Farm and Courthouse. We also attend monthly meetings of the Grafton County Executive Committee. All meetings are public. Please call the Commissioners' Office to confirm date, time and schedule. For further information, minutes of the Commissioners' meetings and links to other departments please visit our website at www.graftoncounty.nh.us.

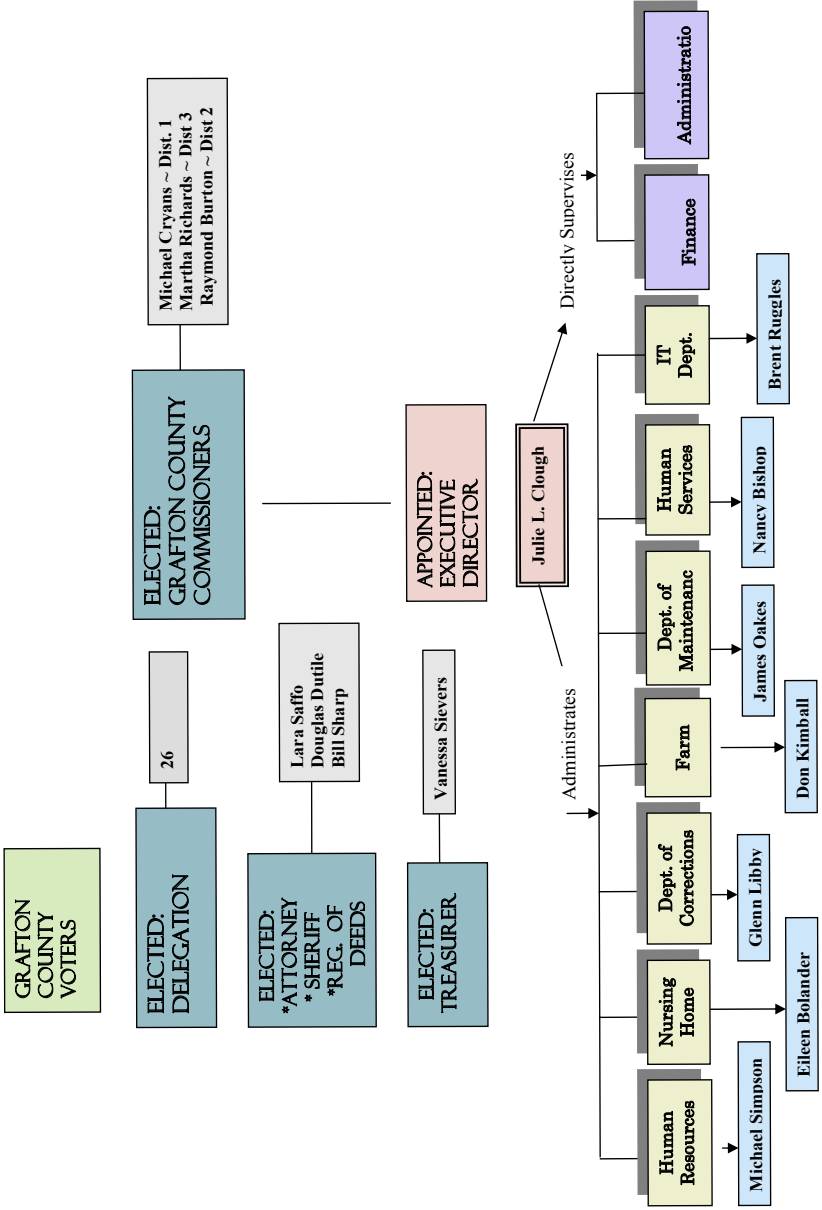
In closing, we continue to be proud of the accomplishments and successes of County Government. We realize that these accomplishments would not be possible without the dedication and hard work of our four hundred twenty five (425) employees and the countless number of volunteers. ***We would like to recognize and thank all of our employees and the many volunteers that do such a fantastic job.***

Respectfully submitted,

GRAFTON COUNTY COMMISSIONERS:

Michael J. Cryans, Chair (District 1)
Martha B. Richards, Vice-Chair (District 3)
Raymond S. Burton, Clerk (District 2)

Grafton County Organizational Structure



GRAFTON COUNTY
ELECTED AND APPOINTED OFFICIALS
July 1, 2009 ~ June 30, 2010

COMMISSIONERS

Michael J. Cryans, District #1
Raymond S. Burton, District #2
Martha B. Richards, District #3

EXECUTIVE DIRECTOR

Julie L. Clough, North Haverhill

TREASURER

Vanessa V. Sievers, Hanover

COUNTY ATTORNEY

Ricardo St. Hilaire, Enfield/ Lara Saffo, Benton (12/09)

COUNTY SHERIFF

Douglas Dutile, North Haverhill

REGISTER OF DEEDS

William Sharp, Lebanon

CLERK OF COURT

Robert B. Muh, Littleton

JUDGE OF PROBATE

Gary W. Boyle, Littleton

REGISTER OF PROBATE

Rebecca Wyman, Woodsville

ADMINISTRATOR, NURSING HOME

Eileen Bolander, Bradford, VT

SUPERINTENDENT, CORRECTIONS

Glenn Libby, Piermont

MANAGER, COUNTY FARM

Donald Kimball, North Haverhill

SUPERINTENDENT, MAINTENANCE

James Oakes, North Haverhill

HUMAN RESOURCES DIRECTOR

Michael Simson, North Haverhill (10/09)

INFORMATION TECHNOLOGY MANAGER

Brent Ruggles, Bethlehem

MEDICAL DIRECTOR

Frederick Kelsey

AUDITORS

Mason & Rich Professional Association, Concord

GRAFTON COUNTY DELEGATION

Jan. 1, 2010 ~ June 30, 2010

District #1

*Brien Ward Littleton
Lyle Bulis, Littleton

District #2

Kathleen Taylor, Franconia

District #3

*Edmond Gionet, Lincoln
*Sue Ford, Easton

District #4

Robert Matheson, No. Woodstock

District #5

Rick Ladd, Haverhill
Paul Ingbretson, Pike

District #6

*James Aguiar, Campton
*Carol Freidrich

District #7

Suzanne Smith, Hebron
Mary Cooney, Plymouth

District #8

*Burton Williams, Bristol
Margie Maybeck
*Phil Preston, Ashland

District #9

Bernard Benn, Hanover
Beatriz Pastor-Bodmer, Lyme
Sharon L. Nordgren, Hanover
David Pierce, Etna

District #10

* Suzanne Laliberte, Enfield Center
* Catherine Mulholland, Grafton
Chuck Townsend, Canaan

District #11

Susan Almy, Lebanon
Gene Anderson (resigned) then /Andrew White, Lebanon
Franklin Gould, Lebanon
Anna Harding, Lebanon

* Denotes Executive Committee

GRAFTON COUNTY BUDGET

July 1, 2009 ~ June 30, 2010

EXPENDITURES:

| | |
|---|------------------|
| Administration & Treasurer | \$ 385,887.00 |
| County Attorney | \$ 636,611.00 |
| Victim/Witness Advocate | \$ 141,085.00 |
| VAWA Grant | \$ 99,294.00 |
| Child Advocacy Grant | \$ 0.00 |
| Drug Court | \$ 207,531.00 |
| Medical Referee | \$ 50,000.00 |
| Delegation Expenses | \$ 10,000.00 |
| Register of Deeds | \$ 572,543.00 |
| Human Resources | \$ 56,146.00 |
| Information Technology | \$ 206,488.00 |
| Sheriff's Department | \$ 1,276,221.00 |
| Dispatch | \$ 918,476.00 |
| Courthouse Maintenance (Allocated to Depts) | \$ 0.00 |
| Court System Maintenance Allocation | \$ 236,763.00 |
| Human Services | \$ 6,873,220.00 |
| GCEDC | \$ 50,000.00 |
| Extension | \$ 304,718.00 |
| Social Svc | \$ 582,350.00 |
| Interest | \$ 563,069.00 |
| Payment on Bonds & Notes | \$ 279,050.00 |
| Capital Outlay | \$ 816,516.00 |
| Wage/Benefit Adjustment | \$ 65,111.00 |
| Contingency | \$ 107,000.00 |
| Unemployment | \$ 7,500.00 |
| Nursing Home | \$ 13,598,751.00 |
| Jail | \$ 3,912,584.00 |
| Farm | \$ 503,816.00 |
| Conservation Dist | \$ 60,310.00 |
| North Country | \$ 1,350.00 |
| | |
| TOTAL EXPENSES | \$32,522,390.00 |
| LESS REVENUE | \$13,466,641.00 |
| LESS SURPLUS TO REDUCE TAXES | \$1,500,000.00 |
| AMOUNT TO BE RAISED BY TAXES | \$17,555,749.00 |

GRAFTON COUNTY BUDGET

July 1, 2009 ~ June 30, 2010

REVENUE:

| | | |
|--------------------------|----|---------------|
| County Nursing Home | \$ | 9,576,689.00 |
| County Jail | \$ | 164,427.00 |
| County Farm | \$ | 419,083.00 |
| Building Rental | \$ | 304,800.00 |
| Register of Deeds | \$ | 875,000.00 |
| Human Services | \$ | 830,001.00 |
| Sheriff's Dept Fees | \$ | 423,744.00 |
| Sheriff's Dispatch | \$ | 580,597.00 |
| Extension Svc | \$ | 8,000.00 |
| Misc Revenue | \$ | 44,500.00 |
| Interest Earned | \$ | 125,300.00 |
| Federal in Lieu of Taxes | \$ | 50,000.00 |
| Victim/Witness Advocate | \$ | 25,000.00 |
| Attorney's Fees | \$ | 30,000.00 |
| Abandon Property | \$ | 5,000.00 |
| Capital Revenue | \$ | 4,500.00 |
| | | |
| TOTAL REVENUE | \$ | 13,466,641.00 |

DELEGATION EXPENSES

July 1, 2009 - June 30, 2010

| | |
|----------------------|------------|
| Catherine Mulholland | \$1,182.00 |
| Suzanne Laliberte | \$ 932.20 |
| Burton Williams | \$ 842.00 |
| Philip Preston | \$ 690.00 |
| Brien Ward | \$ 626.40 |
| Susan Ford | \$ 624.20 |
| James Aguiar | \$ 620.95 |
| Carol Friedrich | \$ 549.95 |
| Edmond Gionet | \$ 478.00 |
| Chuck Townsend | \$ 322.60 |
| Andy White | \$ 257.40 |
| Franklin Gould | \$ 235.00 |
| Lyle Bulis | \$ 158.20 |
| Susan Almy | \$ 151.20 |
| David Pierce | \$ 136.90 |
| Suzanne Smith | \$ 135.05 |
| Mary Cooney | \$ 134.00 |
| Rick Ladd | \$ 91.00 |
| Margie Maybeck | \$ 82.20 |
| Anna Harding | \$ 78.35 |
| Bernard Benn | \$ 65.70 |
| Sharon Nordgren | \$ 64.60 |
| Robert Matheson | \$ 61.30 |
| Paul Ingbretson | \$ 61.00 |
| Kathleen Taylor | \$ 51.40 |
| Miscellaneous | \$ 48.15 |
| | ----- |
| | \$8,679.75 |

REPORTS OF
THE
GRAFTON
COUNTY
DEPARTMENT
HEADS

GRAFTON COUNTY TREASURER

Vanessa Sievers

Annual Report Fiscal Year 2010

In the fiscal year 2010, Grafton County collected a total of \$17,555,749 from the towns and one city in the county. A portion of the tax money was used to pay the debt owed from the previous year and the remainder was invested for future county expenses. The investments were chosen through a bidding process open to all banks in the county. In the selection process, an emphasis was placed on rates, timeframe, bank security, and the bank's issuance of small business loans. In light of the economic recession, Grafton County invested the tax money in the most secure accounts and supported the banks that supported our small businesses.

With the new jail construction underway this year, the county sold \$17.5 million in bonds to raise money for the project. The money from the jail bond sales was invested in increments corresponding to projected construction deadlines. The investments were chosen through a bidding process similar to the tax revenue investments.

As in past years, the county has taken out a Tax Anticipation Note to cover end of the year expenses. The county is projected to borrow less this year and is currently borrowing at a rate of 1%.

It has been a pleasure serving Grafton County. For more information, please visit www.graftontreasurer.us. On the site there is up-to-date information including proposal documents and information on current investments and borrowing. For questions or concerns there is a contact link on the website.

Respectfully Submitted,

Vanessa Sievers
Grafton County Treasurer

GRAFTON COUNTY ATTORNEY

Lara Joan Saffo

Annual Report 2010

The Office of the Grafton County Attorney promotes public safety and pursues justice through the courts. County Attorney Lara Saffo continues to employ an experienced group of attorneys. Elevated to the post of Deputy County Attorney was longtime prosecuting attorney Melissa Pierce. Mary Bleier was recruited to join the office. They handle all courtroom work along with Assistant County Attorneys Paul Fitzgerald and Nancy Gray. Office Administrator Alison Farina, Administrative Assistant Christine Ash, and Legal Secretaries Ruth Maffei and Dawn Burleson continue to serve as staff to the office.

Prosecuting felony cases is the primary function of the county attorney's office. The greatest portion of attorney and staff time is focused on litigation, and the office is equipped to meet this challenge. During the fiscal year, the office opened 535 case files and represented the citizens of Grafton County in 2190 scheduled court appearances. Additionally, there were 232 cases reopened for post-conviction hearings, including probation violations. Arrest warrants were requested for 160 fugitive defendants during the fiscal year.

The special services investigator, Wayne Fortier, played an instrumental role in developing cases for prosecution, freshening cold case files, and working with the Grafton and Sullivan County Child Advocacy Center at DHMC.

The Office of Victim/Witness Assistance remains one of the County Attorney's most critical programs, helping to promote the Victim's Bill of Rights and providing information to crime victims. That office is coordinated by Carin Kniskern and assisted by Sabra Carroll.

A highlight of the fiscal year was the continued success of the Grafton County Drug Court Sentencing Program. The drug court program is open to non-violent adult offenders with a history of addiction who face drug-related criminal charges that would likely result in a term of incarceration at the county jail.

The Office of the Grafton County Attorney accomplished several more tasks during the year, including:

- The attainment of federal funds to finance the Office of Victim/Witness Assistance, subsidize the costs of a prosecutor's position to focus on domestic violence cases, fund advanced prosecutorial

trainings and improve the access to media in the courtroom and during investigations.

- The receipt of a federal grant to provide access to Mental Health Court for non-violent adults who have committed a misdemeanor level offense, and who also have a history of mental health illness(es). This will result in a collaboration of the criminal justice system and community based mental health treatment programs.
- The continued expansion of the successful operation of the Grafton/Sullivan Child Advocacy Center at Dartmouth Hitchcock Medical Center to provide services throughout Grafton County.
- The continued promotion of the Plymouth Area Sexual Assault Resource Team (PASART), which results in collaborations between the various agencies serving adult victims of sexual assaults. Among other things, PASART offers free training to law enforcement in the areas of domestic violence, sexual assaults, stalking, human trafficking and strangulation.
- Participation in the New Hampshire Partnership for the Protection of Older Adults. Deputy County Attorney Melissa Pierce is a member of the Partnership and conducts trainings for law enforcement.

The Grafton County Attorney's Office thanks the County Delegation and Grafton County Commissioners Michael Cryans, Raymond Burton, and Martha Richards. Their backing, coupled with support from area law enforcement and private citizens, help make Grafton County a safe and peaceful place to live and work.

The Grafton County Attorney's Office also wishes to acknowledge the work of Rick St. Hilaire. Attorney St. Hilaire represented the State of New Hampshire as a prosecutor for over fifteen years, the last six and $\frac{3}{4}$ years as Grafton County Attorney. In that capacity, he professionalized this office and initiated numerous public safety initiatives. We wish to extend our heartfelt appreciation for Attorney St. Hilaire's hard work and dedication to Grafton County.

Respectfully submitted,

Lara Joan Saffo
Grafton County Attorney

GRAFTON COUNTY SHERIFF'S DEPARTMENT

Sheriff Douglas R. Dutile

Annual Report 2010

To the Honorable Grafton County Commissioners, Grafton County Delegation and Citizens of Grafton County:



It is an honor to present the annual report of the Grafton County Sheriff's Department for Fiscal Year 2010. The Department was nationally recognized at the fall conference which was held in Salt Lake City Utah, hosted by the Commission for the Accreditation for Law Enforcement Agencies (CALEA).

Our mobile communications/command trailer continues to be a huge asset as it has been deployed on numerous occasions providing back-up dispatch and field support operations for first responders at events. We are very proud of this state of the art piece of equipment.

As you can see in the following Activities Report, our work-load continues to increase each year. This is not all due to the poor economic climate. We noted a large increase in Prisoner Transportation as well as Civil Activity and the over-all calls for service. All the members of the Sheriff's Department are "doing a lot more with a lot less" in this very poor economic budgeting climate.

All Sheriff's Department Members, Court Officers, Communications Personnel, Special Deputies and Office Staff are very dedicated and committed in providing the highest quality of service to our citizens of Grafton County. This is a "TEAM EFFORT". I would like to express sincere appreciation to my entire staff for their loyalty, support and dedication.

Once again, I would like to thank Julie L. Clough, Executive Director and her staff for their assistance that they have rendered to my Department along with all the other County Department Heads. I would also like to thank the three (3) County Commissioners and the County Delegation for all of their support and interest in the operations of the Sheriff's Department. I look forward to your continued support and working relationship. Remember, we remain faithful in, "Protecting Property and Serving the People".

Respectfully submitted

Douglas R. Dutile, Grafton County Sheriff

GRAFTON COUNTY SHERIFF'S DEPARTMENT

Activities Report ~ July 1, 2009 ~ June 30, 2010

| | <u>FY2009</u> | <u>FY2010</u> |
|----------------------------------|---------------|---------------|
| <u>Civil Activity</u> | | |
| Civil Process Served & Attempts: | 4,247 | 5,675 |
| Civil Service Fee Revenue: | \$164,784 | \$162,037 |

Prisoner Transports

| | | |
|---|-------|-------|
| Adult and Juvenile Prisoners Transported to Courts and Treatment Facilities: | 3,952 | 4,198 |
|---|-------|-------|

Extraditions

| | | |
|---|----|----|
| Fugitives returned to Grafton County: | 57 | 61 |
| They were returned from: North Carolina, New York Connecticut, Vermont, Massachusetts, Rhode Island, Maine, New Mexico, Mississippi, Florida, Virginia and California. | | |

Criminal Investigations

| | | |
|---|----|----|
| General investigations conducted: | 82 | 89 |
| Investigations at the Grafton County House of Corrections: | 72 | 81 |
| Investigations – No crime found: | 12 | 10 |

Warrant Status – Criminal & Civil

| | | |
|----------------------------|-----|-----|
| Criminal warrant arrest: | 36 | 44 |
| Criminal warrant recalled: | 25 | 21 |
| Criminal warrants open: | 298 | 339 |
| Civil warrant arrest: | 49 | 59 |
| Civil warrants recalled: | 76 | 51 |
| Civil warrants open: | 96 | 114 |

| | <u>FY2009</u> | <u>FY2010</u> |
|---|---------------|---------------|
| <u>U.S. Forest Service Patrol Enforcement</u> | | |
| Arrests made while patrolling: | 70 | 99 |

Citations Issued

| | | |
|-----------|----|----|
| Warnings: | 66 | 92 |
| Summonses | 22 | 31 |

GRAFTON COUNTY COMMUNICATIONS CENTER

| | | |
|---|--------|--------|
| Calls for service received at the center: | 51,905 | 54,155 |
| <u>Agencies Dispatched for:</u> | | |
| 22 Police Departments | | |
| 25 Fire Departments | | |
| 14 Emergency Medical Squads | | |
| Persons entering the Court House: | 45,210 | 47,122 |
| Persons held in temporary detention at the Sheriff's Department: | 1,042 | 1,201 |
| Assists rendered to Police Departments: | 184 | 231 |

GRAFTON COUNTY HUMAN SERVICES

Nancy Bishop
Annual Report 2010

To the Honorable Commissioners of Grafton County:

In FY 2010, Grafton County Human Services continued to monitor monthly charges from the NH Department of Health & Human Services for Long Term Care Services. The total charges billed to Grafton County were \$8,304,146.29 . Nursing Home Service (INC) at \$6,371,908.09 and Home & Community Services (HCBC) at \$1,932,238.20.

The amount budgeted for Long Term Care Services in FY10 was \$6,733,848, based on estimated figures presented in the Spring of 2009 by Health & Human Services. At the end of FY09, the cap figures were revised based on the percentage of actual expenses. At that point it was determined that Grafton County's legally liable reimbursement would be \$6,689,132.29.

The average number of recipients per month receiving Nursing Care Services was 277 at a cost to the county of \$5,157,690.37.

The average number of recipients per month receiving Home & Community Care Services was 192 at a cost to the county of \$1,531,442.22.

Please refer to the chart on the next page for a breakdown of expenses by town. You will find the actual expenses represented are reduced by the total Estate Recoveries of \$68,864.90 received during the fiscal year.

In addition to these services, Grafton County also reimbursed the State of New Hampshire for it's prorated portion of the Medicaid Audit Teams salary and benefits totaling \$19,378.

I would like to thank the Board of Commissioners and the Executive Director for your support over the last year.

Respectfully submitted,

Nancy J. Bishop, Administrator

CATAGORICAL EXPENSES BY TOWN FY 2009

| TOWN | cases | INC | cases | HCBC | TOTALS |
|-------------|-------|----------------------|-------|----------------|------------------------|
| ALEXANDRIA | 6 | \$79,379.78 | 1 | \$1,732.79 | \$81,112.57 |
| ASHLAND | 12 | \$212,176.37 | 4 | \$25,336.67 | \$237,513.04 |
| BATH | 7 | \$138,034.86 | 1 | \$1,205.22 | \$139,240.08 |
| BENTON | 0 | \$0.00 | 0 | \$0.00 | \$0.00 |
| BETHLEHEM | 11 | \$95,062.83 | 10 | \$70,966.83 | \$166,029.66 |
| BRIDGEWATER | 2 | \$25,336.33 | 2 | \$13,877.17 | \$39,213.50 |
| BRISTOL | 17 | \$184,280.32 | 9 | \$46,777.65 | \$231,057.97 |
| CAMPTON | 12 | \$159,056.54 | 14 | \$75,400.06 | \$234,456.60 |
| CANAAN | 9 | \$63,038.34 | 10 | \$83,288.22 | \$146,326.56 |
| DORCHESTER | 1 | \$10,507.91 | 2 | \$4,864.91 | \$15,372.82 |
| EASTON | 2 | \$38,973.42 | 0 | \$0.00 | \$38,973.42 |
| ELLSWORTH | 0 | \$0.00 | 0 | \$0.00 | \$0.00 |
| ENFIELD | 16 | \$144,953.04 | 8 | \$37,844.51 | \$182,797.55 |
| FRANCONIA | 6 | \$91,377.72 | 2 | \$10,601.75 | \$101,979.47 |
| GRAFTON | 6 | \$71,425.38 | 11 | \$69,758.91 | \$141,184.29 |
| GROTON | 1 | \$8,905.09 | 1 | \$3,213.29 | \$12,118.38 |
| HANOVER | 32 | \$394,033.41 | 2 | \$14,486.32 | \$408,519.73 |
| HAVERHILL | 37 | \$571,449.84 | 34 | \$211,112.64 | \$782,562.48 |
| HEBRON | 2 | \$11,139.07 | 0 | \$0.00 | \$11,139.07 |
| HOLDERNESS | 6 | \$99,273.92 | 4 | \$25,521.01 | \$124,794.93 |
| LANDAFF | 5 | \$79,761.59 | 2 | \$8,864.41 | \$88,626.00 |
| LEBANON | 68 | \$830,430.07 | 40 | \$246,408.45 | \$1,076,838.52 |
| LINCOLN | 10 | \$91,118.47 | 7 | \$51,502.16 | \$142,620.63 |
| LISBON | 12 | \$161,070.87 | 11 | \$72,857.10 | \$233,927.97 |
| LITTLETON | 50 | \$695,146.09 | 30 | \$187,433.44 | \$882,579.53 |
| LIVERMORE | 0 | \$0.00 | 0 | \$0.00 | \$0.00 |
| LYMAN | 0 | \$0.00 | 1 | \$12,813.48 | \$12,813.48 |
| LYME | 5 | \$76,550.71 | 1 | \$3,547.05 | \$80,097.76 |
| MONROE | 9 | \$126,625.17 | 3 | \$15,451.15 | \$142,076.32 |
| ORANGE | 2 | \$26,508.82 | 0 | \$0.00 | \$26,508.82 |
| ORFORD | 8 | \$98,944.10 | 1 | \$702.27 | \$99,646.37 |
| PIERMONT | 4 | \$69,610.30 | 4 | \$31,120.66 | \$100,730.96 |
| PLYMOUTH | 21 | \$295,295.59 | 17 | \$110,758.47 | \$406,054.06 |
| RUMNEY | 11 | \$194,994.41 | 4 | \$26,199.57 | \$221,193.98 |
| SUGAR HILL | 3 | \$25,213.04 | 0 | \$0.00 | \$25,213.04 |
| THORNTON | 8 | \$100,748.86 | 8 | \$25,148.96 | \$125,897.82 |
| WARREN | 7 | \$116,115.32 | 5 | \$23,134.10 | \$139,249.42 |
| WATERVILLE | 0 | \$0.00 | 1 | \$9,350.60 | \$9,350.60 |
| WENTWORTH | 2 | \$37,137.01 | 2 | \$3,962.55 | \$41,099.56 |
| WOODSTOCK | 7 | \$51,016.29 | 1 | \$6,199.85 | \$57,216.14 |
| XXX | 2 | -\$385,865.41 | 0 | \$0.00 | -\$385,865.41 * |
| TOTAL | 419 | \$5,088,825.47 | 253 | \$1,531,442.22 | \$6,620,267.69 |

Notes: *Statutory Credit under RSA 167:18-a, this amount is not calculated by individual client.

** The amount represented in this column includes estate recoveries of \$68,864.90

KEY: INC – Nursing Facility Services-Medicaid Rate Payments

HCBC – Home and Community Based Care – Medicaid Services Payments

GRAFTON COUNTY HUMAN RESOURCES DEPARTMENT

Michael Simpson
Annual Report 2010

To Citizens of Grafton County, the County Commissioners and Grafton County Delegation:

It is my privilege to present the following report for Fiscal Year 2010 on behalf of the Grafton County Human Resources Department.

The Human Resources Department works collaboratively with all departments at Grafton County in the areas of recruitment, retention, labor relations, benefits administration, compensation, employee relations, employment policies, maintaining personnel files, safety, wellness, training, orientation, and legal compliance with federal and state regulations.

In October, I was appointed as the new Director of Human Resources by the Grafton County Board of Commissioners. My educational background includes B.S. degree from Lyndon State and Master's degree from St. Michael's College. In addition, I have over 13 years of HR experience at various organizations including the Vermont Lakemonsters Professional Baseball Club and three different healthcare organizations throughout Vermont and New Hampshire. It is my honor to serve the taxpayers and be part of the Grafton County team as it gives me an excellent opportunity to come back to my home community of North Haverhill, N.H.

I was very fortunate to inherit a well run department and outstanding employees of Karen Clough, Human Resources Generalist and Wanda Hubbard, Human Resources Clerk. In particular, I would like to recognize Karen Clough who was awarded the "County Employee of the Year" by the New Hampshire Association of Counties in October. In June, Karen also graduated from the HR Certificate Program through New Hampshire's Bureau of Education and Training.

As one of the area's largest employers, with approximately 430 employees countywide, recruiting new employees and retaining existing staff is essential as our employees at Grafton County are the most valuable resource we have.

In January, our entire department worked closely with Payroll Coordinator

Leslie Lackie, all Department Heads, all Elected Officials, and the Employee Council to do a major update of our 2010 Employee Handbook. Essentially every policy was revised to modify existing language and practices, while ensuring they remain compliant with labor laws. The 2010 Employee Handbook is now organized by chapters related to various HR functions to make it easier for employees and managers to find particular policies. Every employee received the handbook and several in-services were conducted in many departments.

In January, the Union and the Grafton County negotiating team consisting of myself, Nursing Home Administrator Eileen Bolander and Executive Director Julie Clough began negotiating a new collective bargaining agreement as the existing contract expired June 30th. After several months, a new agreement was able to be finalized for a term of three years.

In March, we began working with outside organizations such as Cottage Hospital, Dartmouth Hitchcock's Norris Cotton Cancer Center, and specialized consultants from our health insurance carrier to start developing some long-term Wellness initiatives to provide tools for our employees on being the healthiest they can be. We created a Wellness Committee made up of 20 members including employees from every department and several community partners.

We had several changes to our benefits throughout the year. Health insurance is certainly the most costly benefit that we have for our employees and retirees. When we received our renewal rates with a 20% increase to remain with Anthem Blue Cross Blue Shield, we were forced to look at many different carriers and plans. In July, we switched to Harvard Pilgrim Healthcare as our new carrier of health insurance. Harvard Pilgrim provided us an excellent plan that was comparable to Anthem Blue Cross Blue Shield and we were able to reduce the premium increase by over 50% by switching carriers.

Our department also looked at other benefits to see if costs could be controlled. In March, we switched our vendor of voluntary benefits from Aflac to Colonial. Anthem Life, our life insurance carrier, was able to reduce our costs by 25% and locked in these rates for two years. Ameritas, our dental provider, maintained the same rates as the previous fiscal year and locked in these rates for two years.

We continue to generate revenue through participation in the Medicare Part D (prescription drug) subsidy program. We currently have 7 applications approved and we have received payments totaling \$55,051.34 from the period of July 1, 2009 to June 30, 2010.

In closing, I would like to recognize the HR team for their continued work to run the day to day operations, while providing excellent service to all our employees. We are very fortunate at Grafton County to have many dedicated, long serving employees to successfully deliver all the diverse services provided by Grafton County. Thank you to the Board of Commissioners, Delegation, and the taxpayers of Grafton County for their continued support.

Respectfully submitted,

Mike Simpson, M.S., PHR
Director of Human Resources

GRAFTON COUNTY REGISTER OF DEEDS

William A. Sharp

Annual Report Fiscal Year 2010

The Registry of Deeds is pleased to report significant Progress and Improvement at the Registry of Deeds during the terms since taking office January 3, 2007. We continue to save Grafton County money by looking at each item and its function to become cost effective. We have endeavored to keep the best of the past, be updated, and prepared for the future.

Computerized Accounting: Every Deeds Customer has an account number and an accurate record which interfaces with the recording system. In addition, a master record of each month's activity now appears on a spread sheet. These accounts are tied into the on-line billing system so that accurate bills are printed each month reflecting the recording activity and on-line printing of each account. Customers may pay on account and are expected to remain current.

Off site printing brought in some \$7,000.00 per month and is now pushing \$8,000 per month now that the housing market is on the up-swing again. New Accounts bring in an additional \$25,000 revenue annually.

L CHIP – The New Land Preservation Project is running smoothly without complication whatever.

Keeping County Funds in the bank as long as is possible brings in earnings of an extra \$500-\$1000 per month.

DEEDS ON LINE:

The Deeds Images are available to established customers who have an account and who have paid an annual maintenance fee of \$50. The fee is for one (1) year service & entitles the user full use of the web site. <http://www.nhdeeds.com> All basic deeds research can be done on line & documents viewed by account holders with a password. A copy of your deed may now be obtained thru any of our On Line Customers

FRAUD ALERT: Now all one need do is to enter www.nhdeeds.com and follow the prompts to sign up for a free service which will notify you if anything is running a muck with your property. This service will notify

you if there is any unauthorized activity going on with your secure deed. Except – not paying your town or city taxes will trigger the alert action.

REDACTION:

We have essentially eliminated the argument about sensitive numbers and information. To date, we have only had three (3) requests for a Redaction. The net effect is that our information is easily available to those who are in the need to know. A ‘Request for Redaction’ form is available at this office or from the web site. Such request will be acted upon promptly.

PRESERVATION OF OLD DOCUMENTS: Continues to be a priority

VENDOR: Our faithful reliance on *Connor and Connor, now FIDLAR, INC.* has brought us this far in our quest to be at the cutting edge of technology.

With contributions from the staff:

Beth Wyman – Deputy Register, Nancy Clement, Mary DeRosia, George Morris, and Brenda Dodge

Respectfully submitted,

William A. ‘Bill’ Sharp - Register

GRAFTON COUNTY IT DEPARTMENT

Brent Ruggles

Annual Report Fiscal Year 2010

Projects completed this year by the Grafton County IT Department include.

▲ Installation of new Fiber Optic cable between Commissioners Office and the DOC to allow DOC Network to utilize existing campus Charter Fiber Optic circuit for Internet connectivity. Elimination of DOC Cable Modem service. ROI 5 months and eliminate \$60 per month cable modem access charge.

▲ Install network wiring to connect FARM building and New Maintenance garage to campus network and adding email account for Donny Kimball. Removal of Dialup Networking account and provide High Speed Access and allow for quicker data transfers for DART Diary Heard Management software.

▲ Setup of additional Email accounts for ALL DOC staff and provide training to increase communication efficiencies with other agencies.

▲ I attended a 3 day \$3,500 IT class in Cambridge MA on Juniper Layer 3 Switch infrastructure to expand my knowledge of Layer 3 switch infrastructure for upcoming campus network consolidation. Received class for free.

▲ Design and established a secure VPN to allow cross agency criminal record lookup between the GC Sheriff's Office, Littleton, Hanover and Enfield Police Departments providing real time access to master name and case report information across the .

▲ Provide Email training to all Sheriff Office Deputies and 911 Dispatch staff.

▲ Successful negotiation and re-term with Fairpoint Communication phone contract, yielding a 30% reduction in the campus monthly phone line costs and long distance charges.

▲ Network consolidation – reduction of Servers at AO from 2 down to 1.

▲ Creation and adoption of a new expanded HR IT policy to better protect interest of the County's computer technology, data and assets and users.

▲ Creation of new multi department WEB site for all departments to use (ongoing work) www.co.grafton.nh.us Hosting cost = 0 dollars per year.

- ⤴ Unexpected emergency replacement of failed server at Nursing Home avoiding loss of any data. Network backup in less than a day.
- ⤴ Unexpected replacement of failed booking room computer at the Department of Corrections.
- ⤴ Installation and configuration of Internet Content Filtering Software to disallow access to inappropriate web sites on all department networks and computer systems. Cost 0 dollars.
- ⤴ Installation and configuration of IMAGE based backup software on core servers to further enhance IT disaster recovery.
- ⤴ Procure 5 new COWS (computer on wheels) laptops for the Nursing Home to increase work staff efficiency in new admissions as well as interviews.
- ⤴ Provided Training Presentation “Email in the workplace” to the New Hampshire Emergency Dispatch Association held in Laconia NH.
- ⤴ Started configuration of network design in Active Directory for future Campus Network Consolidation on 2 new Domain Controllers and additional Utility Server.
- ⤴ Work with the Executive Director and DOC Superintendent and provide design of computer network and IT related equipment needs for the new Department of Corrections Facility and to the facility’s Architects SMRT
- ⤴ Research into secure remote access software for the Nursing Home
- ⤴ Change of email server Anti Virus software from McAfee to Sophos
- ⤴ Continue work on network design and vendor selection for upcoming domain consolidation of campus network

PROJECTS - FORWARD

- Installation of new computer hardware and software at the Nursing Home to meet MDS 3.0 Guidelines.
- Installation of central network backbone and Layer 3 network switching to be shared by all departments to facilitate
- Network Domain Consolidation Project to establish a common network that is easier to manage and reduction in the number of servers and networks at the campus.

