

Budget Meeting of the
Hillsborough County Board of Commissioners
April 5, 2012
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. Ziehm, Comm. C. Holden, Comm. Pappas, P. Coughlin, J. Hardy, D. Hogan, C. Beaulac, C. Connelly, M. Cusson, D. Dionne, M. Estey, M. Montminy, M. O'Neil, M. Rioux, E. Robinson, G. Wenger, and L. Stonner.

1. Call to Order

Comm. Ziehm called the meeting to order at 9:00 a.m.

Mr. Wenger informed the Board that at this point the budget is at \$85,524,179, and the previous year's budget was at \$84,923,081, resulting in an increase of \$601,098. He explained that this is not a true reflection of the budget because the FY12 included \$914,758 of one-time grant funding. He noted that this equates to an increase of \$1,465,856 on the expense side of the budget.

He summarized by saying that expenditures are up \$1,465,856; adjusted revenues (not including Surplus monies, Stimulus funds or one-time grant funds) are up \$814,566. He added that with the proposed budget, the amount to be raised by taxes would be increased by \$1,588,180. A 1% increase in the amount to be raised by taxes equals \$441,094 over FY12.

Mr. Wenger outlined five points from the Executive Committee's March 23rd letter. They include:

1. a budget that does not include an increase in taxes
2. a reasonable use of Surplus funds
3. a reduction or no increase in expenses
4. wherever possible, an increase in revenue
5. working with the Board and staff to develop the best budget for the County

Mr. Wenger added that it is his understanding that the responsibility of the Board is to look at what is in the best interest of the County and to develop the best budget for the County.

Discussion ensued relative to the letter from the Executive Committee. Mr. Wenger noted that no increase in taxes would require that the budget remain at 44.1 million dollars. He noted that one could look at a reasonable use of surplus by looking at historical use of surplus; over the past ten years, surplus has always been discussed at the end of the budget process. He offered that for seven of the past ten years, the surplus has included 6 million dollars in the budget. He added that for the current fiscal year, he anticipates that there will be 2 million dollars returned to surplus and at the beginning of FY 13, the surplus will be an estimated 14.4 million dollars; using 4.4 million dollars of surplus will leave a remaining surplus of approximately 10 million dollars. Mr. Wenger provided a possible scenario for the Board to consider that he suggested would be a reasonable number for the departments to work with. It included the use of 4.5 million dollars from surplus and an amount to be raised by taxes of \$882,188 (a 2% increase), then the remaining number of \$2,197,922 could be a reasonable amount for the Board to address with the departments.

The Board discussed possible use of surplus, use of encumbered funds and the need to provide the County services that people expect.

Comm. Pappas suggested that the Board establish how much surplus it will use and work creatively with the Executive Committee to reach the numbers just discussed that includes the use of 4.5 million dollars from surplus and an amount to be raised by taxes of \$882,188 (a 2% increase); she added that then the remaining number of \$2,197,922 could be a reasonable amount for the Board to address with the departments.

Comm. Holden added that she would agree with using 4.5 million from surplus and noted that it is her belief that the taxpayers won't complain if there is a 2% increase in the amount to be raised by taxes because they want the services.

Mr. Wenger added that for the past three years the taxes have gone down and the County has given back, basically on the backs of the County employees. Mr. Wenger added that this budget contains no new projects, no significant maintenance issues addressed; this is a budget that once again, delays everything for another year. He noted that there are two large requests for computer technology purchases submitted by the County Attorney and the Nursing Home that have not been included in the budget; he added that the Board can address these requests and decide if it wishes to fund them.

In response to a question from Comm. Ziehm regarding how much impact a 2% increase in the amount to be raised by taxes would have on the average taxpayer, Mr. Wenger responded that it would be pennies.

Motion: To develop a budget based on using \$4,500,000 from Surplus. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Discussion ensued relative to a potential 2% increase in the amount to be raised in taxes. Comm. Pappas favored a roundtable discussion with the departments to address budget concerns and to give them an opportunity to work together and with the Board. It was decided that the departments would meet together without the Commissioners to encourage open discussion and to attempt to develop suggestions that could reduce the budget.

Comm. Holden offered a suggestion that the departments work together to develop the budget that would initially be based on the use of 4.5 million dollars of surplus and a minimum use of taxes; the Board agreed to a different approach versus going through each item line by line and encouraged everyone to think outside the box; she offered a motion regarding the budget.

Motion: To develop a budget that will keep the taxes low and to not exceed a 2% increase in the amount to be raised in taxes. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Mr. Wenger added that the previous motions leave an amount of \$2.197 million in budget reductions and/or increased revenue.

