

Hillsborough County Board of Commissioners
Public Hearing Minutes
April 23, 2010
Bouchard Building, Goffstown, NH

(Not Official Until Approved by the Board and signed by the Clerk.)

Present: Comm. Pappas, Comm. C. Holden, Comm. M. Clemons, P. Coughlin, C. Pappas, R. Walsh, V. Chandler, J. O'Mara, D. Reidy, E. Robinson, M. Rusch, E. Casey, G. Wenger, and L. Stonner.

Also Present: County Representatives R. Boisvert, R. Day, S. Doherty, N. Elliott, R. Haefner, V. Hardy, R. Hebert, D. Hogan, N. Kurk, A. Matarazzo, R. Mead, L. Movsesian, M. Pilotte, R. Rowe, J. Ulery, S. Vaillancourt, M. Villeneuve, R. Walsh, and J. Winters. Also present were members of the public

Opening

Comm. Pappas called the meeting to order at 9:03 a.m.

Comm. Clemons led the audience in the Pledge of Allegiance.

Comm. Pappas opened the meeting and explained the New Hampshire statute that governs the Public Hearing; she invited those who wished to speak to complete a comment card and present it to the Clerk of the Board. Comm. Pappas explained that the Board has met its requirements by completing the recommendations for a Fiscal Year 2011 Budget and mailing the Department of Revenue Administration MS-46 form and recommended budget that is for discussion today. She noted that additional copies of the MS-46 and the proposed budget are available in the back of the room. Comm. Pappas invited the State Representatives who represented the Towns and Cities in Hillsborough County to introduce themselves. Comm. Pappas introduced members of the Board of Commissioners; she then introduced the Department Heads.

Comm. Pappas explained that the Board has been working with the Departments to develop the Board's budget recommendation that will deliver necessary services to the citizens of Hillsborough County while always being mindful of the tax burden upon the County's taxpayers; she noted that the Board understands that these are harsh times; the Board was faced with many challenges, and it continues to face uncertainty as the State Legislature continues to struggle with the deficits on the State level. Comm. Pappas expressed her thanks on behalf of the Board for all the work done by the Departments and the elected officials who have worked cooperatively with the Board to produce a very reasonable budget recommendation. Comm. Pappas explained that the recommended budget significantly reduces the amount to be raised by taxes this year, and more importantly, it continues to maintain the County's present level of service; she noted that it is important to note that this has been accomplished by relying on very significant one-time Federal Stimulus funding. Comm. Pappas explained that the Board's recommended budget for the Fiscal Year 2011 stands at \$87,785,114; this represents an increase in expenditures of \$1,198,469 or 1.4% as compared to FY2010. She noted that of this increase, \$1,170,545 is associated with projects and programs, which are supported by new grant funding; the FY2011 budget expenses, less anticipated revenues, results in an amount to be raised by taxes of \$41,197,023; this is a decrease of \$3,523,364 as compared to FY2010. She further noted that this is an amount that has not been seen in Hillsborough County since FY2005.

Comm. Pappas asked Commissioners Clemons and Holden if they wished to comment. Comm. Clemons noted that he was very proud of the fact that the Board's recommended budget will maintain County services as well as to reduce the burden to the taxpayer of 7.9%.

Comm. Holden explained that the Board of Commissioners are stewards of the taxpayer's money; it is the Board's responsibility to look at the expenses and the revenues, make determinations relative to a recommended budget, and then to pass the budget recommendation along to the Executive Committee; she noted that the Board welcomes the Representatives input at today's meeting. She further explained that while spending cuts are difficult, they are absolutely necessary in the County's budget; she noted that the County has been fortunate that it has had a rainy day surplus fund; however, those days are ending and the County actually has a \$17 million structural deficit this year; but is able to use the ARRA to fill that deficit. Comm. Holden explained that this year's budget is very tight, but next year's budget will be very difficult.