Respectfully submitted,

Brent Ruggles
 IT Manager
 Grafton County IT Department

GRAFTON COUNTY MAINTENANCE

James C. Oakes

Annual Report 2010

Fiscal year 2010 has come and gone and we accomplished much in its timeframe. In addition to meeting our routine workload, my staff and I tackled various other challenges, making the complex a better and safer place to live and work. Many of the challenges focused on:

- Large capital improvement projects
- Health & life safety issues and concerns
- Energy conservation improvements
- Renovation of spaces to better meet daily needs
- Planning and execution of the new correctional facility
- Staffing, education and training requirements

Large Capital Improvement Projects:

The most significant project accomplished this year was the replacement of old asbestos roofs on the pig barn, generator sheds and corncrib. After 70 plus years of service these roofs had degraded to where leaks were cause for damage to sheathing and structural roof members. The department oversaw the contract removal and abatement of the asbestos shingles, repair of the roof and installation of new standing seam metal roofs.

Health & Life Safety Issues and Concerns:

Over this past year we dealt with a number of health and safety issues. The most significant occurred in the nursing home and jail. We also encountered a potential water quality problem within the complex's water storage tank that bares continued monitoring and potential action to eliminate possible hazards.

In the Nursing Home while repairing damaged sheetrock just outside the kitchen dishwashing area, my staff found mildew in an inner wall. A more thorough investigation revealed the mildew problem was prevalent in the lower section of sheetrock walls surrounding this area. Over a 3-4 week period they removed the affected walls and abated the mold growth. To prevent reoccurrence they poured solid concrete walls and laminated them with plastic laminate wall panels to prevent future water intrusion.

During an extensive inspection of the nursing home following newly completed sprinkler system training, we discovered numerous NFPA 13

violations originating from the renovation and addition process. Numerous sprinkler heads were blocked by obstructions. Some areas lacked required coverage. Dry pendant heads above the PT exercise room were insufficient in number, too short and some covered insulation. Many of the building's attached canopies lacked sprinkler coverage inside and out due to improper classification of materials. Despite the time that had gone by, the sprinkler contractor who had completed the work during the renovation & addition project corrected all the discrepancies they were responsible for at no cost to the county.

During an inspection of the jail sprinkler system by a new sprinkler contractor, their technician identified numerous sprinkler heads that were classified as unserviceable but hadn't been recalled due to the manufacturer going out of business. Since there was no formal recall of the heads and our previous sprinkler contractor hadn't identified the discrepancy, we were unaware of the problem. Upon research and confirmation of this discrepancy, we contracted the replacement of all unserviceable heads.

Since putting the new water storage tank on line we noticed water turnover within the tank was extremely poor. EPA standards recommend a 100% exchange within 5-days or less. Our tank didn't meet this standard. The cause is attributed to design limitations and is exacerbated by Woodsville Water & Light pump run times in relation to peak water demand periods. The potential effect of poor water exchange is elevated disinfection byproducts (potential carcinogens) and poor chlorine residual that could lead to total coliform formation within the tank, particularly during the warmest months of the year. As a proactive measure to help mitigate the potential effects we installed a water mixing system to provide continuous water movement within the tank. Although the NH Dept of Environmental Services only requires testing of water in the distribution system, we proactively took water samples directly from the tank. Test results confirmed that we had elevated disinfection byproducts and poor chlorine residual. However, lab results indicated the absence of total coliform thus far. We will continue to monitor direct tank water quality as we seek a long-term solution.

Energy Conservation Improvements:

This past year the Maintenance Department continued to seek ways to improve energy efficiency and lower operating costs.

In the Nursing Home we installed more motion-activated light switches,

set to turn off lights automatically in places where they are left on frequently. We also fine-tuned boiler operating and pump times to better coincide with building occupation levels and seasonal changes.

In the Administration Building we completed installing additional fin tube in problem areas to speed recovery of temperatures following night and weekend temperature setbacks. We also fine-tuned the boilers the same way as we did in the nursing home.

In the Courthouse we continued to upgrade inefficient T12 lighting to high performance T8 lighting, strongly influencing a 9% reduction in electrical cost since 2008. We also completed installing water-saving flushometers on all the toilets influencing a 12.5% water reduction at the courthouse since 2008.

At the complex level, we contracted the installation of a new sewage meter to replace one that had been out of service for 12-years. The previous billing method was based on the logic of water in equaled a water out, thus whatever water was used at the complex, the sewage consumption was assumed to be the same amount, minus the farm's consumption. Since installing the new meter the county has saved almost \$2,300 on sewage billing in FY10 due to an accurate accounting of actual use.

Renovation of Spaces To Better Meet Daily Needs:

Over the years we often renovate spaces due to degradation, changing needs or to improve operability. This year we focused on spaces within the courthouse, jail and farm.

At the courthouse we contracted the replacement of the carpet in the Superior Court office space. It became worn and rumpled from years of use and was a tripping hazard to the staff. In the courthouse restrooms we replaced numerous worn and corroded sink faucets, painted the walls, replaced the covebase moldings and refinished the floors. It was much needed after many years of use and degradation.

Due to changes in inmate population, crowding and efforts to reduce operational cost, my staff played a large role in renovating and refurbishing various spaces throughout the jail.

In the basement, my staff turned the library and open conference space into a minimum-security inmate housing area. In doing so they converted two ½ bath restrooms into an inmate combination bath/laundry room and

the other into a full bath with standup shower. These changes helped mitigate crowding and helped the corrections department save money on laundering of inmate clothing.

In the kitchen we created a pot sink washing area, relocated the ice machine and constructed numerous storage shelves. We also contracted the installation of several new circuits and upgraded a subpanel to handle new electrical loads for several new microwaves, refrigerators, freezer and other appliances. These changes allowed the corrections staff to prepare two meals a day, in-house, and save thousands of dollars a year on meal costs.

At the farm we continued to work on repairing the siding on the back of the dairy barn, replaced numerous broken windows and replaced dozens of dilapidated cow stanchions. On the South end of the dairy barn we enclosed the existing lean-to by sheathing and siding it in addition to installing new windows. On the pig barn we replaced a falling down lean-to with a much larger structure that better accommodates getting equipment out of the weather.

Planning & Execution of The New Correctional Facility:

Over the past year my department continued to take an active role in the planning and execution of the new correctional facility.

We served on the Core Planning Committee, performed oversight inspection of blueprints and specifications, provided feedback on a variety issues ranging from identification and correction of errors, equipment preferences and influenced facility and equipment design to enhance operability and maintainability.

As clerk-of-the-works, I with the help of my staff, special inspectors and engineers routinely performed various oversight inspections on a variety of construction processes to ensure the various trades were constructing the new facility to design plans and specifications.

Staffing, Education and Training Requirements:

In order to better meet the needs of the complex we have added staff and have honed our skills and maintained our certifications through continuing education and training.

As the facilities continue to age it takes more to maintain them, particularly

with a small staff. To help get caught up on a backlog of lower priority tasks, we added a part-time unskilled position to the staff. Although it has helped, we have not been able to eliminate the backlog to level I anticipated.

My staff and I attended a variety of training courses to learn new skills, hone existing ones and meet new and continuing certification requirements. Some of the courses attended were:

- Blueprint Reading
- Car Control Program
- Laundry Equipment Repair School
- Water Storage Tank Operation & Maintenance
- Underground Fuel Storage Tank Operator Training
- Air Conditioning & Refrigeration Maintenance Training

In closing, it was a busy year with various and new challenges. Through it all my staff did a terrific job meeting daily tasks in addition to overcoming numerous curveballs none of us anticipated. Their professionalism and proactive approach to getting things done was instrumental in keeping the facilities looking good and running smoothly. I could not effectively run this department without their daily dedication. Lastly, I thank the Executive Director, County Commissioners and County Delegation for their continued trust and support, giving us the financial means and moral support to do our jobs effectively.

Respectfully submitted

James C. Oakes
Maintenance Superintendent



UNIVERSITY of NEW HAMPSHIRE COOPERATIVE EXTENSION

Annual Report 2010

University of New Hampshire Cooperative Extension's mission is to provide New Hampshire citizens with research-based education and information, to enhance their ability to make informed decisions that strengthen youth, families and communities, sustain natural resources, and improve the economy.

Four full-time Extension Educators, Deborah Maes, Consumer and Family Resources; Kathleen Jablonski, 4-H Youth Development; Heather Bryant, Agricultural Resources and Dave Falkenham, Forestry and Wildlife Resources are joined by Arianne Fosdick, Volunteer Management Program Assistant and Michal Lunak, State Dairy Specialist. Lisa Ford, Nutrition Connections, is housed at the Whole Village Family Resource Center in Plymouth. Office support is provided by Kristina Vaughan, Teresa Locke and Donna Lee.

Volunteers in 4-H Youth Development, Forestry Coverts and Master Gardeners programs are an important asset to our outreach work. The volunteers who serve on the Grafton County Extension Advisory Council provide support and guidance for our programs. Recent council members include David Keith and Rebecca Page from Haverhill; Martha McLeod, Franconia; Frank Hagan, Bethlehem; Cheryl Taber, Littleton; Luther Kinney, Sugar Hill; Mary Ames, Bath; Pauline Corzilius, Pike; Annemarie Godston, North Haverhill; and Emilie Shipman, Enfield. They are joined by State Representative Kathleen Taylor and County Commissioners, Ray Burton, Michael Cryans and Martha Richards.

Some of our work over the past year has included:

*A USDA Sustainable Agriculture Research & Education grant combined with county funding to support a pepper variety trial.

*A series of workshops targeting commercial growers and dairy farmer included crop management and a session for organic producers.

*Back yard farmers attended workshops on starting seedlings, raising chickens and growing blueberries and raspberries.

*Master Gardeners helped develop a series of workshops for youth and adults.

*Dairy farmers attended workshops focusing on developing sustainability in tough economic times and managing their herd to reduce health problems.

*Food safety classes provided education for food service workers in schools, restaurants, hospitals and nursing homes.

*UNHCE and Child and Family Services combined resources to provide classes to parents of teens and young children.

*The Nutrition Connections program focused on the needs of families with limited resources.

*The County Forestry Management Plan, covering the 515 acres of county owned land, was completed.

*The County Woodlands Tree Farm was successfully audited, and received renewed certification.

*In collaboration with the Natural Resources Conservation Service/USDA office, cost share projects were started or facilitated on privately owned lands.

*NPASS (New Practices in After School Science) has trained staff in three school districts. This project seeks to foster an interest in science careers.

*Over 100 leaders worked with 230+ youth to help stage 20 county events as well as assist in regular club meetings.

*An after school orientation session, based on new credentialing guidelines enacted by the state legislature, was presented around the state by 4-H Youth Development Staff.

All staff members contributed to a weekly column that was sent to papers county-wide. We have expanded internet presence on our county web page and on Facebook.

Respectfully submitted: Deborah B Maes,
Extension Educator, Family & Consumer Resources
County Office Administrator

GRAFTON COUNTY NURSING HOME

Eileen Bolander, Administrator

Annual Report 2010

Grafton County Nursing Home (GCNH) continues to be a home of choice for many community members and their families. Our census continues at budget. Prospective residents and their families always comment on our excellent reputation as a reason to want to come to GCNH.

This past year as in the previous few years before, we have decreased staff and supplies in several departments due to budget constraints. This has resulted in an increased challenge to remain compliant with federal and state regulations. Doing more with less is not easy but the dedication of the staff and their willingness to donate their time and donate those little extra things that residents enjoy speaks volumes about the quality of our employees.

Our many volunteers play a significant role in the day to day operation of the nursing home. These dedicated folks donated over 2930 hours of time this past year. Each year we celebrate their work and enthusiasm with a recognition luncheon. Gary Goodwin was named Volunteer of the Year.

Dulcie Vinnecomb was recognized as LNA of the Year by Grafton County Nursing Home and the New Hampshire Association of Counties. Dulcie exemplifies the meaning of the words "caregiver". We are very proud and grateful that she works here.

The New Hampshire Association of Counties elected Grafton County Nursing Home Administrator Eileen Bolander as their new President. She will serve a two year term.

Once again several of our residents won ribbons at the Haverhill Fair for their sewing, knitting and crocheting skills.

In closing, as I stated last year, it is a privilege to care for our elders at GCNH. We appreciate the ongoing support we receive from the Grafton County Commissioners, the families and friends of our residents,

volunteers, local organizations, church groups and the Grafton County employees who every day contribute their time, effort and skills to assure that our residents receive the excellent care they deserve.

Respectfully submitted by:

Eileen Bolander
Administrator

GRAFTON COUNTY DEPARTMENT OF CORRECTIONS

Glenn P. Libby

Annual Report for FY10



To the Citizens of Grafton County, the County Commissioners and Grafton County Delegation members:

I present the following report for Fiscal Year 2010 on behalf of the Grafton County Department of Corrections and Community Corrections.

The facility averaged 104 inmates per day for a total of 37,922 inmate days – up slightly from FY09 – the average per day cost to house an inmate was \$85.27. The Correctional and Maintenance staff worked extremely hard to maintain security while providing a safe environment for staff, volunteers, and the inmate population. Many housing units were over capacity and proper inmate classification remains extremely difficult, a number of inmates were housed in non-traditional housing areas with other offenders who are at risk. In addition, secure transports of pre-trial inmates for medical appointments, mental health evaluations, and substance abuse evaluations have increased due to the difficulty of scheduling transports with the Sheriffs Department. These transports have strained operations due to safety and security issues.

The medical complexities regarding inmate health continues to be a challenge. Little Rivers Health Care of Wells River, Vermont, notified the department that effective June 30, 2010 they will not renew their contract to provide medical services to the inmates concluding a long term relationship that was very much appreciated. As the department moves forward into FY11 we will do so with Dr. John Eppolito as our new Medical Director.

Substance abuse treatment programs in the facility continue to be well attended in addition the number of placements into residential treatment programs continues to increase. There is much caution as we move forward in this area due to the passage of SB500 – this legislation has the potential to decrease access to residential treatment from County facilities. Substance Abuse Coordinator William O'Malley, contracted counselors from Headrest, most notably David Belanger and independent counselor Karen McNamara continue to work hard.

Inmate Programs continue to excel – our GED program has continued to grow under the direction of Kenn Stransky and close to twenty-five (25) inmates earned their GED during this reporting period. The Thresholds and Decisions program continues with our great partnership with Jan Kinder and the awesome volunteers from the Grafton County RSVP program.

COMMUNITY CORRECTIONS

Community Corrections personnel supervised an average of 17 participants in the Grafton County Drug Court utilizing 3842 supervision hours, while performing 932 supervision checks, collecting 1138 urine samples, and traveling 27,777 miles. Of the 44 individuals who began Drug Court 12 have been terminated. During FY10 Drug Court clients spent 330 days in jail as the result of a Drug Court ordered sanction.

The Electronic Monitoring Program averaged just under 10 inmates per day in community supervision resulting in 3509 inmate days spent in the community and not in confinement. Four (4) inmates participated in the Daily Work Release Program. Community Corrections supervision personnel made 590 supervision checks, collected 585 urine samples and traveled 18,703 miles in support of these programs.

Our Operation Impact Program is in the process of undergoing substantial reorganization. Longtime coordinator Steve Whitney has been reassigned to other duties within the facility – I would like to personally Thank Steve for all his hard work and dedication to the program over the years.

Our Community Work Project program continued to excel under the leadership of Sgt. Dale Paronto and Corporal Dan Webster. Inmates worked 6166 hours in the community on a variety of projects. The program allows inmates to give something back to the community while building self esteem and discipline.

NEW FACILITY PROJECT

June 10, 2010 was a historic day for our dedicated staff as we broke ground for our new 150 bed facility that will provide a clean, safe and secure employment environment. I have marveled at their continued “can do” attitude and positive outlook throughout this sometimes contentious process. As ground was being broken a comprehensive transition plan was

being put in place to guide us through the transition from a severely outdated and exhausted facility to a modern facility. This process is daunting in scope and will take the additional effort and attention of many staff members. The FY11 budget proposal includes three (3) new positions that will form the Core Transition Team beginning in September of 2010. Phased staffing will continue through FY12 and the opening of the facility tentatively planned around May 1, 2012.

I would especially like to thank the Board of Commissioners and Delegation members who have continued their support of this project through some of the toughest economic times any of us have ever experienced. Your integrity has not gone unnoticed by the many people who have to live in, work in and who utilize the current facility.

The correctional staff once again performed their respective duties with professionalism and patience. Safety for everyone that has to live and work in the facility will continue to be a concern until the last person is transferred to the new facility. With difficult issues such as MRSA, hepatitis C, and the H1N1 virus we will continue to be vigilant. Inmates with mental health issues have seemed to stabilize. This combination creates complex inmate management situations which require good communication skills, dedication, and compassion especially since there are no appropriate housing areas for these individuals. I feel extremely fortunate to have an outstanding group of both full and part time officers. It takes special people to do this job and Grafton County is fortunate to have more than a few. Thank you staff. A special thanks to Captain Roland Lafond, Lt. Christopher Kendall and Sergeants Vannamee, Locke, Deem and Clark who have provided excellent leadership during the past year, Thank you all for your support and loyalty.

Grafton County continues to be extremely fortunate to have a group of Commissioners who promote teamwork and cooperation. We are also very fortunate to have an outstanding working relationship with County, State and Local law enforcement agencies. To everyone, especially our outstanding volunteers, support staff, counselors, visitors, and other County employees we say, Thank you.

Respectfully submitted,

Glenn P. Libby, Superintendent

GRAFTON COUNTY FARM

Donald Kimball

Annual Report FY 2010

To the Citizens of Grafton County, the County Commissioners and Grafton County Delegation members:

I present the following report for Fiscal Year 2010 on behalf of the Grafton County Farm.

Fiscal year 2010 was another challenging year for the farm. Milk prices rose to average between \$16 and \$17 per hundred. The quality of our milk continues to be outstanding.

Hay and feed crops were excellent. Fuel, feed, and fertilizer still remain high.

The vegetable crops were an ok – we were affected by a late blight which impacted our tomato and potato crops. This past Spring we added two (2) beehives to improve crop pollination and production. We also added 150 chickens to produce eggs for both the farmstand and for use on the County Complex.

Grafton County's 4-H Day, Pumpkin day, Sheep Shearing Day, Conservation Day and Family day are always very popular occasions at the County Farm. With donations to School's, Churches, and Food Pantries the Farm's total is over \$10,000.

In submitting this report I would like to thank my Herdsman Russell Keniston and Assistant Herdsman Gerb Aldrich for their hard work, the Jail staff who assist us with inmate labor, the Farm Advisory Committee, Executive Director Julie Clough and the Board of Commissioners for their support.

Respectfully submitted,

Donald Kimball
Farm Manager



GRAFTON COUNTY CONSERVATION DISTRICT



Gary Peters, Vice Chair
Annual Report 2010

Grafton County Conservation District (GCCD) has been helping landowners make informed natural resource decisions in Grafton County since 1946. Districts are a partnership of federal, state and local agencies interested in the stewardship of natural resources. District Supervisors are appointed by the State Conservation Committee, serve without pay, and develop an annual plan of work based on local concerns. All supervisors are volunteers. Thank you to the supervisors and partners (Natural Resources Conservation Service (NRCS), Farm Service Agency (FSA) and UNH Cooperative Extension, (UNH CE)) that make the District successful. The District assists agricultural producers, forest landowners, schools and towns in conserving our natural resources and implementing Best Management Practices (BMPs) through education, workshops and tours. The District provides soils information, Soil Potential Index calculations for NH Current Use program, historical aerial photos 1930's -1990's, NH Wetland Inventory and FEMA maps .

Grafton County Conservation District experienced many changes this year. We have had a quite a disruption in our District activities and function with the passing of Cal Perkins. GCCD supervisors all have shared the burden. Thank you, Supervisors, and Pam Gilbert, Office Administrator, for the extra effort. We welcomed new supervisors Linda Brownson, Wentworth, and Harry McGovern, Landaff, to the Board. The District sponsored Linda's attendance to the National Association of Conservation Districts Northeast Regional Meeting in Portland, ME.

We were informed that a new office site in Orford had been chosen. GCCD felt the office should remain in the Woodsville/Haverhill area. The struggle followed to see where the Conservation District would fit. Thanks to the assistance of the Grafton County Commissioners our direction seems much clearer. GCCD is grateful to have the support of the County Commissioners and County Delegates who provide funding for the Office Administrator. GCCD meets the third Wednesday of the Month at the Grafton County Complex. Meetings are open to the public and all are invited to attend.

Services and events provided by GCCD include:

- **Conservation Plant Sale:** Annual fundraising program offering plants for landscaping, conservation buffers, wildlife food source. Windy Ridge Orchard donates space and dedicated volunteers assist with sorting orders.
- **Growing Raspberries Workshop:** Heather Bryant, UNH CE Agricultural Resources, reviewed basic raspberry biology, site preparation, planting, pruning, and harvesting.
- **Planting and Pruning Workshop:** Demonstrations and planting discussion by Dick Fabrizio, Associate Supervisor and Windy Ridge Orchard owner, and UNH CE Forest Resources Educator, Dave Falkenham.
- **Annual Meeting:** Held at Woodward's Resort in Lincoln, the District recognized the Schwaegler Family Tree Farm, as Cooperator of the Year and Forest Steward of the Year for their outstanding stewardship and outreach to the community. Bruce Schwaegler delivered the Speaking for Wildlife presentation, **New Hampshire's Wild History** - 350 years of changing habitat.
- **Trout stocking program:** New Hampshire raised, disease free rainbow and brook trout for pond owners in May.
- **Pond Clinic:** GCCD Supervisor and consultant, Ray Lobdell, discussed pond ecology, water quality, weed control, design, construction, and the NH Department of Environmental Services permitting process
- **Conservation Easements:** Annual monitoring of seven conservation easements in Franconia/Sugar Hill, Landaff and Haverhill. Filed monitoring reports with the Society for Protection of New Hampshire Forests.
- **Annual Fall Tour of Conservation Practices:** Highlights projects and practices protecting local resource concerns. We visited the Woodsville Water Treatment Plant, sites in Swiftwater on the Wild Ammonoosuc, Landaff Creamery and Mill Brook Farm.
- **Education:** Awarded a \$250 Jim Page Conservation Scholarship to Melanie Peters-Basch. Provided stewardship materials to fifth grade students.
- GCCD participates in the State Conservation Committee, NH State Technical Committee, NH Association of Conservation Districts, and Employee Association.

Respectfully submitted

Gary Peters, Vice Chair



*Grafton
County
Events*



The Justices of the Supreme Court are rarely all at one event, but they were for the dedication of Court Room 1, for Justice William Johnson at The Grafton County Courthouse, including US Supreme Court Justice David Souter (ret.)



L to R: Former Supreme Court Justice William Batchelder, Former Chief Justice David Brock, Justice Gary Hicks, Justice Linda Dalianis, Chief Justice John Broderick, Justice Carol Ann Conby, Justice James Duggan and US Supreme Court Justice David Souter (ret.)



The Commissioners say farewell to Grafton County Attorney Rick St. Hilaire who left to begin his own practice in October. A commemorative clock was given as a gift.



Karen Clough, HR Generalist and DoC Captain Roland Lafond, were Grafton County award winners for outstanding employees at the NHACo held in October.



October also saw the first dedication of a Courtroom at the Grafton County Courthouse to the Honorable Judge William Johnson. Former Gov. Peterson and Chief Justice Broderick were in attendance



The Commissioners like to get out during the holiday and visit various Departments who have decorated for the season. Here the Commissions have awarded a pin for 10 years of service to Lieutenant Chad Morris of the Sheriff's Dept.



Grafton County Correctional Facility

Ground Breaking Event

A Day of Celebration

*after many long months and a legal action,
the County finally breaks ground on the
new Correctional Facility*



Opening Presentation given by Director Julie Clough

June 10, 2010

LET THE DIG BEGIN



SHOVELS IN THE GROUND:

Atty. Liz Bailey, Rep. Catherine Mulholland, Director Julie Clough, Commissioners Richards, Cryans and Burton, Captain Roland Lafond and CO Robert Morin



*Front Entrance of the new Correctional Facility
To be completed in the spring of 2012*

MEETINGS
OF THE
GRAFTON
COUNTY
DELEGATION

EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday July 29, 2009

PRESENT: Representatives Mulholland, Williams, Aguiar, Ford, Ward, Friedrich and Laliberte, Commissioners Cryans and Richards, Executive Director Clough and Secretary Jeri Martino.

EXCUSED: Representatives Preston and Gionet.

OTHERS PRESENT: Representative Rick Ladd and Register of Deeds Bill Sharp

Rep. Mulholland called the meeting to order at 9:06 AM

Rep. Laliberte moved to accept the minutes from June 15, 2009, which was seconded by Rep Williams. All were in favor.

Rep. Laliberte moved to accept the minutes from June 22, 2009, which was seconded by Rep Williams. All were in favor.

Rep. Laliberte moved to accept the minutes from June 29, 2009 Delegation Meeting which was seconded by Rep Williams. An edit was made. All were in favor.

Director Clough reviewed the monthly variance and pro-rated reports. The County ended the year almost \$2M over revenue and \$1.5M under expended with an undesignated (unaudited) fund balance figure of \$3.6M. Director Clough said that she may have to move the FMAP money out of the fund balance. . She said there is still more FMAP money to come and that she and the auditors are working on the procedures as to how that money can be expended.

Director Clough said that the Commissioners have approved \$841K in encumbrances. Rep. Williams asked how the encumbrances are done procedurally. Commissioner Cryans said that Director Clough made clear to Department heads that money could not just be carried over for use and that roughly 70% of the encumbrance money is for the Jail project.

Rep. Ward stated that DRA is cracking down on encumbrances and that you have to have either a binding contract or a purchase order to be able to encumber money or else it can not be done. He said that this is how all the towns are required to do this.

Director Clough agreed that there had to be an ongoing project or an invoice coming in on a particular project.

Director Clough asked for approval for the appropriation transfers which totaled almost \$940K and said that the largest amount, \$206K, was for outside council (legal fees).

Rep. Ward said that in the past he can't remember transfers being more than \$250K and asked what was being done to prevent over expenditure of items.

Rep. Ford suggested that most of the transfers are within their own departments which are fairly common. Director Clough said that in the last four years or so, transfers have easily been in the \$1M range.

Director Clough informed the committee that there has been an appeal to the Supreme Court in the Elected Officials case and the scheduling order for briefs in the Jail case will be forthcoming.

Rep Williams moved to approve the appropriation transfers, which was seconded by Rep. Ford. All were in favor.

Director Clough said that she would have the audited figures in draft by the September meeting.

Rep. Mulholland asked Commissioner Cryans about the lawsuit regarding the retirement system and had been asked by Rep. Almy to let the County know that they shouldn't be spending a lot of money on another lawsuit. Commissioner Cryans said that the County was contacted via a letter from LGC, the School Board Assoc. and NHAC who, in agreement, disagree with the State's reduction in their portion of contributions to the Retirement System and the increase in the liability passed onto the municipalities including the County, saying that the impact would be phenomenal. The request was that a pool of money be collected in which to be able to use to challenge this issue. The County's portion would be around \$3400 and a motion by the Commissioners was approved to do this under the proviso that the other Counties also join in. So far two other Counties have agreed.

Director Clough informed the committee that the request for bids for the TAN's went out last week and are due in today. She said that the Treasurer will be making recommendations to the Commissioners next week and that the County is still in good shape moneywise. The plan is to ask for a \$9M line of credit.

The next Executive Committee meeting will be on September 21st. Director Clough said that they are supposed to receive the estimated costs on the Jail

project around the first of September and asked if the committee would like to have a presentation to the full delegation on that date. It was decided that the discussion on longevity could be postponed until the October meeting and that a presentation on the Jail would be a good idea. There will be a regular meeting from 9:00 AM to 10:00, and then the presentation.

Rep. Ward stated that the County had until September 1st to make its final budget recommendations and in consideration of this he compiled a list of budget adjustments that he wanted to recommend which if considered would result in a tax reduction. Rep. Ward went over his list and provided explanations for his proposal, one of which was that the figures he was using were not available at the time of the budget and have since been realized.

Rep. Ladd weighed in saying that the town of Haverhill, along with other towns in the County, were facing a revenue sharing problem and it would be nice to see some of that made up with County money.

Commissioner Cryans said that the information presented by Rep. Ward would take some time to mull over, but that in his opinion the County portion of taxes represented only a small portion overall. Rep. Ward said that Littleton pays 5% to County taxes.

Rep. Laliberte said her concern is that if you reduce the taxes any further, next year it will appear as though the taxes have soared and that she would prefer to see stable taxes rather than seeing them go up and down. She said that the main problem is the school taxes.

Commissioner Cryans said that there had been a long process to get this budget down and it resulted in a 5.5% decrease. He said that he had concerns also about the taxes fluctuating over the years and about trying to balance the town tax problem through the County.

There was further discussion on this topic and Rep. Williams said that this is not about cuts but about bookkeeping and it needs to be reviewed. He said they didn't want to be looking at another lawsuit for any reason. Commissioner Cryans said that he has full confidence in the Executive Director to handle the financing and didn't see any reason why a lawsuit would even come into play. He said that the County is audited regularly.

Rep. Ward said that the material and suggestions that he has made are time sensitive and need to be voted on by the Delegation in August.

Rep. Friedrich agreed that this should be looked at and in her opinion believes that taxpayers will understand that this reduction in taxes would be a one time shot and that they would be aware and understanding of that when their taxes

increase the following year. Commissioner Cryans said he strongly disagreed with this assumption and said that taxpayers would likely be upset at a large increase and not at all pleased nor remember the reason for the prior year's decrease. He did not think this was a good idea.

Director Clough agreed and said that if this proposal is accepted the increase to the budget would be phenomenal next year.

Rep. Ward said that he is only suggesting that the money from the figures that were not available at the time of the budget, be used to reduce taxes. He said that this would not disrupt any other figures or departments.

Director Clough reiterated that they may already have to take \$400K out of the undesignated fund balance and to reduce that further could be tragic.

Rep. Ward moved to have a meeting of the full Delegation on August 31, 2009, to take up the budget reductions as proposed, which was seconded by Rep. Williams.

DISCUSSION:

Commissioner Cryans said again that the budget came down over 5% and that he hadn't heard of any towns or schools that had done that. He said that the County presented a good budget and he didn't think that an ebb and flow in taxes would be accepted very well.

Rep. Mulholland said that she thought this was a prudent budget and believes it also to be a cautious budget and agreed it should be left alone until next year.

Rep. Williams said that the Delegation meeting could be cancelled if everyone looks at this and feels that it's just not going to work but agreed that the meeting should be called.

Commissioner Richard brought up the biomass project and the need for money for that if in the future it is decided positively upon.

The question was called.

Reps. Ford, Friedrich, Aguiar, Williams and Ward were in favor of the meeting, Reps. Laliberte and Mulholland were opposed. Motion passed.

Rep. Williams moved to adjourn which was seconded by Rep. Laliberte. Reps. Ford, Friedrich, Williams, Ward and Mulholland were in favor. Rep. Aguiar opposed.

10:29 AM Meeting adjourned.

GRAFTON COUNTY DELEGATION

Fiscal Year 2010 Budget Review & County Attorney Interview

Grafton County ~ UNH Conference Room

North Haverhill, NH

Monday August 31, 2009

PRESENT: Reps. Ward, Bulis, Taylor, Ladd, Ingbretson, Aguiar, Friedrich, Cooney, Smith, Williams, Preston, Matheson, Nordgren, Townsend, Pierce, Laliberte, Mulholland, Almy, White, Gould and Harding. Commissioners Cryans, Executive Director Julie Clough and Sec. Martino

EXCUSED: Reps. Benn, Ford, Gionet, Pastor-Bodmer and Maybeck.

OTHERS: R. Bolt, E. Boynton, E. Moore, T. Andross, N. Bishop, B. Patanovich, B. Sharp, H. Brown, R. Bleckyl (and others who did not sign in)

Chair Mulholland called the Meeting to order at 9:05 AM

The roll call was taken by Rep. Preston and a quorum declared.

Rep. Mulholland said that the meeting was called for two purposes; One being a review of the FY10 budget and the other to interview an applicant for the upcoming vacancy for the County Attorney's position now that Atty. Rick St. Hilaire has given his letter of resignation.

Rep. Ward, who initiated the call for the special meeting, motioned to increase the Bed Tax revenue by \$400K, to budget \$500K for Proportional Share Payment (PSP), increase the Federal Medicaid Assistant Percentage (FMAP) revenue by \$1.1M and increase the surplus by \$1.1M by adding in an undesignated fund balance of \$711K and to delete the unexpended bond interest (\$389K) from the encumbrance which would reduce the property tax to \$3.1M and would leave the total amount of tax revenue at \$14,685,749. Rep. Williams seconded the motion.

DISCUSSION:

Rep. Ward passed out a 2009/2010 budget adjustment sheet.

Rep. Ward said that since the budget passed, some other financial changes have taken place including appropriation transfers and encumbrances. He explained how these happened "post budget". Rep. Ward said that revenues are much clearer at this time.

Rep. Ward then discussed the Bed Tax Revenue which was estimated at \$550K which the Executive Committee increased to \$600K. He said it appears to look more like it will be \$1.1M and therefore proposed to add an additional \$400 to

bring that number up to what he believes to be closer to an actual amount.

In regard to the PSP money, Rep. Ward said that by all accounts from people he has spoken to at the State and has listed on the handout, the PSP money is in the State budget and it was even suggested by the State that the money should be budgeted. He proposed adding \$500K more.

Rep. Ward said that the County is expected to receive \$1.7M in FMAP money which needs to have a dedicated fund, be audited and expended. He said this money is to absorb Medicaid expenses at the Nursing Home. Rep. Ward suggested using this money to increase the surplus.

Rep. Ward stated the money for the Jail bond interest which was encumbered from FY09 to FY10 has no legal binding contract or agreement as there is no current bond. He said this money should be returned.

Rep. Ward said that with all the aforementioned adjustments it would drop the amount to be raised by taxes to \$14,685,749.

Rep. Matheson asked Director Clough about additional money spent on the law suit. She replied that so far \$330K has been spent to date and \$100K was budgeted for FY10. The encumbered money for the Jail bond interest has been encumbered in order to continue with the Jail project.

Rep. Almy moved to divide the question which was seconded by Rep. Williams. All were in favor.