Sheriff Hardy presented an overview of his department's FY13 budget. He noted that resources are scarce and funding will be minimal. He added that the FY13 his budget will be down by \$81,988 as a result of the re-structuring done the previous September when there were several employee positions downgraded and/or eliminated. He added that his intent, in light of the difficult economy, is to level fund his department and offered a reduction in the Salary & Wages line. He added that his budget request for FY13 remains at \$1,770,390, which is the same as FY12 budget.

Motion: To reduce the Sheriff's Department Line 4211-7010, Salaries and Wages, and to level fund the line at \$1,770,390. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Discussion ensued regarding many lines in the Sheriff's Department; Sheriff Hardy added that most lines within his control are level funded.

Mr. Wenger added that the Health & Accident lines throughout the County are based on current year's expended and a not-to-exceed figure 9.9%; which will be lower when the final rate is set at the end of April. He added that Liability Insurance is estimated to increase 2%, and the Unemployment Compensation is anticipated to increase to \$134,000, based on experience. He added that the Retirement contribution has changed because the Retirement System has re-set its numbers.

Sheriff Hardy addressed several lines; he proposed the New Equipment line 7970 be funded at \$84,024 to include the purchase of 3 replacement cruisers at a cost of \$81,774 and replacement restraints for the cruisers at a cost of \$2,250. There was a discussion about the need for 3 new cruisers, how the vehicles are rotated out to other departments, and when the cruisers are approved to go home at night with duty officers.

The Sheriff explained that there is a Federal guideline for replacement of vehicles that includes their age, mileage, repairs, and road-worthiness as well as standards for emergency response vehicles.

Sheriff Hardy addressed the Drug Asset Forfeiture line 7232 and the offsetting revenue line, and explained that Drug Asset Forfeiture funds have strict requirements that limit how those funds can be used; he noted that the funds cannot be used to supplant the operating budget it is generally acceptable to apply the funds to the purchase of new equipment that would supplement the budget. Sheriff Hardy explained that it is his view that the Drug Asset Forfeiture funds cannot be utilized to purchase vehicles if there is not money in the New Equipment line for vehicles because Drug Asset Forfeiture funds cannot be used to supplant the budget.

Sheriff Hardy added that the Drug Asset Forfeiture expense line is offset at 100% by the Drug Asset Forfeiture revenue line. In response to a question from Comm. Holden regarding the proposed purchase of new vehicles, Sheriff Hardy explained that six vehicles are scheduled to be replaced and explained that he is asking for three vehicles in the New Equipment line. The Sheriff explained that as long as he does not use Drug Asset Forfeiture funds to supplant the budget, the funds can be used to replace equipment conditional on meeting the Federal guidelines. He added that older vehicles can be rotated to the Nursing Home and the Department of Corrections.

In response to a question from Comm. Ziehm, Sheriff Hardy explained that one cruiser was included in the previous fiscal year's budget. Sheriff Hardy stressed that the Drug Asset Forfeiture money does not come from taxes; it is money forfeited by criminals as ordered by the Courts. Further discussion ensued relative to the budget increases and lines that cannot be controlled by the department heads that relate to employee costs.

Following discussion with the Sheriff, Comm. Pappas offered the following motion regarding the Drug Asset Forfeiture revenue line 3410.

Motion: To increase the Revenue Line 3410, Drug Asset Forfeiture, and to fund the line at \$256,281. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Comm. Holden asked how many cruisers are going home at night. Sheriff Hardy responded that one staff who is on the command takes a cruiser to Hooksett each night; he added that he will provide information regarding any other and noted that it is his view that it is his responsibility as Sheriff to provide cruisers to those who are, or can be on duty immediately. He added that there are occasions when an officer is called

out in the evening, such as when the officer was shot recently in Manchester and they are able to send an officer immediately who can assist another community with coverage.

Comm. Pappas asked if there were any areas where the Sheriff could cut. He responded that he made significant cuts when he restructured the previous fall, and it was done with consideration given to FY13. He added that there are certain things including roadworthy vehicles and the tools that are needed to carry out the obligations and the responsibilities of the department, and he is only asking for what his department needs.

Comm. Ziehm stepped down to offer a motion.

Motion: To reduce the Sheriff's Department Line 4211-7970, New Equipment by removing one replacement cruiser at a savings of \$27,258, and to fund the line at \$56,766. Motion by Comm. Ziehm, second by Comm. Pappas. Motion carried unanimously.

