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CHESHIRE COUNTY OFFICERS

COMMISSIONERS	352-8215
John M. Pratt, Chairman Roger Zerba, Vice Chairman Aaron Patt, Clerk	
COUNTY ADMINISTRATOR	352-8215
John G. Wozmak, JD, NHA	
COUNTY ATTORNEY	352-0056
Peter Heed	
ASSISTANT COUNTY ATTORNEYS	352-0056
Keith Clouatre, David Lauren, Kathleen O'Reilly, John Webb, John Gasaway Jr., Jean Kilham, Jay McCormick, Chris McLaughlin	
REGISTER OF DEEDS	352-0403
Evelyn S. Hubal	
SHERIFF	352-4238
Richard Foote	
TREASURER	357-0793
Fred Parker	
CLERK OF SUPERIOR COURT	352-6902
Barbara Hogan	
REGISTER OF PROBATE	357-7786
Anna Z. Tilton	
DIRECTOR, ALTERNATIVE SENTENCING PROGRAM	209-1526
Michael Potter	
SUPERINTENDENT, DEPARTMENT OF CORRECTIONS	399-7794
Richard N. Van Wickler	
DIRECTOR, INFORMATION TECHNOLOGIES	355-3034
Doug Scribner	
DIRECTOR, FACILITIES	399-7300
Barry King	
FARM MANAGER	399-7347
David Putnam	
DIRECTOR, FINANCE	355-3036
Sheryl Trombly	
DIRECTOR, HUMAN RESOURCES	399-7317
Wendy Hurley	
ADMINISTRATOR, MAPLEWOOD NURSING HOME	399-4912
Kathryn Kindopp NHA	399-7302
DIRECTOR, NURSING SERVICES	399-4912
Dodi Sheltra	

Cheshire County Board of Commissioners Annual Report 2011

The year 2011 was one of considerable transition for Cheshire County government.

It began with the Board saying goodbye to Commissioner Stillman P. Rogers, thanking him for his quarter century of service to the County, the last four and a half as a fellow County Commissioner, and welcoming his successor, Aaron Patt of Troy.

The Delegation voted to close the County Farm which we had been operating for nearly a century and a half. The herd and equipment were auctioned off and the buildings and grounds leased to a local dairyman. With the closing came the retirement of Farm Manager David Putman, a dedicated County employee for over a quarter century. This Annual Report is dedicated to David, along with our best wishes.

Rising costs in areas such as health insurance and State downshifting of mandatory costs in such programs as Medicaid put great pressure on the County budget for 2011. Recognizing that the national recession was placing increasing pressure on local property taxpayers, the Commissioners and the Delegation worked together to prepare a budget which provided the services absolutely necessary to meet County government's responsibilities. Unfortunately and regrettably, this meant significant cutbacks in discretionary funding to several outside agencies such as Home Health Care and UNH Extension, agencies which clearly provide vital services to the citizens of Cheshire County.

The new County Department of Correction facility entered its first full year of operation. Over 1,800 men and women were booked into the DOC in 2011, a great many of whom entered with serious mental, drug and or alcohol problems. Superintendent Rick Van Wickler and a dedicated staff of Correction Officers, Mental Health Specialists, and dozens of wonderful volunteers work with these inmates in an effort to give them the skills to survive and become productive citizens when they return to the community. The citizens of this County can be both proud and grateful to all these dedicated individuals for the contributions they are making.

Maplewood Nursing Home continues to provide the same high standard of wonderful care to its residents which has characterized it throughout the nearly 40 years it has been in its present facility in Westmoreland. Administrator Kathryn Kindopp, Director of Nursing Dodi Sheltra, and a staff of nearly 300 make that possible. We are all in their debt.

At the same time, the Commissioners realize that the Nursing Home building could not meet current building codes without very costly renovations, and it is reaching the point in its life when it will need substantial renovations such as a roof replacement and new electrical wiring in the not too distant future. Facilities Manager Barry King and his staff do yeomen service keeping these facilities operating.

Concurrently, the cost-shift of the Medicaid budget from the State to the County property taxpayer gets worse year by year, and now threatens the ability of the County to continue to subsidize the operations of the nursing home with property tax dollars. The Delegation has set aside funds to conduct a detailed study of the County's options with respect to the Nursing Home. You can be assured that no decisions

will be made with regard to the Nursing Home until there has been extensive discussion of this issue by the public and by the Delegation.

In 2011 the County created the position of Grant Support Specialist and recruited Cyndi Desrosiers to fill that role. She has worked on behalf of various County departments, non-profit agencies, and with several towns to develop and manage some 32 grants worth more than \$3 million dollars to benefit Cheshire County constituents.

At the end of the year Douglas Scribner, who created the County's Information Technology Department a decade ago and almost singlehandedly brought County government into the information age, announced his retirement. His expertise and quiet unassuming ways will be sorely missed. Doug will be replaced by Robert Hummel who oversaw the design and installation of all the computer technology in the new DOC.

Throughout the year the Commissioners and the Chief and Board of Southwestern Fire and Mutual Aid (FMA) were in discussions concerning the future relationship of FMA and the County. What began in 1953 as a County fire response system has grown into a tri-state operation encompassing over 70 cities and towns. FMA's September to September budgeting cycle and the County's April to April budgeting process increasingly made for difficulties for both parties. At the end of the year FMA made the decision to bill the 22 towns in Cheshire County and the City of Keene directly in the same manner it bills the nearly fifty other towns and cities in its network. Over the summer the Commissioners met with the Mayor and City Manager of Keene and with Selectmen from most of the towns in the County promising that, if FMA decided to bill directly, the County would reduce taxes to be raised by an equivalent amount so as to prevent a tax downshift from County to towns.

The work of the Commission is made considerably easier by the professionalism of our County elected officials; Register of Deeds Evelyn Hubbel, Sheriff Richard Foote, and County Attorney Peter Heed, and their talented staffs.

Lastly, the County continues to be blessed with an extraordinary administrative staff led by County Administrator Jack Wozmak, Finance Director Sheryl Trombly, Program Manager Rod Bouchard, and Human Resources Director Wendy Hurley. While it is a great honor for the three of us to serve this County as Commissioners, they – and the over 400 wonderful employees of Cheshire County – make it a real pleasure. We are deeply grateful to you all.

Respectfully submitted,

THE CHESHIRE COUNTY BOARD OF COMMISSIONERS

John M. Pratt, Chairman
Roger Zerba, Vice Chairman
Aaron Patt, Clerk

Dedication
David Putnam, Farm Manager

The County gratefully acknowledges the decades of tremendous service, dedication and caring provided by Dave Putnam and his staff over the years. Dave, in so many respects, treated the farm as if it were his own property and gave selflessly at all hours and in all circumstances to preserve and safeguard the animals and property. In fact, at the animal auction, the prices received for our herd was very high due to the condition and quality of the animals. Many auction attendees were astonished at the fine pedigree and excellent health of the herd. Such conditions do not happen by accident. Much credit goes to Dave Putnam for all that the county gained from the operation of this farm. We wish Dave all the best as he moves on in his career.



PETER W. HEED

KATHLEEN G. O'REILLY
DAVID LAUREN
CHRIS MCLAUGHLIN
JOHN S. WEBB
JEAN KILHAM
KEITH W. CLOUATRE
JOHN M. GASAWAY JR.
MARY B. CLOUTIER

CHESHIRE COUNTY
STATE OF NEW HAMPSHIRE
OFFICE OF
THE COUNTY ATTORNEY

SARAH MCKENZIE HOSKINS
JULIE J. SHORT

SUPERIOR COURT HOUSE
12 COURT STREET
KEENE, NEW HAMPSHIRE 03431
TEL. (603) 352-0056
FAX (603) 355-3012

RE: Office of the Cheshire County Attorney - Annual Report 2011

The primary responsibility of the Office of the Cheshire County Attorney is the prosecution of felony level crimes in the Cheshire County Superior Court. The attorneys at the County Attorneys Office oversee major felony investigations, working closely with police officers and investigators. When an investigation is completed, the attorneys then review all reports, and a determination is made as to the bringing of proper criminal charges. This process may include filing complaints in the 8th Circuit Court (formerly Keene District Court and Jaffrey District Court) and/or making presentations before the Grand Jury. The attorneys then handle all pre-trial procedures and proceed to a jury trial if a case is not resolved by a plea or other non-trial resolution. Additionally, one of the Assistant County Attorneys in our office, David Lauren, works under a federal grant, which requires approximately one half of his case load to be devoted to the prosecution of cases involving domestic violence. Consequently, David is at the 8th Circuit Court on a regular basis.

The case load at the Office of the Cheshire County Attorney continues to be heavy. During 2011, approximately 889 felony level case files were handled by members of the office. These new files involved more than 420 new felony case investigations and 99 investigations of felony level probation violations. Attorneys from this office formally presented 462 cases to the Grand Jury for indictment consideration. The felony caseload per attorney averaged approximately 118 active felony case files. Additionally, attorneys from this office reviewed and issued 7 administrative subpoenas, evaluated approximately 50 DCYF reviews, issued 48 "one party" authorizations (primarily to the New Hampshire Attorney General's Drug Task Force), and were consulted in 146 untimely death investigations in Cheshire County. Prosecutors in our office also handled 256 Petitions to Annul and 55 significant post-trial motions with respect to previously closed cases.

