

**Budget Meeting of the  
Hillsborough County Board of Commissioners**  
April 11, 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, M. Lencki, B. Moorehead, D. Reidy, K. Rickrode, C. Roach, G. Wenger, and L. Stonner.

**Also Present:** S. Harvey, & F. Whittemore representing UNH Cooperative Extension, and R. Noonan & J. Parker representing Conservation District

### **1. Reconvene the Meeting**

Comm. Ziehm reconvened the meeting at 9:02 a.m.

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

### **2. Pledge of Allegiance**

Mr. Wenger led the Pledge of Allegiance.

### **Nursing Home**

Mr. Moorehead provided an overview of the Nursing Home budget. He distributed a brief summary of the revenue and expense to date. He noted that he is basing his projections on an anticipated 2% increase in the Medicaid rate to \$146.85/day, but explained that the will not be set until July, when it changes. He added that the proposed budget is also contingent on the case-mix index and the acuity. Mr. Moorehead explained that Quality Health Care was in the facility the previous week to perform an audit of Medicare Part A (in-patient rate) & Medicare Part B (services that are primarily Rehab done on an out-patient basis).

Mr. Moorehead added that he is requesting additional per diem Physical, Occupational and Speech Therapists to be funded at \$1; if the Census improves those three positions can be maximized for Medicare Parts A & B. Mr. Moorehead explained that he will have a better understanding of revenue by the time he meets with the Sub Committee in May.

Mr. Moorehead explained that:

- Revenues are up \$309,000 as compared to FY 2012, an increase of 1.23%
- Expenses are anticipated to be up \$1,016,201, which represents a 3.88% increase
- The unaudited budgeted loss as it stands currently is estimated to be \$676,504.

Mr. Moorehead added that the increase in costs included a \$10,000 increase for Worker's Compensation & Liability and estimated AFSCME costs in the third year of the contract of \$316,000. He explained that there is an estimated increase in Health Insurance premiums of \$455,000 (9%). He noted that fuel costs add an expense of \$30,720 and the Bed Tax expense is anticipated to increase by \$17,000. Mr. Moorehead added that renovation to a unit, other equipment and supplies also add to the expense line.

Mr. Moorehead provided observations related to the reorganization and budget cuts that occurred during the FY12 budget process. They include:

- 360 labor hours of administration time had to be replaced during the period of 3/24/11 and 8/4/11; this time related to the development and implementation of the reorganization plan
- From 8/4/11 to present, the number of hours of administrative time has doubled or tripled based on the number of grievances (7) related to the reorganization that were submitted in August and re-submitted several times; they were finally heard in January, 2012; the grievances were denied and the union took the grievances to the PLRB as Unfair Labor Practices.
- Additional administrative hours will be required for the third hearing date that has been continued to August, 2012.
- An Equal Employment Opportunity claim was filed on March 4, 2012 by one of the employees who filed a grievance; she is claiming that she was discriminated against.
- Reduction of Health Unit Coordinators from seven to four has created clerical disorganization on the units resulting in aides are doing some of the tasks formerly done by the Health Unit Coordinators; sometimes aides are taken from the floors.
- He added that the elimination of a Secretary II has led to some disruption of the admission process and the need to shift some of the clerical responsibilities to his administrative assistant.
- A safety and possible PR concern has resulted from the elimination of a shiftboard operator from 9:00 p.m. to 7:00 a.m.

Mr. Moorehead explained that the facility's budget is a bare-bones budget. He added that if her were asked to cut \$1,000,000, for example, in the current budget, that would translate to 33 FTE's starting at \$15/hour. He further added that if that were to happen, the Nursing Home would run into severe revenue problems as well as issues with quality of care.

Discussion ensued relative to using Surplus to balance the balance. Mr. Moorehead added that when the Department Heads and elected officials met as a group to consider the FY13 budget, there was discussion about the possibility of using up to \$6,000,000 from Surplus and attempting to find \$1,500,000 in cuts or enhanced revenues. Mr. Wenger added that the Board has been considering a budget that is premised on using \$4,500,000 of Surplus, which leaves a \$3,000,000 difference to fill. He added that another significant cut would be a nightmare and noted that when downsizing, costs tend to rise because you are then losing economies of scale. He explained that the facility is so close to breaking even at this point, it makes no sense to make significant cuts. Mr. Moorehead noted that a more realistic move might be to sell or lease the Nursing Home.