Comm. Holden mentioned that there are some good things happening in Hillsborough County; there is a NACo Prescription Drug Program, which is saving the taxpayers 22% on prescription drugs; she explained that cards are available to anyone who is interested at Doctor's offices, Mental Health Centers, and in all of the Towns throughout the County. Comm. Holden explained that Hillsborough County has been selected to participate in a Careington Dental Discount Card Program that is available to all County residents; it is not insurance but is a savings on dental expense. She further explained that it acts as a contract between participating dentists and individuals; the average savings will be 38%. Comm. Holden noted that the County is using this program as a healthy community outreach. Comm. Holden noted that there is also a Network of Care for Aging and Disability; a web portal for that program is available on the NACo website.

Comm. Pappas opened the floor to public comment. Comm. Clemons recognized Megan Brady; she thanked the Board for the support of the Meals on Wheels program and explained that there has been a big increase in need. Ms. Brady noted that the staff has increased its fund raising efforts in an attempt to meet that need.

Comm. Clemons recognized Barry Nilson who thanked Comm. Holden for asking him to speak and also thanked the County for its efforts on behalf of the citizens in Hillsborough County; he explained that he lives in Amherst, NH, and has over 30 years combined experience in criminal justice professional work. He noted that he was with the Federal Government in law enforcement and worked for a number of years in non-profits. He explained that he wished to speak about a program that he is initiating in the State in collaboration with the Department of Corrections related to criminal justice public policy; he explained that it is also related to the County Budget discussions as well as State expenses. He offered that it is his belief that we are at a time in this country and in New Hampshire where government is getting to big, and there are those in the community who no longer look for solutions to only come from government.

Mr. Nilson explained that the program he is working with is going toward a pathway of reparative probation; reparative probation is a form where expression of restorative justice based on widely accepted principles about justice that change the paradigm from traditional criminal justice into a more efficient and cost-effective means to punish correctly and appropriately many offenders, and to hold them more accountable and more responsible for their behavior. It also better meets the needs of the victims in communities where traditionally there is not a lot being done. He noted that reparative probation has worked very successfully, and there is data that support and prove its efficiency and cost effectiveness in the State of Vermont where the program has been used since 1995. Mr. Nilson noted that New Hampshire's program will differ from Vermont's, and explained that he has worked to help establish reparative probation in other jurisdictions around the United States. He noted that it is time for communities and citizens to bring forth the means to cut costs for criminal justice services with activities that will not only increase public safety, but will provide increased services for victims of crime, as well as to hold property crime, non-dangerous low-risk offenders accountable to make repairs for the injuries their crimes cause to their victims and the community, and finally to reduce crime to save costs.

Mr. Nilson explained that alternative sentences will make a difference in curbing the costs of incarceration; it will make reparative probation an option for judges versus traditional probation. He noted that in Vermont, the recidivism of reparative probationers has been as much as 23% lower compared to traditional sanctions, including incarceration in the County Jail. Mr. Nilson summarized by saying that he represents the Community Justice Partnership, which is a newly established non-profit operating under the Emmaus Institute based in Nashua. He explained that his work will be in fund development; this will be privately funded for now, but eventually, once the program has been proven, the State will need to put some funding into the project from the savings they will realize. He noted that there will be a pilot project of about two years with evaluations; the program should be ready to be implemented State-wide in about two to three years; the conservative estimate is that the program will save hundreds of thousands of dollars. Mr. Nilson thanked the Board for the opportunity to speak and to present information about the program; he offered to answer any questions after the meeting for those who might be interested.