The Cheshire County Circuit Court Regional Prosecution Program continues to be extremely successful. Since March of 2009, when the City of Keene joined the program, the Cheshire County Circuit Court Prosecution Program now handles cases from 11 towns. These cases account for the large majority of all cases coming before the Keene Circuit Court. This program has been able to increase efficiency, improve officer training, and provide more uniform policies among county police departments. Moreover, because the programs' prosecutors work so closely with the felony prosecutors at the Superior Court, the County Attorney's Office has been able to improve communication from the earliest stages of felony cases, resulting in improved chances of early resolution and success in both the Circuit and Superior Courts.

Attorney Jean Kilham, who has been with the Circuit Court Regional Prosecution Program since March of 2008, is the lead prosecutor. She has earned tremendous respect from all

of the participating police departments and from court personnel. Attorney Kilham graduated from the University of New Hampshire in 2001, and received her law degree from the Massachusetts School of Law in June of 2006. She has worked very hard, and is respected by law enforcement, as well as the Defense Bar.

As the most recent addition to the Circuit Court Regional Prosecution Program, we are fortunate to have Attorney John (“Jay”) McCormack on our prosecutor team. Attorney McCormack grew up in Plymouth, New Hampshire, where his father has been a longtime member of the Bar. Attorney McCormack graduated from The University of Richmond in May of 2004, and received his law degree from Suffolk University, Boston, Massachusetts, in May of 2009.

Another important addition to the Circuit Court Regional Prosecution Program occurred when the City of Keene joined. The caseload of the City of Keene is so significant that a full-time attorney is necessary to prosecute this caseload. Stepping up in this role was Assistant County Attorney Chris McLaughlin. Chris has previously served as a felony-level prosecutor in the Superior Court for three years, and we greatly appreciated his desire to move into the role as primary prosecutor for the City of Keene within the structure of our Regional Prosecution Program. Chris is a top-level trial attorney with vast experience, and he has great credibility with law enforcement.

In addition to the hard working and dedicated attorneys in the Circuit Court Regional Prosecution Program, Officer John Dudek assists as a part-time liaison officer. Also joining our program last year was Administrative Assistant Melissa Gardner, who replaced retiring Pam Kinyon. The program is very fortunate to have someone of Melissa’s experience, as she worked for many years in a private law firm here in Keene.

The Circuit Court Regional Prosecution team, under the direct supervision of the County Attorney, handles all misdemeanor offenses that arise in the 11 towns (now including Keene), and also the initial stages (including Bail arguments and Probable Cause hearings) of most felony cases. Additionally, the team also handles many of the towns’ serious juvenile matters. During 2011, approximately 870 case files were handled and processed from the towns outside of Keene served by the Regional Prosecutor Program. Keene alone is the source of over 1,750 case files a year. All the towns now benefit from the expertise of the County Attorney’s Office. Conversely, the County Attorney’s Office benefits from increased communication between its’ Circuit Court and Superior Court prosecutors, who often encounter the same defendants, victims, and legal issues in the two different Courts. This leads to efficiency in prosecution and a reduction in the number of felony cases required to go through the arduous Superior Court process.

In the Superior Court during 2011, the County was fortunate to have 5 experienced Assistant County Attorneys handling felony cases - Kathleen O’Reilly, David Lauren, John Webb, Keith Cloutre, and John Gasaway, Jr. Kathleen O’Reilly is now in her 16th year with the office. Kathleen has always been particularly hard working and has shouldered a large case load. David Lauren is an experienced attorney in his 6th year with the office. He previously worked for the Maine Attorney General’s Office as well as an Assistant County Attorney in Hillsborough County. David brings with him interest and experience in the area of domestic violence cases.

Assistant County Attorney John Webb is also one of our more experienced trial attorneys, having joined the office in 2007. John comes to us from Merrimack County, where he was a veteran prosecutor. Prior to that experience, Attorney Webb served as a Law Clerk to the Superior Court. John has proven himself to be an aggressive and valued prosecutor, one on whose judgement I can rely. Joining our staff in late 2009 was Attorney Keith Clouatre. We are very fortunate to have Keith on our team, as he previously served as both an Assistant County Attorney and then the County Attorney in Coos County. Keith is an experienced trial attorney and has had particular experience with sex offense cases. The latest addition to our staff is Assistant County Attorney John Gasaway, Jr. Attorney Gasaway is an experienced prosecutor, with specialized experience and expertise in complex financial cases. He has previous experience at the Attorney General's Office, and the unique experience of working for The Competition Authority, in Dublin, Ireland.

The responsibility of the attorneys in our office continues to grow and will increase during my tenure as the County Attorney. I require my Assistant County Attorneys to be on call, so as to be available to assist local law enforcement with major case investigations, one-party authorizations, as well as fatal accident scenes where potential criminal charges may be brought. Additionally, my assistants must be available to consult on untimely deaths and related investigations. The Office of the County Attorney will be organizing periodic training seminars throughout the year, open to all County law enforcement agencies. Additionally, either I or one of my Assistant County Attorneys, continue to meet monthly with investigators from the Keene Police Department and other law enforcement agencies. An attorney from this office also attends the meetings of the Cheshire County Chiefs of Police Association.

The attorneys in our office also continue to meet regularly with members of law enforcement, social services, crisis workers, victim witness coordinators, mental health professionals, and medical specialists in order to insure the continued success of the Child Advocacy Center in Cheshire County. The ideology behind the center is the institution of multidisciplinary teams trained in the investigation and prosecution of physical and sexual abuse against children. They work together as a unified team from the inception of a report of child abuse which occurs anywhere in our County. The Child Advocacy Center is having a significant and positive impact on the investigation and prosecution of child predators.

The success of the attorneys in our office is directly related to the support received from our victim/witness coordinators, Sarah Hoskins, Julie Short, and Cilla DeHotman. Sarah Hoskins is a victim/witness coordinator of vast experience. She is assigned to provide victim/witness services to victims and witnesses of domestic abuse and works primarily in the Keene Circuit Court. Last year alone, Sarah worked on an excess of 312 new domestic violence cases. Julie Short is in her 5th year of working as a victim witness coordinator for felony level offenses. Julie previously served as the Office Manager in our office. The most recent addition to the victim/witness coordinator team is Cilla DeHotman, who joined the staff during 2008 (replacing long-time victim witness advocate Lyndi Horn). The Cheshire County Attorney's office is very lucky to have connected with Cilla DeHotman, who previously served as Director of Inmate Classification at the Cheshire County House of Correction. All three of these talented people provide an important resource and point of contact for victims and witnesses of crime in our County.

I want to close by particularly recognizing the tremendous efforts of our administrative staff: Laurie Burt, Chloe Grant, Gayle Buchanan, and Melissa Gardner, our administrative assistants. Both Chloe and Gayle joined the staff during 2009. Melissa joined in 2010. Chloe, Gayle and Melissa have quickly stepped in to make significant contributions to the office. We are fortunate to have all of these team members. While the attorneys get the credit for their work in the courtroom, it is the administrative staff that gets us ready to go on a daily basis, often working under tight deadlines. These staff members are incredibly hard working and dedicated to the success of the office. They bring a positive attitude and a high level of professionalism to the office each and every day. At times, they are under appreciated and over worked, but at the end of the day, we all realize that they are invaluable in providing our finished product, which is service to all.

I look forward to the challenges facing the office of the Cheshire County Attorney in 2012. We anticipate facing financial and organizational challenges with respect to the current Circuit Court Regional Prosecution Program, as the County continues to do its' best to respond to the requirements and hopes of the many towns in Cheshire County. I also look forward to the challenge of the ever increasing crime rate and the complexity of prosecutions, which continually come before our various Courts.

Respectfully submitted,

Peter W. Heed
Cheshire County Attorney

3/22/2012

CHESHIRE COUNTY
REGISTRY OF DEEDS

Evelyn Stearns Hubal Register

33 West Street
Keene N H 03431

To the Citizens of Cheshire County

I hereby submit my annual report for the year ending December 31, 2011 as Register of Deeds of Cheshire County.

Looking back on the year 2011, I was reminded that 40 years ago on August 23, 1971, I entered the Registry of Deeds for the first time on a part-time basis to work on the consolidation of the 1960-1969 indices. I understood very little about the complexity of the department at that time, the valuable information that was stored in the various volumes sitting on the shelves or how that information impacted the citizens of Cheshire County. Within a short amount of time, I became a full-time worker to do other clerical work and the learning began.

The recording was simpler back then, but the process took a couple of days to complete the filing, copying and indexing of the documents. The instruments were photographed using a large Photostat machine that took 15 minutes to process and produced a negative copy of the original document which became the permanent record. If a copy was requested, an order was taken and was completed the following day. If a copy of the larger, hand-written books was needed, it had to be copied on the typewriter. Time passed and we soon acquired a Xerox copier, but it still required lots of work to complete the copy that would be bound in a book for the permanent record. Indexing the documents was done with a Flex-o-writer that looked like a large typewriter, but this equipment created a paper tape with punched holes that represented the letters of the alphabet. The tape was sent to a firm in New York to be processed and then returned to us in draft form to be proofread. Upon completing the proofreading and making any corrections, the documentation was returned once more to New York to print an index book.

