

Regular Meeting of the
Hillsborough County Board of Commissioners

February 7, 2007
Bouchard Building, Goffstown, NH

Minutes of the Public and Non- Public Session
(Not Official Until Approved by the Board and signed by the Clerk.)

Present: Comm. T. Pappas, Comm. C. Holden, Comm. M. Clemons, E. Robinson, M. Rusch, M. Lencki, J. MacDonald, C. Kirby, J. Hardy, J. O'Mara, G. Wenger, and R. Pomroy.

Also present: David Witham, Tammy Denver, and Gary Stenhouse of Primex

1. Pledge to the Flag

Comm. Pappas called the meeting to order at 3:45 P.M. R. Pomroy led those present in the Pledge to the Flag.

2. Primex³

The Board welcomed Gary Stenhouse of Primex. He gave the Board a brief overview of the County's involvement with Primex. He noted that Primex began in 1979 and that Hillsborough County has been in its Worker's Compensation Pool since the mid 1980's and has been in the Property and Liability Pool for the last 4 years. He informed the Board that in the late 70's to the mid 80's the private insurance market walked away from counties, towns and cities because the risks were too high, and this is what caused companies like Primex to be formed. He noted that Primex is a non-profit agency, offering coverage for worker's compensation, property and liability. He informed the Board that Primex offers its services through a risk pool, which allows each member to benefit from the assets of the other members and because of this Primex can at times refund a portion of the members' contributions. He noted that Hillsborough County has paid approximately \$16 million into the risk pool over the course of its involvement, has had to pay approximately \$5 million in claims to date, and approximately \$6 million has been returned to the County. He noted that some Counties and Municipalities will either take a check for the returned contributions or they could take it as a credit for services. He noted that in New Hampshire, Primex only handles local governments.

Comm. Clemons inquired what towns and cities founded Primex, to which Mr. Stenhouse noted that in 1979 there were 15 charter members, but he was unsure of their names.

J. Hardy joined the meeting at this time.

Comm. Clemons inquired what year did Hillsborough County begin working with Primex, to which Mr. Stenhouse noted that Hillsborough County has been in the Workers' Comp. pool since the mid 80's and as of November 1, 2002 the County has been in the Property and Liability Pool. He noted that the County's property contribution per year is approximately \$300,000, which was not included in the \$16 million he mentioned previously. Comm. Clemons noted that Mr. Stenhouse stated \$16 million was paid by the County over the years as contributions, \$5 million was paid in claims, and \$6 million was returned back to the County, he then inquired what happened to the remaining \$5 million. Mr. Stenhouse noted that remaining amount was used to operate the company. He noted that about 75¢ of every dollar goes out in paid claims and about half of the remaining 25¢ goes into reinsurance. He noted that the reinsurance comes from either a captive reinsurance company that was started by Primex and other pools five years ago, or it could come from the commercial market. Comm. Clemons inquired if the County is able to go to the commercial market to obtain insurance, to which Mr. Stenhouse stated that in the fall of 2002 the County went out to bid for insurance and Primex came in as the recommended bidder. Comm. Clemons then inquired if it would be plausible for the County to be self-insured. Mr. Stenhouse informed the Board that there are municipalities that are self-insured, but they do not have the benefit of the expertise provided by companies like Primex to fight the claims as they come in, and those municipalities who go with self-insurance do not necessarily have the required surplus. A

discussion followed

Comm. Holden noted that it was a business decision to be part of a pool with Primex. She noted that the County had used private insurance in the past that was more costly. Mr. Stenhouse noted that Primex has extended to other services to offer its members more options. Comm. Pappas inquired how many Counties go through Primex for coverage, to which Mr. Stenhouse stated that every county in NH utilizes Primex's services in one form or another.

G. Wenger informed the Board that during the July 2002 renewal period the Board went out to bid for Liability and Property coverage. He noted that at the time a number of private vendors as well as Primex and the Local Government Center were invited to participate, and that three entities, Primex, Local Government Center, and Ferdinando Insurance submitted bids. He noted that the Commissioners retained a consultant to review the bids and the recommendation that was made was that Primex was the lowest responsible bidder. He noted that the County has been out to bid a couple of times since then, and that the most recent time was July 1, 2006. He noted that at the time there were approximately 9 entities that were invited to bid, of which two were received, one from Primex and the other from Local Government Center. He noted that the Local Government Center was unable to provide Nursing Home coverage, which made Primex the only complying bidder. He noted that there were some private entities involved with the bid up until the end, but they did not submit a bid. He stated that the Nursing Home coverage continues to be the issue in the commercial market. Mr. Stenhouse noted that Primex is comfortable with providing Nursing Home coverage to New Hampshire Counties because they appear to be run better than the reported national average. Mr. Wenger noted that problem with obtaining the Nursing Home coverage is getting the coverage at a competitive rate. Comm. Clemons inquired if the rates are based on the value of the property and the number of employees, to which T. Denver noted that the rates are based on the exposures and the value of the buildings, the liability would be based on the employees and the experiences the County has had to date. D. Witham noted that the Workers' Comp rate is based on payroll and the rate for certain job classifications. A discussion followed.