Continuing on, Rep. Ward passed out a County Tax sheet from 2007 to the present which showed increases which included a Jail Bond of \$38M.

Commissioner Cryans spoke and said that he had dug out his 1994 County Tax information which showed that the percentage of his Hanover tax bill paid to the County was 8.14%. He said that the County has incurred their own increase for things that were done such as the erosion control and the water tank, which was built for fire protection and the upkeep of the buildings. He said even after all that his 2009 County Tax portion was only 8.53% which is an increase over 15 year of less than 4/10 of 1%.

Commissioner Cryans said that he does not see the phenomenal increases that Rep. Ward did and said that the County has worked diligently to keep the taxes down. He said it would be reckless to redo the budget right now and they are only four months away from starting a new budget. He said that they have a good budget right now and he does not feel good about using one-time money. Rep. Harding asked if the other two Commissioners agreed with Commissioner Cryans and he said that he believed they did.

Rep. Ward said there has been an \$8M increase. Rep. Almy noted that the reason there were increases was because in 2006 & 2007 the decision was made by the Executive Committee to take down the \$6M undesignated fund balance. She agreed with Commissioner Cryans saying she did not want to have to increase taxes next year.

Rep. Williams disagreed with Commissioner Cryans about the percentage of County tax saying that the percentages are not the same as the amount of money paid. Commissioner Cryans said that the County is being asked to do more and more all the time.

Rep. Williams said that he would like to address the motions.

Rep. Ward moved to increase the bed tax from \$600K to \$1M by adding \$400K, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Harding said she is not comfortable with what is going on and would like to hear some opposing views to Rep. Ward.

Rep. Ward reiterated that this revenue money was not presented at the budget vote but after the fact.

Rep. Nordgren said that she is leery in assuming on what the feds may do in the future and she knows that at HHS, things are in a state of flux. She said they should not presume that they will receive the \$400K. Rep. Almy agreed and said she did not feel comfortable doing this either.

NH Finance Manager B. Patanovich said that the Bed Tax money is a crap shoot because they really don't know if any money will be received.

Rep. Harding said that she felt that a good and responsible job was already done on the budget and if they make changes now it could really mess things up next year by having to increase taxes. She said she is not comfortable with this.

Rep. Almy said that money being in the State budget does not mean the State will pay that money out.

Rep. White asked to hear from Director Clough who said that she felt they put together a good budget with a 5.4% decrease. She said that she had spoken to Administrator Bolander who said that she is not comfortable with increasing the Bed Tax as it might not come in. Director Clough said that if they take this possible revenue, there will be no money to add to the surplus to be able to reduce taxes next year. She said that there are no draft audited numbers at this time and they could be creating a situation that could have significant impact on the taxes next year.

Rep. Nordgren agreed that increasing taxes, particularly in an election year, could have consequences.

Further discussion ensued.

Rep. Pierce questioned the likelihood of the chance that the County will receive the money. B. Patanovich said that he thought it was probable, which he based solely on the fact that it was in the State budget. Rep. Nordgren said that because it was in the State budget does not mean it will happen. Rep. Pierce said that when he asked NHA Bolander this same question at the budget meeting she replied that the likelihood was remote.

Rep. Ward said that he feels far more optimistic that the money will be coming. Rep. Laliberte said that there are currently a number of lawsuits being filed because of the State budget. She also said that these changes will effect only a small amount of County tax bill and a few cents isn't going to make a big difference overall. She said that everyone understands it's the schools that get all the tax money. Rep. Laliberte said she would not be comfortable changing numbers when you don't even know what the figures are. She also questioned what the County would do if they needed money for a catastrophe.

Rep. Nordgren moved to call the question which was seconded by Rep. Ward. All were in favor.

A roll call vote was taken on whether to increase the bed tax from \$600K to \$1M by adding \$400K. 5 were in favor (Reps. Bulis, Ingbreton, Ladd, Ward and Williams) and 16 were opposed (Reps. Aguiar, Almy, Cooney, Friedrich, Gould, Harding, Laliberte, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and White). Motion does not pass.

Rep. Ward moved to use \$500K of Proportional Share Payment (PSP) as revenue to reduce taxes, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Ward explained exactly what the PSP money is and said that if it is not used as revenue, it means a raise in taxpayer money by that much.

Director Clough said that the PSP money has been around since the 90's and has not ever been budgeted, but rather has gone into the undesignated fund balance. She did not think that in these volatile times with the State it was safe to rely on the money.

Rep. Williams moved to call the question which was seconded by Rep. Ward. All were in favor.

A roll call vote was taken to use the PSP money in the amount of \$500K as revenue to reduce taxes. 5 were in favor (Reps. Bulis, Ingbreton, Ladd, Ward and Williams) and 16 were opposed (Reps. Aguiar, Almy, Cooney, Friedrich, Gould, Harding, Laliberte, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and White). Motion does not pass.

Rep. Ward moved to increase the FMAP money to a figure of \$1.1M, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Ward stated that this money has to be spent and accounted for separately. Rep. Almy asked about qualifying the money. Director Clough said that the whole thing is very confusing and there have been a number of questions that she has inquired on but has not had any response yet. She noted that the funds are called "freed up funds". \$432K was received in FY09 an additional \$269K was received for FY 09 but was actually booked as an FY10 revenue when it was received in August. Human Services Administrator Nancy Bishop has estimated that the County will earn \$835,000 in FY10 but some of that money will come in FY11. There is a lot of uncertainty with that money the Director said and added that it will not be a continued source of revenue.

Rep. Nordgren said that the money is tied up with the feds not having clear rules on how the money can be spent. She said that she would be cautious about it.

Rep. Almy asked how the other Counties were dealing with the money and Director Clough said that firstly, only three operate on a fiscal year. Sullivan County has a deficit with their budget so they are putting theirs into the undesignated fund. Hillsborough has done as Grafton and has used it as unanticipated revenue for FY 09. They have also budgeted a revenue and reduced their Intermediate Nursing Care expense line as an offset.

Director Clough said that FMAP money comes back from what's been paid out of the HS budget and the County is likely to get more but the question is how much.

Commissioner Cryans said that \$600K was put aside but he is still concerned about whether this money is solid. He said that using a figure of \$1.1M would be way off.

Rep. Ladd said that all the money should be used as revenue and there was further discussion about the calculated projections from the HS Administrator. There was further discussion as to what a viable amount of increase would be.

Rep. Pierce moved to call the question but there was no second.

Rep. Matheson moved a friendly amendment to the original motion to increase

the amount of FMAP revenue by \$230K, which was seconded by Rep. Ward.

After a having a more full understanding of this motion, Rep. Ward withdrew his second and the motion was then seconded by Rep. Williams.

Rep. Ward withdrew his original motion and Rep. Williams withdrew his second to that motion.

A roll call vote was taken to increase the FMAP money revenue by \$230K. 18 were in favor (Reps. Aguiar, Almy, Bulis, Ingbreton, Ladd, Ward Cooney, Friedrich, Harding, Matheson, Nordgren, Pierce, Preston, Smith, Taylor, Townsend, White and Williams). 3 were in opposed (Reps. Gould, Mulholland and Laliberte). Motion passes.

Rep. Ward moved to increase the surplus by \$711K from the undesignated fund balance to reduce taxes, which was seconded by Rep. Williams.

DISCUSSION:

Director Clough said that she may have to take \$400K of the FMAP money out of the undesignated balance, along with another \$2.1M which could only leave a fund o \$200K worse case scenario. Commissioner Cryans said that they are at about 8% of the budget which is where it is suggested they be.

Director Clough said that they have \$2.8M which is unaudited right now.

There was further discussion and Director Clough said that she feels that using every resource that they have is a bad idea.

A roll call vote was taken to increase the surplus by \$711K from the undesignated fund balance to reduce taxes. 6 Reps were in favor (Reps. Bulis, Friedrich, Ingbreton, Ladd, Ward and Williams) and 14 were opposed (Reps. Aguiar, Almy, Cooney, Gould, Laliberte, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and White). (Rep. Harding was not present). Motion does not pass.

Rep. Ward motioned to use the \$389K from encumbrances that was the Jail bond interest payment, to reduce taxes, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Ward said that this is actually money for the Jail bond which has been carried over and there is a duplicated amount in this year's budget for the same.

Rep. Nordgren said that she wasn't sure that the Delegation has the legal authority to do this. Director Clough said the Delegation doesn't vote on

encumbrances, the Commissioners do.

Rep. Almy asked about “double counting”. Commissioner Cryans said that they voted to move forward on the Jail and didn’t hear legally that it couldn’t be done that way.

Director Clough said they encumbered the money to be used to continue with the Jail project but not specifically for the bond. This money will keep the project going through November and reduce the money that will need to be bonded in the future.

Rep. Nordgren asked again if it were legal for the Delegation to vote on this today.

Rep. Ward said that in order to carry money over to another year, there needs to be a purchase order or a legal contract and since there is no bond, that money should not be encumbered.

Rep. Ingbretson asked if this would be another reason for further lawsuits if the current litigants want to pursue this avenue. Rep. Ward said absolutely because the money can not be carried forward without following the requirements of the Department of Revenue.

There was further discussion and talk about the proper way to transfer this money.

Rep. Nordgren moved to call the question, which was seconded by Rep. Williams. A verbal call was asked for and the majority voted no. The discussion continued.

There was more discussion about the money being encumbered and how that money can be moved.

Rep. Bulis questioned if the Delegation was trying to legitimize something that had already been done. Rep. White suggested that encumbering that money and using it for another purpose was appropriate.

Rep. Williams moved to call the question which was seconded by Rep. Pierce. A verbal roll call was taken. 19 were in favor (Reps. Aguiar, Almy, Cooney, Friedrich, Gould, Harding(?), Laliberte, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Townsend White, Bulis, Ingbretson, Ladd, and Williams). 2 were opposed (Reps. Taylor and Ward) Motion passes.

A roll call vote was taken to use the \$389K from encumbrances that was the Jail bond interest payment, to reduce taxes. 6 Reps were in favor (Reps. Bulis, Friedrich, Ingbretson, Ladd, Ward and Williams). 15 were opposed (Reps. Aguiar, Almy, Cooney, Gould, Harding, Laliberte, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and White). Motion does

not pass.

Rep. Pierce motioned to do an appropriation transfer in the amount of \$389,995.74 from line 9120-920 to 9200-988 of the FY09 budget, which was seconded by Rep. Williams. 14 were in favor (Reps. Aguiar, Almy, Cooney, Gould, Harding, Laliberte, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and Williams. 7 were opposed (Reps. Bulis, Friedrich, Ingbretson, Ladd, Matheson, Ward and White) Motion passes.

11:48 AM Chair Mulholland called a five minute recess.

12:00 PM Chair Mulholland called the meeting back to order.

A roll call was taken. Present were: Reps. Aguiar, Almy, Bulis, Cooney, Friedrich, Gould, Ingbretson, Laliberte, Ladd, Matheson, Mulholland, Nordgren, Pierce, Preston, Smith, Taylor, Townsend and Williams.

Rep. Mulholland said that in light of County Attorney Rick St. Hilaire resigning, the Delegation has the responsibility to appoint an interim Attorney. Two applications were received and one applicant, current Grafton County Assistant Attorney Lara Saffo was present to be interviewed by the Delegation.

Atty. Saffo gave a brief introduction and an overview of her education and work history.

Rep. Williams asked if she were appointed, would she want to run for the office when the time came and she replied yes. Rep. Williams asked if she had run in an election before and she replied that she hadn't and that was due in part to the fact that her current position is federally funded and she is not allowed to, however, she does have second hand experience with campaigns.

Rep. Pierce asked how she saw the role of the County Atty. changing and Atty. Saffo discussed public safety initiatives, the role of Drug Court and Child Advocacy being kept active.

Rep. Townsend asked about the need for a Mental Health Court and Atty. Saffo said that she feels there is a need for one.

Atty. Saffo said that her brother ran the Oliverian School in Pike and that she attended Beckett growing up before going to Catholic School. She said what she learned from this is that all kids are alike but that some are more subject to violence in the home. She said that she would like to see more civic learning in the classroom.

Rep. Almy asked if there was any resolution to Public Defendants not wanting people to go into Drug Court because of the risk of going to State prison. Atty.

Saffo said that testimony from some of the applicants can be very helpful and in time people we see that it will be a good thing.

Rep. Cooney asked who Atty. Saffo would consider as Deputy Atty. to which she replied that she would certainly recommend filling the position and that applications would have to be reviewed but also that she had great confidence in current Asst. Atty. J. Vara.

Rep. Williams asked what she thought about changing the County Attorney position to appointed rather than elected and she said that would require some thought but she also did not think that choice of political party had much to do with the job and that the job should go to the best applicant.

Rep. Laliberte asked if Atty. Saffo was willing to work with all the different agencies and she replied that it's part of the enjoyment and that having lived in various parts of the County and dealing with the different agencies it can at times be logistically challenging.

Rep. Almy asked if Atty. Saffo had budget experience to which she said that she has worked on some budgets in the past and understands that the County budget must be worked within but they have a close knit office that will be of help.

Rep. Gould asked if there were other pursuits to keep people out of jail and Atty. Saffo said that she believes in more electronic monitoring and will look for alternatives providing there is not a danger issue to the community. She said that creativity is key.

The committee thanked Atty. Saffo for her attendance.

Rep. Mulholland took a poll as to who would not be able to attend the September 21st meeting and it appeared that perhaps six of those currently attending would not.

Director Clough asked about the committee wanting to meet with the other applicant.

12:45 PM Rep. Pierce motioned to go into executive session as per RSA 91-A:3, Paragraph II, Section a), which was seconded by Rep. Bulis. All were in favor.

12:51 PM Rep. Almy motioned to come out of executive session and to permanently seal the Minutes from the Session, which was seconded by Rep. Williams. All were in favor.

12:58 PM With no further business, Rep. Pierce moved to adjourn and was seconded by Rep. Taylor. All were in favor.

EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday September 21, 2009

PRESENT: Representatives Williams, Ford, Ward, Friedrich, Laliberte, and Gionet Commissioners Cryans and Richards, Treasurer Sievers, Executive Director Clough and Secretary Jeri Martino.

EXCUSED: Representatives Mulholland, Aguiar and Preston

Rep. Williams called the meeting to order at 9:08 AM

Rep. Laliberte moved to approve the minutes from July 29, 2009, which was seconded by Rep. Ford. All were in favor.

Rep. Laliberte moved to approve the minutes from August 14, 2009, which was seconded by Rep. Friedrich. An addition was made. All were in favor.

Rep. Laliberte moved to approve the minutes from August 31, 2009, which was seconded by Rep. Williams. All were in favor.

TREASURER'S REPORT

Treasurer Sievers handed out a report to the committee which stated that the TAN's has been set up with Woodsville Guaranty Savings bank at a rate of 1.69%, for up to \$4M.

Treasurer Sievers said that the hope is to borrow less money in the future.

Treasurer Sievers also said that once the interim County Attorney has been appointed that she would like to speak with them about the securitization of funds for investments.

COMMISSIONERS' REPORT

- Commissioner Cryans said that the pig barn roof is underway.
- October 1st there will be a going away party for Attorney St. Hilaire at the Courthouse from 12PM to 2PM.
- The Nursing Home survey has been completed and although it went well, they did not receive a deficiency free survey which was mainly because of documentation issues.
- The Sheriff's Department is completing their certification and accreditation process and when that happens, they will be the only Sheriff's Dept. in New Hampshire to do so.

- The fourth GED graduation at the Jail was held and 16 inmates received their diplomas with 8 inmates attending the ceremony. Virginia Barry, Commissioner of Education, was the commencement speaker. Commissioner Cryans said it was a worthy function to attend.

Rep. Friedrich said that she would like to be notified when the GED graduations take place and Director Clough said they are usually held on Wednesdays and she will make sure that everyone is informed of the next one.

Rep. Williams said that the graduations are very important and if people can attend, they should. Commissioner Richards said that they show a great community effort and are a good use of taxpayer money.

Rep. Ford said that the GED standards have been changed and a GED is very difficult to achieve so getting one is quite an accomplishment.

Commissioner Cryans continued on with his report.

- The Commissioners will be holding an on-the-road meeting on October 6th at Woodsville High School.
- On October 13th there will be a Courtroom Dedication.
- On October 20th the Commissioners will hold their meeting in Campton.
- The Plaintiff's brief in the Jail lawsuit has been filed and Elected Officials Salary brief is due shortly. The County's briefs are due at the end of October.

Rep. Williams asked how the Farmstand was doing and Director Clough said that it has been a rough year. She said that all the tomatoes were lost to late blight and there was a problem with the potatoes as well.

Rep. Ward said there were concerns in Coos about their Farm and their revenue loss and he asked Director Clough what the loss would be to Grafton County this year. Director Clough said she hadn't done any of those projections yet so she doesn't have that figure.

Rep. Ward asked about the status of the water tank and the relationship with Woodsville Water and Light. Commissioner Cryans said that there have been some communication but no resolutions as of yet. He said there is no final decision as to ownership.

Rep. Williams said that he would still like to see WWL take over the water tank.

Rep. Ward asked if the audit was complete and Director Clough said that the figures they are seeing are draft only.

Rep. Gionet asked if any more hydro testing had been done on the wells for the

water tank and Director Clough said not since spring. She said that test did show however that it was likely that there would be ample water in the area. Rep. Gionet said that he disagreed with Rep. Williams and that he thinks that the County should create their own water supply system.

Rep. Ward asked about the County's funding to ACORN and Commissioner Cryans said that there is no correlation between the ACORN in W. Lebanon and the agency that is currently under scrutiny with the federal government.

Rep. Williams said that someday the Farm is going to need to be fully considered as to whether it should continue. Director Clough said that she and Commissioner Richards attended the meeting in Coos last week regarding their Farm and there were a lot of intangibles discussed. She said the meeting was very valuable. She also said that Cheshire County is taking a hard look at their Farm also and primarily because of the price of milk.

Rep. Williams said that milk pricing is more a local problem and not as far reaching as one may think.

Commissioner Richards reviewed her opinion of where the Farm should be and that there are a lot of issues with state regulations that need to be addressed. She discussed further the importance of keeping the land for agricultural use.

Rep. Laliberte said there are also state regulations that stymie Farmstands and Farmers Markets in the state and she hears from her constituents about it.

Referring back to the County Farm, Rep. Ward said that it appears that after going over some figures, the Grafton County Farm could be set to lose \$230K this year and that doesn't include capital expenses.

Rep. Williams said that there needs to be a committee put together to review the Farm and it needs to be done soon.

Rep. Gionet asked how the Farmstand revenues are tabulated and Director Clough said that all sales are written on a pad and calculated daily.

Rep. Ward said that he would like to see a five year historical review of the Farm with receipts and capital information. Rep. Williams said that the intangibles need to be calculated in as well.

Rep. Gionet asked if there was a way the committee could get a copy of the meeting minutes at Coos that they could review and Director Clough said she would try to find out.

Rep. Ford moved to approve the Commissioners' Report which was seconded by Rep. Ward. All were in favor.

FINANCIAL REPORT

Director Clough began by saying that the census in the Nursing Home was 131 and the Jail was 134.

Director Clough reviewed the Variance Report and said that she expects the numbers will even out in the coming months. She then reviewed the Pro-rated Report.

Rep. Ward asked what was driving the Nursing Home revenue increase and Director Clough said that she wasn't sure if the figures were right and she would have to check into it.

Director Clough said that the TANs money has not been drawn down at this point.

Rep. Ward moved to approve the Financial Report which was seconded by Rep. Ford. All were in favor.

There was a discussion about the Delegation meeting coming up in the next hour and how it would be run. Rep. Williams would chair the meeting and Rep. Friedrich would act as clerk.

Rep. Ward said that he had to recuse himself from attending the portion of the meeting wherein the interim County Attorney was elected because of a pending case with Grafton County.

The next Executive Committee meeting would be held on Monday October 19th.

9:55 AM With no further business the meeting was adjourned.



GRAFTON COUNTY DELEGATION

Grafton County ~ UNH Conference Room

North Haverhill, NH

Monday September 21, 2009

PRESENT: Representatives Almy, Benn, Bulis, Ford, Friedrich, Gionet, Gould, Ingbretson, Laliberte, Ladd, Maybeck, Pierce, Townsend, Ward (not for the CA interim vote) White and Williams. Commissioners Cryans, Executive Director Julie Clough and Sec. Martino

EXCUSED: Representatives Aguiar, Cooney, Harding, Matheson, Mulholland, Nordgren, Pastor-Bodmer, Preston, Smith, and Taylor.

OTHERS:R. Blechl, A. Thompson, D. Lay, D. Mains, G. Trotter, B. Sharp, J. Oakes, G. Libby and D. Smith.

Acting Chair Representative Williams called the Meeting to order at 10:13 AM

The roll call was taken by Acting Clerk Representative. Friedrich and a quorum declared.

Rep. Williams stated that there were two people in the running for the appointment to fill the unexpired term of County Attorney; Lara Saffo and John Clifford.

Rep. Pierce asked if there was any word from Attorney Clifford and Director Clough said that she had emailed him that the Delegation had done their interview on August 31st and though he had not been able to attend that meeting, no other interviews were scheduled. She received an email reply thanking her for the information.

Rep. Ladd motioned to appoint Lara Saffo as interim County Attorney at the leaving of County Attorney St. Hilaire, which was seconded by Rep. Pierce. A roll call vote was taken. 13 were in favor (Reps. Almy, Benn, Bulis, Ford, Friedrich, Gionet, Gould, Laliberte, Ladd, Pierce, Townsend, White and Williams. 2 were opposed (Reps. Maybeck and Ingbretson). Motion passes.

No other nominations were made and Rep. Williams declared L. Saffo the new County Attorney.

Director Clough was recognized and she informed the Delegation that an informative PowerPoint presentation had been prepared for them on the reduction of the Jail and a representative from HP Cummings and representatives from SMRT were on hand to answer questions. She then turned the meeting over to Superintendent Libby who reviewed the PowerPoint *(see attached)

Representative Ward arrived for the presentation.

Bottom line total cost is \$36,010,968. which amounts to a total cost savings of \$4,232,386 and this figures includes the \$1M geothermal component.

Rep. Williams asked about tying the geothermal into the Courthouse and A. Thompson said that you have to drill more wells and redo the heating system in the building so it would be more costly. Director Clough said that the County is looking at having a biomass facility for the rest of the County which would include the Courthouse.

Rep. Benn said that he hoped that the new size of the Jail will be sufficient and Supt. Libby said that hopefully, community corrections will be at a point where they will defer some of the occupants.

Rep. Ward questioned how much money has been spent to date and Director Clough said that there has \$2.3M spent, with close to \$900K to be spent on the redesign and \$1.1M left to pay for the balance of the project.

Rep. White asked what the current census of the Jail was and Supt. Libby replied that it was 134.

Rep. Pierce asked about payback time from the geothermal and A. Thompson said they wouldn't know that until they get all the information back on the test wells. He said that in Cheshire, though their system is a little different, they will see a payback around year nine.

There was a discussion about the relation of men to women in the Jail and the need for varying programs to accommodate different issues. Supt. Libby said that overall the nature of the offenses are increasing to more serious charges at this time.

Rep. Friedrich asked if the County was still taking women from Coos and Supt. Libby said they were and the average was one or two a month.

Rep. Friedrich asked if the reduction of the Jail will mean that they will need less Correctional Officers and Supt. Libby said that it did, but the CO's will have more duties because of the way it's set up.

Rep. Williams asked when the staffing figures would be ready and Supt. Libby said hopefully within the next two months.

Commissioner Cryans asked when they finally so get a court ruling, how long before the project will be built. A. Thompson said that if they get a ruling by the end of the year they can begin next year. The construction documents won't be

ready until the end of this year anyway and then HPC takes over. From there it's about 20-24 month project depending on how long it takes to do the geo drilling.

Rep. Bulis asked why there needs to be two systems (biomass and geothermal) and Commissioner Richards replied that the geo can do both heating and chilling, which the Jail requires. Rep. Bulis asked if it wouldn't be more efficient to do all the facilities with the biomass if that's the way the complex is going and Director Clough said that it was more expensive to do it that way because you would still have to set up for the chillers at the Jail.

Rep. Bulis said that it didn't make sense to pay \$36M to get 16 more beds than we currently have being occupied now at the Jail.

Rep. Almy asked if the new Jail could adapt if more women were to come into the facility and Supt. Libby said that more programs are needed for that and that hopefully community corrections can address some of that. Supt. Libby said that Grafton County does a really good job right now of pushing people into alternative sentencing but there needs to be more staff in order to do an even better job. He said that Drug Court takes up a great deal of his staff's time. Rep. Almy was in favor of increasing the costs for community corrections and believed strongly in alternative sentencing.

Rep. Ward asked HPC what the cost would be of the original proposal after all this time out and D. Smith said that construction costs were up a little but they would probably be similar because of the construction industry.

Rep. Ingretson asked why the County should feel comfortable trusting HPC after what happened at the Middle School and D. Smith said it was their opinion that the work was done as designed and that they made every attempt to rectify the situation but the school didn't want them involved. He said that he believed that they (HPC) did everything that should have been done. He added that HPC has been in business for 130 years and have many clients with whom references could be checked.

Rep. Williams asked if this Jail design could allow for double bunking and Supt. Libby said that the 150 beds included double bunking. This led to a discussion.

Commissioner Richards asked how easy it would be to add on another housing pod and the geothermal needed. A. Thompson said that the pod could be added on with ease but they would have to likely drill more wells for the geothermal. Supt. Libby said that adding another pod adds to the operations costs.

Rep. Ward asked about the redesign increasing the per-bed cost and A. Thompson said that the core is sized for the future of the project, so when you make the

facility smaller, the cost per bed rises. More beds, less cost. He said the core is sized for a 300 bed facility. There was further discussion about adding pods and the cost of that.

Rep. Ford agreed with Rep. Almy and said that there is a need to rethink about who goes to Jail and relayed a story about a mom who couldn't pay a \$250 fine because she simply did not have the funds. Her punishment for this was a 6 day Jail sentence, which she said did not make any sense.

Rep. Ward asked why the core is being sized for 300 and there are beds for 150. Supt. Libby said that he was directed to look at the project with a 25 year future in mind. The kitchen, laundry etc. can not be expanded so they are sized for the future. All that has to be done is to add housing pods when needed.

Rep. White said that he thought it was correct to design for the future and said that's what they usually do with schools.

Rep. Ingretson asked if Supt. Libby thought that a doubling of the inmate population is feasible and Supt. Libby said that was the projection.

RD Sharp asked if the Court proceedings can be expedited and asked if any work could be done before that. Supt. Libby said he can't speed up the Courts and without a decision, nothing can be done.

There were no more questions from the Delegation.

Rep. Williams thanked Supt. Libby for the report and said that he thought they had a good plan. He said that when the Court issue is cleared the County will go forth.

11:27 AM With no further business the meeting adjourned.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday October 19, 2009

PRESENT: Representatives Mulholland, Aguiar, Ford, Ward, Friedrich, Laliberte, and Gionet, Commissioners Cryans, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Williams, and Preston

OTHERS: Representative Ladd and Harold Brown

Rep. Mulholland called the meeting to order at 9:10 AM

Rep. Laliberte moved to approve the Executive Committee minutes from September 21, 2009, which was seconded by Rep. Ford. All were in favor except Rep. Mulholland who abstained.

Rep. Gionet noted at the last meeting he had asked Director Clough about the job description of the person who was moved from HS to HR which he hadn't received and which didn't get noted in the minutes. Director Clough said that the person no longer worked in the HR department but had since applied for a spare job in the Dietary Department, which was a posted position, and was hired to work there.

Rep. Laliberte moved to approve the Delegation meeting minutes from the September 21, 2009, which was seconded by Rep. Ford. All were in favor except Rep. Mulholland who abstained.

TREASURER'S REPORT

Treasurer Sievers was not available for the meeting and Director Clough gave the report. \$2.1M has been drawn down from the Tax Anticipation Notes at Woodsville Guaranty Savings Bank and there will be more money needed by the end of the month. Director Clough said that the County may also need to draw down money in mid Nov/Dec from the Mascoma account.

Tax information has been received from the Dept. of Revenue and that information was passed out to the committee. Taxes are due from towns to the County no later than December 17th.

Rep. Laliberte moved to accept the Treasurers Report which was seconded by Rep. Ford. All were in favor.

COMMISSIONERS' REPORT

- A new Human Resources Director has been hired and will begin his position on October 26th. His name is Michael Simpson and he comes highly qualified. He will begin at grade 9, step 5.
- The pig barn roof has been completed.
- There are no new developments regarding the water tank or any agreement with Woodsville Water & Light.
- Today is Pumpkin Day at the County.
- The County dedicated Courtroom #1 to Justice William Johnson who was a Judge at Grafton County and then went on to become a Supreme Court Justice as well as a State Senator. All five sitting NH Supreme Court Justices as well as two NH ex-Justices, and US Supreme Court Justice David Souter were in attendance, along with approximately 50 other people.
- The Commissioners will hold their meeting in Campton tomorrow.
- The Commissioners held their meeting at Woodsville High School on the 6th of October. Several classes attended the meeting and the Commissioners were treated to music by the choir and the band, as well as lunch.
- There is no new information to be had from the two Supreme Court cases.
- Work continues on the Jail project.

Rep. Ward moved to approve the Commissioners' Report, which was seconded by Rep. Ford. All were in favor.

FINANCIAL REPORT

Director Clough began by saying that the census in the Nursing Home was 131 and the Jail was 126.

Director Clough reviewed the Variance Report. Revenues were down as the billing from the Dispatch had not been collected for the second quarter yet and that the Bed Tax was due to come. On the Expense side, HS is over because the County pays bills as they come in up to the amount of the cap. That will eventually even off. The Nursing Home bond payment was made as well. She then reviewed the Pro-rated Report.

Director Clough provided the committee with a Farm report which reviewed expenses and revenues over the past 15 years. The chart also included capital improvements.

Rep. Ward asked about the Farm/Maintenance building and Director Clough said it wasn't on there but could be added.

Rep. Friedrich said that she was struck by the reduction of revenue in 2008/9 and Director Clough said that it was due to the price of milk, which was higher

at that time.

Rep. Ford asked if there have been any discussion about federal help that might benefit the County Farm and Director Clough said that because this is a government entity it doesn't qualify.

Rep. Ward asked about the Farm capital reserve fund and how it was funded. Director Clough said that in the past profits from the Farm have gone into the fund but there is no fund now.

Rep. Ward asked about inmate labor and how many hours are utilized on the Farm. Commissioner Cryans said that they don't likely have hours tracked back more than a couple of years if that. Director Clough said that those figures would have to be calculated.

Rep. Friedrich asked about the dramatic increase in expenses from 2006 to 2009. Director Clough said that at some point during that time, a third full time person was added to the Farm. She said there was also an increase in fuel, bedding and grain. Rep. Friedrich said that she didn't quite understand why if the Farm is losing money and is now cutting down on cows, there was an additional Farm hand added. Director Clough pointed out that the Delegation funded the position.

There was a discussion about using the Farm produce in the Nursing Home. Rep. Aguiar asked what dictates the use of produce in the Nursing Home and Director Clough replied that according to the Nursing Home Administrator, it is a combination of regulations, staffing and storage space. Rep. Aguiar asked if the Nursing Home is charged for the food they get and Director Clough replied that they were.

Rep. Ward suggested that the Farm be run by the historical revenue levels and that he didn't think that milk prices would be increasing.

Rep. Mulholland said that past minutes implied that someone wanted to see more information regarding the Farm and Director Clough said that Commissioner Richards is planning to establish a Farm Commission for that purpose.

Director Clough presented the committee with information regarding Grafton County grants and RSA:29:8-a, which pertains to those grants. She asked if the committee how they would like to handle the authorization of the Commissioners to apply for, accept and expend the grants. Rep. Ward said that he thought doing it once a year would be fine if no one else had any objections, which they did not.

Rep. Ford moved to authorize the Grafton County Commissioners to apply for,

accept and expend grants of federal and/or state aid as per RSA 29:8-a. on a yearly basis and for the full Delegation to be brought up to date on all grants at the yearly meeting, which was seconded by Rep. Ward. All were in favor.

Rep. Ward moved to accept the Financial Report of the Executive Director which was seconded by Rep. Friedrich. All were in favor.

OTHER BUSINESS:

Rep. Aguiar brought up the issue of longevity which had been tabled until now. He said that he would like to hear from the Commissioners regarding longevity and whether it should be part of the pay practice. He said he would also like a clearer understanding of longevity pay.

Commissioner Cryans said that longevity pay has been around for a long time and that he thinks it provides strength in encouraging people to stay though he is less inclined to see longevity pay for elected officials. At present longevity is given at an amount of \$95 for those over six years and then again every year. There was a breakdown of employee time (not completely up to date) on the job as follows:

- 61 employees have less than 1 year
- 180 employees have less than 4 years
- 103 employees have between 5 and 10 years
- 82 employees have 11 plus years.

Commissioner Cryans said that it's a nice carrot for people and a good way to reward those who remain with the County.

Rep. Ford asked how many of people are Union and Director Clough replied that about 1/3 of the workforce is Union and that they negotiated \$100 in longevity this year.

Rep. Laliberte said that she considers longevity as part of the benefits package and can't really discuss it without knowing what all the other benefits are.

Commissioner Cryans said that the health insurance premiums varies depending upon when the employee started at the County. Some people pay 15%, others 20% of the premiums.

Rep. Ward asked if longevity began as something else and Director Clough said that it was originally instituted as an extension of the wage scale and it has not been modified since then. She added that she could provide a more comprehensive breakdown of benefits if so desired.

Director Clough added that the County has received word from LGC that there is likely to be a 20% insurance premium increase in fiscal year 2011.

Rep. Aguiar said that he seemed to remember an approval of a motion that ends

the practice of longevity for elected officials.

Rep. Ladd said that he recalled that the vote was that the Delegation would be the ones who determine the elected official's salary and longevity would be discussed at that time.

This information will be looked into.

Rep. Aguiar asked if pay increases included longevity, and Director Clough said that longevity was added on after any increases and not included for step increases.

Rep. Aguiar said that he would like the Commissioners to reconsider the whole longevity issue and feels that working at the County is good and that the salaries are good as well as the benefits and step and grade increases. He said that he is not advocating that longevity been taken away from people, but that new hires coming in should not receive it.

Rep. Ford said that she would like to know more about whether salaries are competitive and what the benefits are, adding that she didn't know if County salaries were competitive.

Director Clough said that the County has used an independent wage consultant in the past to make comparisons with other companies in the area about wages and that hasn't been done for a couple of years. She said that the outgoing HR Director noted concern about that before she retired, questioning whether the County was in fact keeping up in that arena.

Rep. Ward asked how much a family insurance plan was and Director Clough said that off the top of her head, the family plan was \$16K, two person plan was \$12K and single plan was \$6K.

Rep. Aguiar said he would like to hear from the Commissioners as a group as to what they think longevity should be, as they have only heard from Commissioner Cryans. He said that he didn't feel that just because something had been done for 30 years meant that it needed to continue that way.