A faster more efficient indexing process had to be found and we soon turned to computers which made the process much easier to access the daily recordings, but still required printing the recorded pages the following day. Today we have moved into the 21st Century and not only is the information readily available in the office, but through our website, individuals on the other side of the state or country can look at the documents recorded within a few minutes through our "day in progress" mode. Towns that once received transfers on a quarterly basis can now have access to the land transfers whenever they choose by checking our website and can also store them in a digitized form, if they choose. No longer do they have to pay postage to receive paper copies or wait for someone to come to the office and pick them up.

The Registry website now contains documents and the indices dating back to the early 1950's. Scanning of the older books and indices is done as time permits and will continue until all the records are on the computer.

With the downturn of the economy these past years, the real estate market has been slow and unlike in previous years, attachments and liens have not been as prevalent, but foreclosures have and have held steady for the last two years. Of the 11,000 documents that were recorded with

the office this past year, 200 of them were foreclosures. There were also 2,100 deeds, 2500 mortgages and 2,100 discharges filed in 2011.

There were staffing changes again in the Registry last year, but unlike 2010, these were elected retirements by two senior staffers. In August, Nancy DiBernardo and Cheryl Durkee, both Deputy Registers chose to retire. Because of the importance of their daily duties, It was necessary to reorganize the staff and begin to train others in the open positions. Mira Cook, because of her experience and longevity, was selected as the new Deputy and was overwhelmingly approved by the Board of Commissioners. Janean Gay, repro tech, was moved from the copy department and began training to do indexing and recording. Vickie Williams, repro technician, now handled the copy department alone. Audrey Hood, bookkeeper, continued with her duties and helped out at the recording counter on a more regular basis. Nicolyn Toth was hired as clerk to complete the Registry staff. With the reduction of the staff from six to five and the retirements of the senior staffers who were at a higher step level, the salary line for the Deeds' office was reduced by more than \$50,000. Everyone settled in with their new responsibilities with enthusiasm and fervor.

With the tightening of money for all County departments, the staff started many in-house projects that were budget-friendly. Scanning old books that contained deeds continued while others worked on scanning the indices making even more information readily available on our website which was pleasing to all who do title work.

While the slowdown did affect the larger profits seen in the past, the office still continued to cover expenses and turn additional money over to the County's general fund. A total of \$477,815 was turned over to the county, the State realized \$3,050,442 and the surcharge account, which is the account to be used exclusively by the Registry for the lease and rental of office equipment, added \$21,274.

So from the early 70's, when the Registry had a Photostat machine that required 15 minutes to retrieve a copy, we now digitize the documents and produce a copy within seconds and when an entire book has been copied, also have a microfilm copy from this one-step process. From those early days when the vault was filled with lawyers, bankers, surveyors and the general public reviewing the important data found in those books, the Registry now sees fewer lawyers, title abstractors, surveyors on any given day because of the convenience of having the records available on-line 24/7. But the public who is researching the age of their home or the genealogist searching for a link to his past, still arrives in the Registry to search what historians call the most complete recorded history of our County.

From those very early years, when the Registry turned in \$69,000 to the County's general fund for the entire year, that is a figure more likely to be seen in a month when the economy is a little better. The average monthly County fee this past year was about \$40,000.

So the importance of protecting the Cheshire land records continues with the digitizing of the documents for the public to view in the convenience of their office or the luxury of staying in their home on that cold, blustery winter day. We are also printing a hard copy to be bound for the permanent record and because microfilming is the time-tested, proven method of ensuring the preservation of documents, we also continue this method for security purposes. The film is then sent to the City of Keene's storage facility which has an area with the proper temperature and humidity controls for storing the film.

And so these past 40 years, I have learned that the Registry impacts many people in the County in many ways. That coveted deed a person clings to is not positive proof that you own it, but that on that recorded day stamped on the front of the document, the person/persons purchased property and the deed can be found in the Registry of Deeds in the volume and page stamped on the front. An attorney or title abstractor will research the Registry's records to determine if the title is free from liens and can be sold or mortgaged. The Registry of Deeds is the "public office" that not only protects your deed, but files liens and attachments. The town tax collector files liens when property taxes are not paid and the IRS will also file a lien when you haven't paid them. When a utility company wants access over your property, an easement or right-of-way document will be filed with the Registry.. Yes, the Registry is very important to all of the citizens of the County and affects their lives in many ways.

I wish to thank the Commissioners' office, the Finance Department and the Facilities Department for their support in protecting the records this past year. I especially thank my staff for helping to preserve and protect not only the land records, but also the history of the county.

Respectfully submitted

Evelyn Starrou Kubal, Register



OFFICE OF THE SHERIFF CHESHIRE COUNTY

12 COURT STREET
KEENE, NEW HAMPSHIRE 03431

TELEPHONE
603/352-4238
FAX
603/355-3020

2011 ANNUAL REPORT

The year 2011 was a year of change and challenge. Lieutenant Karen Hansen retired after 20 years of police service with the Sheriff's Office and Jaffrey Police. We wish her well and will miss her. Beginning in July the Deputies who are retired police officers were required to reduce their hours to a maximum of 32 hours with no overtime. One deputy position was vacant for a period until we completed our hiring process. The reduction of hours by three retired police officers and the vacant position created a challenge to keep up with the increasing workload as described below.

Investigations increased by 79% from 77 in 2010 to 138 in 2011. Driving, liquor and drug offenses showed the largest increases. Arrests increased 8% with motor vehicle and drug offenses increasing the most. Civil process decreased by 10% from 3,489 to 3,135. Motor Vehicle stops decreased 17% from 1,364 to 1,133. Civil process is dictated by our civil customers but the decline in motor vehicle stops could be directly related to the increase in the more time consuming investigations and arrests.

The actual number of prisoner transports virtually remained the same. The numbers shifted when transports to the Cheshire County House of Correction, Keene and Jaffrey Circuit Courts and Superior Court increased, while out of county transports and involuntary emergency admissions decreased slightly. A review of the transports from 2001 to 2011 showed a 60% increase. This increase has been handled without additional manpower. The number of prisoner transports is not a true reflection of the time or manpower involved in the task. A supervisor receives requests from the courts on a daily basis and coordinates the moves with county jails and the state prison to be assured all prisoners meet scheduled appearances. The transportation of prisoners is a courtesy extended to the county municipalities and is a substantial saving for the police departments for which we transport prisoners.

Two Homeland Security Grants were awarded to the Sheriff's Office in 2011. One was for a mobile command post the other for radio equipment to upgrade the dispatch capabilities throughout the county. The total of the two grants is more than \$500,000. The command post and radio upgrade should be completed and in service in 2012.

The Mobile Command Post is a self-contained emergency dispatch/ incident command trailer that will allow us to provide emergency dispatch and incident command services for extended periods of time. The radio upgrade is designed to determine which repeater site is receiving the strongest signal from a cruiser and then automatically select that site to send the transmission to the dispatch center. This will greatly increase the communications ability to the towns throughout Cheshire County.

Cheshire County Dispatch Center noted its 8th year anniversary of 24/7 law enforcement dispatching. In 2011 it logged 44,237 calls for service. This is an increase of 658 over 2010. The dispatch center processed many serious calls including, injury, fatal accidents, suicidal persons, drownings and other untimely deaths, bank robberies, pursuits for wanted persons, non custodial parental kidnappings, burglaries, domestic violence and other violent crimes both in progress and recently occurring.

Three Cheshire County police agencies including the Cheshire County Sheriff's Office joined 19 other law enforcement agencies across the state in a data record-sharing group. Two other county sheriffs' dispatch centers and several larger police departments are included in the group.

Three Cheshire County police agencies installed the dispatch module in the laptops in their cruisers. This allows them to see the dispatch console as calls are created for them. It also facilitates the sending and receiving of text messages through the dispatch system.

Law Enforcement personnel and civilian staff in the Sheriff's Office participated in 181.5 hrs of training in the following areas during 2011

- Conducting Physical Fitness
- CPR/AED
- Evidence Collecting
- Firearms Instructor Rectification
- Liquor Law Updates
- National Association of Extradition
- New Technologies Bring New Risks
- NH Liquor Law Updates
- NH Social Host Party Law: Legal Review
- Office Policy & Procedures(Use of Force, Firearms, DWI, Complaints)
- Office Safety Initiative Training
- Pharmaceutical Diversion Training
- Primex Annual Conference
- Reading Body Language
- Skid Car Instructor Training
- Stevens Advanced Driver Training Program
- Street Drugs (Meth)
- Work Zone & Flagger Instructor Training

Sheriff's Office Personnel participated in the following community activities.

- Police Standards & Training Council
- Cheshire County MADD Chapter
- New Hampshire Special Olympics Law Enforcement Torch Run
- D.A.R.E. New Hampshire State Board of Directors
- The Prevention of Alcohol Abuse in Cheshire County
- SHEPARD Program
- New Hampshire Special Olympics Executive Committee

2011 has been a challenging year but with many successes. We look forward to 2012.