Comm. Pappas added that privatizing may be the only answer if there were to be further significant cuts. Mr. Moorehead noted that once that step is taken, there is no going back. He explained that private facilities have to run a much leaner operation because they don't get ProShare funds; they trim staff to maximize revenue and minimize expenses. He added that he recently visited another well run County Nursing Home; its staff ratio to patients is between 3.8 and 4.0 hours per patient/day while Hillsborough County's Nursing Home rate is 3.3 hours per patient/day. Comm. Pappas added that once significant cuts are made, there could be more labor issues; Comm. Ziehm shared her concern for loss of life if staffing is cut significantly.

Mr. Moorehead informed the Board that he recently met with representatives at Catholic Medical Center who requested a meeting with "the big three," which includes Hillsborough County Nursing Home, Bedford Hills, and Ridgewood. He explained that they were curious to know statistics such as length of stay because there is a new Medicare regulation coming in two to five years that will be "bundling of payment;" an example would be if a patient were to be admitted to a hospital with a broken hip and later discharged to a Nursing Home, the payment would be shared between the hospital and the Nursing

Home. He explained the process further and noted that this could be an issue and a challenge to preserve payment.

Mr. Moorehead offered reductions for the Board to consider that would reduce two vacant positions to \$1. He explained that position # 301312019 could be reduced by \$46,879 and funded at \$1, and position # 301312011 could be reduced by \$5,764. Mr. Moorehead offered other cuts totaling \$113,073 in the Nursing Home Nursing lines.

Comm. Holden offered an appropriate motion:

**Motion:** To reduce the Nursing Home Nursing Salary line 4414-7010 by \$113,073 plus applicable roll-ups. Motion by Comm. Holden, second by Comm. Pappas. Motion carried.

Mr. Lencki informed the Board that he is working toward having a Natural Gas line run to the Nursing Home in an attempt to reduce fuel costs.

Mr. Moorehead reported that he just received an update regarding the Bed Tax and recommended a \$100,000 reduction in the Bed Assessment line.

**Motion:** To reduce the Nursing Home Bed Assessment line 4411-7299 by \$100,000, and to fund the line at \$1,357,183. Motion by Comm. Pappas, second by Comm. Holden. Motion carried.

Comm. Ziehm suggested moving into Non-Public Session.

**Motion:** To move into Non-Public Session with Mr. Moorehead and Mr. Wenger consistent with RSA 91-A:3 II (a) relative to compensation of employees and consistent with RSA 91-A:2 I (a) relative to negotiations. Motion by Comm. Pappas, second by Comm. Holden. Ziehm-yes, Pappas-yes, Holden-yes. Motion carried.

The Board moved into Non-Public Session at 10:03 a.m.

The Board took a brief break.

The Board met with Mr. Moorehead and Mr. Wenger.

The Board moved out of Non-Public Session at 10:26 a.m.

Mr. Wenger explained that the CIS budget is a bare minimum budget. Discussion ensued relative to the Computer Information Systems line 7970 budget line. Mr. Wenger explained that requests from the Nursing Home and County Attorney are not included in the CIS budget numbers but are noted separately for the purpose of discussion. The request from the Nursing Home for computers and related items carries an additional expense of \$84,724, and the County Attorney's request of \$134,290 is a re-visit to previous year's last minute budget request that was not approved. Mr. Wenger added that these expenses are not included in the budget at this time.

Mr. Moorehead informed the Board that the Nursing Home's request relates to an extension of the paperless project that began two years ago. He added that the charges for Point Click Care are recurring fees associated with software the facility already has; that portion of the request is included in the

budget. The Kronos request is for time clock software; the current hardware cannot be updated, it is old and will not be supported after next February or March. He added that the hope is to reduce ½ a position in Administration once the software is on board. The request also includes 5 iPod Touch for the Therapists requested by the Rehab Director to facilitate instantaneous entries that can be billed immediately; these have the potential for revenue enhancement as they are able to capture more of the ADL's (Activities of Daily Living) at the time of service. Mr. Moorehead added that if he had to choose, he would prefer to delay the Kronos software for one year and keep the 5 iPod Touch because of their potential to increase revenue.