Commissioner Cryans said that longevity is part of employee and Union negotiations and he strongly advocates keeping it.

Rep. Aguiar reiterated that he was talking about longevity in terms of future hires.

Rep. Ford said that she wanted to report on the dinner for Rick St. Hilaire saying it turned out wonderful and gave credit to Reps. Sue Almy and Laurie Harding for the proclamation that was given.

Rep. Friedrich asked if it were possible to go back and change the budget to

fund a biomass system as she thought that Rockingham had it on an agenda for consideration.

Director Clough said there could be a supplemental appropriation and Rep. Ward said that it could be done with a bond vote also.

Rep. Aguiar said that he just learned that there are actually more than three County Farms but only three County Dairy Farms. He said some of the other farms do other agricultural things.

Rep. Laliberte made a motion to start the next meetings at 10:00 AM and it was brought to her attention that a motion was already made last year that meetings would begin at 10:00 AM in the months of December through March.

The next Executive Committee meeting would be held on Monday November 16th.

10:43 AM Rep. Ward moved to adjourn, which was seconded by Rep Ford. All were in favor and with no further business the meeting was adjourned.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday November 16, 2009

PRESENT: Representatives Mulholland, Ford, Ward, Friedrich (late), Laliberte, Gionet, Williams, and Preston. Commissioners Cryans and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representative Aguiar

OTHERS: Harold Brown

Rep. Mulholland called the meeting to order at 9:08 AM

Rep. Laliberte moved to approve the Executive Committee minutes from October 19, 2009, which was seconded by Rep. Williams. All were in favor except Rep. Preston who abstained.(Rep. Friedrich had not arrived yet).

TREASURER'S REPORT

Treasurer Sievers passed out a handout which outlined information regarding the TAN from Mascoma and said that they are using \$2M of the \$5M that was approved. She said that she is also starting to prepare the bid process for the investments for the coming year and that there would be no delay investing this year.

Treasurer Sievers asked the committee for their input as to whether or not they wanted to look at banks outside of the County for better interest rates or just stay within.

Rep. Gionet asked if there was any kind of historical record which showed stability from fluctuating rates and Treasurer Sievers said that most banks they have dealt with appear to be fairly consistent with their rates but she won't know for sure until bids are secured.

Rep. Williams asked the Treasurer for her input and she said that she thinks it would be best to get the most out of the County's money and look outside but then there is also something to be said for using local institutions.

Rep. Ward reviewed how things were done in the past and how they are now being done as far as investments go. He said that he thinks that community banks may get hit hard this year and may find it difficult to offer good rates but that the monies should be spread around the County for economic reasons. Rep. Gionet disagreed and said that it made sense to him to get the best return on the investment, which Reps. Williams and Preston also agreed with.

Rep. Ward replied that it is taxpayer money and that should go back to banks in the County for their economic value.

Director Clough said that the banks that have been used in the past have branches in Grafton County which is usually a consideration, as well as the rates.

Rep. Preston said that didn't really matter too much because it was the bank headquarters that receives the money and not the local branches. He also questioned why putting money into a higher yield account would not benefit the taxpayers as alluded to by Rep. Ward, saying that in fact it would benefit them.

Commissioner Richards said that she would like to see the money put back into banks that offer loans to the citizens of Grafton County. She also noted that she had never been approached by anyone who asked her what banks the County had investment with.

Treasurer Sievers asked if the committee would like her to see if she could gather information about loans to citizens, which Rep. Laliberte and Commissioner Richards said they would like to see. Treasurer Sievers will gather information for a report. Treasurer Sievers will not be at the December 21, 2009 meeting of the Executive Committee but will prepare a full report and email it.

Treasurer Sievers asked then again, if the committee would like to go outside the County with bids to banks. Rep. Mulholland said that would probably be best so a more insightful decision can be made regarding rates.

Rep. Gionet asked about bank security and Treasurer Sievers said that she gathered securitization information on banks last year.

Rep. Gionet moved to accept the Treasurer's Report which was seconded by Rep. Williams. All were in favor.

9:30 AM Rep. Friedrich arrived.

COMMISSIONERS' REPORT

- The County filed its brief in the Jail Lawsuit on October 27, 2009. In addition, the County has also filed a motion to expedite the scheduling of Oral Arguments.

- The County filed its brief in the Elected Officials salaries lawsuit on November 12, 2009.

- Thresholds Graduation was held on November 12, 2009, Commissioner Cryans said that Reps. Ladd and Ford were present.

Rep. Ford said that the graduation was a highlight of being in Grafton County and spoke very highly of the program, which is run by volunteers. She spoke with one of the inmates in the program who had written a poem for the event, which she copied and passed out to everyone. She was very impressed with the impact that the program makes on the inmates and noted what a difference it makes in their lives.

- The County has created a draft MOA for the water tank. This draft will be reviewed by legal counsel before being given to Woodsville Water & Light.

- Michael Simpson began as the new HR Director at Grafton County on October 26, 2009.

- A full report addressing longevity will be prepared for the December Executive Committee meeting. The County will be preparing the annual payout of longevity within the next couple of weeks so the information will be current.

- There will be a Drug Court Graduation on December 9th at 10:30 AM.

Rep. Williams asked what the current cost of the proposed Jail is and Director Clough said \$36M. She said it will probably be at least three months before any judicial decisions are made. Rep. Ward said that they may not hear anything until April and there is always a chance there could be a motion to reconsider.

Rep. Gionet asked about an advertisement he saw in the paper for nurses and Commissioner Cryans said that two of the nurses from the Philippines had fulfilled their contract, two nurses left due to illness and one other resigned.

Rep. Gionet asked if that had any impact on the residents and Director Clough

said that she was told by NHA Bolander that the quality of care would not be compromised and that they may have to use traveling nurses in the meantime until there is a hiring.

Rep. Ford moved to approve the Commissioners' Report, which was seconded by Rep. Gionet. All were in favor.

FINANCIAL REPORT

Director Clough began by saying that the census in the Nursing Home was 131 and the Jail was 114. There are 19 people in Drug Court.

Director Clough reviewed the Variance Report of Revenues and Expenses. She then reviewed the Pro-rated Report.

Rep. Williams asked Director Clough how she thought the Farm would end up for the year and she replied that it would be difficult to predict right now and that milk is still down. She said that Farm Manager Kimball is buying very minimally right now and holding the line on expenses.

Rep. Laliberte moved to accept the Financial Report of the Executive Director which was seconded by Rep. Williams. All were in favor.

The next Executive Committee meeting will be held on Monday December 21st beginning at 10:00 AM.

9:50 AM Rep. Preston moved to adjourn, which was seconded by Rep Ford. All were in favor and with no further business the meeting was adjourned.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday December 21 2009

PRESENT: Representatives Mulholland, Ford, Aguiar, Ward, Friedrich (late), Laliberte, Gionet, Williams, and Preston, Commissioners Cryans, Burton and

Richards, Executive Director Clough and Secretary Martino.

OTHERS: Harold Brown, Howard Hatch, Rep. Ladd

Rep. Mulholland called the meeting to order at 10:05 AM

Rep. Preston moved to approve the Executive Committee minutes from November 16, 2009, which was seconded by Rep. Laliberte. All were in favor. (Rep. Friedrich had not arrived yet).

TREASURER'S REPORT

Treasurer Sievers was not available for the meeting so Director Clough informed the committee that all of the taxes from the towns had been collected as of the 17th of December in the amount of \$17,555,749. \$3,650,000 in TANs had been borrowed with an interest amount of \$10,737, which has all been repaid as of December 16th. As of last Friday there was \$12,750,000 in the general account.

Treasurer Sievers had emailed her proposed investment plan for tax monies to Director Clough, who passed out the information. The committee took a moment to read the information. Director Clough said she really couldn't answer any questions regarding the information as she just received it this morning upon her arrival.

Director Clough said that she did have some concerns about a couple of items in the proposal. The proposal suggested putting money in liquid account and then switching between banks weekly as the rates change. Director Clough said that given Treasurer Sievers history of not availing herself to the County she would probably not be able to follow through on that suggestion because she is just not reliable in that way.

The letter also proposed borrowing money in the middle of the year and the fact is, you can not borrow money if you actually have money in the bank.

At present the money is in Woodsville bank accruing 1% interest which is fairly comparable to what other banks are offering according to the bid proposals.

Rep. Gionet asked Director Clough if she had any recommendations or if she should assume the responsibility of the Treasurer. Director Clough said that being Treasurer is not her responsibility. She said she didn't think that banks that did not bid (there were many) should be re-asked if the County could invest money with them, and the money should only be invested in a bank or banks that have prepared bids.

10:15 AM Rep. Friedrich arrived.

Rep. Preston asked if money could be bounced around without having the Treasurer present and Director Clough said that she didn't know if that were possible and at the very least the banks would have to have her signature on file.

Rep. Williams said that he is not pleased with the information that he has just heard about the Treasurer and asked the Commissioners for their thoughts. Commissioner Cryans said that she is an elected official and the Commissioners have no control over her. He said that after looking at the interest rates he didn't think that the situation would be any different even if she were here. He also noted that switching around money didn't seem to be a healthy solution for anyone involved, including the banks. He said that it doesn't appear that moving money out of Woodsville right now would make a big difference.

Rep. Ward suggested keeping the funds where they are for one month and then for the Commissioners and Director Clough to come back at that time with another recommendation. Rep. Mulholland said that sounded like a good suggestion.

Rep. Williams moved to keep the funds at Woodsville bank for one month and that the Committee should be updated with another recommendation at the next meeting which was seconded by Rep. Ford. All were in favor.

Rep. Gionet had a question regarding a \$1600 fee on the cash management report and Director Clough said that she would have to pull the report to find out.

Rep. Ladd wanted it noted that he sees a lack of professionalism in the Treasurers Report that was presented and could not understand why she was not present at this meeting to go over it. Rep. Mulholland said it was duly noted.

Rep. Laliberte moved to accept the Treasurer's Report which was seconded by Rep. Aguiar. Reps. Mulholland, Ford, Aguiar, Ward, Friedrich, Laliberte, Gionet, and Preston were in favor. Rep. Williams was opposed.

Nursing Home Administrator Eileen Bolander arrived with an informational packet which referenced the statistics of long term care on the economy. The new reduced Medicaid reimbursement rate was discussed along with the impact it will make on the budget. There will be a \$270K reduction from the time period of January to July. The rate has dropped from \$159.06 a day to \$144.96. Commissioner Cryans said that this rate takes the County back to the rates of 2006.

Rep. Gionet asked if some of the older population comes from retirees who are moving into the State and NHA Bolander said that is true for Carroll and Coos. She said there does seem to be a migration of people. Rep. Ward said that it tends to happen in areas where hospitals are located.

Rep. Ladd asked what direction the State is going and NHA Bolander said that

she really didn't know and that they are just as confused and overwhelmed as anyone. She said it's near impossible to get any information from them.

Commissioner Cryans said that three years ago past Commissioner Stephen had said that the fastest growing population is ages 85-90 and it is growing by 30%. He said there is only so much of the pie to go around and added that a \$270K cut in the budget will be difficult.

Rep. Laliberte asked if the actual costs for people to stay in their homes in later years has been calculated and NHA Bolander said that it would be hard to do because it would depend on the level of care. Rep. Gionet said that he had read in AARP that it was a less expensive way to go.

In closing, NHA Bolander said that there is an opportunity for legislators to see what other kinds of revenue could be available because right now things are not sustainable in the State.

COMMISSIONERS' REPORT

Commissioner Cryans said there was a recent Drug Court graduation in which Rep. Bulis attended. There was also a recent GED graduation of 11 graduates which brings the number of graduates to 60 in 14 months. Reps. Ladd and Aguiar attended.

- On January 7th the Court will hear oral arguments on the Jail issue and the County is still waiting on word about the oral argument on the Elected Officials.
- An MOA regarding the County and Woodsville Water & Light has been sent to an attorney for review.
- The Commissioners met with the town of Littleton Selectboard. Reps. Ward and Bulis were present.
- The Commissioners will hold their annual Christmas party tomorrow for employees.
- The Sheriff's Dept. has received its accreditation which is the only one in any County in New England. Commissioner Cryans gave credit to the Sheriff, Cpt. Leavitt and Lt. Morris for all the work done for this program.

Rep. Ward moved to accept the Commissioners Report, which was seconded by Rep. Williams. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough stated that there were 102 inmates in-house at the Jail and 133 in the Nursing Home.

Director Clough passed out packets of information on Farm projections, partially for information and partially in response to an article in the Bridge Weekly which stated that the Farm would see a \$230K loss this year. According to the projections, losses may reach \$125K which are actual projected numbers.

Farm Manager Kimball was present and was asked about what was driving the increased milk prices. FM Kimball said that it's an attempt to help the farmers.

FM Kimball said that he's been trying to cut back as much as he can on expenses.

Howard Hatch noted that the capital expenses are missing from the Farm budget and so is the cost of production.

Commissioner Richards talked about starting a Farm Commission and said she feels that a lot more could be done with the Farm.

Rep. Aguiar asked FM Kimball what was the next biggest expense that the Farm had and FM Kimball replied that it was the labor of the three fulltime benefited employees.

Rep. Ward asked Director Clough about the capital expense in the Farm budget and she replied that it is not included and that there is \$35K budgeted with about \$10K paid out so far.

Rep. Laliberte asked how many inmates were used and FM Kimball said that he has four seven days a week plus more if needed and then there are four, five days a week. Rep. Williams said that it would really drive the budget cost up if that labor had to be paid.

There was a discussion about the cost of milk, which H. Hatch said was primarily about supply and demand and he noted that there really wasn't anything that legislators could do about it. Rep. Williams said that the milk issue is in a complete mess and is in the hands of the feds.

Director Clough continued on with the Variance Report and reported that revenues are down for the Victim Witness (which is a quarterly grant), the Farm and Interest. She then reviewed the expense side of things.

Rep. Gionet discussed the wood sales and whether they should be done annually. Director Clough said that in the past, the Forester thought that wood cuts should be done according to a forest management plan and not just for profit. Rep. Gionet said that there seems to be plenty enough wood to cut with all the acreage. Director Clough noted that it is very labor intensive to do. FM Kimball said that inmates can't do a lot of the work because of injuries that have been sustained and that the Farm just doesn't have enough time to do it.

Rep. Aguiar asked about loggers taking down the trees and Director Clough replied that the timber harvests are done at the decision of the Forester and that last year the timber prices were so low it wasn't worth doing it. She said she thought that there was an area marked off for a future cut.

Rep. Williams said that the only way that it can be done properly is with a management plan through the new Forester.

Director Clough found the report that Rep. Gionet questioned earlier regarding fees and informed the committee that the fees were from ADP which is paid for the time clocks and there is also a monthly service charge included in the fee.

Director Clough reviewed the Pro-Rated Report.

Rep. Preston moved to approve the Executive Director's Report which was seconded by Rep. Gionet. All were in favor.

New Human Resource Director Mike Simpson joined everyone at the table and was introduced by Commissioner Cryans.

Director Clough had sent the committee copies of the Grafton County Salary and Benefit overview that she had compiled for their information and she, the Commissioners, HRD Simpson and the committee reviewed the information.

Rep. Williams asked what percentage of people do not receive a merit increase and HRD Simpson said that he estimated that it was approximately 30% but that he would have to check that figure.

Rep. Williams asked what the rationale was for beginning the longevity benefit at six years employment and Director Clough said that it originally began because there were only six steps on the wage chart. There have since been more steps added but the policy had not been changed.

At present the Union contracted employees are paid \$100. a year for longevity and Employee Council members are paid \$95.

Rep. Aguiar asked about new hires and at what step they begin. HRD Simpson said that it goes case by case depending on experience.

Rep. Aguiar asked about salaried employees and Director Clough said that she believes there are 33 salaried or "unclassified" employees and there are some minor differences but they follow the same employee manual.

Commissioner Cryans gave credit to Director Clough for putting together such a comprehensive report. He addressed the issue of longevity and said he feels that it's a small portion of the budget though he wouldn't be opposed to stopping the practice for new hires. He noted that a large percentage of employees have less than six years and that there's a healthy mix of employees. He added that he is

dead set against doing away with it for those who are here.

Rep. Ford suggested a change from six to twelve years could be considered.

Rep. Aguiar said that he has seen longevity used as an incentive for those who are maxed out and feels it should be considered for that use only. He said that he would encourage the Commissioner to terminate the benefit of longevity for future employees.

The next Executive Committee meeting will be held on Monday January 25th beginning at 10:00 AM.

The February meeting will be held on the 1st of March beginning at 10:00 AM.

12:08 PM Rep. Gionet moved to adjourn, which was seconded by Rep Williams. All were in favor and with no further business the meeting was ad-



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday January 25, 2010

PRESENT: Representatives Mulholland, Ford, Aguiar, Friedrich, Gionet, and Preston, Commissioners Cryans, and Burton, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Ward, Laliberte and Williams

OTHERS: Harold Brown

Rep. Mulholland called the meeting to order at 10:12 AM

Rep. Preston moved to approve the Executive Committee minutes from December 21, 2010, which was seconded by Rep. Ford. Edits were made. All were in favor.

TREASURER'S REPORT

Treasurer Sievers presented the committee with her proposal to invest the tax

money.

The initial proposal suggested that \$1M go into a money market account at Community Guaranty Savings Bank at a rate of 1.15% interest, \$5M to a savings account at Mascoma Bank with a once a month withdrawal clause at 1.15%, \$3M go to a 6 month CD at Woodsville Guaranty Savings Bank at .85% and \$1.5 M go into a 9 month CD at Woodsville GSB at 1.15%. Some money would be kept in Woodsville Guaranty Savings Bank checking account at a changing rate of between .5%-1%.

Director Clough stated that she has a couple of concerns with this proposal. Her first concern was with a nine month CD at this point that would not mature until late October and that would present a cash flow problem for the County as we would run out of available funds and not be able to borrow because we would still have funds invested. Her second concern was only being able to withdraw money once a month from Mascoma.

There was a discussion as to the feasibility of withdrawing money only once a month and what the penalty might be on that. The committee wanted to know what the penalties would be prior to making any decisions. Rep. Friedrich suggested placing a phone call to find out, which Treasurer Sievers left to do.

Other business was discussed while Treasurer Sievers was communicating with the bank.

COMMISSIONERS' REPORT

Commissioner Cryans reported:

- The oral argument on the Jail case was heard on the 7th of this month and the County is awaiting the decision.
- The oral argument on the Elected Officials case has not been scheduled yet.
- Budget preparations are underway as are Union negotiations.
- Dedication of the Annual Report will be held at the Commissioners meeting tomorrow morning.

Rep. Gionet asked about the status of the water tank and whether or not there has been any thought about test drilling for wells for the County's own water supply. Commissioner Cryans said that there has been no change in status as the MOA has just been through an initial review by the County's lawyer and no discussions have been had about it yet. Commissioner Cryans said he did not know if Supt. Oakes had plans for any additional test drilling in his budget plans.

Rep. Aguiar asked about the situation between the County and the Retirement

System. Commissioner Cryans said that the County had one individual who had retired and was then contracted as a part time employee but has since come back under full time status. Rep. Aguiar asked if there was some resolve to this for future practice and Commissioner Cryans said that knowing what they did now, they would not let this happen again.

Rep. Gionet asked who the individual was and Commissioner Cryans stated that is was the Jail Superintendent. Rep Gionet asked how Supt. Libby's benefits were impacted and if his longevity was affected as a part time employee and Director Clough said that as a part time employee, Supt. Libby received no health benefits or longevity and only a set number of sick and vacation days. Now that he is back on full time he receives all benefits awarded to those of full time status.

Rep. Preston asked if Supt. Libby was receiving the same salary on part time as he was receiving when he was full time and Commissioner Cryans said yes, but without the longevity.

Rep. Friedrich asked Commissioner Cryans what he meant by saying "knowing what we know now" and asked what had been learned. Commissioner Cryans said that the Retirement System has said that the way the County had allowed Supt. Libby to give up his Group II status and then not to put someone else in that position who has a Group II status was incorrect. He noted that he didn't feel that the County had done anything wrong when the decision was made and cited the fact that the Commissioners feel that Supt. Libby is a valued employee. Commissioner Burton agreed with that.

Rep. Ford said the practice of retiring and then coming back to work is common in the education system. Rep. Aguiar said that he agreed with that but not for the same amount of money. Rep. Ford disagreed.

Rep. Aguiar asked about the person in the Sheriff's Dept. who had retired and is now working in the Dept. Commissioner Cryans said he did not think there was an issue there.

Commissioner Burton informed the committee that the Farm Advisory Committee meets Thursday at 11:00 AM. They will be electing a new chairman after the passing of C. Perkins. He said that the Commissioners are taking suggestions seriously in order to enhance the revenue side of the Farm. He said that Farm Manager Kimball will be holding some type of event in the spring and that he is also encouraging Forester Falkenham to find ways to bring more people to the complex.

Rep. Gionet asked how many inmates were currently at the Jail and Director Clough replied that there were 100 with 9 out on the electronic monitor and 19 in Drug Court.

Rep. Gionet asked if the Commissioners still felt the new Jail should be built for

300 and Commissioner Cryans said that the jail had never been planned for 300. The proposal that was originally approved was for 206 and the new plan is for 150 after the proposed reductions.

Commissioner Burton said that the Pew Center is doing research with the Justice Center and is involved in the study of Corrections and Recidivism, of which the County has a seat and a vote at the table. There was a discussion about a bill which addresses letting minimal risk inmates out on release. Commissioner Burton said it is currently in committee.

Rep. Ford added that the League of Women's Voters is doing a study on lowering the recidivism rate for female inmates.

Rep. Friedrich asked why there were not more inmates out on electronic monitoring and Director Clough said that it has been looked at but without the appropriate staff, you can't put more people out there. She said that in the last two year's budgets additional staffing was not approved.

Commissioner Cryans said that what's been done to the State budget has reduced programs and services available. Rep. Mulholland said that she see many towns that are cutting their social services as well.

Rep. Preston moved to accept the Commissioners Report which was seconded by Rep. Aguiar. All were in favor.

Treasurer Sievers was able to find out the penalty information from Mascoma Bank and reported to the committee that there would be a \$50 penalty for additional withdrawals. With that information at hand, she now recommended the following:

\$5M - Mascoma Bank savings account @ 1.15%

\$2.5M - Woodsville Guaranty Savings Bank checking @ .5-1%

\$2M - Woodsville Guaranty Savings Bank 6 month CD @.85%

\$1M - Community Guaranty Savings Bank money market @ 1.15%

Rep. Gionet moved to accept the proposal of the Treasurer as noted above which was seconded by Rep. Friedrich. All were in favor.

Rep. Gionet moved to accept the Treasurer's Report which was seconded by Rep. Aguiar. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough stated that the census was 135 at the Nursing Home which is maximum capacity.

Director Clough reviewed the Variance Report saying that they were six months

in at this point. On the revenue side, the Farm and Interest have fallen behind and will likely finish in the red. On the expense side there are some Departments that are over expended but most will work themselves out by the end of the year.

Director Clough reviewed the Pro-Rated Report saying that the County is at 51.41% of revenue for the first six months. She said the Medicaid decrease took effect January 1st and will have some effect on the numbers for the second six months of the year. Expenses are just about where they should be and she said she expects they will finish on track. There is an undesignated balance of just under \$2.5M based on the prorated figures.

Offsets to Medicaid in the form of FMAP funds were discussed.

Director Clough passed out an updated spreadsheet on grants that the County has been awarded and/or applied for including three new CDBG grants that were added to the list.

Rep. Gionet asked if some of the grants had “strings” attached to them. Director Clough said that the CDBG grants do not. There are some that have specific requirements to them but there are no programs that need to be continued should the grant expire.

Commissioner Burton said the list of grants is very impressive and that the Administration should be complimented for going after these grants. He said that he didn’t think that other Counties take this action.

Rep. Ford moved to approve the Executive Director’s Report which was seconded by Rep. Gionet. All were in favor.

OTHER BUSINESS:

Rep. Mulholland recognized H. Brown who passed out a letter which he had originally written to the Commissioners in October. He stated that he had some issues and voiced them as follows:

- He stated information with numbers about Health Insurance and questioned why the County can not be self insured and feels that can be achieved. He thinks this is something that should be investigated.
- He stated that the auditors report is late and said that it created a “red flag”. He said the law states that the audit must be completed 90 days after the fiscal year.
- He questioned the right of the Commissioners to apply for grants saying that they could not, according to the law, and that it was the delegation’s responsibility to do so. Mr. Brown stated that the money is considered supplemental appropriations and only the delegation can raise money. He said that he has no issue with the merit of the grants but that there is no County appointed

employee or Administrator who has the authority to apply for grants. He alluded to the fact that the reason the Commissioners apply for these grants is so that they can get votes.

A discussion ensued.

The Commissioners had sent a reply letter to Mr. Brown regarding grants, dated January 22nd and Commissioner Cryans said that the Commissioners had verbally replied to Mr. Brown at their last Commissioners' meeting. That letter was distributed to the committee for them to read.

Rep. Mulholland thanked Mr. Brown for bringing this to the attention of the committee.

Mr. Brown went on to say that the delegation can not give authority to the Commissioners and if they do so, they are breaking the law.

Director Clough asked to what law he was referring to which there was no response.

Rep. Aguiar said that there are probably many times when laws have been broken and asked what Mr. Brown's real concern was here and why he had an issue with it. H. Brown replied again that he feels the authority rests with the delegation and that public hearings needed to be held. He said he would like to see the law followed.

Commissioner Cryans said that at the last Commissioners' meeting there were six public hearings held. Then the Attorney General's office looks things over. Then the application goes to Governor and Council for approval. He said that it has never been noted that there are any improprieties with this system.

Commissioner Burton added that if any laws or procedures had been violated it would have never have reached G & C. He said that he clearly feels that they are within the law.

Commissioner Cryans said that he has never voted to apply for any grants thinking it would garner him votes, but rather views them as a chance to bring money into the County to help people.

Mr. Brown then stated that JAG grants which are applied for by Sheriff's Depts. are used to militarize the police departments.

Rep. Preston asked him what that meant. Mr. Brown said that money is used for training the police departments in the ways of the military though he doesn't think that is happening in Grafton County.

Director Clough said the particular grant that the Sheriff's Dept. applied for is from ARRA funds and the money was then dispersed through ten different towns. Grafton County was the applicant and fiscal agent for that grant. She said purchases from that grant money had to be approved through the federal

government and ARRA requirements had to be followed.

The February meeting will be held on the 1st of March beginning at 10:00 AM. Rep. Aguiar and Gionet said they would not be able to attend.

11:36 AM Rep. Gionet moved to adjourn, which was seconded by Rep Aguiar. All were in favor and with no further business the meeting was adjourned.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday March 1, 2010

PRESENT: Representatives Mulholland, Ford, Williams, Friedrich, Laliberte, and Ward, Commissioners Cryans, Richards and Burton, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Aguiar, Gionet, and Preston

OTHERS: Harold Brown and Register of Deeds Sharp

Rep. Mulholland called the meeting to order at 10:09 AM

Rep. Ford moved to approve the Executive Committee minutes from January 25, 2010, which was seconded by Rep. Friedrich. Reps. Ford, Friedrich and Mulholland were in favor. Reps. Williams and Laliberte abstained. (Rep. Ward had not arrived)

TREASURER'S REPORT

Treasurer Sievers emailed the Executive Director that she did not have anything to report to the committee and that she had a mid-term final exam so she opted not to attend. Director Clough updated the committee by saying that regarding investments, \$1M was invested in Community Guaranty Savings Bank. \$2M was invested in Woodsville Guaranty Savings Bank and \$5M was invested in Mascoma Savings Bank. Everything else remained status quo.

Rep. Mulholland asked if it were true that a week had gone by from the time the Executive Committee voted on the investments until they were actually invested

and Director Clough said that was true.

The committee did not consider this a Treasurer's report and therefore did not vote to approve it.

COMMISSIONERS' REPORT

Commissioner Cryans began by recognizing Olympians Hannah Kearney, Bode Miller, Nick Alexander, Hillary Knight, Andrew Weibrecht, and Laura Spector who were either from or attending school in Grafton County.

- The County is still awaiting the decision on the Jail case.
 - The oral argument on the Elected Officials has been scheduled for March 24th at 10:00 AM at the Supreme Court in Concord.
 - The MOA between the County and Woodsville Water & Light is being reviewed by WW&L.
 - Budget meetings begin this coming Thursday
 - Drug Court will be held in Littleton on Wednesday and there will be a graduation of six participants on May 12th.
 - NHAC and Governor & Council Breakfast will be held on Wednesday, April 28th at 8:00 at the Primex building.
 - There will be a press conference at the Courthouse to celebrate the accreditation of the Sheriff's Dept. at 1:00 PM tomorrow.
- It was also noted that Capt. Leavitt will begin his 50th year of public service.

10:18 AM Rep. Ward arrived.

- There will be a roll out of a new medical process for catheters at New England Wire on March 9th.
- Commissioner Burton said that there will be a dedication of a new State Office building in Berlin on April 9th.

Rep. Ward said NEW has made a remarkable comeback after numerous layoffs. He said that all employees have been hired back as of January.

Commissioner Richards reported briefly on the Farm forum that was held on the 17th of February saying there were close to 50 people in attendance, including her and Commissioner Burton. UNHCE Educator Deb Maes was the facilitator and many various aspects of the Farm were discussed. The Farm Advisory Committee who initiated this forum will review all the information and then bring recommendations back to the Commissioners. Commissioner Richards said that she feels that the Commissioners should consider implementing some of the suggestions.

Rep. Mulholland asked how serious going organic was considered and Commis-

sioner Richards said that there was a brief commentary but there were concerns about costs and federal regulations regarding going organic.

Rep. Ford asked if there was a discussion about repurposing the Farm. She also added that federal rules for organics are not as effective on a small farm. Commissioner Richards said they still need to clarify the purpose of the Farm.

Rep. Laliberte asked if heirloom vegetables were mentioned and Commissioner Richards said they were not.

Rep. Williams said that they need to establish a mission for the Farm and go from there.

Rep. Williams asked if the County had considered letters of recognition to the Olympians. A discussion ensued.

Rep. Williams stated that in regard to WW&L, that he does not want to see the County in the water business.

Commissioner Cryans noted that Grafton County was listed as the healthiest County in the State by a study done by the University of Wisconsin.

Rep. Ford moved to accept the Commissioners' Report which was seconded by Rep. Laliberte. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough stated that the census at the Nursing Home was 134 and 91 at the Jail with 20 in Drug Court and 10 out on the electronic monitoring bracelet.

Director Clough reviewed the Variance Report on the revenue side saying they had a good month but that the Farm and Interest will be finishing in the red. After some review Director Clough thought that the Farm would end up losing just under \$100K and will come very close to making its milk revenue. Bed Tax and FMAP monies was received which helped.

On the expense side there are some Departments that are over expended but most will work themselves out by the end of the year.

Rep. Mulholland asked about being over expended in the Delegation expenses and Director Clough said she would have to look further into that.

Rep. Ward asked how much money was collected in Bed Tax and Director Clough replied that \$270K was received for the quarter and then there was a quarterly supplemental payment from ARRA funds. So far \$704K has been collected and \$600K was budgeted.

Rep. Ward asked how many more payments of FMAP money was expected and Director Clough said that there are two more quarterly payments due, though she wasn't sure if they would both be posted to the FY10 budget or not. It would depend on when the last one was received.

Rep. Ward asked if there was any more clarification on how FMAP money could be spent, or had the Commissioners made any decisions about that and the answer to both was no.

Rep. Friedrich asked about the increase in Dispatch fees to the town of Wentworth saying they had increased considerably. Director Clough explained that fees are calculated on the amount of usage and that there had been a huge spike in the usage in Wentworth. The Commissioners, along with the Sheriff's Dept. had worked out a compromise with the town in that they averaged out the usage for the last three years and used that figure to calculate costs. This was a one time compromise to reduce costs. It would be incumbent upon the town of Wentworth to figure out why their usage had increased so much.

Director Clough reviewed the Pro-Rated Report saying that the County is \$1M over in revenue and \$332K under expended. There is an undesignated balance of \$3M based on the prorated figures.

Commissioner Cryans attended the State/County finance meeting where discussions were had regarding the cuts to the HHS budget. He said that the County could be facing cuts to the Nursing Home Medicaid rates and noted the effect that would have on the Counties.

Rep. Ford moved to approve the Executive Director's Report which was seconded by Rep. Friedrich. All were in favor.

OTHER BUSINESS:

Rep. Laliberte said that she had heard that several towns in the area are foregoing raises for their employees because of economic conditions and thought that was something the County should consider.

Rep. Friedrich said that she would like to see the funding for biomass put into the budget this year. Commissioner Richards said that as much as she would like to see that happen, things are going to be very tight as it is, particularly when the Jail comes online. She said that she was still looking for outside funding.

In regards to the budget reviews, Rep. Mulholland said that it seemed logical that the Representatives review the same departments as they had last year.

The next Executive Committee meeting will be held on March 15th beginning at

10:00 AM.

10:55 AM Rep. Williams moved to adjourn, which was seconded by Rep Friedrich. All were in favor and with no further business the meeting was adjourned.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday March 15, 2010

PRESENT: Representatives Mulholland, Ford, Williams, Friedrich, Laliberte, Aguiar, Gionet, Preston and Ward, Commissioners Cryans, Executive Director Clough and Secretary Martino.

OTHERS: Register of Deeds Sharp

Rep. Mulholland called the meeting to order at 10:05 AM

Rep. Williams moved to approve the Executive Committee minutes from March 1, 2010, which was seconded by Rep. Ford. Reps. Ford, Mulholland and Williams were in favor. Reps. Laliberte, Gionet and Aguiar abstained. (Rep. Ward, Preston and Friedrich had not arrived)

Reps. Ward and Preston arrived.

Executive Director Clough informed the committee that there was no Treasurer for the meeting. When asked why that was, Director Clough said that she was informed by the Treasurer that she had exams through the 16th.. Director Clough said that there is still money in all three accounts and that money would need to be drawn down soon.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough gave her report next as she had an appointment that she had to leave for.

Director Clough reviewed the Variance Report on the revenue side saying that the Farm and Interest will be finishing in the red. On the expense side she noted that HS will not be over expended as the bills are paid as they are received. Once the cap has been reached the number will level out.

Rep. Gionet asked what the Governors Commission fund was and Director Clough said that it was a grant that pays for a licensed alcohol counselor in the Jail and it has been received for the past three or four years now.

Director Clough reviewed the Revenue/Expense report saying that revenue is slightly ahead and the County is below in expenses. Undesignated balance is just under \$3M.

The census at the Nursing Home was 131 with two admissions due in. There are 82 inmates at the Jail with 21 in Drug Court, 10 out on the electronic monitoring bracelet and 6 in treatment.

10:11 AM Rep. Friedrich arrived.

Rep. Aguiar move to accept the Executive Director's report which was seconded by Rep. Ford. All were in favor.