Respectfully submitted,

Richard A. Foote
Sheriff

**CHESHIRE COUNTY SHERIFF'S OFFICE
SUMMARY OF ACTIVITIES
2011**

INVESTIGATIONS

ASSAULTS (by Prisoners, Aggravated, Simple & Sexual)	8
BAD CHECKS	1
DRIVING OFFENSES	65
DWI	2
LIQUOR LAW VIOLATIONS	17
POSSESSION OF CONTROLLED DRUG	17
THEFTS (By Deception, Services, Attempts)	9
VANDALISM	2
WEAPONS LAW VIOLATIONS	1
ALL OTHER OFFENSES	16
TOTAL	138

ARRESTS

CIVIL, CRIMINAL & CHILD SUPPORT	204
DRUG/NARCOTICS	13
LIQUOR LAW VIOLATIONS	17
TRAFFIC RELATED OFFENSES	48
ALL OTHER OFFENSES	11
TOTAL	294

TRANSPORTS

TO CHESHIRE COUNTY DEPT./CORR.	1,557
TO SUPERIOR COURT	505
TO DISTRICT COURTS	1,157
INVOLUNTARY EMERGENCY ADMISSIONS	73
TO OTHER AGENCIES, HOUSE OF CORR., ETC.	399
TOTAL	3,691

CIVIL PROCESS SERVED

CIVIL PAPERS & SUBPOENAS	3,091
COUNTY ATTORNEY SUBPOENAS	44
TOTAL	3,135

MOTOR VEHICLE

WARNINGS	880
ACCIDENT INVESTIGATIONS	11
SUMMONS	242
TOTAL	1,133

CHESHIRE COUNTY ALTERNATIVE SENTANCING PROGRAMS ANNUAL REPORT 2011

The Alternative Sentencing Programs have been in existence since 2001. The first of these programs was a Drug Court and provided the District Court with an alternative sentencing option of community supervision and treatment for individuals with a substance use disorder instead of incarceration. The success of this program pored up with State and national statistics showing a high percentage of those incarcerated have significant mental health issues prompted Cheshire County to develop a second program, the Mental Health Court, which was developed specifically for those individuals suffering from mental health disorders and mental health disorders with a co-occurring substance use disorders.

In 2011 the County's Problem Solving Courts, as they are nationally called, suffered a 25% reduction in county funding and were questioned regarding the effectiveness and over all savings to the tax payers of Cheshire County. And for 2012, the County Officials are talking of further budget cuts or the elimination of these vital programs.

Cheshire County was one of the first in the State to develop and implement alternatives to incarceration. Do these problem solving court programs work? In a publication produced by the National Association of Drug Court Professionals, written by Douglas B. Marlowe, J.D., Ph.D. Chief of Science, Law & Policy in December, 2010 reports:

“Drug Courts embrace science like no other criminal justice program. They endorsed best practices and evidence-based practices.... We know beyond a reasonable doubt that Drug Courts significantly reduce drug use and crime and do so with substantial cost savings. By 2006, the scientific community had concluded beyond a reasonable doubt from advanced statistical procedure called *meta-analyses* that Drug Courts reduce criminal recidivism, typically measured by fewer re-arrests for new offenses and technical violations.”

Marlowe went on to report, “**The result has been a net economic benefit to local communities ranging from approximately \$3,000 to \$13,000 per participant... the economic benefit ranges from \$2.21 to \$27.00 for every \$1.00 invested.**”

The Justice Policy Institute in their 2008 report on Substance Abuse Treatment and Public Safety issues the following conclusions:

“The research suggests that increased investments in drug treatment can have a positive public safety benefit

- Increases in admission to substance abuse treatment are associated with reduction in crime rates.
- Increased admission to drug treatment are associated with reduced incarceration

- Substance abuse treatment helps in the transition from the criminal justice system to the community.”

Research statistics on Mental Health Court programs found similar data. The Center for Public Policy and Social Science at the Rockefeller Center at Dartmouth College published their findings in May 2009. They wrote:

“...Like the Drug Court research, there is some research analysis that has been conducted, concluding:

- Mental health court participants had lower recidivism rates and more participation in treatment than before program participants.
- Participants in the program had lower recidivism rates during the program as compared to their comparison group that did not receive therapy.
- Treatment increased during participation of the program.
- Participants showed improved independent functioning and lower substance abuse as compared to their comparison group not enrolled in the program.
- Participants spent fewer days in jail.”

CHESHIRE COUNTY STATISTICS:

Over the ten plus years these programs have been in existence the County has served over a 1,000 individuals. Last year a total of 123 people came through the doors of Alternative sentencing. The break down of the total by program is as follows:

Mental Health Court79 clients
 Alternative Sentencing44 clients

The average of the two programs yielded a 63% successfully completed. This is defined by the client successfully completing their Individual Service Plan which is developed by the client, CCASP Case Manager, the assigned community based provider and the Court’s Bail or Sentence Orders. The assigned community based provider is in dialog with the CCASP Case Manager to report progress in treatment and any new treatment issues that may need additional services to insure successful rehabilitation. The Case Manager is responsible for reporting to the Court.

STATISTICAL INFORMATION

	CCASP	MHC
Total Clients since inception	600	411
Number of Clients in 2011	34	42
Average Length of Stay (days)	95	125
Rate of Successful Completion	59%	66%

3 YEAR OUTCOME STUDY:

With the help of Cheshire County House of Correction and their data collection system, Cheshire County Alternative Sentencing Program (CCASP) was able to evaluate the recidivism rate of those individuals that completed the program in 2007. CCASP was able to capture the local incarceration history for the three years before they participated in the County’s Drug Court and Mental Health Court programs and the three years post completion of the programs.

RESULTS OF OUTCOME STUDY

	PRE PROGRAM	POST PROGRAM	RECIDIVISM RATE
Number of ASP Clients	34	9	26.5%
Number of MHC Clients	29	10	34.5%

These people served a total of 1168 days for the three years prior to completing the program and 335 days post completion of the programs. This was a 71.3% reduction of incarceration days. And that relates to \$83,000 that the county did not have to pay for housing, feeding, clothing and medical needs of these individuals based on \$100 per incarceration day.

COMPARATIVE RECIDIVISM DATA:

2006 NH PRISON	48.8%
2007 CCHOC	37.7%
2007 CCMHC	34.5%
2007 CCASP	26.5%

Do these problem solving court programs have a financial benefit to our County’s community? The research from the National Association of Drug Court Professional indicates this is the case.

“In line with their positive effects on crime reduction, Drug Courts have also proven highly cost effective (Belenko et al. 2005) These savings reflect measurable cost-offsets to the criminal justice system stemming from reduced re-arrests, law enforcement contacts, court hearings and the of jail or prison beds.”

Further evidence in this area comes from the Justice Policy Institute re: Mental Health Courts. Their research revealed the following:

“Lengthy and intensive treatment programs may or may not be less expensive in the short term in comparison to incarceration cost. Over a longer time period, spending on treatment can reduce long term unemployment, family assistance, incarceration, homelessness and medical care. The collateral cost of drug-related crime would also be reduced”

CCASP/MHC COST PER CLIENT DAY: \$21.30

In 2011, the 88 clients that completed had a total of 9,071 days of suspended/deferred. THE COST NOT INCURED BY THE COUNTY BECAUSE OF THE PROGRAM:

\$907,100 (75% OF THAT TIME \$680,325)

The Staff of CCASP would like to thank the Commissioners, County Delegation Members, Jack Wozmac, County Administrator, the Justice System and the people of Cheshire County for believing in this program. By doing so, they are assisting those who are suffering from a Substance Use Disorder and/or Mental Health Disorder to find a better way of living and contributing to our County.

Respectfully summated,
Michael H. Potter, M.Ed., MLADC
Director/Case Manager
Alternative Sentencing Program



825 MARLBORO ROAD
KEENE, NEW HAMPSHIRE 03431
www.co.cheshire.nh.us/hoc

Richard Van Wickler, Superintendent
Gemma Lantry, Executive Assistant
Phone: (603) 903-1600
Fax: (603) 352-4044

Capt. Kevin Clark, Director of Classification
Capt. Hank Colby, Director of Programs
Maj. John Mousseau, Director of Safety and Security

ANNUAL REPORT 2011

The Department of Corrections completed its first full year of operation in April of this year. The staff has performed admirably tolerating policy change and transitional growth in philosophy and manner of operations.

In January there was a roof top unit failure which resulted in significant water damage to the jails main computer room. A pipe had burst in 20 below zero temperatures and caused the loss of most of the security systems within the facility. The jail's incident command system was activated and the staff all came together and worked aggressively to manage the crisis. While the order was given to "prepare to evacuate" the facility – this did not happen. The technical skills of Rob Hummel, our Director of Training, negated the need to have to evacuate the building as he was able to get the security systems back on line. Doug Iosue, our case manager, was able to secure enough beds throughout New Hampshire within 40 minutes to accommodate the evacuation had it occurred. It was an incredible display of teamwork, dedication and professionalism. The system was repaired and glycol installed to prevent a similar catastrophe.

PROGRAMS:

The following information is a compiled list of different statistics and programs that the Inmate Programs Department is responsible for. During the 2011 calendar year, facility tours were conducted for 337 individuals. The following agencies and organizations toured as individuals or as groups:

St. Bernard's Church
Antioch New England Graduate School
Keene State College
Keene Police Department
Waldorf School
Monadnock Regional High School
Camp Spofford
Conant High School

River Valley Community College
Fitz Vogt
NH Parole & Probation
Hancock Police Department
Seventh Day Adventist Church
Primex
Jehovah's Witness
Coalition to Abolish the Death Penalty
Swanson Services Corporation
Grafton County Delegation
Monadnock Family Services
Monadnock Center for Violence Prevention
Cheshire County Alternative Sentencing Program
Keene High School
Keene Community Education Alternative Diploma Program

The department supervised 14 sentenced inmates during 2011, for **court ordered work release** under the terms and conditions of the Work Release correctional program. The **Electronic Monitoring program** in 2011 monitored 24 pretrial release inmates and 19 sentenced inmates.