### **County Attorney**

The Chair recognized County Attorney D. Hogan and discussed his request. Attorney Hogan informed the Board that the software he is requesting will be required eventually and noted that the State initiated the change so that County Attorney's offices, Prosecutors, Police Departments, Courts and the Sheriff's Offices will all be utilizing the same software. He added that the Federal Government will contribute \$100,000 toward the cost, but added that those funds will not be available next year. He explained that the software will make cross-agency communication much more effective and will allow for paperless transmission of information. He noted that the other nine Counties in NH have signed up to participate in this project and the Court will be requesting that Hillsborough County will participate. He added that the CARPAL software being used currently is very basic and support will not be available at some point in the future. In answer to a question from Comm. Ziehm relative to whether it can be postponed, Attorney Hogan explained that the Federal funds will not be available another year.

Mr. Wenger explained that there may still be issues with speed, and there will likely be a need to add new underground conduit lines to the building. Mr. Roach noted that it would be in the best interest for the project if each section had its own connections. Mr. Wenger added that the underground conduit might be postponed a year. He noted that the new software could work with what is available, but the speed will not be ideal until the underground conduit has been added. In answer to a question from Comm. Ziehm regarding safety, Attorney Hogan added that if his office doesn't function properly, people don't get sent to jail in a timely manner.

### **UNH Cooperative Extension**

Comm. Ziehm welcomed D. Reidy, S. Harvey and F. Whittemore who represent the UNH Cooperative Extension.

Mr. Reidy distributed a packet that outlines the services provided by the Cooperative Extension. Mr. Reidy, Ms. Harvey and Mr. Whittemore spoke about the many services and the benefits they provide to emergency responders, farmers and agriculture, the food industry, hunters, educators, farmers, children and families at risk, students, military families, immigrants, foresters, gardeners, youth and many other services. He reviewed the budgets for the past ten years noting that they have changed very little; in fact, the 2012 budget is lower than the 2003 budget.

Mr. Reidy reviewed the expenses of his department and noted that during the current budget year, one (of three) administrative assistants transferred to another department leaving two; he added that the vacant position will not be filled as recommended by UNH as part of their re-extension plan.

There was discussion regarding having the employees become employees of the University of New Hampshire; Mr. Reidy noted that if that occurred, there would be an estimated \$20,000 savings to the

County that would come from the benefit lines. Discussion ensued relative to this possibility. He explained that in the past, the 7013 line has shown the contribution from the County toward the cost of the Educators; that expense would move to the 7290 line as a part of re-extension; it would include costs such as printing, and IT costs, etc. It would also result in a savings of \$4,000 or \$5,000.

Mr. Reidy noted that Revenue line 3513 shows \$14,000 in Revenue for the first time. This represents revenue that is anticipated from UNH Cooperative's Education Center moving into the Bouchard Building in space that is becoming available that housed the Human Services Department. He added that there would be a video conferencing unit set up in the Conference Room that could be utilized by the County. Mr. Reidy reported that Cooperative Extension is seeking a grant to acquire teleconferencing that could be set up in the Board of Commissioner's Conference Room if the Board wishes; this could result in education and meetings by teleconference and a savings in travel costs. Mr. Wenger explained that moving the Education Center to the Bouchard Building will fill vacant space, generate revenue and there are no tax consequences because it qualifies as a government entity. Mr. Wenger added that there may be discussion at a later date regarding the Sheriff's Office using the back portion of the space that was utilized by Human Services.

### **Conservation District**

Comm. Ziehm welcomed K. Rickrode, R. Noonan, and J. Parker who represent the Conservation District; the office is located in Milford.

Mr. Wenger explained that the Conservation District has one County employee. Mr. Noonan explained that the Conservation District's office expenses are covered by the National Resources Conservation Service. He explained that the County Conservation Districts are non-government entities that work in partnership with the USDA National Resources Conservation Service to help land owners maximize conservation and use of their land. He noted that conservation of land and water resources is a priority of the Federal Government and they are the group that works toward effort with the landowners. He added that they provide soil maps, help promote farm-based programs, provide education with teachers and classrooms and help develop sustainable practices. He reported that they also ascertain the demand for local food and help famers and growers increase profitability and encourage distribution to local buyers.

The Board recessed for lunch.

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

The meeting recessed at 12:09 p.m.