COMMISSIONERS' REPORT

Commissioner Cryans began his report by referring to a letter that was received from the Supreme Court stating that they had had some issues with transcripts from several appeals and that although they don't believe there is anything incorrect in the transcript from the Jail lawsuit they are still going to have the transcript reviewed by the transcription company. The Court stated that if the County did not see any discrepancies in the transcript, they could inform the Court that a review by Rand would not need to be done; otherwise it would take weeks to complete the review. The Supreme Court would not take any action on the recent oral hearing until this was complete. Director Clough said that the legal team for the County reviewed the transcripts and did not see any discrepancies. The attorney for the Plaintiff's would most likely have to agree that a review did not need to be conducted though he has not responded to letter as of this date.

Rep. Mulholland asked how long of a setback this would be and Commissioner Cryans said that letter said it would take several weeks which could translate into months.

- The oral argument on the Elected Official's salaries would be heard on the 24th of March at 10:00 at the Supreme Court in Concord.
- There will be a Drug Court graduation on the 19th of May and if all goes well there will be six graduates. Commissioner Cryans gave a brief overview of the Drug Court process.

Rep. Ford said there is a financial commitment on the part of participants as well.

Questions were asked as to how many overall participants there had been. Director Clough said there had been 38 total with 13 failing the program and going to State prison. There are 4 females in the current program. Commissioner Cryans said that the women have the highest rate of failure which is because of the trauma issues that they face.

Rep. Preston asked how soon after beginning the program do people usually fail and Commissioner Cryans said that he didn't know for sure but assumed that it was early in the program.

10:23 Director Clough was excused.

- There will be a GED graduation on the 31st of March at 10:00 AM.
- On April 8th from 4-6PM at Horse Meadow Senior Citizen's Center, the President of UNH will be holding County Conversations.
- Budget meetings are ongoing.

Rep. Mulholland asked if all the committee members were agreeable to do overviews on the same Department budgets they did last year, which they were.

Rep. Gionet asked Commissioner Cryans how the negotiations with Woodsville Water & Light were going and he replied that the County has not heard back from them since they received the MOA. Rep. Gionet stated that although he knows there are different opinions, his belief was that the County should have their own water tank/source.

Rep. Preston moved to accept the Commissioners' Report which was seconded by Rep. Aguiar. All were in favor.

The next Executive Committee meeting will be held on April 19th beginning at 9:00 AM.

10:55 AM Rep. Ford moved to adjourn, which was seconded by Rep. Laliberte. All were in favor and with no further business the meeting was adjourned.

EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday April 19, 2010

PRESENT: Representatives Mulholland, Ford, Williams, Laliberte, Aguiar, Preston and Ward, Commissioners Cryans and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Friedrich and Gionet

OTHERS: Register of Deeds Sharp and Harold Brown

Rep. Mulholland called the meeting to order at 9:08 AM

Rep. Preston moved to approve the Executive Committee minutes from March 15, 2010, which was seconded by Rep. Aguiar. All were in favor.

Executive Director Clough informed the committee that there was no Treasurer for the meeting and that she had not heard from her for a least a week. Director Clough said that \$650K had been drawn down from the Mascoma account.

Rep. Williams asked what the Commissioners thought about the Treasurer's situation and Commissioner Cryans said there wasn't really anything they could do about it and that there will be a new filing period in June and an election in November.

Rep. Williams asked if the Deputy Treasurer was being used. Director Clough said that if the Treasurer doesn't call or email that she's not coming there's really no time left to work something out with the Deputy because by that time the checks have to be signed and it's usually done by stamping them at the last minute.

Rep. Williams said this really puts the County in a bad situation and he didn't think that the burden should be put on Director Clough or her staff.

Commissioner Cryans said that right now, checks are going out and bills are being paid so it's really not a burden.

Rep. Williams said this is a sad situation and it's just not right.

Rep. Laliberte said they get to make a choice in November and they have to make the best choice.

There was a discussion about whether or not the lawsuit regarding Elected Official's salaries could affect payments to the Treasurer and Rep. Preston asked if they could go back and refigure salaries. Director Clough did not think that

was something that could be done and added that the lawsuit is still pending at this time awaiting Supreme Court ruling.

Rep. Ward said that the Executive Committee could ask the Treasurer to resign and empower the Deputy Treasurer to carry on the duties. He said that the Commissioners Office may be operating fine at this point but there are going to be some legal duties that will need to be done by the Treasurer. Director Clough agreed and said that if the County is going to sell bonds there will be a huge responsibility required.

Rep. Williams moved that the Commissioners address this with the present Treasurer and if she is going to be out of the country she should resign. Rep. Aguiar seconded the motion.

DISCUSSION:

Rep. Aguiar asked if anyone has tried to reach the Treasurer to find out what's going on. Rep. Preston said that there have been a number of responses from the Treasurer, all saying that she would perform her duties and be present and that hasn't happened. He questioned the validity of her word. He wondered aloud if asking her to resign would get the message out.

Rep. Williams said that he feels a clean motion should be made and withdrew his original motion. Rep. Aguiar then withdrew his second to the motion.

Rep. Preston moved that the Executive Committee ask Treasurer Sievers to submit her resignation as Treasurer, which was seconded by Rep. Ward.

DISCUSSION:

Rep. Aguiar said they need to be careful about setting precedence in that Elected Officials are asking another Elected Official to resign. He said he didn't think this should be taken lightly.

Director Clough said that she did not specifically ask the Treasurer to attend this meeting, nor did she think that was her responsibility to do. She said that Treasurer Sievers knows that the Executive Committee meets the third Monday of each month and the Executive Committee voted that either she or the Deputy Treasurer attend all meetings. Treasurer Sievers has missed the last three (including today).

Rep. Aguiar, knowing that the Deputy Treasurer is affiliated with a bank, said he feels uncomfortable about someone in banking accepting the role of an Elected Official and Rep. Ward said there is no conflict of interest there and that this was an issue that was not being taken lightly but that the Treasurer has had a long

track record of inattentiveness.

When the vote came down, Reps. Laliberte, Williams, Mulholland, Preston, Ford and Ward were in favor. Rep. Aguiar was opposed. Motion passed.

Rep. Aguiar wanted it noted that the previous Treasurer had missed a good many meetings.

Commissioner Richards asked how this would be carried out and Rep. Ward said that a letter should be written from the Chair, Rep. Mulholland, which references the minutes. Commissioner Richards suggested that it be mailed certified.

Rep. Ward moved to accept the Treasurer's Report which was seconded by Rep. Ford. All were in favor.

COMMISSIONERS' REPORT

Commissioner Cryans began by saying that on April 1, 2010 the Supreme Court decided in favor of the County in the Jail case. There was a Motion for Rehearing or Reconsideration filed by the plaintiffs and the Attorney's for the County have filed an objection to that motion. They await a decision on that. Plans for the Jail will continue.

Tentative ground breaking on the Jail project will be on June 10, 2010 contingent on the appeal being denied.

Director Clough and Supt. Libby are working on the tax impact numbers for the communities. Rep. Ward asked when that would be done and Director Clough replied that it would be soon.

There will be a Drug Court graduation on May 19, 2010.

The public hearing for the presentation of the Commissioners Recommended Budget will be held on May 24, 2010 at 6:00 PM.

There was a discussion about the meeting that needed to be held to make the decision about the Elected Official's salaries for the biennium which needs to be held before the end of May. The Commissioners recommended a 0% increase for Elected Officials for the two year period.

Director Clough will be out on FMLA beginning the 28th of April for five weeks.

Rep. Aguiar had asked Commissioner Cryans prior to the start of the meeting, where the County stood on budget issues. Commissioner Cryans said that the

Board of Commissioners had recommended a 2% COLA increase across the board for employees, with no step increases for the year.

Rep. Preston asked how this compares to just a merit increase and Director Clough said it costs more because it affects everyone.

Commissioner Cryans said the County had expected to pay a 20% increase in health insurance but Director Clough and the Human Resource Director were able to find an alternative to LGC and the County will likely be going with Harvard Pilgrim with only a 10% increase which will include a co-pay for employees.

Rep. Mulholland asked what the drivers were for the increase and Director Clough said that claims have a lot to do with it but insurance has been going up nationally. The County will be working to educate employees with a wellness program.

Rep. Ford said that the school districts that she works with were facing the same type of increases and Rep. Ward echoed that same sentiment.

Director Clough said that Union negotiations were not completed but she feels they are willing to work with the Commissioners recommendations.

Director Clough said the expense side of the budget has remained static while the revenues are down. Rep. Laliberte asked if the decreased revenues had to do with the reimbursement rate to the Nursing Home and Director Clough said absolutely they do and that she believes that rate may decrease again in July. Commissioner Cryans said the first loss due to reduced reimbursement rate was \$540K.

Rep. Williams said he would like to see what the loss is to the County because of the State. Director Clough said legislation regarding the retirement system could also affect costs to the County. Rep. Ward said he would recommend budgeting the projected decreases.

Rep. Preston asked why the Commissioners didn't recommend an increase for Elected Officials. Commissioner Cryans said that he views Elected Officials differently than regular employees and that the Commissioners haven't taken a pay increase in two years. He said that the Delegation can do as they choose when it comes to Elected Official's salaries but the recommendation from them was no increase.

Rep. Ward said that it has been the responsibility of the Executive Committee to set the salary of the Elected Officials, including the Commissioners. Commissioner Cryans said that historically the Commissioners have made increase recommendations but in these hard times they felt that there should not be an increase.

Rep. Ward said he applauded the recommendation.

Commissioner Richards noted that a new Farm sign had been place on the property.

She said that the Farm Advisory committee has recommended an Open Dairy Barn day at the County and she is on the committee. She said there will be a lot of activities.

Commissioner Richards said that a \$378K grant through the DOE will be awarded for the wood biomass project. She said that it will be used toward engineering and design and credited Director Clough for securing the grant.

Commissioner Richards informed the committee that the Social Service portion of the budget is around \$600K and is larger than any other County's budget. She said that it could be an area for reduction if there need be one, though she sees it as a worthy investment.

Rep. Ford said that she attended the County Conversation through UNHCE and said it was a very good meeting. She said that it was good to talk and learn from UNH President Huddleston.

Rep. Ward moved to accept the Commissioners' Report which was seconded by Rep. Williams. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough began with the census at the Nursing Home at 131 and the Jail, 80 with 10 out on electronic monitoring and 21 in Drug Court.

Variance Report:

Revenue: The Farm is down \$61K with a projected finish of an approximate \$85K loss. Milk is holding steady at around \$17.

Expenses: Farm expenses are down approx. \$43K. Drug Court is over expended and HS will level out. Governor Commission grant is slightly over.

Rep. Aguiar asked why the Farm expenses are down and Direction Clough said that the Farm is trying to hold back on expenses.

There is just about \$3M in the undesignated fund balance.

Rep. Ward asked if FMAP money was still coming in and Director Clough said that it was and there has been some talk about it continuing until June, 2011 but nothing is firm yet.

There was a discussion about how the FMAP was budgeted this year and shown as a reduction in the HS budget.

Director Clough passed out reports on the Over Expended line items and a quarterly grant report.

There was a discussion about Contracted Nursing being over budget and Director Clough said that five nurses had all left at the same time which created a gap which had to be filled. There are also a number of people on FMLA at the Nursing Home. Rep. Laliberte asked why these nurses left and Director Clough replied that three left due to illness and two moved away.

Rep. Aguiar asked about the appeal in the Jail case and Director Clough said the plaintiff's appealed on the last day they could and the Attorney for the County sent in their objection to the appeal. Rep. Ward said that the appeal had to made but there is a 99% chance that it will be denied.

Rep. Mulholland asked how many jobs will be created by the building of the Jail and Director Clough said she would have to get those figures from the Construction Co. She said that the intent is that local contractors and craftsmen will be used on the project whenever possible.

Director Clough said that a date needed to be set for the Delegation to vote on the Elected Official's salaries. It was decided that the meeting would be held here at the County on the regularly scheduled Executive Committee meeting day of May 17, 2010, beginning at 10:00. The Executive Committee will meet before that at 9:00 AM.

There was a discussion about what they needed from Director Clough in the way of information and how the Delegation planned to view the salary, meaning were they going to take all the County benefits paid to full time Elected Officials into consideration.

Director Clough said that she believes that the Delegation sets only the salary amount and not the benefits. Rep. Williams agreed with that.

Rep. Ford said she would still like to see the benefited information because it does impact the budget.

Rep. Laliberte said she would like to see a comparison between Grafton County and the other Counties regarding what they pay their Elected Officials. Director Clough said she could do that but asked that they keep that all in perspective noting that some Counties have quite a larger population than Grafton County.

Rep. Ford moved to accept the Executive Director's report which was seconded by Rep. Preston. All were in favor.

Register of Deeds Sharp asked to be heard and presented a list which compared the Elected Official's salaries from Grafton County to the Department Head salaries. He said he felt annoyed because he has saved the County \$70K and he was the first Register of Deeds to bid out the computer program for Deeds. He thought his salary should be increased.

Rep. Mulholland said that this matter is already under discussion.

RD Sharp said also that he spoke to the Secretary of State regarding the Treasurer and the decision that the Executive Committee made. He then referenced an RSA.

He added that the Commissioners are grossly underpaid and that the salary for the Treasurer should be increased by \$10K in order to validate the position.

The next Executive Committee meeting will be held on May 17th beginning at 9:00 AM, followed by a full Delegation at 10:00 AM.

10:34 AM Rep. Williams moved to adjourn, which was seconded by Rep Ford. Reps. Laliberte, Williams, Mulholland, Preston, Ford and Ward were in favor. Rep. Aguiar was opposed.



EXECUTIVE COMMITTEE MEETING

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday May 17 2010

PRESENT: Representatives Mulholland, Ford, Laliberte, Aguiar, Preston, Gionet and Ward, Commissioners Cryans, Burton and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representatives Williams and Friedrich

OTHERS: Register of Deeds Sharp, Harold Brown, John Gregg, Rachel Clough, Photographer from Valley News and Representatives Bulis and Ladd.

Rep. Mulholland called the meeting to order at 9:08 AM

Rep. Laliberte moved to approve the Executive Committee minutes from April 19, 2010, which was seconded by Rep. Preston. Rep. Gionet abstained, all others were in favor.

TREASURER'S REPORT

Treasurer Sievers presented a letter to the Executive Committee stating that she had declined to resign and that she planned to fulfill her duties as Treasurer until

January of 2011, and that she had fulfilled her duties as Treasurer to the highest of standards. She said that the problem appeared to be that she and the County were on different schedules and she has arranged with her family to have them come to New Hampshire rather than her traveling to Montana all the time.

Treasurer Sievers went on to discuss the business beginning with the CD for the Dispatch Capital Reserve account which is about to mature this week. She said that she is also looking into areas to invest the money from the Jail bonds saying that she might have to invest in larger banks.

Treasurer Sievers expects that the County may be looking at Tax Anticipation Notes for the middle of July but will know more as the time grows closer.

Rep. Ward asked when the bonds would be sold and Director Clough replied May 25th.

Rep. Aguiar asked if Treasurer Sievers meant that going to larger banks meant going outside the County and she replied that she would like to be able to stay within the County but may not be able to depending on how much money banks will consider taking. Director Clough said many of the smaller banks can not handle or collateralize that much money.

Rep. Mulholland stated to Treasurer Sievers, that she had tried to get in touch with her several times and has not been able to reach her. She asked that Treasurer Sievers give her a call as she does not like to do business by email. Treasurer Sievers gave the committee her Montana cell phone number if they need to get in touch with her.

Rep. Gionet moved to accept the Treasurer's Report which was seconded by Rep. Aguiar. All were in favor.

Treasurer Sievers excused herself from the meeting.

COMMISSIONERS' REPORT

Commissioner Cryans began by saying that he would encourage everyone to take some time and take a look around the complex to see how nice everything looks this time of year.

- There is no update on the water tank issue with Woodsville Water & Light.
- There has been no decision on the lawsuit re: the Elected Officials.
- On April 28th the Supreme Court denied reconsideration on the Jail lawsuit.
- On June 10th at 10:00 AM there will be a ground breaking for the new Jail.
- Legal fees in the amount of \$23,649.73 were paid to the plaintiffs in the

Jail lawsuit.

- The Commissioners public hearing on the budget will be held on May 24th at 6:00 PM.
- There will be a Drug Court graduation on May 19th and 6 members will graduate.

Commissioners Cryans and Richards attended a group Drug Court meeting with Strafford and new member, Rockingham, at Webster Place in Franklin.

There will be an Open Dairy Barn Day on July 24th from 10:00 – 2:00 here at the County. A legislative breakfast is scheduled to be held by the Farm Bureau on that same morning from 8:30 – 10:00. Commissioner Richards said she hopes everyone could attend.

Commissioner Burton said that on April 23rd he asked the Grafton County Attorney for a legal opinion to see if the County could pay the Treasurer only for the time she has actually worked. The County Attorney said that was not a legal option and that once an Elected Official's salary is set, there is nothing that can be done.

Commissioner Burton informed the committee that he had received a letter from Ted Cooper of Riverglen House commending the Social Service Dept. at the Nursing Home for the exceptional work that T. Gahn had provided in helping someone find assisted living. He was very impressed with the overall culture of the Grafton County Nursing Home.

Rep. Laliberte moved to accept the Commissioners report which was seconded by Rep. Ford. All were in favor.

EXECUTIVE DIRECTOR'S FINANCIAL REPORT

Director Clough said that census at the Nursing Home was 131 and the Jail was 88 with 9 out on electronic monitoring and 16 in Drug Court.

The monthly variance report was reviewed.

Revenue: the Farm and Interest will finish in the red. There was a bed tax payment received in April and a third quarter FMAP payment of \$390K is not reflected.

Expense: the Nursing Home is a little over as there were three payrolls in April and Human Services will level out.

The prorated report was reviewed showing 10 months into the year. The undesignated fund balance is \$2.6M which is lower than anticipated but Director Clough thought that even with the amount to be used for taxes taken out things will still be fine.

Rep. Gionet asked how many female inmates were in the Jail from Coos County. Director Clough said that there are no females from Coos County. Commissioner Cryans said that Supt. Libby had said at an earlier meeting that females are now going to Carroll County because the daily rate is less.

Rep. Ward asked about Pro-share money and Director Clough said it goes into the Nursing Home. He asked how many more FMAP payments would be received and Director Clough said one. \$1.3M has been received in total. Bed tax revenue is almost \$500K more than expected. \$1.7M has been collected so far with one more quarter payment and then a supplemental payment, which have been running around \$100K.

Director Clough gave the committee an update on the Jail project saying that the site package was put out to bid on April 28th and bids are due back on the 20th. They go to the Commissioners for review on June 1st. The rest of the project bids will go out in early June.

Bonds have gone out to market in the amount of \$17.5M and bids will be opened on May 25th. The scheduled closing date will be June 10th and Director Clough will be working with the Treasurer to invest the funds. Construction is scheduled to begin on June 7th and H.P. Cummings is on site already.

The final legal invoice has been paid and to date it amounted to \$393,855.

Director Clough passed out analysis sheets on the tax impact to towns on the amount of \$35M, which included a operation/staffing ratio which the committee reviewed.

The Jail plans to hire 24 new staff personnel which would result in a staff of 60. There will be five new positions in the FY11 budget. Three are to begin in September and two are to begin the following March. These are transitional staff team members.

Rep. Preston said that he feels the need to be able to respond to people as to why there will be twenty-four more people needed to run the Jail. Director Clough said that Supt. Libby has a PowerPoint presentation which he has shown the Commissioners which outlines the need of staffing. She said it would be good if he could show it to the Executive committee and Delegation.

Commissioner Cryans wanted it noted that contrary to what was written in the Valley News, the Jail workforce will not be doubling. There will be a 66% increase, not 100%. He also pointed out that the money spent on legal fees was spread out of a three fiscal year period.

Rep. Ward asked how much has been spent on the Jail project in non bond funds

and Director Clough said she didn't have that information here but would email it to him.

Rep. Ward said that he noticed there was no principal payment in the budget but there were two interest payments. He wanted clarification as to why that was. Director Clough said that they have 24 months to make the principal payment on the first one due. She had chosen to go 18 months as that seemed to work better and have less of an impact on the budget. The next bonds won't be needed for another year and then it will be spread out over four fiscal years.

Rep. Mulholland asked how many jobs will be created by the Jail project in terms of construction. Director Clough said she would have to find out from the Construction Manager.

Rep. Aguiar asked if the final total in legal fees paid to the plaintiffs included the money awarded them in the lawsuit and Director Clough said that it did.

Rep. Laliberte asked if any money can be found from the Federal Government to cover the cost of the geothermal at the Jail which there was not.

Commissioner Cryans said that all three Commissioners went to the Cheshire Jail opening and encouraged the committee to do the same saying that SMRT was the architects on that project and there were some similarities.

Rep. Ward asked if there was any money encumbered for the Jail project and Director Clough said that there was no money left over.

Commissioner Cryans said that the hope is to get some very competitive bids and to be able to see some savings there.

Rep. Ford moved to accept the Executive Director's report which was seconded by Rep. Laliberte. All were in favor.

Rep. Mulholland went over the upcoming meetings and which representatives would be giving their reports on those days.

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| June 7th | Rep. Ward ~ Jail and Rep. Aguiar ~ Sheriff's Dept. Rep. Mulholland ~ Farm and Extension |
| June 14th | Rep. Ford ~ Attorney, Drug Court and Human Services Rep. Preston ~ Nursing Home |
| June 18th | Rep. Gionet ~ Maintenance, Rep. Laliberte ~ Deeds, Rep. Williams ~ Social Services. |

Rep. Mulholland needed to find out when Rep. Friedrich would be giving her report.

There would be no regular meeting in the month of June.
The full Delegation will meet on the 28th of June at 10:00 AM for the final budget vote.

There was a discussion about whether or not certain decisions made by the legislature, such as retirement, were reflected in the budget and Director Clough said no.

Rep. Preston asked the committee if they wanted to bring closure to the issue of the Treasurer by vacating the request. Rep. Ward said he thought that was premature given the fact that they have heard all the same information from her today as they had in the past, which had not been shown to be factual. Rep. Ward moved to table the issue regarding the Treasurer, which was seconded by Rep. Laliberte. Rep. Preston was in opposed and all others present were in favor.

10:11 AM Rep. Ford moved to adjourn, which was seconded by Rep. Laliberte. All were in favor.



GRAFTON COUNTY DELEGATION

Vote on the Grafton County Elected Officials Salaries
3855 Dartmouth College Highway
North Haverhill, NH 03774
UNH Conference Room
May 17, 2010

PRESENT: Reps. Ward, Bulis, Gionet, Ford, Ladd, Aguiar, Cooney, Smith, Preston, Laliberte, Mulholland, Townsend, White and Gould.

OTHERS: R. Clough, H. Brown, RD Sharp, Executive Director Clough, Commissioner Richards, and Secretary Martino

ABSENT or EXCUSED: Reps. Taylor, Matheson, Ingbretson, Friedrich, Maybeck, Williams, Benn, Pastor-Bodmer, Nordgren, Pierce, Almy and Harding.

Rep. Mulholland called the meeting to order at 10:18 AM. The roll call was taken by Rep. Preston and it was determined there was a quorum.

Rep. Mulholland stated that the meeting was being held to vote on the Elected Official's salaries for the next biennium and that the Commissioners had recommended a 0% increase.

Rep. Ladd moved to raise the Sheriff's salary to \$60,693, the County Attorney to \$78,443 and the Register of Deeds to \$57,300 while freezing the salary of the Treasurer, for the biennium, which was seconded by Rep. White.

DISCUSSION:

Rep. Ladd presented the members with a chart which compared the 2009 salary to an average of other County salaries and then used an inflation calculator to come to what he considered a fair market salary for the Sheriff, the County Attorney and the Register of Deeds. He said that the Treasurer's salary was above average and recommend freezing it.

Rep. White asked why the Elected Officials salaries were recommended to be set at zero while the Dept. Heads in the County were given an increase. Commissioner Richards said that the Commissioners felt that in these economic times an increase was not conducive to such things.

Rep. Ladd addressed longevity saying that the County should stop giving longevity for all new Elected Officials. Rep. Cooney said that she thought that previous conversations suggested that longevity be eliminated altogether for Elected Officials.

Rep. Ford said that longevity should be deferred until the next motion but that in her opinion, she did not think it was appropriate for Assistants to make more than the Elected Official they work under.

Rep. Bulis said he thought the motion should include removing longevity.

Rep. Mulholland wanted it noted that the Executive Committee feels that longevity is not appropriate at all.

Rep. Bulis moved to amend Rep. Ladd's motion to remove longevity for all Elected Officials beginning January 2011, which was seconded by Rep. Townsend.

DISCUSSION:

Rep. Aguiar said he would be in favor of seeing longevity terminated for Elected Officials permanently. Rep. Preston said he didn't think they could do that since they vote every two years on the salaries.

Rep. Ward said he was not comfortable with this last minute suggestion of an increase and didn't think they should be passing raises like this. He said he is not in favor of this motion and supports the Commissioners recommendation.

Rep. Ladd said that he does support providing raises for these officials and reviewed why he thinks that the Sheriff and County Attorney should get raises by discussing the numerous responsibilities they have as well as the good jobs they do.

Rep. Cooney asked if the Executive Committee agreed with these raises and was told that they are hearing this for the first time.

Rep. Bulis was asked to withdraw his amendment concerning longevity and he declined, as did Rep. Townsend.

Rep. White said that he noted that the recommend salary increases that Rep. Ladd was recommending will result in a \$12K increase to the budget which is a significant amount as opposed to a 2% increase like everyone else was getting, which would be around \$8 or \$9K.

Rep. Ford motioned to move the question which was seconded by Rep. White A hand raising vote was called. Reps. Ward, Bulis, Gionet, Ford, Ladd, Aguiar, Cooney, Smith, Preston, Laliberte, Mulholland, Townsend, White and Gould were in favor. No one was opposed.

On the amendment to the motion (to remove longevity for all Elected Officials beginning January 2011), a roll call vote was called. 6 Reps., Bulis, Aguiar, Cooney, Preston, Mulholland, and Townsend, were in favor. 8 Reps., Ward, Gionet, Ford, Ladd, Smith, Laliberte, White and Gould were opposed. Motion does not pass.

Rep. Ladd said that regarding longevity, he feels as though they are discriminating against one person (the Sheriff) who is actually receiving longevity at this time.

RD Sharp was recognized and tried to impress upon the Delegation how valuable he was to the County by saving it so much money. He said he feels he's earned his salary.

Rep. Aguiar said he supports the adjustment for the Sheriff and the Register of Deeds.

In the vote on the motion to raise the Sheriff's salary to \$60,693, the County Attorney to \$78,443 and the Register of Deeds to \$57,300 while freezing the

salary of the Treasurer, for the biennium, 11 Reps., Ford, Ladd, Aguiar, Cooney, Smith, Preston, Laliberte, Mulholland, Townsend, White and Gould were in favor. 3 Reps., Ward, Bulis, and Gionet were opposed. Motion passes.

Director Clough reminded the Delegation that they also needed to vote on the salaries for the Commissioners for the biennium.

Rep. Aguiar moved to keep the 2009 rate, (no increase) for the Grafton County Commissioners for the upcoming biennium which was seconded by Rep. Ford.

DISCUSSION:

Rep. Ward said that he didn't think it was fair to give everyone else a raise and not the Commissioners.

Rep. Laliberte said the Commissioners had a reason in this economic climate and then expressed that there would be increased costs to the town and that the Commissioners had taken this under consideration.

Rep. Ladd said he felt that it was different because the Commissioners are only working part time which is different than those who were working full time in Departments with staff.

Commissioner Richards said hoped she spoke for her colleagues and appreciated the sentiments but this was not time for a raise.

Rep. Ford motioned to move the question which was seconded by Rep. Aguiar. A hand raising vote was called. Reps. Ward, Bulis, Gionet, Ford, Ladd, Aguiar, Cooney, Smith, Preston, Laliberte, Mulholland, Townsend, White and Gould were in favor. No one was opposed.

A roll call vote was taken on the motion to keep the Commissioners salaries at the 2009 rate. 10 Reps., Ford, Ladd, Aguiar, Cooney, Smith, Preston, Laliberte, Mulholland, Townsend and Gould were in favor. 4 Reps., Ward, Bulis, Gionet and White were opposed. Motion passes.

10:58 AM Rep. Bulis moved to adjourn which was seconded by Rep. Ford. All were in favor.

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 7, 2010

PRESENT: Representatives Mulholland, Williams, Ford, Laliberte, Aguiar, Preston, and Ward, Commissioners Cryans, and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representative Gionet

ABSENT: Representative Friedrich

Rep. Mulholland called the meeting to order at 9:06 AM saying that the Farm, UNH Extension, the Jail and Sheriff's Department and Dispatch would be covered today.

FARM Rep. Mulholland with Farm Manager Kimball attending
Revenue

The committee began by reviewing the Farm revenue and FM Kimball said that that this figure is always dictated by what the price of milk is. He passed out an informational sheet which came from AgriMark, which is who the County sells its milk to, the letter discussed the uncertainty of the price of milk. The letter stated that they believe that milk prices will rise to \$18. but that is just a predicted forecast.

FM Kimball said that he feels comfortable with what he has projected as his goal for fiscal year.

There was a discussion about cutting back on hogs because scrap food is less available. Piglets are being sold at \$75 each.

FM Kimball said that he has raised the projected revenue in produce in the hopes that he will have more crops to sell as more have been planted this spring.

Rep. Ward questioned what Misc. Revenue was from and FM Kimball said it mainly came from the sale of hay.

There was a discussion about the possibility of changing the type of cows bred in order get a higher fat content, thus making more money. Commissioner Richards discussed wanting to see other things done on the Farm.

Rep. Mulholland said that once the Jail comes online it will be using much more produce than is being used now.

Expenses:

Overall budget down about 3% and FM Kimball reviewed the items and the reasoning behind the decreases.

Capital Expenses:

FM Kimball would like to replace his manure spreader saying the one he has is quite old. Cost for new is estimated at \$30K

FM Kimball said he was able to purchase a used vehicle this year and save on money from the FY10 capital expense line.

UNH Cooperative Extension ~ Rep. Mulholland with UNH Educator Kathy Jablonski

Revenue:

\$8K is received from the State and UNH

Rep. Mulholland said that the largest increase was for Special Projects and that was because in previous years, money was encumbered and carried over for this line. This practice has discontinued and now figures shown are actual.

The ATM line was completely removed as an expense to try to comply with the Commissioners request to keep the budget flat. Extension felt that the services that are associated with the ATM line fees are under-utilized and therefore, they felt they could cut those fees.

Capital Expenses:

Mirror those of last year.

Sheriff's Dept./Dispatch: Rep. Aguiar with Sheriff Dutile and Director Andross

Sheriff's Dept.

Rep. Aguiar passed out a handout which outlined specific items that he wanted to address. The increase of the Elected Official's salary was not included.

There was a discussion about the bailiff's line and the Sheriff said that number comes from the State and is paid back 100% from them. Forest patrol is also a "wash" item.

There were some discussions about maintenance and repair of vehicles and the Sheriff said that in the past, three cruisers per year have been purchased but with the tightening of the budget, it was decided that only one would be purchased for the last two budget years. This means that some of the cruisers are seeing more age and mileage and maintenance is going up. Sheriff Dutile said he just had to replace three transmissions; fortunately one was covered under warranty. Gas and oil prices fluctuate.

Dispatch: increase of 3%

Rep. Aguiar asked about the current office supply line which appeared low for the 9 months into FY10. Dir. Andross said that they are trying to do as much electronic passing of information as possible. He noted that there may be an error in the current budget as it appears that something got posted to the wrong line and should be posted to the office supply line.

Rep. Williams asked about the future of County dispatch and Dir. Andross said that he sees that the future will be in regionalization and that the small communication centers will likely see the financial benefits of going in that direction. He said it is far more efficient and cost effective noting that Grafton County provides excellent service to its customers.

Rep. Mulholland asked who would be likely to sign up with Grafton County Dispatch and Dir. Andross said that perhaps Lincoln may and possibly some areas in Coos County. He said that Grafton County Dispatch would not be shrinking and could possibly grow.

Revenue:

The decrease in revenue is primarily because of the loss of Alexandria from Dispatch services. Juvenile transports are also in decline. Sheriff Dutile said that there is a bill in the State to increase the Department fees which haven't been done in 12 years. If this should pass, proposed revenues could increase perhaps another \$85K. Rep. Ward asked if the Sheriff would please keep an eye on where that bill stands.

Commissioner Richards was excused.

Capital Expenses:

One cruiser will be purchased and the lease for the annual contract for the CodeRed system was discussed.

Dispatch Capital Reserve:

There is \$233K in the capital reserve account and there will be a request for \$71K for items noted. Dir. Andross said that the Dept. aggressively looks for grant money so the actual amount may be reduced. Dir. Andross went over the items.

Rep. Ward asked the Sheriff if there was any drug forfeiture money and he replied that there is no money now, and any potential money could take up to a year to receive.

Commissioner Cryans and Rep. Ford were excused.

Corrections: Rep. Ward with Superintendent Libby

Rep. Williams asked what the construction schedule was and Supt. Libby said that site work was starting this week and the tentative opening would be April of 2012, which will have a lot to do with how much of the concrete work can be done over the winter.

Supt. Libby passed out a printout of a PowerPoint presentation which outlined the staffing requests that he was presenting in his budget and explained the need for the transition team. *(see attached)

There were discussion about the staffing being difficult in the Jail because according to NIC, there will be existing staff who will end up leaving because of the huge change in the way the Jail is run. There will be some staff hired before completion and some hired upon completion.

There was a discussion about the reduction in population which Supt. Libby thought could be attributed to the way the new County Attorney is handling cases, coupled with the GED and Drug Court programs.

The question of Coos County females came up and Supt. Libby said that a member of the Executive Committee spoke with the Administrator of Coos and told her that sending females to Grafton County was a great deal and gave her the impression that was going to change. The decision was then made in Coos to send the females to Carroll County, who doesn't charge anything to house them. Supt. Libby said they weren't talking about a large number of losses, only two or less.

The Corrections budget is up 10% or \$327K which is primarily attributed to the new CO's and the expenses that go with them.

There was a discussion about GED qualifications and responsibilities of the Dept. of Education. Rep. Ward said that there is a new mandate that states there is to be an education coordinator from each County facility, which at present time is Supt. Libby.

Community Corrections:

There is a \$22K increase which is attributed to the increase in health insurance, retirement and insurance liability.

Revenue:

Governor's Commission Grant which comes from the State's sale of Alcohol and the RSAT (Residential Substance Abuse and Treatment) grant which come from the Attorney General's Office and is used for treatment for females, are two sources of revenue that offset the associated expenses

Capital Expenses:

A request for a four wheel drive vehicle for Community Corrections was requested. Supt. Libby said that there are some places that are difficult to get to in the winter when they do home checks.

The Community Work Program helps communities who would otherwise not be able to afford to have work done themselves. Rep. Williams said it was a great program. Rep. Ward said that all the Reps. should take that information back to their towns. Rep. Mulholland said that there are some towns that are unwilling to take advantage of the program.