There are currently **159 approved volunteers** that share their talents and skills through **18 inmate programs** that are scheduled at different times during the year. In 2011 there were **9 inmates who passed the GED** examination that was given at the jail facility.

In August of 2011, the annual Volunteer Appreciation Day Cookout was a great success. It was held adjacent to the jail facility and attended by volunteers and their families.

During the past year, **783 sentenced male inmates supplied labor to the Cheshire County Fair Association, Cheshire YMCA-Camp Takodah, Keene Transfer Station and the Town of Nelson**. This department also continues **to supply the NHDOT with scheduled roadside cleanup** of our adopted 2.4 miles of Route 12 in Westmoreland.

Case Management Services

The Case Management Department, coordinated by Douglas Iosue, Licensed Clinical Social Worker collaborates closely with the all CCDOC Departments to address the rehabilitative, transitional, and release-reentry planning needs of inmates. 2011 was a busy and productive year for Case Management Services and was marked by the following accomplishments and trends:

- Hosted and supervised a masters-level student from Antioch New England who started her internship in fall 2011, working with a mixed caseload of case management and psychotherapy cases. In addition, we hosted and supervised a bachelors level student from Keene State College in the spring. The student, a Sociology major, with a minor in Criminal Justice, assisted the Jail and OREST in our work on offender outcomes and recidivism. The project involved gathering more qualitative data through a series of interviews with inmates that had returned to jail within one year of his/her prior release
- Throughout the year, the Case Manager has continued to maintain involvement and represent CCDOC on various community groups and committees. These include: the Community

Network Team (CNT); the Mental Health Court/Alternative Sentencing Program; the Vision 2020 Project at Cheshire Medical Center; the Monadnock Homelessness Coalition; and serving as Secretary of the Cheshire County Domestic Violence Coalition.

- The Offender Rehabilitation Support Team (OREST) completed its third full year, continuing to meet on a monthly basis. OREST now includes representation from the following entities:
 - Cheshire County Department of Corrections
 - Monadnock Family Services (MFS)
 - Cheshire County Alternative Sentencing Program/Mental Health Court
 - Family strength
 - Cheshire County Public Defenders
 - MAPS Counseling Services
 - Cheshire County Attorney's Office
 - Phoenix House Keene/Dublin
 - Cheshire County Victim's Witness Advocates
 - Community Improvement Associates
 - NH Department of Field Services/Probation/Parole
 - Antioch University New England
 - Division of Children, Youth and Family Services (DCYF)
 - Southwestern Community Services
 - Aids Services of the Monadnock Region
 - Cheshire Medical Center/Dartmouth Hitchcock-Clinic Keene
 - Hundred Nights Shelter
 - The Amazing Grace Farm (Transitional Housing)

Recidivism and Offender Outcomes: OREST has continued to work towards improved outcomes for offenders with substance use and/or mental health disorders through the collective influence, shared resources, and collaboration and creative problem-solving of it's membership. The group continues to examine the issue of recidivism seeking improved outcomes for the offender population we assist and striving to reduce recidivism rates in Cheshire County. This year, in conjunction with the Director of Training, we developed a method to compile reliable ongoing data on recidivism (broken into 'one year,' 'three year,' and 'lifetime' rates). The Vision 2020 Initiative has adopted "Adults Re-Incarcerated" as one the Indicators of a healthier community. In addition, the County Commissioners and Delegation have taken an interest in this issue and the data was reviewed and shared with them this year.

- Best Practices: Principles of Recidivism Reduction and the Risk-Need-Responsively Principle: In recent years criminal justice and social science researchers have identified specific principles that are proven effective in reducing recidivism. The principles of Risk-Need-Responsively provide guidance to practitioners in regard to identifying and prioritizing services and levels of interventions and programming to offenders. This past year, Case Management Services has been using a modified form of the Level of Service Inventory-Revised (LSI-R) to help triage and decision-making regarding the frequency and level services provided to Cheshire County inmates/clients.

- Although Sentenced inmates remain a priority and are (nearly) always seen by case management, these principles have allowed a slight shift in time spent with (lower risk/need) sentenced inmates to more time spent with (higher risk/need) Pre-trial inmates.

Case Management Services Statistics: January 1, 2011-December 31, 2011

	<u>2011</u>	<u>(2010 Comparison)</u>
<u>Total new cases:</u>	353	364
<u>Gender:</u>		
Male:	248 (71%)	294 (81%)
Female:	105 (29%)	70 (19%)
<u>Sentencing Status:</u>		
Pre-sentenced:	155 (44%)	160 (43%)
Sentenced:	185 (52%)	187 (53%)
Dual:	10 (3%)	9 (2%)
Federal:	6 (1%)	5 (1%)
<u>Level of Case Management Service:</u>		
Full Assessment/Release-Reentry Plan:	233 cases (66%)	295 (81%)
Brief/Focused Intervention:	119 cases (34%)	69 (19%)
Total # follow up sessions:	1595	2450
Total # Collateral Contacts (phone, email):	1594	1354

Inmate/Offender Profile (Data/Statistics at Case Management Intake):

	<u>2011</u>	<u>2010 (Comparison)</u>
<u>Percent of offenders presenting with:</u>		
Alcohol/Drug	83.9%	*
Mental Health	42.6%	*
Unemployed:	56.0%	68%
Disabled (on SSI or SSDI)	21.0%	13%
Homeless or at risk of:	17.8%	20%
Developmental Disability	1.3%	*
	<u>2011</u>	<u>2010</u>
<u>Level of Service Inventory-Revised (LSI-R):</u>		
Low Risk:	18%	20%
Low/Medium Risk:	26%	27%
Medium Risk:	24%	29%

Medium/High Risk:	24%	15%
High Risk:	8%	9%
<u>Housing Status at Intake:</u>		
Stay with family member:	47%	45%
Rents an apartment:	20%	19%
Homeless or potentially homeless:	19%	17%
Stay with friend:	7%	8%
Rents a room:	3%	6%
Owns a home:	4%	5%
<u>Employment Status at Intake:</u>		
Unemployed (willing to work; job search)	39%	46%
Employed (position secure at release)	23%	19%
Possible employment/strong lead	13%	14%
Disabled (on SSDI and/or SSI):	21%	13%
Unemployed (min. willing, capacity to work)	4%	8%
<u>Family/Support System Status at Intake:</u>		
Minimal (few, available, positive supports)	27%	25%
Moderate (some available, positive supports)	45%	45%
Strong (significant available, positive supports)	28%	30%
<u>Health Insurance Status at Intake:</u>		
Uninsured:	57%	69%
Private insurance:	13%	11%
State/Federal (Medicaid and/or Medicare)	30%	20%
<u>Financial Resources at Intake:</u>		
Significant Debt (\$5,000 +)	40%	47%
Moderate Debt (\$1-\$5,000)	14%	18%
Even/neutral finances	35%	26%
Moderate Savings (\$1-\$5,000)	10%	5%
Significant Savings (\$5,000+)	1%	4%

Release-Reentry Patterns (Data/Statistics at point of Release-Reentry)

	<u>2011</u>	<u>2010</u>
<u>(Comparison)</u>		
<u>Completed Referrals at Release-Reentry:</u>		
Formal Housing (Shelter, Transitional Housing, Applications for Assistance):	33	35
Informal Housing (Shelter, Transitional Housing, Applications for Assistance):	20	*
Alcohol/Drug		

(Residential Level of Care):	57	62
Alcohol/Drug: (Outpatient Level of Care):	76	87
Mental Health Services:	66	57
Medical/Primary Care:	55	44
Employment/Vocational Support:	42	82
Basic Needs/Assistance: (Food Stamps, TANF, SSDI, Medicaid, Transportation)	116	135
<u>Offenders Released to Monitoring/Court Ordered Programs:</u>		
Probation:	139	123
Cheshire Academy/ Adult Offender Program	0	7
CCASP/MH Court Program:	23	28
Disposition: County/State		
% released within Cheshire County:	76%	81%
% released to Massachusetts:	5%	6%
% released to Vermont:	7%	6%
% released to Rockingham County:	5%	*
% released to Sullivan County:	2%	2%
% released to Hillsborough County:	2%	2%
% released to other:	3%	2%

Offender Recidivism (within Cheshire County DOC)**

	<u>2011</u>	<u>2010 (Comparison)</u>
<u>Recidivism: “(Lifetime)”</u>		
% - 2 nd or more Incarceration at CCDOC	63%	63%
% - First Incarceration at CCDOC:	37%	37%
<u>Recidivism: (Past 3 Years)</u>		
% - 2 or more incarcerations-past 3 years:	43%	44%
% - 0 incarcerations-past 3 years::	57%	56%
<u>Recidivism: (All Offenders/Past 1 Year)</u>		
% - 2 or more incarcerations-past one year:	30%	27 %
% - 0 incarcerations-past one year:	70%	73%
<u>Recidivism: (within Case Management Services)</u>		
% -2 nd or more Involvement with CM	25%	20%
% -First Involvement with CM	80%	77%

- **Notable Trends: 3 Years**

- The conclusion of calendar year 2011 marks three full years that the jail has provided Case Management Services and formal support and assistance to help offenders release planning and community reentry. A review of various statistics compiled annually over this three-year period reveals mostly consistent data sets over time. For instance, in 2009 82% of offenders were unemployed at the point of initial Intake to Case Management Services. In 2011, 78% of offenders were unemployed; perhaps a slight improvement, but not likely statistically significant. This ‘flat’ trend was true for most categories of data collection with some interesting *exceptions*:
- Gender: the percentage of females seen for case management services has risen from 15% in 2009 to 28% in 2011. This is likely best explained by the addition of our contract to house female inmates from Rockingham County. Given that (nearly) all sentenced inmates are seen for case management services, this has likely resulted in a higher percentage of females receiving services.
- Substance Use Disorders: the percentage of offenders meeting criteria for a Substance Use Disorder has risen from 71% in 2009 to 87% in 2011. National figures typically indicate approximately 80% of the incarcerated population is substance abusing or dependent. While CCDOC figures are consistent, with the national data, reasons or explanations for the apparent increase are unclear.
- Disabled Offenders: The percentage of offenders with a certified disability (ie- currently on Supplemental Security Insurance (SSI) or Social Security Disability Insurance (SSDI) has risen from 13% in 2009 to 28% in 2011.