Comm. Clemons recognized Supt. O'Mara who thanked the Commissioners for bringing in a budget well below last year's request; he noted that, in addition to being the Superintendent at the Department of Corrections, he is a selectman in Amherst. Speaking as a Selectman, he noted that in line 4199, the Contingency line is up considerably from the previous year and noted that it is his understanding that this line is where Grant monies are temporarily held until they are placed in the appropriate line. Comm. Pappas noted that he is correct in his assumption. Supt O'Mara asked if this line is also used for unanticipated occurrences and if the Commissioners have put aside any funds in anticipation of County expenses related to Senate Bill 500, which passed the previous day. Commissioner Pappas noted that the Board did not anticipate the outcome of that Bill. Comm. Holden noted that the Board will be reviewing all the comments from today's meeting and will be taking them into account when the Board meets after the Public Hearing. Comm. Pappas asked Supt O'Mara if he had recommendations, to which he responded by providing the Board with a copy of the final version of the Senate Bill 500 that was voted the previous day; he referred the Board to page 3, noting that there is a recommendation to insert NH RSA 504-A:15 Risk Assessment & Length of Supervision. He explained that this includes many policy decisions that do not need to be legislated but could have been implemented by the Commissioner of Corrections. He then referred the Board to paragraph 5 (RSA 651-A:2), which refers to implementing a day program; he noted that there has been a similar program in the State that failed, but it is asking again, through legislative initiative to recreate that type of program, which again should be a policy decision. Lastly, Supt O'Mara called the Board's attention to page 4, to amend RSA 651-A:16 (a), which reads: "The Commissioner shall establish one or more intermediate sanction programs to include a seven-day residential program located in a halfway house facility." Supt O'Mara noted that, again, this should be a policy decision. He noted that the NH Department of Corrections can't find any communities to host halfway houses because nobody wants them. He further noted that this seven day intermediate program is designed for parolees and asked why they would not use that for probationers as well; Supt O'Mara referred the Board to the next page and explained that the answer is that they plan to use the County Correctional facility for up to five days for people who violate their probation. He noted that this action is essentially giving the keys to the Corrections facility to parole and probation officers.

Supt O'Mara shared another document relative to Justice Reinvestment in New Hampshire that was provided by outside consultants. He directed the Board to page 18, noting that it describes that in 2009, there were 1,083 people on probation in Hillsborough County; 60 probationers were violated and returned to the House of Corrections. Supt O'Mara noted that consideration should be given to the remaining people who might commit technical violations where they could be brought to the County Correctional facility for up to five days, and the average cost per day is approximately \$62 times 900+ people. He suggested that a new line item be included in Contingency titled SB500, and that approximately \$300,000 be added for the board and care of these people.

Supt O'Mara raised another observation relative to liability; he asked those present to consider a situation where a person might be brought to Department of Corrections by a parole or probation officer that is detoxing from alcohol or drugs and who has a serious illness, and who takes his/her own life. He expressed his concern, and asked how the County could be indemnified from litigation from the families of these people in such a situation, and he asked how the County could be indemnified for the medical costs that could result from a person being incarcerated at the whim of a State employee. He expressed his concern that this is another "pass-down" from the States to the Counties and suggested that money should be set aside. He observed that in the Sheriff's Department and the Department of Corrections, the Retirement Contributions as public employers has increased significantly as a result of a distribution change. He noted that last year the change occurred on July 1st, at the very beginning of the County's new fiscal year after the Town and County budgets had been approved and there was no money designated for that increase; the change of approximately 2.24% of the gross payroll affected local police officers, and fire fighters. It also affects County Correction officers and Deputy Sheriffs on the County level.

Rep. Kurk was recognized. He noted that he shares Supt O'Mara's concern relative to downshifting expenses to the County and explained that in HB1664, which was tabled, a provision was made to put that burden not on the County taxpayers, but on the County employees so that the State would save money by having the State and local employees pay a bit more for their retirement, but it would not affect the County taxpayers. He explained that this was not in the Governor's plan, but he noted that he is hopeful that this will be in the budget that emerges from the House Finance Committee.

Rep. Kurk noted that there is also downshifting of far greater magnitude, a total of about \$30,000,000 in the Governor's plan. He noted that he did not know how much is related to the County and how much is local, but it is a significant amount of money; he explained that some of the Representatives on the House Finance Committee, of which he is a member, are working hard to make sure that does not happen. He addressed SB500, noting that there are many inmates that spend up to 30 days in County facilities; under the new system, the maximum will be 5 days; it is not clear whether the numbers of people at 5 days versus the number of people at 30 days will balance out or not, but he would suggest that if this is an additional burden on the County, then the County should consider billing the State for this expense as a violation of Article 28-A. Rep. Kurk noted that it was his understanding that Supt. O'Mara was able to provide input relative to this bill.