Comm. Holden offered the following motion, noting that the State passes along Court costs to the County and does not reimburse the County; she added that it is her opinion that this is a State obligation.

Motion: To reduce Line the Superior Court Line 4215-7390, and to fund the line at \$1. Motion by Comm. Holden. Motion failed for lack of a second

Motion: To reduce Line the Superior Court Bailiffs line 4215-7390, Other Supplies, and to fund the line at \$1,000. Motion by Comm. Holden. Motion failed for lack of a second.

Motion: To increase the Revenue Line 3409, Sheriff Dept. Detail Income to fund the line at \$154,642. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Sheriff Hardy noted that the Part Time line has been increased and explained that the use of part-time staff reduces the cost of overtime and benefits that might otherwise have to be paid. He added that the Part Time line is monitored very carefully and explained that this line is covering responsibilities that were down-shifted as a result of the FY12 budget cuts. He added that he cannot control the workload that comes into the Department and noted that if his budget was to be cut significantly, he would not be able to meet his responsibilities, many of which are court-ordered; and he would run out of money before year-end.

The Board moved into recess at 11:25 a.m.

Motion: To move into recess. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Motion: To reconvene the meeting. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

The meeting reconvened at 11:42 a.m.

Comm. Ziehm recognized County Attorney D. Hogan; he provided a slide presentation and handouts that provided a brief overview of staff, the services they provide and the functions of his department. He explained that as prosecutors have been cut, the number of cases per prosecutor has increased from approximately 100 to 120. Attorney Hogan reviewed the valuable functions provided by the Victim's Witness Advocate and the help they provide to the victims of violent crimes and their family members. He noted that RSA's dictate many of the functions of the County Attorney's office and how they must be carried out; he discussed the ramifications of budget cuts and explained that cuts in staff translate to

increased time and costs for processing individuals through the Court system as well as other aspects that are related such as increased time and costs related housing the individual at the Department of Corrections.

The Board recessed for lunch at 12:27 p.m.

Motion: To move into recess. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Motion: To reconvene the meeting. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

The meeting reconvened at 1:00 p.m.

Following discussion, Comm. Holden offered a motion to adjust the Retirement line.

Motion: To Fund the County Attorney's Retirement Line 4123-7130 at \$203,000. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Discussion ensued regarding the Temple Street building. Ms. Robinson presented information relative to the repairs and upkeep of the building as they relate to the budget.

Supt. Dionne covered the budget proposed for the Bouchard Building and Complex. The following motions were offered:

Motion: To reduce County Complex Line 4198-7390, Other Supplies by \$600, and to fund the line at \$6,375. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Motion: To reduce County Complex Line 4198-7620, Gas-Heat & Cooking by \$200, and to fund the line at \$300. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Motion: To reduce County Complex Line 4198-7880, Equipment Rental by \$200 and to fund the line at \$2,340. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Ms. Robinson explained that expenses were not increased for the Bouchard Building. She added that she has requested quotes for the replacement of windows. Mr. Wenger added that there are funds in the current Complex budget as a result of the timbering project that have not been expensed and could be addressed; the intent was to invest the funds back into the Complex budget.

Mr. Wenger observed that there was an intent the previous year was to take funds from the timbering project and place them in a Capital Reserve account to provide the ability to address improvements to the Complex property when the County has the ability to move forward once a plan is available or an opportunity presents itself. He added that the proposal to set up a Capital Reserve account was approved by the Board the previous year but stalled at the Executive Committee level when it was tabled, and never re-visited.

There was discussion regarding the Complex and DOC plow vehicles and their use. Supt. Dionne reported that the DOC is sharing a vehicle with the Nursing Home while it is waiting for repairs on one of their vehicles.

The Board reviewed the Manchester Court House budget.

Mr. Wenger addressed the Human Services budget noting that it includes \$29,820,000 over which the County has no control. Ms. Robinson explained the increases in the budget and noted that the Cap was increased for all Counties based on recommendations at the State level from the Department of Health & Human Services; she added that there will be an additional increase in the FY14 budget.

Following discussion, Comm. Holden offered the following correction to the revenue:

Motion: To direct the Administrator to correct the department request for Revenue Line 3502 to fund the line at \$75,000. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

2. Recess

Lacking further business, Comm. Ziehm entertained a motion to recess.

Motion: To move into recess until the next budget meeting. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

The meeting recessed at 1:46 p.m.

The Board will meet again on April 9th for further budget consideration.

Approved on May 16, 2012

Comm. Carol H. Holden
Vice Chairman/Clerk
Hillsborough County Board of Commissioners

Date