Key:

* Data not collected or unavailable for that time period

** As determined at the point of booking, for all offenders seen in Case Management Services for the period January 1, 2011-December 31, 2011.

Safety and Security

Total Bookings for January 01, 2011 – December 31, 2011

Pretrial & Sentenced Inmates		Protective Custody	
Total Persons Booked	1718	Total PC	487
Males	963	Males	388
Females	<u>268</u>	Females	99
	1231		
Pretrial	657		
Sentenced	454		
SI (Weekends)	11		
Federal Hold	96		

Hold for NHSP	9
Other – extradition, ICE, etc.	<u>4</u>

Total Assaults by inmate on Officer	3
Total Suicide Attempts –	11
Open Sheriff’s / SP Investigations	0
Total Investigations for year	6
Use of OC Pepper Spray	18
Use of Taser	2
Display of Taser	37

Transports

Federal Transports	133
County Transports	<u>148</u>
TOTAL	281

2011 Mental Health and Substance Abuse Statistics

An average of **65 %** of the inmate population received mental health services.

Of the 310 inmates who received a mental health assessment:

2 inmates required transfer to the Secure Psychiatric Unit

2 inmates required admission to New Hampshire Hospital

65 % (202) required active mental health services (sessions every 1-2 weeks)

35 % (108) required maintenance mental health services (sessions on an as needed basis)

68 % (211) received psychoactive medication

58 % (166) met criteria for co-occurring disorders (Axis I diagnosis co-occurring with alcohol and/or drug abuse or dependence)

72 % (222) met criteria for alcohol and/or drug abuse or dependence

30 % (94) met criteria for alcohol abuse or dependence

54 % (166) met criteria for drug abuse or dependence

32 % (98) met criteria for opiate abuse or dependence

54 % (166) met criteria for a personality disorder (Antisocial 93; Borderline 56; Paranoid 11; Dependent 3; Narcissistic 2; Avoidant 1)

11 % (35) were assessed to be at high risk to attempt suicide

8 % (24) were assessed to be at high risk to be violent

30 % (94) were women

5 % (16) were federal inmates

Inmates per age group who received mental health assessment:

17-19	8 % (25)
20-29	42 % (132)
30-39	30 % (93)
40-49	11 % (33)
50-59	8 % (25)
60+	1 % (2)

**R.N. Van Wickler
SUPERINTENDENT**

**Cheshire County
Information Technology
Annual Report 2011**

The Cheshire County Information Technology Department provides computer hardware/software and phone system support for all County departments in 6 different locations. This includes 150+ workstations/Thin Clients/Touch Screens, 10 data/application servers, 2 Video Arraignment/Conferencing servers, 3 phone system servers and 200+ physical phone extensions.

This department handles all aspects of day-to-day support for County computer and phone system users. We are responsible for all network and phone wiring, setting up network and email accounts, installing and configuring desktop and server software, maintaining a County-wide anti-virus system and administering the nightly backup on all servers. Troubleshooting and maintenance of all hardware and software is provided on an as-needed basis. We also provide 24/7/365 support to the through a rotating on-call system.

2011 projects:

- Built Access-based application for Medicaid Tracking
- Developed Access-based application for Alternative Sentencing Client Tracking
- Implemented Virtual Server software/hardware for use with outside agencies and IMC
- Assisted several County town police agencies with Project 54 installation

This department continues to support the Greater Monadnock Public Health Network through the County website, configuration of computer hardware/software and participation in MACE drills.

As the County HIPAA Security Officer I provided training at the bi-weekly orientation sessions at Maplewood. New employees attend before starting work in their various departments. Current employees are required to attend annually.

The last quarter of 2011 brought changes to the IT department staff. Rod Bouchard, IT Specialist, accepted the position of County Project Manager. He was replaced by Coleen Birmingham who comes to us with many years of IT support experience.

I submitted my resignation to the County Administrator stating my intention to retire in February 2012. Robert Hummel, former Director of Training at the House of Corrections, has been hired to replace me.

I would like to extend my sincere thanks to the County Delegation members, County Commissioners, Elected Officials, County Administrator and Department Heads for their support of the Information Technology department.

Respectfully Submitted,

Douglas Scribner
Director
Cheshire County Information Technology

Cheshire County Facilities 2011 Annual Report

Maplewood Nursing Home

2011 was a typical year for repairs at the nursing home. We completed over 4000 work orders and painted all common areas and about 45 resident rooms. Plumbing issues are a concern as 1 out of 3 work orders is for leaking pipes or plugged sinks.

The nursing home is 37 years old and while the repair work keeps things operating, the fact is that the plumbing infrastructure is failing and should be replaced in its entirety. Also, each summer, circuit breakers trip frequently due to additional air conditioners and in the near future, the electrical supply system will need substantial upgrades.

We had the roof evaluated due to chronic leaking in some areas. Investigation and analysis revealed that 30% of the roof has been saturated with water due to the age of the roof. We endeavor to patch leaks when the sources can be found but it is a never-ending chase.

After three years of budget requests, we finally received an appropriation to do limited, much-needed paving repair.

Maplewood also began a major lighting upgrade installing hundreds of new energy-efficient florescent and LED lighting fixtures, both inside and out. This is expected to reduce our electric bill by \$25,000 per year. The upgrade is from a grant from the U.S. Department of Energy. In addition, the County received \$30,000 in rebate checks from Public Service Company of New Hampshire due to the energy projects. Work on this project extended into early 2012.

Water Treatment Plant-

No new upgrades to report in 2011. Of the approximately 8,000,000 gallons of water treated 20% came from the bedrock well located behind the nursing home.

Wastewater Treatment Plant-

We installed fabric lagoon covers on the wastewater treatment ponds to raise the temperature in the winter and to increase biological treatment of the waste. This was part of a compliance project in cooperation with the State of New Hampshire. Since the installation of covers in 2010, we have not had any e-coli violations.

Superior Courthouse-

In addition to normal “wear and tear” work orders at the courthouse, we did contract to spray foam insulation onto the interior side of the roof of the old courthouse to improve its insulation rating and to more efficiently heat and cool the building. This work was also part of the energy grant from the DOE and will be completed in early 2012.

Administration Building-

We contracted with Honeywell to improve the energy efficiency of the HVAC systems in the administration building and this work is expected to be completed in early 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Barry King". The signature is fluid and cursive, with a large initial "B" and "K".

Barry King
Facilities Manager

**Cheshire County
Human Resources Department
Annual Report 2011**

The Human Resources department is responsible for providing Comprehensive Human Resources leadership for the County and staff personnel. The Human Resources department consists of a Human Resources Manager and a Human Resources Assistant. We continues to implement and administer the County's personnel program in accordance with the provisions of applicable laws, rules, regulations, policies and procedures. We work continuously to serve the 400+ employees of Cheshire County.

New Hires and Terminations of 2011

Human Resources is actively involved in overseeing the County's hiring and termination process. In 2011, the Human Resources department advertised, prepared job postings, screened applicants for vacancies and coordinated the selection of the positions.

Total number of applicants hired for Cheshire County in 2011	=	119
Total number of employees terminated from Cheshire County in 2011	=	121

Appeal Tribunal Hearings for 2011

In 2011, I attended four Appeal Tribunal Hearings on behalf of Cheshire County Government. Cheshire County prevailed in all four hearings and the employees that were terminated for misconduct did not receive benefits.

EAP – Employee Assistance Program

Human Resources in conjunction with Cheshire County Management promotes an Employee Assistance Program to its employees and eligible members of their immediate household. Contractor, Anthem Blue Cross/Blue Shield, is in the business of administering Behavioral Health Risk Management Services, including Employee Assistance Programs, Work/Life Management Programs, Behavioral Health Disability Management Programs and Managed Behavioral Health Care programs on behalf of employers.

The contact utilization rate for this year was 20.2%. This is consistent with 2010 annual data. The employee/household member utilization rate was 7.8%. This represents an increase when compared to this timeframe last year (6.8%).

There were 62 new requests for service through the EAP call center (30 employees/3 household member/17 managers/12 case management).

Ninety-seven percent of cases were assessed by EAP staff to be routine in nature. One caller required urgent intervention due to clinical presentation.