Rep. Kurk inquired about the revenue; he referred to Medicaid Proportional Funds, noting that in FY2009 it was \$1.2 million, but in FY2010 it was 0, and in FY2011 it appears to be \$1 million; he asked about the difference. Mr. Wenger addressed the question; he noted that at this time last year, the ARRA funds were in their infancy; the expectation at that time was that the ARRA funds would do away with the Proportional Share funds, but that did not happen, and it was discovered after the budget was completed, so the funds will be received this year and are anticipated for next year as well.

Rep. Kurk asked for clarification relative to one-time stimulus money; he asked if he is correct in his interpretation, i.e., does the FY2011 budget assume that the County is receiving \$6,000,000 of one-time stimulus money? Comm. Pappas responded that that is a correct assumption. Rep. Kurk then asked if the County received \$3,000,000 in FY2009; he also asked how much the County would be getting in FY2010. Mr. Wenger explained that last year at this time, the stimulus money was in its infancy; in FY2009, the County budgeted for \$3,200,000 but the County received approximately \$6,200,000; however, the remaining funds were not appropriated, so those funds (approximately \$3.2 million) are reflected in the present FY10 budget under line 3357, DHHS Reimbursement. The County budgeted approximately \$4.1 million, but will be receiving approximately \$6.5 million, so what the Commissioners are looking to do with this line is to take the money from FY09 that was not appropriated as well as the money from FY10 that was not appropriated, and to account for them as revenue in FY11 to offset

expenses and create a process for tracking the funds. Rep. Kurk asked how much one-time money is in this budget and how much of surplus is being appropriated; he noted that it appears that no money from surplus is being appropriated and asked for clarification. Comm. Pappas responded that his assumption is correct. Mr. Wenger reviewed the lines with one-time money, they are:

- line 3192, ARRA revenue \$1,200,000 from Stimulus money directed to the Nursing Home
- line 3357, DHHS reimbursement \$7,139,000 (\$6,949,000 is one-time money)
- line 3513 Stimulus revenue FY09 surplus and FY10 anticipated surplus
- line 3357 \$1,170,5145 from 2 grant programs

Mr. Wenger noted that funds from one of the grant programs (the Energy Efficiency Grant money) have been received; the other is a program for the Sheriff's Department that has not been received yet.

Rep. Kurk noted that his concern is that the County not use one-time money to substitute for the taxpayer's money; it looks as though the Commissioner's budget has \$14,000,000 of one-time money in this budget, so if that is accurate, then next year we start off with a \$14,000,000 hole in the budget. He asked, "Wouldn't it make sense to prepare a budget that was a "ramp-down" to reality?" He noted that in the past years, the County has been spending 4 to 6 million dollars out of surplus each year to balance the budget, but never 14 million dollars. He stated that he is very concerned about a possible 8 million dollar reduction that may have to be made in the following year's budget, and suggested, "Perhaps it may be more prudent to consider a multi-year plan to live within our means."

Comm. Pappas recognized Rep. Christensen; he expressed his concern relative to the one-time money, noting that it has to be used; he expressed his concern that the funds be spent on the purpose for which they are intended, so that the Government does not come back to the County to reclaim the funds. Comm. Holden explained that this is why the County is being careful to track how the money is used, and agreed that it has to be used for designated purposes, and it has to be used this year; she went on to say that the temptation might be to put some of it in surplus, but the County can't do that because then the Federal Government will come back and ask for the dollars back; she noted that the County is constrained by the ARRA funds; the County needs to report and carefully track the funds, which is why it is accounted for in the revenue summary, there is tracking of where the funds will go. She explained that the choice was to take the money, or not take the money, and the Board has fully discussed the ramifications, noting that it is likely to impact the County taxpayers the following year, further noting that the County has been very fortunate to have an excellent surplus and has been able to take approximately 4 to 6 million each year out of that surplus to keep the tax rate level; this year the tax rate will go down, depending on how the budget ends up as it moves through the Sub Committees, the Executive Committee, and the Delegation. She summarized by saying that while it may not be realistic, that is the reality this year.