The meeting reconvened at 1:03 p.m.

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

### **Revenue**

Mr. Wenger explained that the Board has cut Expenses by about \$500,000 and increased Revenue by about \$300,000. He provided an overview of the Revenue lines and explained that Stimulus funds were

exhausted in the current budget and are no longer available. Mr. Wenger and Ms. Robinson explained DHHS reimbursement and the revenue that the Nursing Home receives and how that has changed. Ms. Robinson noted that there has been a reduction in the Bed Tax; the Legislature took 25% away to help support Home & Community Based Care, which has become a priority for the State and Federal governments. She added that the Nursing Home is close to covering its expenses; in fact it is nearer to reaching its budget goals than any County Nursing Home in NH. She noted that the Cap in the Human Service's budget is going up. Ms. Robinson explained that she just received the revenue information from the State and estimates that revenue will be approximately \$100,000 higher than predicted. She explained the Balancing Incentive Program; it is a new program that is part of a grant that will provide approximately \$300,000. She added that the Counties were told when the funding for youth services was taken away, costs for elderly services was supposed to equal out.

Mr. Wenger informed the Board that the Sheriff anticipates receiving two Justice Assistance grants in the coming budget year totaling \$12,000. Mr. Wenger reviewed other Revenue lines and explained that the total revenue is projected to be \$85,524,179. He asked for input relative to an increase in the lease for the Women's Prison and agreed to send the Prison a letter stating the Board's intent.

### **Computer Information Systems**

Mr. Wenger reviewed the Computer Information Systems (CIS) budget. He noted that the department has three employees who are responsible for the day-to-day operation for computer technology County-wide. That includes providing service and support for ten departments, including:

- 275 Personal computers, including laptops
- 56 wireless access points
- 32 kiosks at the Nursing Home installed as a part of the paperless project
- 24 servers
- 6 networks
- Responsibility for network security and intrusion
- 2 email systems supporting over 400 email accounts
- Virus and Spam prevention and interception
- 2 internet connections with firewalls
- 340 VOIP telephones across the County utilizing 1 system
- 100 networked and non-networked Printers
- An access card system for the Bouchard Building
- 10 different programs used for department operations that are specific to the department's needs
- Data backup protection and recovery services
- Budget support
- Replacement of equipment
- Analysis, testing and support for technology
- On-call for emergencies

Mr. Wenger explained that the County utilizes a Cisco based VOIP telephone system that replaced ten different systems. He added that when the County installs a video-conferencing system at the DOC, maintenance and upkeep of that will fall primarily on the CIS Department, even though the State will maintain the products they own. Mr. Wenger referred to the project proposed by the County Attorney and noted that the complexity of the project will add additional responsibility to the CIS Department.

Mr. Wenger explained that the County's operating system is Microsoft-based and noted that any Apple products brought in would require a different approach and the CIS staff is not prepared to support

Apple products. Apple products have been added without the CIS Department's knowledge; this is an additional responsibility requiring additional technological skills for the CIS staff to be able to support the Apple products.

Mr. Wenger informed the Board that the CIS budget is a bare-bones budget that includes only the minimum; nothing is included that is not needed. He explained the expense for support and updates for the many different software programs across the County that are department-specific, such as patient software, inmate software, financial software and others; there are also expenses related to the internet service providers, web hosting and domain names.

Mr. Wenger added that in order to stay current with the County's computers, there should be \$47,000 added to the budget to replace fifty desktop computers and one server every year over the course of the course of four years to bring the County current, but that is not included in the budget; the budget is simply a maintenance budget.

Mr. Roach informed the Board that there are approximately 111 PC's that are 6+ years old; within that group, there are 63 PC's that are 8+ years old; he added that computers of this age require an astronomical amount of time in support. In response to a question from Comm. Ziehm, Mr. Roach indicated that the estimate for a laptop is three years; it is longer for a desktop. He added that most computers carry a three-year warranty that is added at the time of purchase. Mr. Roach explained that the stark reality is that the hardware is so old that it becomes more and more difficult to provide support. He added that replacement computers are used to replace the oldest systems and the ones that are used several hours a day.

### **Recess**

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

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

The meeting recessed at 2:25 p.m.

The Board will meet again on April 12<sup>th</sup> for further budget consideration.

*Approved 6/13/2012*

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

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Date