Supt. Libby said there are new federal regulations that deal with lead paint which means there will be jobs that inmates will not be able to handle. He's looking into ways of getting training.

Supt. Libby added that Community Corrections also works to deliver produce to senior centers in the fall.

The next budget meeting will be held next Monday. Reps. Aguiar and Gionet will not be attending.

Rep. Aguiar wanted to discuss longevity and Director Clough said that it was decided by the Commissioners that anyone hired after July 1st, will no longer be eligible for longevity. This currently does not apply to Union members as negotiations have not been finalized. Rep. Aguiar asked what would happen if the delegation voted to remove longevity all together and Director Clough said the delegation does not have the authority to change policy.

Rep. Aguiar said he was nervous about getting into the chicken business and he's not sure the County should even be running a Farm, though he does support individual farmers. He said there is nothing to be made in the dairy business.



EXECUTIVE COMMITTEE MEETING to Review FY11 Budget

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 14, 2010

PRESENT: Representatives Mulholland, Williams, Ford, Laliberte, Friedrich, Preston, and Ward, Commissioners Cryans, and Richards, Executive Director

Clough and Secretary Martino.

EXCUSED: Representatives Gionet and Aguiar

Rep. Mulholland called the meeting to order at 9:08

Treasurer Sievers was in attendance to present the investment recommendations for the \$17.5M from the bonds sold for the new Jail project. *(see complete letter from Treasurer Sievers attachment including bids) Recommendations below.

Treasurer Sievers recommendations are as follows:

\$5M in a municipal sweep at Mascoma Savings bank at .60%

\$4M in a NOW account at Mascoma Savings bank at .50%

3 Month CD - \$500K in a CD at Community Guaranty Savings Bank at .50%

6 month CD -

\$4M at Mascoma Savings at .90%

\$3.5 M in a CDARS account (which will be a legal form of investment as of 07/03/10) at Mascoma Savings Bank @ 1.05%

9 month CD -

\$500K at Community Guaranty Savings Bank

Treasurer Sievers said that she will be investing the money today after the committee's approval. The County will be looking for the second bond in around 9 months.

Rep. Williams said that he would like to have the bid construction phases so he could see how the project is to progress. Director Clough said that bids have gone out June 7th and are due back July 1st for the whole project. Site bids had already been awarded and work has begun.

Commissioner Richards asked Treasurer Sievers if she knew how much interest would be gained by the investments and she replied that had not been calculated yet. Director Clough said that she could do that now that she has all the information. \$125K, which was a conservative estimate, is what had been budgeted for FY11.

Rep. Ward asked how much lead time was required before being able to go for the next bond. He said that it would be important to know in the event that the interest rates begin to rise. Director Clough said that she will be getting updates from Financial Advisor D. Ranaghan and figured they would need about a month. If the County had to go back to Standards & Poor, then it might take a

bit longer.

Rep. Preston moved to approve the recommendations by the Treasurer for the investment of \$17.5M, which was seconded by Rep. Ford. All were in favor.

BUDGET REVIEWS:

COUNTY ATTORNEY: Representative Ford with Atty. Saffo & OFCM Farina present

(Including Victim Witness, Violence Against Women Act grant and Medical Referee)

Rep. Ford presented a spread sheet of items that she felt key to the Atty's budget.

Director Clough gave the committee the new figure for the County Attorney's salary according to what the Delegation voted on for an increase for Elected Officials.

Revenue and general expenses were reviewed. Atty. Saffo said that the Deputy County Atty's line decreased because she was working out of the Victim Witness Dept. before she took over as County Attorney and that was grant money. When she hired a replacement it was someone less experienced so that person is being paid less.

Because of changes in staffing, amounts will be reduced. There was a discussion about Atty's being able to take vacation time.

Atty Saffo discussed the reduction in Court time because of the loss of Judge time.

There was a discussion about the reduced population in the Jail and Atty. Saffo said that in speaking to the Chief of Police in Lebanon, arrests are down but he feels that this is cyclical and will change. Atty. Saffo said there is also a movement to send more cases to District Court and that Drug Court and the GED and Thresholds programs also help.

Atty. Saffo discussed some of the values of Drug Court and spoke about the application for a grant for Mental Health Court.

Rep. Ward said that Corrections are not going to be as they have been in the past and Community Corrections is going to facilitate the change out of necessity.

Medical Referee budget is down from last year and the Atty's Capital Expense budget contains a laser fiche lease for \$2K.

DRUG COURT: Representative Ford

The Drug Court budget has increased by \$33K and they will have the capacity to accept 3 more individuals than last year, bringing the total to 28. The cost increase to the Treatment line comes from the fact the line had been underestimated from the beginning and now represents a more accurate total. No grants other than one for caseworker have ever been received for Drug Court since its inception.

It is estimated that the cost to house an inmate runs around \$35K a year and costs for an individual for Drug Court is between \$8 and \$11K, which does not include supervision.

Rep. Williams said that he was very impressed with the new County Attorney and Rep. Ford echoed that sentiment.

HUMAN SERVICES: Representative Ford with HSA Bishop present.

The HS budget totals come primarily from mandated costs to the State. There was a discussion about FMAP money which is additional money toward medical costs for long term care nursing. The amount expected in the months from July to December is \$830K which was used to offset this budget.

HSA Bishop said that the cap amount on care has been increased 12% and without the help of the federal money, this budget would have been considerably higher.

The hold harmless clause has expired.

HSA Bishop said that the total budget figure could change in July due to calculations because of the higher elderly population in Grafton County. She said to expect to see a higher budget year after year from now on.

Incentive funds have been removed from the County budget to the State.

Rep. Ward asked about increases to Intermediate Nursing Care and the variation of spending in the current budget. HSA Bishop said it has to do with the way her computer figures the payments as HCBC first and then Intermediate Care, which all ends up going toward the \$7.5M cap, it's just broken down differently.

Rep. Ward noted that he likes the way the FMAP money is now allocated as an offset as opposed to revenue. It's clearer this way he said.

NURSING HOME: Representative Preston with NHA Bolander and H. Wetherbee present.

Revenue: Total revenues are up slightly with Medicare revenues down due to hospitals keeping patients longer before sending them to nursing home care.

Rep. Ward said that there are three hospitals in the North Country that are

teetering on the edge financially.

There was a discussion about how Medicare payments are figured.

Director Clough passed out information on revenue projections through fiscal year 2010. There has been \$606,895 in Pro-Share payments and \$762,703 in Bed Tax revenue with another \$254,234 expected. \$547,457 is the total expected in supplemental payments bringing the total for FY10 to \$1,564,394. Bed Taxes are distributed to every nursing home in the State to offset the cost of long term care and are based on revenues. Director Clough said that if the FMAP money ends, so will the supplemental Bed Tax payments.

Expenses: Computer hardware and maintenance is up \$50K which is required in order to comply with new medical information and a new server is necessary as the existing one is just limping along.

Rep. Ward asked why contract nursing services is not projected in the budget as it appears that money was spent for that in FY10. NHA Bolander said that she doesn't plan to have to use contract services next year and if she does, money can be taken from the nursing line.

Rep. Ward asked about audit costs and Director Clough said they run just under \$30K and roughly half of that is for the Nursing Home.

Rep. Williams asked why the Director of Nursing is paid so much more than in any other County in the State and NHA Bolander said it was because she has more experience and years than others coming into the position at other County Nursing Homes.

There was a question about the new line Legal Fees/Survey Fines. NHA Bolander said that she has budgeted that in the event that fines will need to be paid because of infractions from a survey. She said that because of cutbacks, she is concerned that they may not be able to comply with everything. Rep. Ward questioned why the Nursing Home is skimping on care but putting money into the surplus fund.

Rep. Laliberte asked NHA Bolander if she was making preparations for when the new Jail goes on line and will be requiring less of the Dietary and NHA Bolander replied that it wouldn't be for two years but she is keeping an eye in that direction.

Other Departments in the Nursing Home were reviewed with minimal questions asked.

SOCIAL SERVICES: Rep. Williams

Rep. Williams said that he has full confidence in the review by consultant Cindy

Swart and that she scrutinizes all of the agencies very closely.

Commissioner Richards said that she understands that Grafton County is the most generous of all Counties when it comes to funding social service agencies and that if there were cuts to be made it could happen in this \$600K budget, but she and fellow Commissioners feel that it is very important to give to the most needy citizens and that she is very proud of the funding.

Rep. Ford said that taking money away from social service agencies ends up costing more in the communities and they provide a beneficial service.

Rep. Williams recommended funding the Social Service budget as is.

Director Clough said that the budget is down \$10,200 due to new reductions and passed out the monthly variance and pro-rated reports to the committee for review. She also passed out the Farm's preliminary deficit projections and the FY10 milk revenue.

There was a discussion about the Farm and the use of inmates on the Farm which Commissioner Cryans said was immeasurable. Rep. Ford said that she thinks that there needs to be a decision made as to what the Farm is for.

Commissioner Cryans said that there is a purpose for the Farm and one of them at this point is taking care of inmates during the day. He said he's never heard anyone ask him why the County is running a Farm.

Rep. Ford said she has heard that and doesn't feel the purpose has been articulated.

Commissioner Cryans said he has in fact articulated it and this is a dairy Farm whose revenue depends on the price of milk.

Rep. Ward said that Coos County, who is reviewing the possibility of closing their Farm, has gotten their performance audit.

Commissioner Richards said that she feels that there is a lot of potential for the Farm and more can be achieved from it if the County is more progressive.

Next meeting on budget will be Friday June 18th beginning at 9:00 AM.

Rep. Ford moved to adjourn which was seconded by Rep. Williams. All were in favor.

11:42 PM Meeting adjourned.

EXECUTIVE COMMITTEE MEETING to Review FY11 Budget

Administration Building
3855 Dartmouth College Highway
North Haverhill, NH
Monday June 18, 2010

PRESENT: Representatives Mulholland, Williams, Ford, Laliberte, Friedrich, Preston, Aguiar and Ward, Commissioners Cryans, and Richards, Executive Director Clough and Secretary Martino.

EXCUSED: Representative Gionet

Rep. Mulholland called the meeting to order at 9:10

MAINTENANCE: Supt. Jim Oakes

Maintenance has a 2% increase which Supt. Oakes said is driven by wages and the upgrading of a part-time person to fulltime which he said is needed to be able to keep up with just the painting around the complex.

Rep. Mulholland asked about inmate help and Supt. Oakes said that the process he has to go through to get someone qualified coupled with the need for constant supervision becomes too cumbersome to bother with.

Rep. Preston asked why the County is not being taken care of first when it comes to inmate help rather than having them go out to the communities.

Director Clough responded by saying that first off, inmates are not allowed in the resident areas of the Nursing Home and second that the Commissioners have made a commitment to do community work.

Supt. Oakes requested a fulltime Maintenance person for the Jail who would be hired in May of 2011. He said that he would like to have that person on staff when the mechanical systems are installed so they can see first hand how things work.

Rep. Williams said it doesn't work that way and installers don't want anyone underfoot while they're trying to work. Supt. Oakes disagreed and talked about issues at the Nursing Home that could have been avoided had there been someone from the County watching. Commissioner Cryans said that Cheshire County had someone on board at that time and spoke highly of the value of having done it that way.

Rep. Williams said that should be Supt. Oake's job. Supt. Oakes said that he was already committed to a number of projects.

Woodsville Water & Light has projected at 10% increase and that will have the largest impact on the NH and Corrections. Supt. Oakes said that the Nursing Home water usage was up 200,000 gallons this year.

Rep. Aguiar asked why WW&L has this increase and Supt. Oakes said for no

other reason other than the cost of doing business that he is aware of. He said they increase fees every year.

Rep. Friedrich said she thought the County was providing their own water with the water tank that was installed. Supt. Oakes said that is just a holding tank which is filled by WW&L.

9:30 AM Rep. Ward arrived.

Supt. Oakes continued on saying that fuel and propane costs have increased and Repair/Maintenance in the Nursing Home.

There was a discussion about having a licensed electrician on staff. Supt. Oakes said that he really doesn't have an ongoing need for an electrician but he would like to take a look at a getting a licensed HVAC person for the Jail.

MAINTENANCE CAPITAL BUDGET

Supt. Oakes said he would like to re-point and reseal the administrative building which hasn't been done as far as he knows.

Supt. Oakes said he has also put in for a new 1 ton truck which will replace the 10 year truck the Dept. has.

Rep. Ward asked if the re-pointing of the building could be done over a three year period and Supt. Oakes said that it could be done that way but it may end up costing more in the mobilization of equipment.

Rep. Ward asked what hadn't been done last year that is accounting for the amount of encumbrances requested and Supt. Oakes said that it was primarily the upgrading of the dairy barn which he would probably encumber again.

Rep. Ward asked what kind of encumbrances is Supt. Oakes predicting and he said the dairy barn, some energy efficiency projects, the HVAC ductwork cleaning and he wasn't sure what else since he didn't have his list in front of him.

Rep. Mulholland asked about not having the time to do the projects and then pushing them into the next year, questioning if that would continue to happen.

Rep. Ward asked what the total amount of money was set aside for the barn repair and Supt. Oakes said he figured around \$20K. It was noted that there was also \$5K in the Farm capital budget to repair stalls in the barn.

Rep. Williams said he didn't think that money should be carried over to do projects that just haven't been completed. He feels that money should go back into the general fund.

Supt. Oakes asked for an additional \$1200 for Contract Maintenance in the NH for a continued warranty on the ozone laundry system. He also noted a \$749

decrease in line 293.

Commissioner Richards voiced some concerns about having to do laundry twice to get things clean and Supt. Oakes said even with that there is substantial savings in the fuel line.

HUMAN RESOURCES: Representative Mulholland with Human Resource Director Mike Simpson

A change in the Nursing Home allocation has led to an increase in the HR budget, along with an increase in Equipment Rental and Advertising/PR HRD Simpson said that he would be putting in a new software system that would track applications and he would be subscribing to JobsinNH.com The HR Generalist position has been moved from a grade 4 to a grade 5. Total increase in the budget is 4.5%.

There was a discussion about market adjustments and the role HR plays in that area.

Rep. Ward asked about the huge increase in Advertising when not that much has been spent to this point. HRD Simpson replied that the Advertising portion of that line has been level funded it is the two year subscription in JobsinNH.com that accounts for the increase, along with the applicant tracking system.

INFORMATION TECHNOLOGY: Rep. Mulholland with IT Manager Brent Ruggles

ITM Ruggles passed out an information sheet that explained what the IT Dept. actually does. ITM Ruggles said that he was looking to encumber the money for Contracted Services in order to accomplish the fiber optic job for the Complex. Rep. Ward said there appeared to be \$167K encumbered which had not been spent for the past two years and reviewed how he got to that number. ITM Ruggles said he hadn't put the RFP out for the project yet and that he would like to add another \$25K into Capital Expenses for it too.

Rep. Mulholland asked what the total cost of the fiber optic project would be and ITM Ruggles said he figured roughly \$75K for the optic and another \$25K for consulting costs.

Rep. Ward asked if ITM Ruggles had presented a plan to the Commissioners yet and he said that he had not.

There was a discussion about the broadband that was supposed to be coming to the area.

After reviewing what monies were in encumbrances and what was needed to

complete the project, ITM Ruggles said that the \$25K could be removed from the Capital Expenses and \$6500 could be removed from the Contract Services line.

Rep. Ward asked about the increase in Equipment/Maintenance and ITM Ruggles said that had to do with the fact that IT will now be involved with the Jail project as well as the mobile communications for the Dispatch.

There was a discussion about the mobile communications and the laptops that were purchased under a grant for the Sheriff's Dept., and were distributed to various towns in the County. The laptops are not only costly because of their intended use but the cost to repair them is also very high. Because the laptops are owned by the County, the maintenance of them is up to the County.

Rep. Friedrich asked if the computers could just be given outright to the towns and Commissioner Richards said they don't want them.

Rep. Preston said there must be some kind of alternative to the cost of these computers and ITM Ruggles said they are made specifically to withstand a lot and therefore are made completely differently. Cost per computer laptop is approximately \$7,000.

Rep. Ward asked when the plan for the fiber optics is to be implemented and ITM Ruggles said he hopes to do this in the fall.

Rep. Williams asked why encumbrances shouldn't be stopped altogether and Director Clough said that they should not be and a prime example of that would be in Human Services. She said because of the way that the billing works, they would not be able to make payments unless that money was carried over.

Rep. Williams said that he did not agree that money for repair of the barn should be carried over.

Commissioner Cryans disagreed saying that stopping the process would be dangerous and that things can get too far behind. Ending the money would not be right.

Rep. Ward said that he feels that he would like to see the County handle encumbrances like the towns and municipalities and that is that only items that have an actual contract on them should have money carried over.

Commissioner Cryans disagreed saying that the County doesn't do it that way and has different rules. Rep. Aguiar asked if the County does it that way simply because it's the way they've always done it in the past and Commissioner Cryans said no, there are no laws governing County encumbrances.

MISCELLANEOUS: Director Clough

Director Clough reviewed the Miscellaneous categories beginning with Regional Planning Commissions. Rep. Ward asked if the County received any kind of benefits for these agencies. Commissioner Cryans said that they didn't really

expect to get anything for them.

- Wage & Benefit Adjustment: A portion of the retiree health insurance is paid out of the Nursing Home budget.
- TANS: is seeing a reduction
- Bonded Debt: Decreased interest on the general bond, amount changed to 700,188.
- Contingency: Outside council has been decreased
- Unallocated Insurance: Increased due to line item transfer to proper budgets.
- Other: State rented spaces
- Delegation:
- GCEDC: remains flat

Director Clough had some other changes/adjustments that she informed the committee of. In the Nursing Home budget, line 941 has been decreased to \$55K (down \$5K) for Malpractice Insurance.

In the Sheriff's Budget, \$2500 for the SOU has been removed as they are moving South and the Sheriff has opted not to participate any longer. In the Sheriff's Revenue there was an increase of \$15K in the Dept. Fee line bringing that up to \$175K.

COMMISSIONERS OFFICE: Director Clough

Commissioner's budget is up 6% and that is primarily because of change in allocation to the Nursing Home. Audit Service line and Salaries and Benefits have both increased. There is a two year actuary update in the audit that created the increase.

Rep. Friedrich said that in her opinion and after checking with a friend who is an accountant, the cost for the Code Red in the Capital Expenses of the Dispatch should be moved to the Dispatch operating budget.

Director Clough presented paperwork as requested by Rep. Aguiar which showed the difference between a 2% COLA which would be given to all employees and a 3% merit increase which would be given to only qualifying employees.

DEEDS: Rep. Laliberte and Register of Deeds Bill Sharp

Director Clough was excused

RD Sharp brought forth paperwork and tried to explain that he wanted to take individual expensed items out of the surcharge account. There were some requests for information as to how this would all work.

Commissioner Cryans said that the Board of Commissioners had approved the Deeds budget as it stood and felt comfortable with what was presented.

12:20 PM the committee broke for lunch

12:40 PM the committee resumed their meeting.

Rep. Mulholland asked for comments regarding the budget.

Rep. Williams asked how or why the Commissioners came up with a 2% increase rather than no increase. Commissioner Cryans said there were a few reasons why the Board thought it was important to give a 2% across the board COLA which were the increase to the employees health insurance and general overall costs of living.

Commissioner Richards said that although this comment will not make her popular she felt that costs are met by taxpayer's money and she is mixed and concerned as to how this will appear to the average Joe out in the County who may not even have a job. She said she feels differently than Commissioner Burton or Cryans about giving a raise, though she did not want to denigrate the employees.

Commissioner Cryans said he did not feel this increase was way out of line and that 2% was modest and justifiable. He said that a relatively small percentage of money is paid for County taxes and that hasn't increased much over time.

Rep. Friedrich said that a lot of people are taking a pay cut and noted the State is giving furloughs. Commissioner Cryans asked Rep. Friedrich what percentage of health insurance the State employees pay and she didn't know. Commissioner Cryans said he thought it was zero or at least had been until now. .

Rep. Ford questioned whether or not the County would still be tied to a step increase with the Union if there was no COLA increase for anyone. She said that no Union is going to agree to not getting a COLA or a merit increase.

Rep. Aguiar said that the percentage of taxes is the same but the amount is higher. He added that Social Security was not giving an increase this year so he didn't see why the County should be giving a COLA.

Rep. Williams cautioned that policy is set by the Commissioners and the Delegation sets the budget total.

Rep. Friedrich said she would like to see \$500K cut.

Rep. Laliberte said that she feels that both Employee Council and Union employees should be treated equally.

Commissioner Cryans said the Union contract has not been fully negotiated.

Rep. Aguiar said that he would like to have an understanding about longevity. Commissioner Cryans said that employees hired as of July 1, 2010 will not be eligible for longevity.

There was further discussion about the proposed COLA and Commissioner Cryans said that he doesn't feel that it's imprudent to give a 2% pay increase.

The discussion continued about Union negotiations and how that may affect the outcome of things. Rep. Ward said that the Union negotiations generally dictate how the regular employees fare, and that there is an opportunity this year to make a statement as to fact that there will be a zero increase. Rep. Ford said that there may be an option as to what the Union employees receive and that money will have to be cut from somewhere else to cover that. Rep. Ward said to Commissioner Cryans that it is generally not good practice to let the Union know what you're willing to do as far as benefits go and Commissioner Cryans said that the Union knew where they stood in taking away the step increase and then arrived at the amount of 2%. Since negotiations aren't complete he said they don't really know, but as a tax payer he feels comfortable with 2%.

Rep. Laliberte said she absolutely refuses to vote for a budget that treats contract and non-contract employees differently.

Rep. Ford said that voting for employees separately would be a great way to get the Union in every Dept. in the County.

Rep. Friedrich questioned why the Maintenance Dept. needed to add more people when the work for the County and its size has not really changed. She said with new equipment things should starting getting easier not more time consuming.

The committee took a straw poll as to how everyone felt about giving a 2% increase.

Reps. Mulholland, Preston and Laliberte were in favor.

Reps. Ward, Williams, Ford, Friedrich and Aguiar were opposed.

Rep. Friedrich said she could support it if the budget were cut in other places.

Rep. Ward said he feels he would like to spend more time on this budget and there really doesn't need to be a budget until Sept. 1st. and would like to delay a month and vote at the end of July rather than June.

Rep. Ward agreed with Rep. Friedrich that if there were other areas to cut then he would support a COLA.

Rep. Ford said she is feeling pressed.

Rep. Ward moved to have the Delegation vote on July 26, 2010 which was seconded by Rep. Aguiar.

DISCUSSION:

Rep. Laliberte said that more Executive Committee meetings will need to be added. Rep. Ward said two more meetings should be fine.

Discussion about what happens if there is no budget on July 1st.

Commissioner Cryans said even though the budget is going up 4.7%, a big portion of that came from HHS and the reduction in the Medicaid rates. Those things are not going away and something is going to take it on the chin. This is a service oriented business and he stands strong that a 2% increase is warranted. There are a lot of issues that are done at the State level that are affecting this budget.

There was a discussion about when they could meet again and whether they would be able to have a quorum if they met at the end of July.

Rep. Aguiar wanted clarification that the Executive Committee's vote on this budget is only a recommendation to the Delegation. Rep. Ward said this was the Executive Committee's budget. Commissioner Cryans said the budget goes from Management to the Commissioners to the Executive Committee and then to the Delegation and anything can be changed.

Rep. Mulholland suggested coming up with an amount of money that they feel comfortable with. Rep. Ward said they can go through items line by line and make suggestion or ask for a certain amount to be cut and let the Administrative team do that.

When the vote for the motion came down, Rep. Ford, Aguiar, Ward, Friedrich, Mulholland and Preston were in favor. Reps. Williams and Laliberte were opposed.

Rep. Ward moved to request that Commissioners and Administrative Team to level fund the amount to be raised by taxes, or \$830K by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Williams.

DISCUSSION:

Rep. Preston asked if they were asking the Commissioners to do something that is virtually impossible.

Rep. Ward made suggestions about how the changes such as using more of the Bed Tax money as revenue. He said that there are adjustments on the revenue. Commissioner Cryans said that it could only be used once and wouldn't be used in the surplus next year.

Rep. Ward said he has a philosophical problem with using revenues as surplus saying that they should be used to reduce the expenses. The mission is not to grow surplus but to run a Nursing Home.

Commissioner Cryans said that money is going to be needed to run the Jail and if you remove all the money from the surplus you won't be able to use that money next year and then you'll be looking at an even greater increase.

Rep. Ward said that under that theory you would never cut a surplus.

Rep. Williams said that there is a figure used by Towns of money that they would like to keep in the surplus and asked Commissioner Cryans if there was a figure for the County. Commissioner Cryans said it was suggested by the Financial Advisor in regards to bonding, that amount be 5.5 or 6% of the total, which would be about \$2M. Commissioner Cryans said they are using \$1.8M this year.

Rep. Laliberte said that she has a problem with level funding since there are increases that are can't be changed such as utilities. She said that major cuts are going to come where it's really going to hurt people.

Rep. Ford said she would like to be able to tell people that they won't be seeing an increase in their taxes. She said however that she would like to have a better understanding of what level funding is. Rep. Ward said that if something came back cut that they didn't like they could decide against it if they wanted to. Rep. Friedrich asked if by asking the Commissioners to make cuts on items would preclude the Executive Committee from making decisions on individual Department budgets and Rep. Ford and Ward said it did not.

Rep. Aguiar said he's okay with having a reduction but not \$825K and would support a lower target.

Rep. Friedrich said that she would be okay with a \$500K reduction which to her would be level funded and easier to do than \$830K.

Rep. Ward said he wanted to level fund the taxes.

Commissioner Cryans said that he can't imagine in his wildest dreams trying to cut \$830K. Rep. Ward listed some things which included cutting the COLA and using more of the Deeds surcharge to purchase items.

Commissioner Cryans said that the Board of Commissioners voted for a 0% increase for the Elected Officials, but the Delegation voted to give fairly

substantial raises. On one hand he said the committee is saying to cut back on the benefits to employees while on the other hand giving increases to the County Attorney, Sheriff and Register of Deeds. He said he did not see the logic behind that. He said to be fair, there are some people at the County who make \$10 an hour, 2% is about a \$416 dollar raise and asked again how they could justify agreeing to large raises for the CA and Sheriff saying he could not understand the logic in that.

Rep. Williams said that the Elected Official's salaries were "way out of whack". Rep. Friedrich said it's been a tradition that the County brings people up to their market level and that's what they did by increases the Elected Officials.

Rep. Williams said he had a problem with moving the part-time Maintenance person to fulltime and hiring a person for the Jail Maintenance ahead of time. He said that the committee needed to go to the Delegation with a collective decision and not be divided on the budget.

Rep. Mulholland said they're in a very unfortunate position as government is the one who always take it on the chin because it's paid for by taxpayers. She said she feels that the County is run very well and didn't think that 2% was that bad but perhaps that could be cut to 1%

She said she didn't feel the committee is too far away from coming up with a reasonable number and would like to keep the Delegation meeting on target.

Rep. Ford said that they've already lost that battle because of time.

Discussion about getting in touch with people

Commissioner Richards said she did agree with Commissioner Cryans that trying to find that amount of money to cut is going to be nearly impossible. She said that she prides herself and her colleagues on the way they run the County but can't imagine finding this kind of money to cut.

There was further discussion about the amount to be decreased. Rep. Friedrich thought it would sound just as good to say they didn't increase the budget this year as to say they didn't increase the taxes.

Rep. Ford called the question. All were in favor.

The motion was re-read that Rep. Ward moved to request that Commissioners and Administrative Team to level fund the amount to be raised by taxes, or \$830K by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Williams.

Those in favor were Reps. Ward, Ford and Williams. Those opposed were Reps. Mulholland, Preston, Laliberte, Friedrich and Aguiar. Motion does not pass

Rep. Friedrich moved to request that Commissioners and Administrative Team

to level fund the amount to be raised by taxes, or \$476K, by either the reduction of expenses or the increase of revenues, which was seconded by Rep. Preston.

Reps. Mulholland, Preston, Williams, Aguiar, Friedrich, Ward and Ford were in favor. Rep. Laliberte was opposed.

Commissioner Cryans asked that the postponement of the meeting was done properly.

The Decision was made for the Executive Committee to meet on July 12, 2010 at 9:00 AM. The Committee will try to reschedule the full Delegation vote for the 26th of July.

2:00 PM Rep. Aguiar moved to adjourn and was seconded by Rep. Williams. All were in favor.



The FY2011 Budget did not pass during the time frame of this Annual Report.

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***COUNTY OF GRAFTON,
NEW HAMPSHIRE***

**FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITOR'S REPORT
THERON)**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**



MASON + RICH

PROFESSIONAL ASSOCIATION

Certified Public Accountants

REPORT OF INDEPENDENT AUDITOR'S

Board of County Commissioners

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Grafton, New Hampshire, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the index. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Grafton, New Hampshire as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of our testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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**INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTAL
SCHEDULES**

Report of Independent Auditor's..... 1-2

Required Supplemental Information

County Management's Discussion and Analysis..... 3-13

Basic Financial Statements

Statement of Net Assets 14

Statement of Activities 15

Balance Sheet – Governmental Funds..... 16

Reconciliation of Total Government Fund Balance
to Net Assets of Governmental Activities 17

Statement of Revenues, Expenditures and Changes
in Fund Balances – Governmental Funds..... 18

Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balance of Governmental Activities 19

Statement of Net Assets – Proprietary Fund..... 20

Statement of Revenues, Expenses and Changes
in Fund Net Assets – Proprietary Fund 21

Statement of Cash Flows – Proprietary Fund 22

Statement of Net Assets – Fiduciary Funds..... 23

Notes to Basic Financial Statements..... 24-45

Required Supplemental Information

Actual Revenues and Expenditures
Compared to Legally Adopted Budget..... 46-50

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 13 and 46 through 50 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

Mason + Rich, P.A.

MASON + RICH PROFESSIONAL ASSOCIATION
Certified Public Accountants

October 22, 2010

**COUNTY MANAGEMENT'S
DISCUSSION AND ANALYSIS**

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Grafton County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2010. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

- The business-type activities show an operating loss for the year. Revenues increased by 5.61% while the expenses increased .52% over 2009. The County received \$2,025,865 in Nursing Facility Supplemental revenue during 2010 which was an increase of \$343,729 from FY 2009.
- A dramatic decrease in the Medicaid Reimbursement Rate occurred in January, 2010, \$14.56/day/resident, resulted in a loss of \$270K in revenue.
- The General Fund reported an undesignated fund balance of \$3,896,605 which is an increase from last year's \$2.6 million. This allowed for an increase in the amount of surplus used to reduce taxes for fiscal year 2011.
- The County has seen some assistance as a result of the American Recovery and Reinvestment Act. We continued to receive FMAP (Federal Medicaid Assistance Percentage) monies during fiscal year 2010. This program has been extended to June 30, 2011. In addition, we have seen several supplemental MQIP (Medicaid Quality Incentive Program) payments as a result of ARRA. These have contributed to an increase in revenues. It is important to remember that these funds are temporary.
- Construction of the new Correctional Facility began in June 2010. The County borrowed \$17.5 million in May which is the first half of funding for the project. The second round of borrowing will occur in fiscal year 2011, with an estimated \$33 million being the total amount borrowed for the project.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components; the County-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

County-wide Financial Statements

The County-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Net Assets and Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of activities presents information showing how the County's net assets changed during the current year. The statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into two kinds of activities:

Governmental Activities – Most of the County's programs and services are reported here, such as the Sheriff's Department, Commissioners, Registry of Deeds, Treasurer, Department of Corrections and the Cooperative Extension service. Primarily taxes and intergovernmental revenues, including federal and state grants and other shared revenues, fund these services.

Business-type Activities – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Nursing Home is reported here.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

The County has two kinds of funds:

- **Governmental Funds**- Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- *Proprietary Funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like government-wide financial statements, provide both long and short-term financial information.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents individual fund statements and schedules.

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2009 compared to 2010:

| Table 1 | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 |
| NET ASSETS | | | | | | |
| Assets | | | | | | |
| Current and Other Assets | \$ 4,899,873 | \$ 22,387,789 | \$ 915,886 | \$ 1,305,186 | \$ 5,815,759 | \$ 23,692,975 |
| Capital Assets, Net | <u>12,084,432</u> | <u>12,891,614</u> | <u>10,094,715</u> | <u>9,701,418</u> | <u>22,179,147</u> | <u>22,593,032</u> |
| Total Assets | <u>\$ 16,984,305</u> | <u>\$ 35,279,403</u> | <u>\$ 11,010,601</u> | <u>\$ 11,006,604</u> | <u>\$ 27,994,906</u> | <u>\$ 46,286,007</u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | \$ 903,398 | \$ 695,240 | \$ 1,011,706 | \$ 761,069 | \$ 1,915,104 | \$ 1,456,309 |
| Long-Term Liabilities | <u>4,934,043</u> | <u>22,081,988</u> | <u>8,334,040</u> | <u>8,376,613</u> | <u>13,268,083</u> | <u>30,458,601</u> |
| Total Liabilities | <u>\$ 5,837,441</u> | <u>\$ 22,777,228</u> | <u>\$ 9,345,746</u> | <u>\$ 9,137,682</u> | <u>\$ 15,183,187</u> | <u>\$ 31,914,910</u> |
| Net Assets | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 8,574,132 | \$ 9,460,364 | \$ 2,411,266 | \$ 2,632,668 | \$ 10,985,398 | \$ 12,093,032 |
| Restricted for: | | | | | | |
| Special Revenues | 120,200 | 120,200 | - | - | 120,200 | 120,200 |
| Capital Projects | 166,110 | 248,097 | - | - | 166,110 | 248,097 |
| Permanent Funds | - | - | - | - | - | - |
| Unrestricted | <u>2,286,422</u> | <u>2,673,514</u> | <u>(746,411)</u> | <u>(763,746)</u> | <u>1,540,011</u> | <u>1,909,768</u> |
| Total Net Assets | <u>\$ 11,146,864</u> | <u>\$ 12,502,175</u> | <u>\$ 1,664,855</u> | <u>\$ 1,868,922</u> | <u>\$ 12,811,719</u> | <u>\$ 14,371,097</u> |

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$14,371,097 (\$12,502,175 in governmental activities and \$1,868,922 in business-type activities) as of June 30, 2010. By far, the largest portion of the County's net assets reflects its investment in capital assets (e.g., land and improvements, building and building improvements, improvements other than buildings, machinery and equipment, vehicles) less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets may be used to meet the County's ongoing obligations to citizens and creditors.