Comm. Pappas introduced County Treasurer, C. Pappas and County Attorney, R. Walsh. She also recognized Representatives that arrived since the opening of the meeting.

Comm. Pappas noted that everyone who wished to speak had an opportunity to do so and asked if anyone wished to speak for the second time; she recognized Supt O'Mara.

Supt. O'Mara explained that he would like to make everyone aware that Chief Justice Broderick has decided to close the doors of the Courthouses for civil trials, and the staff is required to take furloughs for certain days. He noted that as the result of a proposal that occurred about three weeks ago, the Judiciary is losing an additional 3 to 4 million dollars. He stressed that every day the Courthouse is closed, there are more people spending time in the County jails as a part of pre-trial confinement.

Supt. O'Mara explained that in Hillsborough County there are six labor unions; he noted that he is pleased and proud to share that five of the six do not have step wage increases any longer; they are on a merit

system much like the private sector, noting that it has been a request of the Board of Commissioners that the negotiating teams work toward merit increases for all employees. He noted that he was somewhat dismayed to read the previous Friday, that the employees of the NH Retirement System just signed a new contract with the Trustees and their wage scale went from 8 steps to 22 steps, so for every year that they come to work, they get a raise on that step scale, as opposed to the County where five of the six labor organizations have to have a favorable, satisfactory evaluation in order to receive a wage increase related to performance. He noted that the Commissioners should take a bow for their efforts in moving toward a merit system.

Supt. O'Mara noted that Rep. Kurk's observation about Supt O'Mara's opportunity to speak about HB500 has somewhat of a history. He noted County Corrections was not invited to participate as part of this Justice Re-Investment Committee; in fact, when they asked to be represented on the committee, they were told that they could not be represented. Supt O'Mara noted that through the efforts of Counselor Ray Burton, who also serves as a County Commissioner in Grafton County, telephone calls were made, and the committee yielded and gave County Corrections one seat, one seat where the person not only felt unwelcome, he did not feel that it was appropriate to speak. Supt O'Mara noted that he has a question for some of the Representatives, and that is: "How does a bill skip Finance, go to the floor, and then go to Finance?" He noted that he does not understand, but this is how this bill is proceeding through the process; it was voted on the previous day, Finance has not reviewed it, but it is going to Finance after it has already been approved.

Rep. L. Movsesian asked to speak to how the House operates; she noted that the policy is determined first if that bill passes the House, then it goes to the second committee. She went on to say that she serves on the Criminal Justice Committee and noted that often the committee gets bills that have already been to another committee because her committee is only looking at the criminal portion; they do not look at the policy because it does not relate to the Criminal Justice portion of the bill.

A discussion ensued between Supt. O'Mara and Rep. Movsesian. Rep. Movsesian noted that there would still be an opportunity for input on that bill.

Comm. Clemons noted that the County has come to a tentative agreement with the Nursing Home employees, and, if approved by the Delegation, all six union contracts will be based on the merit system.

Hearing no other requests to speak, and no objections, Comm. Pappas closed the Public Hearing.

Comm. Pappas noted that this is just the beginning of the process; the budget will now proceed through the Sub Committees, the Executive Committee and the Delegation Meeting of the State Representatives. She noted that the Board looks forward to working with the State Representatives and thanked everyone for attending the meeting.

Comm. Pappas entertained a motion to recess.

Motion: To go into recess Motion by Comm. Holden, second by Comm. Clemons. Motion carried.

The Board entered recess at 9:45 A.M.

Approved on 7/14/2010

Comm. Michael Clemons, Clerk
Hillsborough County Board of Commissioners

Date