Callers sought assistance for the following primary presenting issues:

Emotional/Psych	35.48%
Work Related	38.71%
Alcohol/Drug	6.45%
Marital/Couple	6.45%
Family Problem/Child	3.23%
Medical	3.23%
Legal	3.23%
Other Issues	3.23%

Fifty-seven percent of callers (24) were referred to an EAP network provider face-to-face counseling visits.

There were 17 new management consultations regarding workplace issues, psychological/personal issues for employees, substance issues and other concerns. Twelve employees were referred for ongoing case management services due to work performance, interpersonal concerns and substance issues.

There were 2 on-site training events in 2011.

- Health and Benefits Fair
- Managing Multiple Priorities presentation.

Recruiting & Networking

Recruiting efforts for 2011 included attending job fairs in the Cheshire County area. Human Resources continues to promote Cheshire County Government as a premier employer in the area. In addition to the Cheshire County website, County posting sites, and other NH job sites, we continue to network with local area businesses and have been successful in posting employment opportunities at various localities.

I am a member of the Society for Human Resource Management (SHRM) and the Greater Monadnock Society for Human Resources Management Association (GMSHR). The GMSHR is a non-profit organization dedicated to providing professional development opportunities and networking to local HR professionals. Monthly chapter meeting topics vary from nuts-and-bolts program design seminars to more advanced HR strategy discussions.

Association of Counties – Human Resources Affiliate

In 2011 I was elected President of the Human Resources Association of Counties Affiliate. I have been attending the HR Affiliate meetings for the past 9 years in Concord, NH. Human Resource Managers and Directors from other Counties and are in attendance at these meetings.

General topics of discussion:

- NH Retirement System
- Labor Law Updates
- County policies and procedures

Monadnock United Way – Fund Raiser

In 2011 the Human Resources Department worked throughout the County to raise funds for the Monadnock United Way.

The HR department re-created the “Wheel of Fortune” game for County employees. We promoted the United Way through emails, posters and County Newsletter. The “Wheel” was brought to all County areas including MNH, DOC and Keene facility. All staff who made a donation to the United Way were offered to “spin the wheel” for a prize. The “Wheel of Fortune” game was very well received by staff and we were able to raise \$2,897.00.

Employee Newsletter

The monthly Employee Newsletter continues to be a benefit to all staff. It provides recognition to our Employee of the Month at Maplewood Nursing Home, boosts morale, improves employee relations and educates employees on upcoming events within the County.

Various County departments provide information for the newsletter and we look forward to their continued support in providing the Human Resources department with information for the Newsletter.

I would like to thank and recognize Emilee Patenaude, Human Resources Assistant for her tremendous effort throughout the year as my Assistant. I would also like to thank the County Commissioners, Elected Officials, County Administrator, Department Managers and co-workers for their support of the Human Resources Department. I look forward to working and serving all departments in 2012.

Respectfully Submitted,

Wendy Hurley
Human Resources Manager

Annual Report for 2011 Maplewood Nursing Home

Maplewood Nursing Home serves the needs of the most vulnerable residents of Cheshire County. Prior to the advent of federal funding, county homes (County Poor Farms) were developed based on the English version of the Alms House and were the means of providing services to community members including elders and were funded by the county regardless of ability to pay. Our county has always shown the cultural respect and concern for our elders and chronically ill by ensuring for the provision of care regardless of ability for self pay. A potential forecast for the future of federal matching Medicaid funding is concerning, and may force our county to re-evaluate our choice in how we will honor and care for vulnerable county residents.

Regulations affecting nursing homes have been increasing what seems exponentially, meanwhile the funding has been decreasing. Our Medicaid daily rate is less today than it was over 10 years ago. It's understandable that public funding sources ought not be used as a means to make a profit, however when under-funding is knowingly occurring concurrent to increasing regulations, the setting is created for the nursing home industry to begin breaking apart. Perhaps someday there will be no further federal funding for long term care with propaganda and thoughts that all people ought to have the right to reside in their own abode through the end of their life. This simplistic belief is far from reality; generally as a result of funding issues, our society has chosen to close institutions in favor of believing it is less costly to provide all of these services in the home. It is neither true that every single person is best kept in their own abodes, nor is it true that it will be less costly to have all needs provided for in one's home. It is this Administrators' belief that the philosophy of Maplewood Nursing Home ought to remain intact as a County operation and continue to meet the needs of those who are not best served in a less supportive environment within our county.

It may surprise many to learn that one of the first questions the admissions team at Maplewood asks is "what is this prospective resident's discharge plan?" Each admission is individualized beginning with determining if a prospective resident meets criteria to be admitted to a nursing home in the state of New Hampshire. If criteria are met, we then look at the discharge potential. Very few people approach an admission to a nursing home as their life-long goal or something on one's "bucket list". In the year 2011, we supported 40 discharges to home or another usually less supportive – yet appropriate environment such as assisted living.

Our social service department remains under the leadership of Teresa Walsh. Laraine Howard is the current Admissions coordinator and she has worked to streamline internal systems to strengthen and support our role in the increasingly complex Medicaid application process. Her main role remains to facilitate admissions, which numbered 82 for 2011. 60% of admissions in 2011 were transfers from the Cheshire Medical Center. There were 63 deaths and 40 discharges to home, assisted living or other area facilities.

Ongoing issues with Medicaid applications include denials for payment due to penalties determined by the State. A nursing home has to continue to offer services, meet the resident needs and occasionally even pay for otherwise non-covered services. The state can determine there is a Medicaid denial for an unqualified asset transfer in the 60-month look-back period. A

result is that a nursing home is no longer receiving funding from the resident who has now proven that they have no assets to pay and thus have applied for Medicaid. Homes are additionally not receiving funds from Medicaid due to the state's determination that when the resident had their own money, the resident "used it" in a way that made the resident ineligible for Medicaid. The conclusion is that a nursing home receives no funds, and is legally unable to discharge the resident unless some other home is willing to admit the resident with no payment source. We are even unable to require a 3rd party to pay for the stay; even when it may be the specific 3rd party that received the money in the first place. There is a certain irony with this system whereby the state determines if Medicaid will pay for care, yet it is the county collecting the 50% non-federal share to send back to the state for re-distribution when the state deems it appropriate. Representatives from the county Nursing Home Administrators worked with the New Hampshire Health Care Association to meet with Commissioner of Health and Human Services, Nick Toumpas, to discuss this issue and its effects on innocent third party nursing homes. No immediate remedies have occurred as a direct result of this effort as of this time. Another topic discussed at this meeting includes the increasing time frames required to wait for Medicaid approval (toping 9+months in some cases). As of the end of 2011, Maplewood can attest to an improvement in Medicaid approval time frames overall.

In 2011, we processed 237 referrals, of which 35% were admitted. More hospitals are referring patients "electronically", resulting in multiple nursing homes receiving referrals, and multiple sites "accepting" potential patients. It is common for Maplewood to accept a referral and have all preparations completed for the impending admission only to find that there has been a last minute family decision to admit to another facility – generally one "closer to Keene" so that families can easily visit their loved one. A newer trend that has surfaced this past year is that we admit residents who need long term care, yet have little to no funding source. We work with the resident and/or family through the Medicaid application process, then months later once Medicaid is in place, the resident requests a transfer to another facility – the pattern is that of being a facility closer to their family. It does not appear that every facility will admit a resident with little to no funding source.

Annual State survey, by Federal mandate, occurs each 9 to 15 months. Due in part to timing, Maplewood had the pleasure of 2 surveys – one in January, the second in November of 2011. Results from each were favorable with low level issues cited and swiftly corrected. During the 2011 year, Maplewood was interviewed during an investigation into the State survey process. Late in the year we were informed that the bureau chief retired and a surveyor had been reassigned to another state job.

After careful consideration including time frames when we have the most of our over 13,000 annual visitors, our Administrative Assistant, Jennifer Harris, initiated a trial for new receptionist hours for the last quarter of the year. Despite the reduction in hours, the function of the receptionists remains integral and intact to our overall operations. In addition to customer service provision, we continue to have our receptionists play a significant role in fire/disaster and resident code issues, as well as the numerous hours required at the end of each month in changing over the medication administration binders. We will continue to rely heavily on our receptionists for this time consuming function until Maplewood can find the funds to become wireless and initiate an electronic means of medication administration in conjunction with our pharmacy provider.

To meet resident needs and increases in regulatory requirements, we have further expanded the ability for residents to access their fund accounts through the receptionists on evenings and weekends. Other tasks taken on additionally for the county operations this past year include our transportation aide picking up and delivering the inter-office mail bag between 33 West St and Maplewood. Historically, this had been accomplished daily by the Sheriff's dept when they picked up inmates from the old HOC location. Finance staff took it over at the time of the move of the HOC, and now it is part of the responsibility for our transportation department. It can work overall, however there are days when transports are only to Dartmouth or Brattleboro locations, creating an additional challenge to co-ordinate the bag exchange.

Our current resident needs have resulted in needing weekly if not daily help for our 1 full time transportation aide. We currently have 2 LNA's fully trained and additional support from a per diem LNA and one of our PT aides to ensure we can meet resident needs with multiple staff cross trained to the required systems and safety needs. We have recognized during this year that we have a saturation point for being able to manage the needs of residents requiring dialysis. Due to the fact that someone receiving dialysis requires 3 times per week treatments at quite a distance from Maplewood, 2 and possibly 3 is our maximum capacity, and requires the use of a second transportation aide to meet total transportation needs of all of our residents.