J. O'Mara inquired what the weight being in a pool has in determining the settlement value in case analysis, to which T. Denver stated that it has a small amount of merit. She noted that the case is taken based on how well it can be defended in court, whether or not there's liability, or who the case would be evaluated for. Mr. O'Mara noted that in the previous year, the County was paid out on a claim and when it was taken to court the County prevailed. T. Denver noted that the council recommendation was to settle the case, and the County took a different position and won. She noted that this was another benefit of being in a pool. J. O'Mara inquired if in this sort of situation is the opinion of the Board considered, to which she noted that it is handled on a case by case basis.

Comm. Clemons inquired if in the future, there is a pattern of settlement of cases that leads to increasing litigation, would the County have any recourse. G. Stenhouse informed the Board that under the member agreement it notes that Primex reserves the right to settle cases over a certain amount of money without the member's approval. A discussion followed.

The Board thanked the representatives of Primex for their presentation.

Mr. Wenger was recognized. He informed the Board that Mr. Moorehead was absent from the meeting due to illness and Mr. Lencki would be presenting the Nursing Home's census and bids. He requested that the Board consider the agenda items for the Nursing Home out of order. The Board agreed to consider the Nursing Home's items following the consideration of the Minutes.

3. Minutes

January 24, 2007

Motion: To approve the minutes of January 24, 2007. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

5. Nursing Home

Census

Mr. Lencki was recognized. He informed the Board that the census at the facility on February 1st was 282 of which 217 were Medicaid residents, 35 were Private Pay, 30 were Medicare Part A residents, 30 Hospice, and 24 ELU residents.

Bid # 20-2007: Dito Dean Food Processor (Parts)

Mr. Lencki presented bid # 20-2007 for the purchase of Dito Dean Food Processor parts for the Dietary Department. He noted that this is a sole source provider and recommended that the bid be awarded to Ace Service Co. of Goffstown, NH, for a total bid price of \$1,154.50.

Motion: To approve bid # 20-2007 for the Nursing Home for a Dito Dean Food Processor parts to Ace Service Co., for a total bid price of \$1,154.50 noting that this is a sole source provider. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

Bid # 22-2007: Renmar Broda Chairs

Mr. Lencki presented bid # 22-2007 for Renmar Broada Chairs for the Rehab Department. He noted that this is for 2 types of chair, the first is for positioning only, and the second type is a Mini and is used for residents who are more ambulatory. He noted that the only distributor in the area for these is Renmar Healthcare of Concord, NH for a total cost of \$5,800.00.

Motion: To approve bid # 22-2007 for the Nursing Home for the Renmar Broada Chairs to Renmar Healthcare Products of Concord, NH for a total cost of \$5,800.00, noting that this is a sole source provider and the attached sheet has the number of chairs and pads. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

Mr. Lencki excused himself from the meeting at this time.

6. Department of Corrections

Census

J. O'Mara was recognized. He informed the Board that the census at the facility on February 1st was 545. He noted that of the 545, 490 were men, of which 173 were sentenced and 317 were being held pre-trial. He noted that on the women's side of the house, 15 were sentenced, and 40 were pre-trial for a total of 55 female inmates.

4. Business Office

Approval of Payroll Register

Motion: To approve Payroll Register dated 1/25/2007 in the amount of \$1,539,273.74 subject to review and audit. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

Approval of Accounts Payable Register

Motion: To approve Accounts Payable Register dated 2/2/2007 in the amount of \$3,300,269.12 subject to review and audit. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

Approval of Accounts Payable Register

Motion: To approve Accounts Payable Register dated 2/2/2007 in the amount of \$1,382.48 subject to review and audit. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

Approval of Sheriff's Extradition Vouchers:

The Board considered the Sheriff's extradition vouchers presented for approval.