Table 2 shows a comparative analysis of government-wide data of the changes in net assets for 2010.

| Table 2 | Changes in Grafton County Net Assets | | |
|--------------------------------------|---|-----------------------------|------------------------|
| | Expenses | Expenses | Inc/(Dec) |
| | 2009 | 2010 | Expenses |
| <i>Functions/Programs</i> | | | |
| General Government | \$ 5,227,571 | \$ 4,906,255 | \$ (321,316) |
| Public Safety | 6,197,802 | 6,392,476 | 194,674 |
| Human Services | 6,682,975 | 6,973,491 | 290,516 |
| Farm | 538,540 | 441,467 | (97,073) |
| Interest on Long-term Debt | <u>127,213</u> | <u>177,065</u> | <u>49,852</u> |
| Total Governmental Activities | 18,774,101 | 18,890,754 | 116,653 |
| <i>Business-type Activities</i> | | | |
| Grafton County Nursing Home | <u>14,419,308</u> | <u>14,308,685</u> | <u>(110,623)</u> |
| Total | <u>\$ 33,193,409</u> | <u>\$ 33,199,439</u> | <u>\$ 6,030</u> |

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

| | Program Revenues | | | | | | | | |
|---------------------------------|---------------------------|---|---------------------------------------|---------------------------|---|---------------------------------------|--------------------------------|---------------------------------|-------------------------------|
| | Charges For Services 2009 | Operating Grants and Contributions 2009 | Capital Grants and Contributions 2009 | Charges For Services 2010 | Operating Grants and Contributions 2010 | Capital Grants and Contributions 2010 | Inc/(Dec) Charges for Services | Inc/(Dec) Operating Grants/Cont | Inc/(Dec) Capital Grants/Cont |
| Functions/Programs | | | | | | | | | |
| General Government | \$ 1,262,454 | \$ 624,536 | \$ - | \$ 1,245,106 | \$ 909,000 | \$ - | \$ (17,348) | \$ 284,464 | \$ - |
| Public Safety | 1,236,690 | 56,649 | - | 1,162,879 | 63,047 | - | (73,811) | 6,398 | - |
| Human Services | - | 242,578 | - | - | 2,215,548 | - | - | 1,972,970 | - |
| Farm | 409,372 | - | 147,073 | 369,183 | - | - | (40,189) | - | (147,073) |
| Interest on Long-Term Debt | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | \$ 2,908,516 | \$ 923,763 | \$ 147,073 | \$ 2,777,168 | \$ 3,187,595 | \$ - | \$ (131,348) | \$ 2,263,832 | \$ (147,073) |
| Business-type Activities | | | | | | | | | |
| Grafton County Nursing Home | \$ 11,144,827 | \$ - | \$ - | \$ 10,998,974 | \$ - | \$ - | \$ (145,853) | \$ - | \$ - |
| Total Business-type Activities | 11,144,827 | - | - | 10,998,974 | - | - | (145,853) | - | - |
| Total | \$ 14,053,343 | \$ 923,763 | \$ 147,073 | \$ 13,776,142 | \$ 3,187,595 | \$ - | \$ (277,201) | \$ 2,263,832 | \$ (147,073) |

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

| | Net (Expense) Revenue and Change in Net Assets | | | | Inc/(Dec) |
|--|---|-----------------------------|----------------------------|-----------------------------|-----------------------|
| | 2009 | | 2010 | | |
| | Governmental Activities | Business-type Activities | Governmental Activities | Business-type Activities | |
| <i>Functions/Programs</i> | | | | | |
| General Government | \$ 3,340,581 | - | \$ 2,752,149 | \$ - | \$ (588,432) |
| Public Safety | 4,904,463 | - | 5,166,550 | - | 262,087 |
| Human Services | 6,440,397 | - | 4,757,943 | - | (1,682,454) |
| Farm | (17,905) | - | 72,284 | - | 90,189 |
| Interest on Long-term Debt | <u>127,213</u> | <u>-</u> | <u>177,065</u> | <u>-</u> | <u>49,852</u> |
| Total Governmental Activities | <u>\$ 14,794,749</u> | <u>\$ -</u> | <u>\$ 12,925,991</u> | <u>\$ -</u> | <u>\$ (1,868,758)</u> |
| <i>Business-type Activities</i> | | | | | |
| Grafton County Nursing Home | - | \$ 3,274,481 | - | \$ 3,309,711 | \$ 35,230 |
| Total Business-type Activities | <u>-</u> | <u>3,274,481</u> | <u>-</u> | <u>3,309,711</u> | <u>35,230</u> |
| Total | <u>\$ 14,794,749</u> | <u>\$ 3,274,481</u> | <u>\$ 12,925,991</u> | <u>\$ 3,309,711</u> | <u>\$ (1,833,528)</u> |

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

| | Governmental Activities | Business-type Activities | Total | Governmental Activities | Business-type Activities | Total | Inc/(Dec) |
|---|-------------------------|--------------------------|---------------|-------------------------|--------------------------|---------------|----------------|
| | 2009 | 2009 | 2009 | 2010 | 2010 | 2010 | |
| General Revenues | | | | | | | |
| Property Taxes | \$ 18,801,280 | \$ - | \$ 18,801,280 | \$ 17,555,749 | \$ - | \$ 17,555,749 | \$ (1,245,531) |
| Payment in Lieu of Taxes | 135,924 | - | 135,924 | 101,659 | - | 101,659 | (34,265) |
| Grants and Contributions Not Restricted | 20,567 | - | 20,567 | 22,898 | - | 22,898 | 2,331 |
| Interest and Investment Earning | 120,901 | 5 | 120,906 | 71,108 | 4 | 71,112 | (49,794) |
| Miscellaneous | 79,184 | 17,052 | 96,236 | 100,648 | (64,525) | 36,123 | (60,113) |
| Gain on Disposal of Assets | 6,751 | - | 6,751 | 7,539 | - | 7,539 | 788 |
| Transfers | (2,747,030) | 2,747,030 | - | (3,578,299) | 3,578,299 | - | - |
| Total General Revenues, Special Items and Transfers | 16,417,577 | 2,764,087 | 19,181,664 | 14,281,302 | 3,513,778 | 17,795,080 | (1,386,584) |
| Change in Net Assets | 1,622,828 | (510,394) | 1,112,434 | 1,355,311 | 204,067 | 1,559,378 | 446,944 |
| Net Assets, Beginning of Year | 9,524,036 | 2,175,249 | 11,699,285 | 11,146,864 | 1,664,855 | 12,811,719 | 1,112,434 |
| Net Assets, End of Year | \$ 11,146,864 | \$ 1,664,855 | \$ 12,811,719 | \$ 12,502,175 | \$ 1,868,922 | \$ 14,371,097 | \$ 1,559,378 |

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The County's direct charges to users of governmental services made up \$2,777,168 or 12.13% percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with public safety services such as dispatching fees, fines and forfeitures related to judicial activity.

Property tax revenue accounts for \$17,555,749 of the \$22,890,917 total revenues for governmental activities, or 76.69% of total revenues.

The Human Service program was the largest expense for the governmental services accounting for 36.91% of the total expenses. Public safety was the second largest expense and accounted for 33.84% to the total.

Table 3, presents the cost of each of the County's three larger programs – Human Services, Public Safety including the Department of Corrections, and General Government – as well as each program's net costs (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

Net Cost of Grafton County's Governmental Activities

| | <u>Total Cost Of Services</u> | <u>Net Cost of Services</u> |
|--------------------|-------------------------------|-----------------------------|
| Human Services | \$ 6,973,491 | \$ 4,757,943 |
| General Government | 4,906,255 | 2,752,149 |
| Public Safety | <u>6,392,476</u> | <u>5,166,550</u> |
| Total | <u>\$ 18,272,222</u> | <u>\$ 12,676,642</u> |

Charges for services and operating grants are received and used to fund general governmental expenses of the County. Property taxes and intergovernmental revenues fund the remaining general governmental expenses.

Business-type Activities

An overview of revenues of the County's business-type activities are as follows:

- The County received Nursing Facility Supplemental revenue greater than what was budgeted.
- The County received a Medicaid Proportionate Share payment during the year, which was not budgeted for.
- The County received supplemental MQIP monies as a result of the American Recovery and Re-investment Act, which was not budgeted for.

Due to the above referenced situations the County's business-type activities had a higher revenue than projected.

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of County Funds

County's Budgetary Highlights:

Over the course of the year, the County Commissioners and Delegation revised the budget several times. These budget amendments fall into two main categories:

- Amendments to individual line items to re-appropriate funds within programs.
- Amendments to individual line items to re-appropriate funds between programs.

At the end of the year, actual revenues had exceeded expenditures (before other sources/uses) by \$4,573,176.

Expenditures came in below budget. The total expenditures were below budgeted amounts by \$1,321,131.

Capital Assets and Debt Administration

Capital Assets:

The County's investment in capital assets for general and business-type activities as of June 30, 2010 was \$12,093,032 (net of related debt). This investment in capital assets includes buildings and improvements, improvements in other than buildings, machinery and equipment and vehicles.

Long-term debt:

At year-end, the County had \$27,800,000 in bond obligations, notes and capital lease obligations. More detailed information of the County's long-term liabilities is presented in Note IV to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The above indicators were taken into account when adopting the General Fund budget for 2011. Amounts available for appropriation in the General Fund budget are \$19,182,852, an increase of \$259,213 over the final 2010 budget. Revenues from the following sources are expected to support these expenditures: property taxes (\$17,555,749), charges for fees (\$2,776,527) and grant revenue (\$145,715). The County will use these revenues to finance programs that we currently offer.

(Continued on next page)

GRAFTON COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Budgeted expenditures are expected to increase 1.19% to \$32,912,281. In preparation of the fiscal year 2011 budget the County Commissioners continued with the request from fiscal year 2010 that department heads were to submit budget requests that were as close to level funded as possible. This was extremely difficult for departments considering wage and benefit increases that were beyond their control. As you can see from the bottom line for a second year in a row the County has maintained a relatively flat budget. Many sacrifices have been made, but everyone wanted to maintain jobs and not to have to look at lay-offs to offset expenses. Employees saw step increases frozen for fiscal year 2011 and health insurance benefits changed. Fiscal Year 2012 will bring it's own challenges as the County incorporates the bonding expenses and some of the new additional operating expenses for the new correctional facility into the budget. In addition, the Federal Medicaid Assistance Percentage benefit that the County has been receiving as part of ARRA will go away at the end of the year. There also continues to be a number of "unknown" factors that will have impact on the County budgets in coming years, such as the funding for long term care and increases in employee related benefits. The County will strive to maintain level net assets during these challenging times.

As for the County's business-type activities, we expect that the 2011 results will be somewhat different. Revenue for the County's business-type activities saw a very slight .05% increase for 2011. Our Medicaid reimbursement rate decreased dramatically in January 2010. A rate that was already way below our actual cost per day. The County was able to off-set this loss by budgeting for increased MQIP funds and including an estimate for Proportionate Share Money in our budget projections. This is likely to reduce any surplus of revenues for fiscal year 2011 and increase the operating loss for the facility. The Nursing Home industry is currently a tough business to be in. We see continued increases in costs and decreased reimbursement rates, we must actively seek innovative ways to increase our business-type activities revenue.

Effective January 01, 2010, our Medicaid reimbursement daily rates decreased from \$159.02 to \$144.46. The Reimbursement rate did increase slightly effective July 01, 2010 to \$144.77.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Grafton County Commissioners Office, 3855 Dartmouth College Highway – Box #1, North Haverhill, NH 03774.

BASIC FINANCIAL STATEMENTS

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF NET ASSETS
JUNE 30, 2010

| | Governmental Activities | Business- type Activities | Total |
|---|----------------------------|---------------------------------|----------------------|
| ASSETS | | | |
| Cash and Equivalents | \$ 988,707 | \$ 500 | \$ 989,207 |
| Temporary Investments | 3,252,651 | - | 3,252,651 |
| Accounts Receivable | 178,272 | 906,315 | 1,084,587 |
| Due from Other Governments | 469,512 | 403,763 | 873,275 |
| Internal Balances | 162,799 | (162,799) | - |
| Inventories | 29,891 | 116,362 | 146,253 |
| Prepaid Expenses | 5,957 | 39,927 | 45,884 |
| Restricted Assets: Cash and Equivalents | 17,300,000 | 1,118 | 17,301,118 |
| Capital Assets: | | | |
| Land and Improvements | 2,459,878 | 508,842 | 2,968,720 |
| Buildings and Improvements | 10,184,100 | 11,740,394 | 21,924,494 |
| Furniture, Equipment and Vehicles | 2,208,849 | 1,303,822 | 3,512,671 |
| Construction in Progress | 2,997,976 | - | 2,997,976 |
| Less Accumulated Depreciation | (4,959,189) | (3,851,640) | (8,810,829) |
| Total Capital Assets, Net of Depreciation | 12,891,614 | 9,701,418 | 22,593,032 |
| TOTAL ASSETS | 35,279,403 | 11,006,604 | 46,286,007 |
| LIABILITIES | | | |
| Accounts Payable | 431,002 | 105,927 | 536,929 |
| Accrued Liabilities | 264,238 | 514,150 | 778,388 |
| Due to Other Governments | - | 140,992 | 140,992 |
| Deferred Revenue | 30,253 | - | 30,253 |
| Net Other Postemployment Benefits Liability | 728,637 | 1,196,768 | 1,925,405 |
| Noncurrent Liabilities: | | | |
| Portion Due or Payable Within One Year: | | | |
| Bonds and Notes Payable | 279,050 | 543,750 | 822,800 |
| Portion Due or Payable After One Year: | | | |
| Bonds and Notes Payable | 20,452,200 | 6,525,000 | 26,977,200 |
| Compensated Absences | 591,848 | 111,095 | 702,943 |
| Total Liabilities | 22,777,228 | 9,137,682 | 31,914,910 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 9,460,364 | 2,632,668 | 12,093,032 |
| Restricted for: | | | |
| Juvenile Incentive | 30,119 | - | 30,119 |
| Deeds Surcharge | 90,081 | - | 90,081 |
| Capital Reserves/Projects | 248,097 | - | 248,097 |
| Unrestricted (Deficit) | 2,673,514 | (763,746) | 1,909,768 |
| Total Net Assets | \$ 12,502,175 | \$ 1,868,922 | \$ 14,371,097 |

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Program Revenues | | | Net (Expense) Revenue and Change in Net Assets | | |
|--|-------------------------|--|--|---|-----------------------------|----------------------|
| | Charges For Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Fuctions/Programs | | | | | | |
| General Government | \$ 4,906,255 | \$ 909,000 | \$ - | \$ (2,752,149) | \$ - | \$ (2,752,149) |
| Public Safety | 6,392,476 | 63,047 | - | (5,166,550) | - | (5,166,550) |
| Human Services | 6,973,491 | 2,215,548 | - | (4,757,943) | - | (4,757,943) |
| Farm | 441,467 | - | - | (72,284) | - | (72,284) |
| Interest on Long-term Debt | 177,065 | - | - | (177,065) | - | (177,065) |
| Total Governmental Activities | 18,890,754 | 2,777,168 | 3,187,595 | (12,925,991) | - | (12,925,991) |
| Business-type Activities | | | | | | |
| Grafton County Nursing Home | 14,308,685 | 10,998,974 | - | - | (3,309,711) | (3,309,711) |
| Total Business-type Activities | 14,308,685 | 10,998,974 | - | - | (3,309,711) | (3,309,711) |
| Total | \$ 33,199,439 | \$ 13,776,142 | \$ 3,187,595 | (12,925,991) | (3,309,711) | (16,235,702) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| County Tax Assessment | | | | 17,555,749 | - | 17,555,749 |
| Payment in Lieu of Taxes | | | | 101,659 | - | 101,659 |
| Grants and Contributions Not Restricted to Specific Purposes | | | | 22,898 | - | 22,898 |
| Interest and Investment Earnings | | | | 71,108 | 4 | 71,112 |
| Gain (Loss) on Disposal of Capital Assets | | | | 7,539 | - | 7,539 |
| Miscellaneous | | | | 100,648 | (64,525) | 36,123 |
| Transfers | | | | (3,578,299) | 3,578,299 | - |
| Total General Revenues, Special Items and Transfers | | | | 14,281,302 | 3,513,778 | 17,795,080 |
| Change in Net Assets | | | | 1,355,311 | 204,067 | 1,559,378 |
| Net Assets, Beginning of Year | | | | 11,146,864 | 1,664,855 | 12,811,719 |
| Net Assets, End of Year | | | | <u>\$ 12,502,175</u> | <u>\$ 1,868,922</u> | <u>\$ 14,371,097</u> |

The Accompanying Notes are an Integral Part of This Financial Statement

COUNTY OF GRAFTON, NEW HAMPSHIRE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

| | Major Funds | | | Total Governmental Funds |
|--|---------------------|---------------------------------|--------------------------------|--------------------------------|
| | General Fund | Jail Construction Project | Other Governmental Funds | |
| ASSETS | | | | |
| Cash and Equivalents | \$ 988,707 | \$ - | \$ - | \$ 988,707 |
| Temporary Investments | 3,019,564 | - | 233,087 | 3,252,651 |
| Accounts Receivable | 178,272 | - | - | 178,272 |
| Due from Other Governments | 469,512 | - | - | 469,512 |
| Due From Other Funds | 162,799 | 90,039 | - | 252,838 |
| Inventories | 29,891 | - | - | 29,891 |
| Prepaid Expenses | 5,957 | - | - | 5,957 |
| Restricted Assets: Cash and Equivalents | - | 17,300,000 | - | 17,300,000 |
| TOTAL ASSETS | \$ 4,854,702 | \$ 17,390,039 | \$ 233,087 | \$ 22,477,828 |
| LIABILITIES | | | | |
| Accounts Payable | \$ 355,973 | \$ 75,029 | \$ - | \$ 431,002 |
| Accrued Expenses | 5,940 | - | - | 5,940 |
| Due to Other Funds | 90,039 | - | - | 90,039 |
| Deferred Revenue | - | - | - | - |
| Total Liabilities | 451,952 | 75,029 | - | 526,981 |
| FUND BALANCES | | | | |
| Reserved for Encumbrances | 477,152 | - | - | 477,152 |
| Reserved for Unemployment Escrow | 28,993 | - | - | 28,993 |
| Unreserved Reported in: | | | | |
| General Fund | 3,896,605 | - | - | 3,896,605 |
| Special Revenue Funds | - | - | - | - |
| Capital Projects Funds | - | 17,315,010 | 233,087 | 17,548,097 |
| TOTAL FUND BALANCES | 4,402,750 | 17,315,010 | 233,087 | 21,950,847 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,854,702 | \$ 17,390,039 | \$ 233,087 | \$ 22,477,828 |

(Continued)

The Accompanying Notes Are an Integral Part of This Financial Statement

- Page 16 -

COUNTY OF GRAFTON, NEW HAMPSHIRE
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET
ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

| | |
|--|----------------------|
| <i>Total Governmental Fund Balances</i> | \$ 21,950,847 |
| <i>Amounts Reported for Governmental Activities in the Statement of Net Assets Are Different Because of the Following Items:</i> | |
| Capital Assets Used in Governmental Activities Are NOT Financial Resources and Therefore Are Not Reported in the Funds. | 12,891,614 |
| Long-term Liabilities, Including Bonds Payable and Unmatured Compensated Absences, Are NOT Due and Payable in the Current Period and Therefore Are NOT Reported in the Funds | (22,340,286) |
| <i>Net Assets of Governmental Activities - Statement 1</i> | <u>\$ 12,502,175</u> |

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Major Funds | | | |
|--|---------------------|-------------------------|-----------------------|-----------------------|
| | General | Jail | Other | Total |
| | Fund | Construction Project | Governmental Funds | Governmental Funds |
| Revenues | | | | |
| Taxes | \$ 17,555,749 | \$ - | \$ - | \$ 17,555,749 |
| Intergovernmental | 2,378,151 | - | 934,000 | 3,312,151 |
| Jail | 159,883 | - | - | 159,883 |
| Farm | 369,185 | - | - | 369,185 |
| Charges for Services | 1,940,723 | - | - | 1,940,723 |
| Rent | 307,379 | - | - | 307,379 |
| Interest | 71,659 | - | 5,220 | 76,879 |
| Miscellaneous | 108,188 | - | - | 108,188 |
| Total Revenues | 22,890,917 | - | 939,220 | 23,830,137 |
| Expenditures | | | | |
| Current: | | | | |
| General Government | 3,590,950 | - | 909,000 | 4,499,950 |
| Public Safety | 5,846,287 | - | 137,508 | 5,983,795 |
| Human Services | 6,773,213 | - | - | 6,773,213 |
| Farm | 470,491 | - | - | 470,491 |
| Capital Outlay | 1,203,945 | 184,990 | - | 1,388,935 |
| Debt Service: | | | | |
| Principal | 279,050 | - | - | 279,050 |
| Interest | 153,805 | - | - | 153,805 |
| Total Expenditures | 18,317,741 | 184,990 | 1,046,508 | 19,549,239 |
| Excess (Deficiency) of Revenues Over Expenditures | 4,573,176 | (184,990) | (107,288) | 4,280,898 |
| Other Financing Sources (Uses) | | | | |
| Proceeds of Long-Term Debt | - | 17,500,000 | - | 17,500,000 |
| Operating Transfers In | 2,754 | - | 177,019 | 179,773 |
| Operating Transfers (Out) | (3,755,318) | - | (2,754) | (3,758,072) |
| Total Other Financing Sources (Uses) | (3,752,564) | 17,500,000 | 174,265 | 13,921,701 |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | 820,612 | 17,315,010 | 66,977 | 18,202,599 |
| Fund Balances, Beginning of Year | 3,582,138 | - | 166,110 | 3,748,248 |
| Fund Balances, End of Year | <u>\$ 4,402,750</u> | <u>\$ 17,315,010</u> | <u>\$ 233,087</u> | <u>\$ 21,950,847</u> |

(Continued)

COUNTY OF GRAFTON, NEW HAMPSHIRE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | |
|---|---------------------|
| <i>Net Change in Fund Balances - Total Governmental Funds (Previous Page)</i> | \$ 18,202,599 |
| Governmental Funds Report Capital Outlays During the Fiscal Year as Expenditures on Statement 4. However, on Statement of Activities (Statement 2) the Cost of Those Capital Items Has Been Capitalized and the Cost is Then Allocated Over Their Estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by Which Capital Outlay Expenditures Exceeded Depreciation Expense for the Current Fiscal Year. | 807,182 |
| Repayment of Bond and Capital Lease Principal is an Expenditure in the Governmental Funds (Statement 4), But the Repayment Reduces Long-term Liabilities in the Statement of Net Assets (Statement 2). Also, Bond Proceeds Are Recognized as an Other Financing Source on Statement 4 But Are Recorded as a Long-term Liability in Statement of Net Assets (Statement 2). This is the Amount of the Repayments and Bond Proceeds That Have Been Charged to Long-term Liabilities. | (17,220,950) |
| Accrued Interest on the Governmental Funds is Reported as Expenditure When Paid, While Interest Due at Year End is Recognized as a Liability and an Expense on the Statement of Net Assets (Statement 2). This is the Net Amount by Which Accrued Interest Expense Exceeded Interest Expense for the Current Fiscal Year. | (36,717) |
| Estimated Compensated Absences and Accrued Payroll Payable Are Recognized When Payable on Statement 4, But Are Accrued and Expensed at Year End on Statement 2. | (12,546) |
| Net Change in Other Postemployment Benefits. | (381,203) |
| Governmental Funds Report the Effect of Bond Premiums When Debt is First Issued Whereas These Amounts Are Deferred and Amortized in the Statement of Activities: | |
| Amortization Expense | 2,720 |
| Current Year Bond Premium Additions | (5,774) |
| <i>Change in Net Assets of Governmental Activities (Statement 2)</i> | <u>\$ 1,355,311</u> |

GRAFTON COUNTY, NEW HAMPSHIRE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

| | Business- type Activities <u> </u> Grafton County Nursing Home |
|---|--|
| ASSETS | |
| Cash and Equivalents | \$ 500 |
| Accounts Receivable - Services | 906,315 |
| Due From Other Governments | 403,763 |
| Due From Other Funds | - |
| Inventories | 116,362 |
| Prepaid Expenses | 39,927 |
| Restricted Assets: Cash and Equivalents | <u>1,118</u> |
| Capital Assets: | |
| Land and Improvements | 508,842 |
| Buildings and Improvements | 11,740,394 |
| Furniture, Equipment and Vehicles | 1,303,822 |
| Less Accumulated Depreciation | <u>(3,851,640)</u> |
| Total Capital Assets, Net of Depreciation | <u>9,701,418</u> |
| TOTAL ASSETS | <u>\$ 11,169,403</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | \$ 105,927 |
| Accrued Liabilities | 514,150 |
| Due to Other Governments | 140,992 |
| Due to Other Funds | 162,799 |
| Current Portion of Long-term Debt | 543,750 |
| Net Other Postemployment Benefits Liability | <u>1,196,768</u> |
| Total Current Liabilities | <u>2,664,386</u> |
| Noncurrent Liabilities: | |
| Long-term Debt | 6,525,000 |
| Compensated Absences | <u>111,095</u> |
| Total Noncurrent Liabilities | <u>6,636,095</u> |
| Total Liabilities | <u>9,300,481</u> |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | 2,632,668 |
| Unrestricted (Deficit) | <u>(763,746)</u> |
| Total Net Assets | <u>1,868,922</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 11,169,403</u> |

The Accompanying Notes Are an Integral Part of This Financial Statement

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Business- type Activities Grafton County Nursing Home |
|--|---|
| Operating Revenues | |
| Intergovernmental: | |
| Nursing Facility Supplemental Revenue | \$ 2,025,865 |
| Charges for Services: | |
| Room and Board from Social Security, Retirement and State | 5,527,703 |
| Room and Board from Private Patients | 1,960,832 |
| Room and Board, Therapy and Ancillary Services from Medicare | 1,032,923 |
| Physician Billing | 25,118 |
| Medicaid Proportionate Share | 426,533 |
| Total Charges for Services | 8,973,109 |
| Other Revenue: | |
| Meal Reimbursement | 29,875 |
| Miscellaneous | 3,435 |
| Total Other | 33,310 |
| Total Operating Revenues | 11,032,284 |
| Operating Expenses | |
| Administrative | 2,344,799 |
| Dietary | 1,416,891 |
| Nursing Service | 6,825,857 |
| Physical Therapy | 235,361 |
| Health Information Management | 220,771 |
| Therapeutic Recreation | 395,643 |
| Plant Maintenance | 854,344 |
| Laundry and Linen | 747,850 |
| Housekeeping | - |
| Pharmacy and Medical Director | 12,747 |
| Contracted Services | 360,556 |
| Special Services | 178,625 |
| Depreciation | 435,712 |
| Total Operating Expenses | 14,029,156 |
| Operating Income (Loss) | (2,996,872) |
| Non-Operating Revenues (Expenses) | |
| Bad Debt Recovery (Expense) | (97,835) |
| Gain (Loss) on Disposal of Fixed Assets | - |
| Interest Revenue | 4 |
| Interest Expense | (279,529) |
| Net Non-Operating Revenues (Expenses) | (377,360) |
| Income (Loss) Before Contributions and Transfers | (3,374,232) |
| Contributions and Transfers | |
| Capital Contributions | - |
| Transfers In - From General Fund | 3,578,299 |
| Transfers Out - To General Fund | - |
| Total Contributions and Transfers | 3,578,299 |
| Change in Net Assets | 204,067 |
| Total Net Assets, Beginning of the Year | 1,664,855 |
| Total Net Assets, End of the Year | \$ 1,868,922 |

COUNTY OF GRAFTON, NEW HAMPSHIRE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | <u>Enterprise (Grafton County Home)</u> |
|--|---|
| <i>Cash Flows From Operating Activities</i> | |
| Cash Received For Services | \$ 11,283,093 |
| Cash Paid to Suppliers | (6,184,661) |
| Cash Paid to Employees | (7,046,607) |
| Cash Paid for Other Expenses | - |
| <i>Net Cash Provided (Used) by Operating Activities</i> | <u>(1,948,175)</u> |
| <i>Cash Flows from Noncapital Financing Activities</i> | |
| Transfers From (To) Other Funds | <u>3,578,299</u> |
| <i>Cash Flows from Capital and Related Financing Activities</i> | |
| Acquisition and Construction of Capital Assets | (43,317) |
| Principal Paid on Debt | (543,750) |
| Interest Paid on Debt | (283,430) |
| Proceeds From Advances From Other Funds | 889,344 |
| Payments of Advances From Other Funds | (1,648,971) |
| Capital Contributions Received | - |
| <i>Net Cash Provided by Capital and Related Financing Activities</i> | <u>(1,630,124)</u> |
| <i>Cash Flows from Investing Activities</i> | |
| Interest Earnings on Investments | <u>4</u> |
| Increase (Decrease) in Cash and Cash Equivalents | 4 |
| Cash and Cash Equivalents, Beginning of Year | <u>1,614</u> |
| Cash and Cash Equivalents, End of Year | <u>\$ 1,618</u> |
| <i>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</i> | |
| Operating Income (Loss) | <u>\$ (2,996,872)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Depreciation Expense | 435,712 |
| Changes In Assets and Liabilities: | |
| Accounts Receivable | 135,773 |
| Due From Other Governments | 115,036 |
| Inventories | 25,337 |
| Prepays | (2,748) |
| Accounts Payable | (55,886) |
| Accrued Expenses | (193,487) |
| Due to Other Governments | 2,637 |
| Net Other Postemployment Benefits | 582,069 |
| Accrued Sick Pay | 4,254 |
| Deferred Revenue | - |
| Total Adjustments | <u>1,048,697</u> |
| <i>Net Cash Provided (Used) by Operating Activities</i> | <u>\$ (1,948,175)</u> |
| <i>Noncash Transactions:</i> | |
| Fully Depreciated Equipment Written Off | <u>\$ (53,838)</u> |

COUNTY OF GRAFTON, NEW HAMPSHIRE
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2010

| | Agency Funds | | | | | | | Total Agency |
|-----------------------------|------------------|-------------------|----------------------|-------------------|-----------------|------------------|-------------------|--------------|
| | Patient Funds | Register Of Deeds | Sheriff's Department | Jail Canteen Fund | Inmate Fund | Pandemic Account | | |
| ASSETS | | | | | | | | |
| Cash | \$ 96,427 | \$ - | \$ 3,305 | \$ 17,902 | \$ 6,261 | \$ 7,911 | \$ 902,185 | |
| Temporary Investments | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| TOTAL ASSETS | \$ 96,427 | \$ 770,379 | \$ 3,305 | \$ 17,902 | \$ 6,261 | \$ 7,911 | \$ 902,185 | |
| LIABILITIES | | | | | | | | |
| Due to Other Governments | \$ - | \$ 676,525 | \$ - | \$ - | \$ - | \$ - | \$ 676,525 | |
| Accounts Payable | \$ - | 93,685 | \$ - | \$ - | \$ - | \$ - | 93,685 | |
| Due to Specific Individuals | 96,427 | 169 | 3,305 | 17,902 | 6,261 | 7,911 | 131,975 | |
| TOTAL LIABILITIES | \$ 96,427 | \$ 770,379 | \$ 3,305 | \$ 17,902 | \$ 6,261 | \$ 7,911 | \$ 902,185 | |

The Accompanying Notes Are an Integral Part of This Financial Statement

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

I | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Grafton is a “body corporate” under the authority of the New Hampshire Revised Statute Annotated (RSA) 23:1. The elected County Commissioners are responsible for the day to day operation of the County. The Commissioners present a recommended budget to the County Convention for approval annually. Either the budget is approved by the Convention or, if the Convention does not approve the budget timely, the Commissioners’ original budget as submitted for approval, becomes effective for the year.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. County taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when recognizable and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. County tax assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

County tax assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental fund:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Jail Construction Project Fund is used to account for the proceeds of a bond issue that is to be used for the construction and development of a new correctional facility.

Non-Major Governmental Fund Types:

Special Revenue Funds – accounts for specific revenue sources that are restricted by law or administrative action to expenditure for specific purposes. Non-major special revenue funds include the Victim/Witness Assistance Grant and CDBG Grants.

Capital Projects Funds – accounts for financial resources segregated for the acquisition or construction of major capital facilities. Non-major capital projects funds include the Dispatch Capital Reserve Fund.

Permanent Funds – used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the programs-that is, for the benefit of the County or its citizenry. Permanent funds report trust arrangements in which the County is the beneficiary, including public-purpose funds previously classified as nonexpendable trust funds.

The County reports the following major proprietary fund:

The County Nursing Home Fund - accounts for the activities of the Grafton County Nursing Home. The fund accounts for the operation and maintenance of the Nursing Home, which provides intermediate and skilled nursing care to the elderly residents of the County. The Home is funded through a combination of Medicaid and Medicare funds from the Federal Government, the State and the County as well as from the private resources of the residents of the Home.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Additionally, the County reports the following funds:

Fiduciary Funds - accounts for assets held by the County in a trustee capacity or as an agent for individuals, private organizations or other governments. The fiduciary funds of the County are agency funds (Sheriff's Escrow and Fees, Register of Deeds, Nursing Home Residents' Fund, Jail Canteen and Inmate Funds). Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. Fiduciary funds are NOT included in the government-wide financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the County Nursing Home function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's Nursing Home are charges to residents for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. DEPOSITS AND INVESTMENTS

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

The County Treasurer is authorized by State statutes and with the approval of the Commissioners to invest excess funds "in obligations of the U.S. Government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the State of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws or in the State of New Hampshire or in banks recognized by the State Treasurer".

The County participates in the New Hampshire Public Deposit Investment Pool established in accordance with RSA 383:22-24. There were no funds on deposit with the Pool at year-end. At this time, the Pool's investments are limited to "short-term U.S. Treasury and U.S. Government Agency obligations, State of New Hampshire and New Hampshire municipal obligations, certificates of deposit from A1/P1-rated banks, money market mutual funds (maximum of 20% of portfolio), overnight to 30-day repurchase agreements (no limit, but collateral level at 102% in U.S. Treasury and Government Agency instruments delivered to Custodian) and reverse overnight repurchase agreements with primary dealers or dealer banks".

The Pool is operated under contract with a private investment advisor, approved by the State Bank Commissioner and the advisory committee created under RSA 383:24. The Pool is a 2a7-like pool, which means that it is not registered with the Securities Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Cost and market value of the Pool's investments are the same.

2. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Department of Revenue Administration, based upon data reported on the assessment of properties by the cities and towns in the County, annually sets the County tax assessment for each community within the County. Based upon the assessments from the Department of Revenue Administration, the County Treasurer issues a warrant to the cities and towns in the County for them to assess, collect and pay to the County, the County tax assessment. The tax is due annually by December 17, with interest at ten percent (10%) chargeable on any unpaid amounts.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

3. INVENTORIES AND PREPAID ITEMS

All inventories are valued at cost using the first-in/ first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year for governmental activities. For business-type activities (County Nursing Home) the County uses a threshold of \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------|--------------|
| Buildings | 50-70 |
| Building Improvements | 5-25 |
| Vehicles | 3-20 |
| Equipment | 3-20 |

5. COMPENSATED ABSENCES

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Earned Time is for non-bargaining unit employees and includes vacation, personal, and sick benefits. Earned Time is accrued based upon length of employment; up to 300 hours for full-time, 240 hours for 4/5 part-time and 180 hours for 3/5 part-time employees.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Vacation Time is for bargaining unit employees and is accrued based upon length of employment; up to 240 hours for full-time employees under 10 years of service and up to 320 hours for full-time employees with 10 years of service, up to 192 hours for 4/5 part-time employees under 10 years of service and up to 256 hours for 4/5 part-time with 10 years of service and up to 144 hours for 3/5 part-time employees under 10 years of service and up to 192 hours for 3/5 part-time employees with 10 years of service.