Motion: To approve Sheriff's Extradition Vouchers dated:

10/10/2006 in the amount of \$110.77,
10/21/2006 in the amount of \$3,464.73,
11/3/2006 in the amount of \$154.53,
11/3/2006 in the amount of \$242.72,
11/4/2006 in the amount of \$2,976.33,
11/15/2006 in the amount of \$53.40,
11/17/2006 in the amount of \$118.08,
11/24/2006 in the amount of \$425.03,
12/1/2006 in the amount of \$44.50,
12/5/2006 in the amount of \$61.57
12/8/2006 in the amount of \$35.16,
12/8/2006-12/10/2006 in the amount of \$3,073.26,
12/12/2006-12/13/2006 in the amount of \$1,161.15,
12/14/2006 in the amount of \$32.93,
12/14/2006 in the amount of \$249.74,
12/19/2006 in the amount of \$973.08,
12/27/2006 in the amount of \$79.15 and
12/28/2006 in the amount of \$42.72

for total extradition vouchers of \$13,536.68, noting that the County Attorney has reviewed and signed. By Comm. Clemons,

Comm. Holden noted that Comm. Clemons missed the extradition voucher dated 11/8/2006. Comm. Clemons agreed to include the missing voucher.

Also on 11/8/2006 for \$237.83. By Comm. Clemons, second by Comm. Holden. Motion carried unanimously.

7. Human Services

E. Robinson was recognized. She noted that at the request of Rep. Rosenwald she compared the history of HCBC with Provider cases and the Nursing Home. She noted that she researched back to 1999 when HCBC first began, that the trend shows a slight decrease in Nursing Home beds and a tremendous increase in the amount of people receiving HCBC.

Public Assistance Budget Update

E. Robinson informed the Board that OAA and APTD are still running in the red. She noted that the County is in good shape with Medicaid, though the previous two months have caused her some concern since they have come in with higher than projected monthly expenses. She noted that DCYF and DJJS continue to be in good shape even though a large bill was received in the month of December. She noted that she is anticipating that the rate change will be in the January bill. She noted that the year to date target is \$28,470,000 and the projection is \$27,608,742.

Finance Commission Meeting Update

E. Robinson informed the Board that she and Comm. Holden attended the County/State Finance Commission Meeting on January 31st. She noted that the discussion included Nursing Home rates, the February 1st rate changes, and the Federal changes in Medicaid reimbursement. She noted that during the presentation regarding the February 1st rate changes it was noted that they anticipated they would fully expend the budget; however, in a later presentation by Comm. Stephens he discussed using some surplus in the Nursing Home budget to cover needed money in HCBC because they are projecting it to go in the red in HCBC. She noted that regarding the Federal changes in Medicaid reimbursement, there will be a change to MQIP, the Nursing Home tax, from the current 6% in net revenues to 5.5%. She noted that this should not be a problem for the County because with a reduction in MQIP, there should be an increase in Proshare. A discussion followed.

Ms. Robinson noted that there was also a discussion on pandemic planning. She noted that Comm. Stephens expressed that he would like County participation in time and in money. Comm. Holden noted that there is some seed money out there for this and as the preparations for a pandemic go on, further funding would need to be provided.

E. Robinson informed the Board that there was also a short discussion regarding the DCYF billing change to web billing without providing back-up documentation to the Counties. She noted that Maggie Bishop, the Director of the Division, stated that to her knowledge all that the State is required to provide to the Counties is the State bill, with no further documentation. Ms. Robinson noted that there was no discussion from anyone from the Counties except for herself, wherein she made it clear that silence does not mean agreement. A discussion followed.

E. Robinson informed the Board that there was a discussion regarding Crotched Mountain. She noted that a key part of the declaratory judgment question between the State and the Counties was related to Crotched Mountain. She noted that Crotched Mountain is not a Nursing Home; it's not licensed as or taxed as a Nursing Home. She noted that the Commissioner stated that they are now looking at Crotched Mountain as it is requesting a rate increase. She also noted that Crotched Mountain has not been paying MQIP and the Finance Commission is working on adjusting the State plan to require that Crotched Mountain pay the bed tax. A discussion followed.

Delegation

M. Rusch was recognized. She informed the Board that the next Executive Committee meeting will be held on Friday February 23rd at 9:00 A.M.

Registry of Deeds

J. MacDonald was recognized. She informed the Board that in January's revenue the Other Fees line was level with last year at this time, \$215,444.00. She noted that the Transfer fee is up from 4% to 6%, which brought in \$110,599, Copy fees were up \$54,158 and the document count was only down 5% from last year. She noted that the total revenue for the Registry of Deeds so far is \$3,027,351. She noted that business is picking up.

Legal Counsel

C. Kirby was recognized. She informed the Board that she had pending litigation to discuss with the Board at its convenience.

8. Old/New Business

G. Wenger informed the Board that he and Comm. Holden had the opportunity to meet with County Attorney Wageling and Phil Arel of the Administrative Offices of the Court. He noted that it was an initial discussion regarding the County Attorney's Office space and opportunities at 300 Chestnut Street. He noted that there is

approximately \$4 million in the Governor's budget to remove the asbestos from that building. He noted that this will leave a lot of opportunities open for addressing the County Attorney's space. He noted that it appeared that they would be open to address, in the case of the asbestos removal going forward, facilitating an extension or a temporary lease. He noted that there appears to be a commitment by the State to stay in that building and address some of the issues there. A discussion followed. Mr. Wenger noted that the building is monitored and at this point it does not fit the definition of a sick building; however, they will have several issues to address including the roof, the asbestos, carpets, etc. He noted that Mr. Arel seems very intent on replacing the carpets as well as addressing other issues as soon as the roof has been fixed.

Mr. Wenger informed the Board that he provided it with an outline of the budget meeting on Monday afternoon. He noted that a memo went out to all of the Department Heads concerning this meeting.

G. Wenger informed the Board that he previously presented it with a draft schedule and requested that the Board set dates going forward several months for the Board's regular meetings and its budget meetings. Comm. Holden noted that she reviewed the minutes from the previous years to estimate the amount of time needed for the budget between March 1st and May 9th. She noted that the Board spent approximately 41 hours in budget discussions alone, not including the time spent on the budget with the Executive Committee. She noted her concerns with the amount of time that would be available, if the meetings were to be held in the evenings. She noted that the Board needs to consider this given the fact that the Board typically meets with the Nursing Home and the Department of Corrections for a half of a day each during the budget process. A discussion followed. The Board agreed to meet at 3:40 P.M. on February 22nd, March 8th, March 22nd, April 4th, April 19th, May 2nd, and May 16th.

Mr. Wenger reminded the Board that Monday afternoon is the preliminary budget meeting with the Departments. He noted that he hopes to have the budget books out by Wednesday. He requested input from the Commissioners regarding what they would like to have in the budget books. He noted that on Monday he would need some ideas for times the Board would like to meet with the Departments. Comm. Holden suggested meeting on the 14th at 3:40 for a meeting. A discussion followed. G. Wenger noted that the Board could expect to begin meeting with the Departments after March 22nd.

9. Public Comments on Agenda Items

There were no members of the public available for comment.

Comm. Clemons noted that he attended his first UNH Cooperative Extension Meeting, which went well. He also noted that he attended a Drop-Out Prevention Meeting that was partly sponsored by the County. He noted that the facilitators at the meeting were from all across the State, and they did an excellent job.

E. Robinson noted that the County does fund the Make it Happen Program through Incentive Funds. She noted that the County's experience with this is that it has been a very effective program and a good way to get outreach throughout the city. She noted that there was an article written regarding the meeting and the students who participated in it gave some good ideas to prevent drop-outs. She noted that it is programs like this that are at risk if Incentive Funds go away.

Comm. Holden noted that she attended a Rails to Trails meeting recently. She noted that they are receiving private donations from PSNH, Landscape Supply, and Goose Restaurant to fund the purchase of pavers and other landscaping materials to make a nice trail. She noted that she went to the Manchester Regional Trail Alliance who is funding a land-swap with General Tire, and with this will be able to start Phase II and III of their plans. She noted that they are building a trestle that will connect them to the Goffstown's trails.

G. Wenger informed the Board that Primex sent him some information on an emergency management sample ordinance. He distributed the information to the Board. A discussion followed.

10. Non-Public Session

Motion: To go into non-public session under RSA 91-A:3 II(e) to discuss negotiations. Comm. Pappas, yes; Comm. Holden, yes; Comm. Clemons, yes. Motion carried.

The Board went into non-public session at 5:10 P.M.

The Board discussed the ongoing collective bargaining and were brought up to date on efforts to resolve outstanding issues.

Motion: To come out of non-public session. By Comm. Holden, second by Comm. Clemons. Motion carried unanimously.

The Board came out of non-public session at 5:41 P.M.

There being nothing further to discuss, the Board entertained a motion to adjourn.

11. Adjourn

Motion: To adjourn. Comm. Clemmons, yes; Comm. Pappas, yes; Comm. Holden, yes. Motion carried.

The meeting adjourned at 5:47 P.M.

(SIGNED 2/22/07)

Comm. Michael Clemons, Clerk
Hillsborough County Board of Commissioners