Upon termination in good standing, an employee receives a lump sum payment of all unused accrued current Earned Time or Vacation Time. Non-bargaining unit employees are also eligible to receive payment of 1/4 the number of days in the extended sick leave bank, not to exceed 16 days total. Upon retirement, an employee receives a lump sum payment of all unused accrued current Earned Time or Vacation Time. The employee is also eligible to receive payment of 1/3 the number of days in the extended sick leave or sick leave bank, not to exceed 20 days total.

All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

8. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any debt used for the acquisition, construction or improvement of those capital assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provision on enabling legislation or through external restrictions imposed by creditors, grantors or law or regulations of other governments. The County reports the following restricted net asset categories:

Juvenile Incentive – Under New Hampshire RSA (Revised Statutes Annotated) 170-G:4 XVI the State’s Division for Children and Youth Services shall distribute funds to cities, towns and counties to “develop and maintain prevention programs, court diversion programs and alternative dispositions for juveniles other than placements outside of the home.”

Deeds Surcharge – Under New Hampshire RSA 478:17-j, the Register of Deeds, with approval of the County Convention, may impose a \$2 surcharge which may “only be used for the purchase, rental or repair of equipment” and which “shall be a separate nonlapsing account, and the moneys in the account shall not be available for use as general revenue of the County.”

Capital Reserves – Under the New Hampshire RSA 35:1, the County may raise and appropriate funds for the “construction, reconstruction or acquisition of a specific capital improvement, or the acquisition of a specific item or specific items of equipment.” Such resources that have been appropriated by the County Convention are reported as restricted net assets at year end.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

II | RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

The details of this difference are as follows:

| | |
|---|------------------------|
| Bonds Payable | \$ (20,731,250) |
| Add: Accrued Interest Payable on Bonds and Capital Leases at Fiscal Year End | (83,237) |
| Accrued Payroll | (175,061) |
| Deferred Revenue- Bond Premium | (30,253) |
| Net Other Postemployment Benefits Liability | (728,637) |
| Compensated Absences | <u>(591,848)</u> |
| Net Adjustments to Reduce Fund Balance –Total Governmental Funds to Arrive at Net Assets –Governmental Activities | <u>\$ (22,340,286)</u> |

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

| | |
|--|-------------------|
| Capital Outlay | \$ 1,252,716 |
| Depreciation Expense | <u>(445,534)</u> |
| Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ 807,182</u> |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

The details of this difference are as follows:

Debt Issued or Incurred:

| | |
|--------------------------------------|-----------------|
| Issuance of General Obligation Bonds | \$ (17,500,000) |
| Issuance of Capital Lease | - |

Principal Repayments:

| | |
|--------------------------|----------|
| General Obligation Debt | 279,050 |
| Payment on Capital Lease | <u>-</u> |

| | |
|--|------------------------|
| Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ (17,220,950)</u> |
|--|------------------------|

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

| | |
|----------------------|----------------|
| Accrued Interest | \$ (36,717) |
| Compensated Absences | (3,570) |
| Accrued Payroll | <u>(8,976)</u> |

| | |
|--|--------------------|
| Net Adjustment to Decrease Net Changes in Fund Balances – Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities | <u>\$ (49,263)</u> |
|--|--------------------|

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

III | STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund.

The County observes the following procedures in establishing the budgetary data reflected in the financial statements:

1. The County Commissioners deliver or mail to each member of the County Convention and to the Chairman of the Board of Selectmen in each Town and the Mayor of each City within the County and to the Secretary of State, prior to June 1 annually, their itemized budget recommendations together with a statement of actual expenditures and income for at least nine months of the preceding fiscal year.
2. Within ten to twenty days after the mailing of the budget, a public hearing is held on the budget estimates as submitted by the Commissioners.
3. Twenty-eight days must elapse after the mailing of the estimated operating budget before the County Convention may vote on the appropriations for the ensuing budget period.
4. The County Convention must adopt its annual budget no later than September 1.
5. The final form of the County Budget is filed with the Secretary of State's office and the Commissioner of Revenue Administration no later than 30 days after the adopting of the budget.
6. The Commissioners must get authorization from the Executive Committee of the Delegation to transfer budgeted amounts between any line items within any fund; any revisions that alter the total expenditures of any fund must be approved by the Executive Committee of the Delegation.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund and Proprietary Fund (County Nursing Home). The County legally adopts only one budget for the funds.
8. Budget appropriations lapse at year-end except for any outstanding encumbrances or approved appropriation carryovers.
9. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for the Proprietary Fund are adopted on a basis, which is not consistent with GAAP. The budget for the Proprietary Fund is prepared on the modified accrual basis while GAAP requires the full accrual basis.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

IV | DETAILED NOTES ON ALL FUNDS

A. Custodial Credit Risk and Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits at year end may not be returned to it. It is the County's policy to require pledged collateral for custodial credit risk. At year end, the County was a participant in the FDIC's TAGP (Transaction Account Guarantee Program). At year end, a total of \$12,817,312 of the County's deposits was covered by the program at two separate banks. At year end the County's book balance was \$22,445,161. The bank balance of \$21,774,912 was exposed to custodial credit risk as follows:

| | |
|--|--------------|
| Collateralized by Governmental Securities Held by the Bank's Trust Department or by State Street Bank and Trust Company, Total Market Value of \$7,245,826 | \$ 7,264,433 |
| Uninsured and Uncollateralized: | |
| Register of Deeds | 469,400 |
| Total | \$ 7,733,833 |

For purposes of the statement of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

B. Receivables

Receivables as of year-end for the County's individual major funds, non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General | Total |
|------------------------------------|------------|------------|
| <i>Receivables:</i> | | |
| County Taxes | \$ - | \$ - |
| Accounts | 178,272 | 178,272 |
| Intergovernmental | 469,512 | 469,512 |
| Gross Receivables | 647,784 | 647,784 |
| Less: Allowance for Uncollectibles | - | - |
| Net Total Receivables | \$ 647,784 | \$ 647,784 |

Revenues of the County Nursing Home are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

| | |
|-----------------------|--------------|
| Gross Receivables | \$ 1,023,570 |
| Uncollectibles | (117,255) |
| Net Total Receivables | \$ 906,315 |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

C. Capital Assets

Capital asset activity for the year was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|---|-------------------------------|-------------------|------------------|----------------------------|
| <i>Governmental Activities:</i> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 219,678 | \$ - | \$ - | \$ 219,678 |
| Construction in Progress | <u>1,919,793</u> | <u>1,078,183</u> | <u>-</u> | <u>2,997,976</u> |
| Total Capital Assets, Not Being Depreciated | <u>2,139,471</u> | <u>1,078,183</u> | <u>-</u> | <u>3,217,654</u> |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 2,240,200 | - | - | 2,240,200 |
| Buildings and Improvements | 10,036,677 | 147,423 | - | 10,184,100 |
| Equipment and Vehicles | <u>2,243,459</u> | <u>27,110</u> | <u>(61,720)</u> | <u>2,208,849</u> |
| Total Capital Assets Being Depreciated | <u>14,520,336</u> | <u>174,533</u> | <u>(61,720)</u> | <u>14,633,149</u> |
| Less: Accumulated Depreciation for: | | | | |
| Land Improvements | (175,478) | (22,272) | - | (197,750) |
| Buildings and Improvements | (3,097,738) | (227,194) | - | (3,324,932) |
| Equipment and Vehicles | <u>(1,302,159)</u> | <u>(196,068)</u> | <u>61,720</u> | <u>(1,436,507)</u> |
| Total Accumulated Depreciation | <u>(4,575,375)</u> | <u>(445,534)</u> | <u>61,720</u> | <u>(4,959,189)</u> |
| Total Capital Assets Being Depreciated, Net | <u>9,944,961</u> | <u>(271,001)</u> | <u>-</u> | <u>9,673,960</u> |
| Governmental Activities Capital Assets, Net | <u>\$12,084,432</u> | <u>\$ 807,182</u> | <u>\$ -</u> | <u>\$ 12,891,614</u> |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

| | <u>Beginning</u> <u>Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending</u> <u>Balances</u> |
|--|-------------------------------------|---------------------|------------------|----------------------------------|
| <i>Business-type Activities:</i> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Construction in Progress | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Capital Assets, Not Being Depreciated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 508,842 | - | - | 508,842 |
| Buildings and Improvements | 11,740,394 | - | - | 11,740,394 |
| Equipment and Vehicles | <u>1,314,343</u> | <u>43,317</u> | <u>(53,838)</u> | <u>1,303,822</u> |
| Total Capital Assets, Being Depreciated | <u>13,563,579</u> | <u>43,317</u> | <u>(53,838)</u> | <u>13,553,058</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (508,842) | - | - | (508,842) |
| Buildings and Improvements | (2,254,501) | (298,527) | - | (2,553,028) |
| Equipment and Vehicles | <u>(705,521)</u> | <u>(138,087)</u> | <u>53,838</u> | <u>(789,770)</u> |
| Total Accumulated Depreciation | <u>(3,468,864)</u> | <u>(436,614)</u> | <u>53,838</u> | <u>(3,851,640)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>10,094,715</u> | <u>(393,297)</u> | <u>-</u> | <u>9,701,418</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 10,094,715</u> | <u>\$ (393,297)</u> | <u>\$ -</u> | <u>\$ 9,701,418</u> |

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:

| | |
|--|-------------------|
| General Government | \$ 214,815 |
| Public Safety (Sheriff, Dispatch and Jail) | 151,237 |
| Human Services | - |
| Farm | <u>79,482</u> |
| Total Depreciation Expense – Governmental Activities | <u>\$ 445,534</u> |

Business-type Activities:

| | |
|---|-------------------|
| County Nursing Home and Amortization | \$ 435,712 |
| Total Depreciation Expense – Business-type Activities | <u>\$ 435,712</u> |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances at year end is as follows:

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|------------------------------|---------------------|-------------------|
| General | County Nursing Home | \$ 162,799 |
| Jail Construction Project | General Fund | 90,039 |
| Non-major Governmental Funds | General Fund | - |
| Total | | <u>\$ 252,838</u> |

Interfund Transfers:

| Transfer out: | Transfer In: | | | Total |
|------------------------------|-----------------|---------------------------|------------------------|---------------------|
| | General | Non-major Governmental | County Nursing Home | |
| General | \$ - | \$ 177,019 | \$ 3,578,299 | \$ 3,755,318 |
| Non-major Governmental Funds | 2,754 | - | - | 2,754 |
| County Nursing Home | - | - | - | - |
| Totals | <u>\$ 2,754</u> | <u>\$ 177,019</u> | <u>\$ 3,578,299</u> | <u>\$ 3,758,072</u> |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

E. Leases

Operating Leases

The County does have operating leases for office equipment. The lease requires the County to maintain the equipment in good working order, repair and maintenance. Future minimum annual rental payments are as follows:

| <u>Year Ending June 30,</u> | <u>Business-type Activities</u> |
|---------------------------------|-------------------------------------|
| 2011 | \$ 1,956 |
| 2012 | 1,956 |
| 2013 | 1,956 |
| 2014 | <u>972</u> |
| Total | <u>\$ 6,840</u> |

Operating lease expenditures totaled \$1,956 for the year and are reported under General Governmental expenditures.

F. Long-term Debt

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

| Purpose | Governmental Activities | Business-type Activities |
|--|----------------------------|-----------------------------|
| \$14,500,000 – 2002 Nursing Home Additions and Renovations Bonds, Due in Annual Installments of \$725,000 through September 2023 Interest Varies From 3.00% to 4.30% | | |
| Governmental Activities – Phase III | \$ 2,356,250 | \$ - |
| Business-type Activities – Phase I and Phase II | - | 7,068,750 |
| \$972,800 – Fire Sprinkler System Water Tank Bonds, Due in Annual Installments of \$97,800 in January 2010, \$100,000 From 2011 to 2004, \$95,000 From 2015 to January 2019; Interest Varies From 4.50% to 5.00% | 875,000 | - |
| \$17,500,000 – 2010 Jail Construction Bonds, Due in Annual Installments of \$875,000 through December 2030, Interest Varies from 3% to 4% | <u>17,500,000</u> | <u>-</u> |
| Total Outstanding | <u>\$ 20,731,250</u> | <u>\$ 7,068,750</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ending June 30, | <i>Government Activities</i> | | <i>Business-type Activities</i> | |
|-------------------------|------------------------------|---------------------|---------------------------------|---------------------|
| | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> |
| 2011 | \$ 281,250 | \$ 700,188 | \$ 543,750 | \$ 265,350 |
| 2012 | 1,156,250 | 676,430 | 543,750 | 246,862 |
| 2013 | 1,156,250 | 639,400 | 543,750 | 228,103 |
| 2014 | 1,156,250 | 602,213 | 543,750 | 208,800 |
| 2015 | 1,151,250 | 564,847 | 543,750 | 188,953 |
| 2016-2020 | 5,661,250 | 2,257,715 | 2,718,750 | 627,382 |
| 2021-2025 | 4,918,750 | 1,368,308 | 1,631,250 | 105,080 |
| 2026-2030 | 4,375,000 | 579,687 | - | - |
| 2031 | <u>875,000</u> | <u>17,500</u> | - | - |
| Total | <u>\$ 20,731,250</u> | <u>\$ 7,406,288</u> | <u>\$ 7,068,750</u> | <u>\$ 1,870,530</u> |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

Changes in Long-term Liabilities

Long-term liability activity for the year ended was as follows:

| | Beginning Balances | Additions | Reductions | Ending Balances | Due Within One Year |
|--|-----------------------|----------------------|---------------------|----------------------|------------------------|
| <i>Governmental Activities:</i> | | | | | |
| General Obligation Bonds | \$ 3,510,300 | \$ 17,500,000 | \$ (279,050) | \$ 20,731,250 | \$ 279,050 |
| Capital Leases | - | - | - | - | - |
| Compensated Absences | 588,278 | 3,570 | - | 591,848 | - |
| Governmental Activity Long-Term Liabilities | <u>\$ 4,098,578</u> | <u>\$ 17,503,570</u> | <u>\$ (279,050)</u> | <u>\$ 21,323,098</u> | <u>\$ 279,050</u> |
| <i>Business-type Activities:</i> | | | | | |
| General Obligation Bonds | \$ 7,612,500 | \$ - | \$ (543,750) | \$ 7,068,750 | \$ 543,750 |
| Capital Leases | - | - | - | - | - |
| Compensated Absences | 106,841 | 4,254 | - | 111,095 | - |
| Business-Type Activity Long-Term Liabilities | <u>\$ 7,719,341</u> | <u>\$ 4,254</u> | <u>\$ (543,750)</u> | <u>\$ 7,179,845</u> | <u>\$ 543,750</u> |

The County issues tax anticipation notes annually in advance of the payment of the County tax assessments in November and December by the various towns and cities in the County. These notes are necessary to meet the cash flow needs during the fiscal year, which include the County's normal operating budget. Short-term debt activity for the year was as follows:

| | Beginning Balance | Issued | Redeemed | Ending Balance |
|---------------------------------------|----------------------|--------------|----------------|-------------------|
| County Tax Anticipation Notes Payable | \$ - | \$ 3,650,000 | \$ (3,650,000) | \$ - |

V | OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County, along with numerous other municipalities in the State, is a member of three public entity risk pools in the State currently operating as a common risk management and insurance program for which all political subdivision in the State of New Hampshire are eligible to participate. The pools provide coverage for workers' compensation, unemployment and property liability insurance. As a member of the property liability pool, the County shares in contributing to the cost of and receiving benefits from a self-insured pooled risk management program. Contributions paid for the fiscal year totaled \$155,705 for property liability coverage, with no unpaid contributions at year-end. There were no deductible claims for the fiscal year.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

The pool agreement permits the pool to make additional assessments to members should there be deficiency in pool assets to meet its liabilities. At this time, the pool foresees no likelihood of an additional assessment for past years.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. The County participates in a federally assisted contract for services with the Department of Health and Human Services Medicaid (Title XIX) - through the New Hampshire Department of Health and Human Services and also receives CDBG grant funds from the New Hampshire Office of State Planning as well as grant funds from the New Hampshire Office of the Attorney General, and also a Homeland Security grant.

The contract and the grants are subject to program compliance audits by the grantors or their representatives. The audits of the contract and the grants for or including the fiscal year have not yet been reviewed by the grantor. Accordingly, the County's compliance with applicable contract requirements will be established at some future date after the grantor's review. The amount if any, of expenditures which may be disallowed by the contracting agencies cannot be determined at this time although the County expects such amounts if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

C. Other Postemployment Benefits

The County provides postemployment health care benefits for certain retirees as follows:

1. A Brief Description of the Retiree Medical Plan:

- a. **Plan Types:** The County provides medical benefits to its eligible retirees. The benefits are provided through the New Hampshire Local Government Center (LGC- Health Trust).
- b. **Eligibility:** Employees are required to reach age 60 with 30 years of service or reach age 62 with 10 to 20 years of service to qualify for OPEB.
- c. **Benefit Cost Sharing:** The County pays 100% of the retiree's medical benefits. The County also received a subsidy from the New Hampshire State Retirement System that it uses to offset its OPEB
- d. **Spouse Benefit:** The County does not contribute towards the cost of spouses OPEB. Spouses desiring to remain covered under the County plan pay 100%.
- e. **Surviving Spouse Benefit:** The spouse is required to pay 100% of the cost of benefits following the death of the retired employee.

| | | | |
|---|------------------|---------------|----------------|
| f. Annual Medical Premiums for Retirees: | Coverage | Pre 65 | Post 65 |
| | Medical – Pre 65 | \$6,2069.76 | \$4,214.64 |
| g. NHRS Subsidy | Coverage | Pre 65 | Post 65 |
| | One Person | \$4,506.72 | \$2,842.08 |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

2. GASB 45 Disclosure Requirements-Estimated:

Plan Results for GASB 45

A. Annual OPEB Cost and Net OPEB Obligation

| | |
|--|---------------------|
| 1. Normal Cost | \$ 686,486 |
| 2. Supplemental Cost | 489,260 |
| 3. Interest | <u>23,515</u> |
| 4. Annual Required Contribution (ARC) (1.+2.+3.) | 1,199,261 |
| 5. Interest on Net OPEB Obligation | - |
| 6. Adjustment to ARC | <u>-</u> |
| 7. Annual OPEB Cost (Expense) | <u>\$ 1,199,261</u> |
| 8. Contributions Made (assumed med of year)* | <u>\$ 235,989</u> |
| 9. Increase in Net OPEB Obligation | <u>\$ 963,272</u> |
| 10. Net OPEB Obligation- July 1, 2009 | <u>\$ 962,134</u> |
| 11. Net OPEB Obligation- June 30, 2010 | <u>\$ 1,925,406</u> |

* Contribution was assumed to equal Expected Benefit Payments.

Funded Status and Funding Progress

Grafton County New Hampshire's annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending June 30, 2010 is as follows:

| | |
|--|---------------------|
| Annual OPEB Cost | <u>\$ 1,199,261</u> |
| Percentage of Annual OPEB Cost Contributed | 19.7% |
| Net OPEB Obligation | <u>\$ 1,925,406</u> |

B. Funded Status and Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrual Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of covered payroll (AAL) (b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|---|
| July 1, 2008 | \$ - | \$ 8,798,701 | \$8,798,701 | N/A | N/A | N/A |

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

C. Methods and Assumptions

| | |
|---|-----------------------------|
| Funding Interest Rate | 4% |
| June 30, 2009 Medical Trend Rate | -.20% |
| Ultimate Trend Rate | 5% |
| Fiscal year that ultimate trend rate is reached | June 30, 2014 |
| Annual Payroll Growth Rate | 4% |
| Remaining Amortization Period at June 30, 2010 | 28 |
| Actuarial Cost Method | Projected Unit Credit (PUC) |

D. Employee Pension Plan

PLAN DESCRIPTION - Substantially all County employees participate in the State of New Hampshire Retirement System (the System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All full time County employees are eligible to participate in the System. The System is divided into two employee groups: Group I, which includes all employees except fire fighters and police officers and Group II, which is for firefighters and police officers (including County Sheriff's Departments). The New Hampshire Retirement System issues annually a publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the New Hampshire Retirement System, 4 Chenell Drive, Concord, NH, 03301.

GROUP I EMPLOYEES - who retire at or after age 60 but before age 65 are entitled to retirement benefits equal to 1.667% of the average of their three highest paid years of compensation, multiplied by their years of service. At age 65 the benefit is recalculated at 1.50% of AFC multiplied by their years of service credit. Earlier retirement allowances at reduced rates are available after age 50 with 10 years of service. Benefits fully vest upon reaching 10 years of service or attaining age 60.

GROUP II EMPLOYEES - who attain age 45 with 20 years or more of service are entitled to retirement benefits equal to 2.5% of the average of their three highest paid years of service, multiplied by their years of service, not to exceed 40. Benefits vest ratably beginning after 10 years of service.

The System also provides death and disability benefits. Cost-of-living increases have been periodically granted to retirees by the State Legislature.

FUNDING POLICY - The System is funded by contributions from both the employees and employers. Group I employees are required by State statute to contribute 5.0 percent of gross earnings. Group II employees are required to contribute 9.3 percent of their gross earnings. The employer must, under the same statute, contribute monthly at an actuarially determined rate. The current rates are 9.16% for regular teachers, 13.66% for police officers of covered payroll. The contribution requirement for the year was \$1,751,250, which consisted of \$1,109,401 from the County and \$641,849 from employees. The County's contributions to the System for the years ended June 30, 2009 and 2008 were \$1,007,778 and \$935,448, respectively, which were equal to the amount required under State statute to be contributed for each year.

(Continued on next page)

COUNTY OF GRAFTON, NEW HAMPSHIRE
NOTES TO THE FINANCIAL STATEMENTS

E. Construction Commitments

The County had outstanding construction commitments for the construction and development of a correctional facility of \$28,991,184 at year end.

REQUIRED SUPPLEMENTAL INFORMATION

Exhibit L

COUNTY OF GRAFTON, NEW HAMPSHIRE
 ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Adopted Budget | Prior Year's Encumbrances | Approved Transfers | Revised Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|----------------|---------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Revenues | | | | | | |
| <i>Taxes</i> | | | | | | |
| County Taxes | \$ 17,555,749 | - | \$ - | \$ 17,555,749 | \$ 17,555,749 | \$ - |
| Total Taxes | 17,555,749 | - | - | 17,555,749 | 17,555,749 | - |
| Intergovernmental | | | | | | |
| Federal Payment in Lieu of Taxes | 50,000 | - | - | 50,000 | 101,659 | 51,659 |
| County Attorney | 30,000 | - | - | 30,000 | 26,772 | (3,228) |
| Juvenile Alternative Program | 1 | - | - | 1 | - | (1) |
| Federal Medicaid Assistance Program | 830,000 | - | - | 830,000 | 2,215,548 | 1,385,548 |
| Sheriff - Code Red and Vests Grants | - | - | - | - | 11,274 | 11,274 |
| Unclaimed Property Distribution | 5,000 | - | - | 5,000 | 22,898 | 17,898 |
| Total Intergovernmental | 915,001 | - | - | 915,001 | 2,378,151 | 1,463,150 |
| Jail | 164,427 | - | - | 164,427 | 159,883 | (4,544) |
| Farm | | | | | | |
| Sale of Milk | 255,000 | - | - | 255,000 | 242,564 | (12,436) |
| Sale of Livestock | 50,000 | - | - | 50,000 | 42,202 | (7,798) |
| Sale of Wood | - | - | - | - | 1,494 | 1,494 |
| Produce to Nursing Home | 5,000 | - | - | 5,000 | 3,634 | (1,366) |
| Services to Nursing Home | 24,083 | - | - | 24,083 | 24,085 | 2 |
| Miscellaneous | 85,000 | - | - | 85,000 | 55,206 | (29,794) |
| Total Farm | 419,083 | \$ - | \$ - | \$ 419,083 | \$ 369,185 | (49,898) |

(Continued)
 - Page 46 -

COUNTY OF GRAFTON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Adopted Budget | Prior Year's Encumbrances | Approved Transfers | Revised Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------|---------------------------|--------------------|----------------------|----------------------|----------------------------------|
| Charges for Services | | | | | | |
| Register of Deeds Surcharge | \$ 35,000 | \$ - | \$ 4,861 | \$ 39,861 | \$ 36,298 | \$(3,563) |
| Register of Deeds | 840,000 | - | - | 840,000 | 893,429 | 53,429 |
| Sheriff's Department Fees | 150,000 | - | - | 150,000 | 169,790 | 19,790 |
| Sheriff's Department Dispatch Service | 580,597 | - | - | 580,597 | 570,529 | (10,068) |
| White Mountain Forest Patrols | 18,500 | - | - | 18,500 | 17,766 | (734) |
| Reimbursement, Transports | 15,000 | - | - | 15,000 | 8,290 | (6,710) |
| Court Bailiffs | 109,344 | - | - | 109,344 | 101,687 | (7,657) |
| Special Deputy Assignments | 45,000 | - | - | 45,000 | 11,597 | (33,403) |
| Special Deputy Fees | 400 | - | - | 400 | 37,900 | 37,500 |
| Alarm Monitoring Services | 8,000 | - | - | 8,000 | 8,000 | - |
| Reimbursement from UNH | 80,000 | - | - | 80,000 | 85,037 | 5,037 |
| District Court Prisoner Security | 1,881,841 | - | 4,861 | 1,886,702 | 1,940,723 | 54,021 |
| Total Charges for Services | 304,800 | - | - | 304,800 | 307,379 | 2,579 |
| Rent | 304,800 | - | - | 304,800 | 307,379 | 2,579 |
| Total Rent | 304,800 | - | - | 304,800 | 307,379 | 2,579 |
| Interest | | | | | | |
| Interest | 125,000 | - | - | 125,000 | 50,791 | (74,209) |
| Interest on County Taxes | 300 | - | - | 300 | - | (300) |
| Interest on Bond | - | - | - | - | 20,868 | 20,868 |
| Total Interest | 125,300 | - | - | 125,300 | 71,659 | (53,641) |
| Miscellaneous | | | | | | |
| Sale of Cruisers | 5,500 | - | - | 5,500 | 7,539 | 2,039 |
| Police Training | 1,000 | - | - | 1,000 | 1,009 | (9) |
| Retiree Drug Subsidy | 40,000 | - | - | 40,000 | 5,023 | (34,977) |
| Drug Court | 1,500 | - | - | 1,500 | 44,499 | 42,999 |
| Total Miscellaneous | 50,000 | - | - | 50,000 | 108,188 | 58,188 |
| Fund Balance Used for Prior Year's Encumbrances | | | | | | |
| | - | 913,162 | - | 913,162 | - | (913,162) |
| Appropriated From Beginning Fund Balance | | | | | | |
| | - | - | 64,511 | 64,511 | - | (64,511) |
| Fund Balance Used to Reduce the Tax Rate | | | | | | |
| | 1,500,000 | - | - | 1,500,000 | - | (1,500,000) |
| Total Revenues | \$ 22,916,201 | \$ 913,162 | \$ 69,372 | \$ 23,898,735 | \$ 22,890,917 | \$(1,007,818) |

COUNTY OF GRAFTON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Expenditures | Adopted Budget | Prior Years' Encumbrances | Approved Transfers | Revised Budget | Actual | Variance |
|---|---------------------|---------------------------|--------------------|---------------------|---------------------|-------------------------|
| | | | | | | Favorable (Unfavorable) |
| General Government | | | | | | |
| Administration: | | | | | | |
| County Commissioners | \$ 374,560 | \$ 4,770 | \$ - | \$ 379,330 | \$ 361,525 | \$ 17,805 |
| Treasurer | 11,327 | - | - | 11,327 | 11,161 | 166 |
| County Delegation | 10,000 | - | - | 10,000 | 8,680 | 1,320 |
| County Attorney and Assistant County Attorney | 735,905 | 5,564 | - | 741,469 | 700,660 | 40,809 |
| Register of Deeds | 572,543 | 3,772 | - | 576,315 | 561,663 | 14,652 |
| Human Resources | 56,146 | - | - | 56,146 | 47,173 | 8,973 |
| Information Technology | 206,988 | 31,257 | - | 237,745 | 169,799 | 67,946 |
| Medical Examiner | 50,000 | - | - | 50,000 | 36,458 | 13,542 |
| Maintenance | - | 1,976 | - | 1,976 | - | 1,976 |
| Grafton County Regional Economic Development | 50,000 | - | - | 50,000 | 50,000 | - |
| Extension Service | 304,718 | 14,433 | - | 319,151 | 298,279 | 20,872 |
| Social Services Agencies | 582,350 | - | 1 | 582,351 | 582,350 | 1 |
| Conservation District | 60,310 | - | - | 60,310 | 60,100 | 210 |
| North Country Council | 1,350 | - | 14 | 1,364 | 1,363 | 1 |
| Wage/Benefits Adjustment | 65,111 | - | 1,575 | 66,686 | 61,090 | 5,596 |
| Unemployment | 10,946 | - | 5,280 | 112,250 | 107,453 | 4,797 |
| Other Maintenance | 7,800 | - | (7,484) | - | 6 | 7,806 |
| Night Watchmen | 236,763 | - | - | 236,765 | 199,600 | 37,163 |
| RSAT Grant | 58,409 | - | - | 58,409 | 56,775 | 1,634 |
| Drug Court Program | - | - | 175 | 175 | 174 | 1 |
| Total General Government | 207,531 | \$ 61,772 | \$ 36,336 | \$ 243,867 | \$ 276,632 | (32,765) |
| | \$ 3,698,011 | \$ - | \$ 35,867 | \$ 3,795,650 | \$ 3,590,950 | \$ 204,700 |

COUNTY OF GRAFTON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Adopted Budget | Prior Year's Encumbrances | Approved Transfers | Revised Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------|---------------------------|--------------------|----------------------|----------------------|----------------------------------|
| Public Safety | | | | | | |
| Sheriff's Department | \$ 1,276,221 | \$ 11,700 | \$ - | \$ 1,287,921 | \$ 1,253,693 | \$ 34,228 |
| Dispatch Center | 918,476 | 7,000 | 2,834 | 928,310 | 890,200 | 38,110 |
| Jail | 3,385,591 | 23,973 | 1,348 | 3,410,912 | 3,255,004 | 155,908 |
| Community Connections | 387,120 | - | - | 387,120 | 366,715 | 20,405 |
| Governor's Commission Grant | 81,464 | - | - | 81,464 | 80,675 | 789 |
| Total Public Safety | 6,048,872 | 42,673 | 4,182 | 6,095,727 | 5,846,287 | 249,440 |
| Human Services | 6,873,220 | 60,609 | 1,203 | 6,935,032 | 6,773,213 | 161,819 |
| Farm | 503,816 | - | - | 503,816 | 470,491 | 33,325 |
| Capital | - | - | - | - | - | - |
| County Commissioners (Administration) | - | - | - | - | - | - |
| County Attorney | 53,700 | 9,350 | - | 63,050 | 71,958 | (8,908) |
| Sheriff's Department and Dispatch | 308,000 | 73,316 | - | 381,316 | 203,496 | 177,820 |
| Maintenance | 57,530 | 54,423 | - | 111,953 | 1,631 | 110,322 |
| Information Technology | 6,286 | - | (297) | 5,989 | 5,717 | 272 |
| Extension Service | 350,000 | 561,677 | 297 | 911,974 | 896,561 | 15,413 |
| Jail | 36,500 | 1,165 | - | 37,665 | 18,182 | 19,483 |
| Farm | 4,500 | 695 | - | 695 | - | 695 |
| Fire Damage Replacement | - | - | - | 4,500 | 2,754 | 1,746 |
| Dispatch - Capital Reserve | - | - | 4,861 | 4,861 | 3,646 | 1,215 |
| Deeds Equipment - Surcharge | 816,516 | 700,626 | 4,861 | 1,522,003 | 1,203,945 | 318,058 |
| Total Public Safety | 279,050 | - | - | 279,050 | 279,050 | - |
| Principal | 533,069 | - | (48,636) | 484,433 | 143,068 | 341,365 |
| Interest on Long-term Debt | 30,000 | - | (6,839) | 23,161 | 10,737 | 12,424 |
| Interest - Tax Anticipation Notes | 563,069 | - | (55,475) | 507,594 | 153,805 | 353,789 |
| Total Interest | \$ 18,782,554 | \$ 865,680 | \$ (9,362) | \$ 19,638,872 | \$ 18,317,741 | \$ 1,321,131 |
| Total Expenditures | | | | | | |

COUNTY OF GRAFTON, NEW HAMPSHIRE
ACTUAL REVENUES AND EXPENDITURES COMPARED TO LEGALLY ADOPTED BUDGET
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Adopted Budget | Prior Year's Encumbrances | Approved Transfers | Revised Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------------|--------------------|--------------------|--------------------|----------------------------------|
| Excess (Deficiency) of Revenues | | | | | | |
| Over Expenditures | \$ 4,133,647 | \$ 47,482 | \$ 78,734 | \$ 4,259,863 | \$ 4,573,176 | \$ 313,313 |
| Other Financing Sources (Uses) | | | | | | |
| <i>Operating Transfers In</i> | | | | | | |
| From Special Funds: | | | | | | |
| Dispatch Capital Reserves | 4,500 | - | - | 4,500 | 2,754 | (1,746) |
| Grafton County Nursing Home | | | | | | |
| Total Operating Transfers In | 4,500 | - | - | 4,500 | 2,754 | (1,746) |
| <i>Operating Transfers (Out)</i> | | | | | | |
| To Special Revenues: | | | | | | |
| To TechniWitness Grant | (116,085) | (5,669) | - | (121,754) | (112,508) | 9,246 |
| To Dispatch Capital Reserves | | | (64,511) | (64,511) | (64,511) | - |
| To Enterprise Funds: | | | | | | |
| Grafton County Nursing Home | (4,022,062) | (41,813) | (14,223) | (4,078,098) | (3,578,299) | 499,799 |
| Total Operating Transfers (Out) | (4,138,147) | (47,482) | (78,734) | (4,264,363) | (3,755,318) | 509,045 |
| Total Other Financing Sources (Uses) | (4,133,647) | (47,482) | (78,734) | (4,259,863) | (3,752,564) | 507,299 |
| Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses) | | | | | | |
| Fund Balances, Beginning of Year | 3,582,138 | - | - | 3,582,138 | 820,612 | 820,612 |
| Fund Balances, End of Year | \$ 3,582,138 | \$ - | \$ - | \$ 3,582,138 | \$ 4,402,750 | \$ 820,612 |

Beginning Fund Balance Was Budgeted as Follows: \$1,500,000 Used to Reduce the County Tax Rate and \$913,162 of Prior Year's Encumbrances.