The federal Elder Justice Act had some ramifications on nursing home requirements in 2011. Nursing Homes have never been able to hire someone with a criminal background involving a Felony level crime without a special waiver. Additionally, each staff person must now assert annually that they have not been found guilty of a misdemeanor to continue employment in a federally funded nursing home. This act additionally expands reporting regulations that require providers to work with their local law enforcement to determine what constitutes a crime. Due in part to ambiguity in language and compounded by the many different "local law enforcement" entities in this state, reporting requirements are poorly defined and leave room for subjectivity. By redefining what constitutes "abuse and neglect" in a nursing home, there will be a correspondingly sharp increase in reports of "abuse and neglect" in nursing homes. Conversely and due to subjectivity in the regulation, there is the opposite potential effect of nursing homes being cited for "failing to report abuse and neglect". The NHAC Nursing Home Administrators affiliate has reached out to the Attorney General's office as well as the department of health and human services to seek clarification and guidelines of these expanded reporting requirements.

Maplewood Nursing Home remains one of 3 county homes with a small atypical unit (called "TLC") that provides for the care of residents with very challenging behaviors. We have a new consulting geriatric psychiatrist, Dr. Sobti, who began his work with the county in July. He is highly regarded in the state and has been a positive addition to the team and the services we are able to provide to our residents.

The OT department continues to offer skilled services to all residents of the nursing home. The department remains lead by Gina Cutler and is comprised of three full time members: an OT director, a staff OT and an OT aide. In 2011 the staff OT position was temporarily filled with a travel therapist until Mid March. A full time OT was hired mid May 2011. The OT director took FMLA (working one day per week) from Sept – Dec. This past year, the OT department supervised one OTA student for a level II fieldwork experience and one OTA/LPN for a 100-hour observation re-certification requirement. A variety of modalities are offered including

physical agent modalities, aquatics, manual exercise, splinting, adaptive equipment education, safety training, etc. Our department is comprised of highly motivated and enthusiastic employees – who each strive to improve their skills and knowledge through education, practical experience and consultation with interdisciplinary team members.

The OT department altered the maintenance falls prevention exercise class to incorporate a greater number of residents in the winter of 2011. The class previously was offered in the rehabilitation department 3x/wk with a typical resident average census of 8. As a result of increased popularity of the group, the class is now offered in the resident dining room. The average population of the class is between 20-25 residents. Due to class size, standing level balance activities are no longer offered; all exercises are provided at the seated level.

The therapy pool was out of service for several months intermittently throughout the year. There were problems with wheel bearings for the paddle wheel and water chemical balancing. SwimEx manufacturer was contracted for servicing. Most of the issues have since been resolved.

The OT Director began the year by overseeing the Speech Language Pathology needs for Maplewood, then in April; we were fortunate to have a therapy recruiter locate a full time Speech Therapy Director to join our team. All open therapy positions remain a challenge to fill due to ongoing “supply and demand” issues, which plagues our industry and this country.

In contrast to therapy turnover, our nurse leadership team remained intact through 2011: Doreen Sheltra remains our Director of Nursing with Theresa Woolbert as the Assistant Director of Nursing. Our three RN nurse managers are: Lisa Clouet, Stephanie Sullivan, and Leanne Finnel. Robin Iliopoulos continues to “wear 3 hats” with responsibilities for infection control, employee health and CQI nurse, which is the leader of the continuous quality improvement requirements. To complete the nurse leadership team is Kristen Moses, staff education co-ordinator.

A common concern for the elders and chronically ill residing in nursing homes is the use of multiple medications, otherwise called “poly pharmacy”. The nursing department has focused in 2011 on medication reduction to ensure residents have what is necessary and yet reduce complications that result from multiple medication interactions. As a result, the 4th floor has significantly decreased medications and has discontinued most of the sliding scales for the stable diabetics. 4th floor has additionally changed the timing of medications to better meet regulations for timely administration. The 2nd floor posed an interesting challenge; despite resident involvement in medication reduction, some soon realized that they were being presented with fewer pills and sustained reduction became the challenge in this particular population. Our work in this area on our 3rd floor and atypical unit has required the involvement of the psychiatrist due to the level of dementia and behaviorally involved residents who reside on this floor.

Another focus has been to reduce the number of resident personal alarms. Over 10 years ago, the nursing home industry reduced (Maplewood achieved “elimination” of) physical restraints. As a result, many residents have personal alarms as part of their plan for reduction of falls. We predict that there will soon be regulations to reduce or eliminate the use of personal alarms, as it is observed with some residents that it becomes a “cognitive restraint”.

There are new regulations affecting our infection control and “continuous quality improvement” programs, with additional clarifications coming in the next few years. We must investigate track and have more in depth reporting of infections affecting residents. Certain illness rates have been favorable such that in 2011, we had no influenza experienced by our residents for the second year in a row. The High-dose flu vaccine was given to residents and staff over the age of 65. Concurrently staff had been vaccinated 2 weeks prior to the residents. We feel that this has had a positive effect in having had no episodes of influenza with residents. It is often believed that staff and visitors are the usual means for the introduction of viruses and infections in our population, thus vaccinating staff first – appears a smart defense in our effort to reduce our resident’s exposure to illness. That said, we did experience an outbreak of a GI illness in February affecting residents and staff. It is easy to track the resident who first presented with symptoms, whereas it is near impossible to determine how the “bug” arrived – was it a visitor, staff, or did the resident acquire it on an outing or physician’s appointment?

The health fair in May was a great success with more than 100 employees attending. Maplewood’s health plan is self funded, and any opportunity we can offer our staff at empowerment for achieving and maintaining good health is in the county’s best interest. Planning is already in progress for 2012.

The county Safety Officer, Pam Fortner, continues to analyze the staff injury trends including recent observations of moving from the usual industry expectations of back injuries to staff injuries from aggressive residents. Our plan to reduce injuries has included additional training to staff on identifying and preventing resident escalation, and managing situations before they become a danger to staff. This “CPI” training has been focused throughout 2011 to all staff, and additional plans to augment Dementia training of staff (both as a response to injuries as well as additional regulations requiring this) has begun as of the end of the 2011 year.

Additional changes in our industry include the move towards a newer more resident-centered Survey process. In preparation, we have embarked throughout the year to prepare for the new Quality Indicator Survey or “QIS” process through a web-based tool we lease called “Abaqis”. We will continue to use this quality improvement tool to ensure we are meeting resident needs as per what the Survey teams will employ.

Our Environmental Services department remains lead by Robin Rahe with Regina Holt supervising the Laundry department. News from the Laundry Department includes the total gross weight for 2011 = 525,452 pounds. This is up from 2010, which totaled 511,403 pounds. In the summer of 2011, we began having venting issues with one of our dryers. As a result, we have had to shut this down for the last half of the year creating a challenge in laundry turn-around time. We have continued to meet resident needs limping along with 3 of 4 dryers until we can get funding approved through the lengthy budget process.

We have tried a new laundry chemical company that has reduced our cost for 2011. The chemicals are performing acceptably and we are hopeful the contract pricing will remain steady as opposed to what sometimes happens for a trial of new products; the sales person gives you a large discount the first year, then increases the price in subsequent years. We continue to use

ozone in our laundry processing with it's benefits of reduced heat required for disinfecting the laundry and we are experiencing a longer life and better quality of laundered materials with it's use.

One of the most common complaints in nursing homes (second only to food) is "lost laundry". Increased efforts including posting signs to help families understand the needed process to get personal items marked has resulted in a reduction of "lost" items.

We continue to receive feedback that we "don't smell like a nursing home". When correct cleaning procedures are maintained and cost-cutting measures are not overused, we can continue to focus on the cleanliness of our facility. As mentioned in past reports, our floor tiles continue to wear out throughout the facility. We replace portions whenever possible, however they are nearly 15 years old – and with our high use and being a 24 hour/365 day business, we soon need to consider a complete replacement.

I am pleased to report that since we began repainting the common area walls (beginning the end of 2010 and continuing into 2011), we have had no further prospective customer comments that we had previously recorded. (Prior comments included "you've got a great reputation, but this place looks like a dump, can't you at least paint your walls?") The focus this year is now on resident rooms. Due to the sheer number of rooms, this initial painting will take years to "finish" and achieve a point of simple touch ups only needed.

As rooms are repainted, we have begun purchasing new draperies and privacy curtains for resident rooms that have been in need of replacement for some time. This will be an ongoing project completed as resources allow. We were unable to complete the full window cleaning for 2011, and our goal will be to tackle those missed and keep trying to achieve all windows each year.

The remnants of Hurricane Irene arrived in late August. Though there was little to no direct damage to Maplewood, we were highly affected on the day following the storm due to the severe regional flooding. As the day progressed, 2 of our 3 roads that access the home were impassable, and the 3rd road was nearly underwater. In anticipation of possibly becoming an island, we created altered staffing patterns to become self-sufficient for a short while had we become "stranded" to motor vehicle access. Within 24 hours of the water rising, the river had receded sufficiently and the army corps of engineers felt there was no imminent danger of a catastrophic failure of the dam upriver, and MNH returned to our usual operations. Of note is that shortly thereafter, the town of Westmoreland closed the bridge which had been our only route in and out. There are now only 2 routes in and out of Maplewood for vehicles over 10 tons. Both of these routes routinely flood each spring. This may make for interesting operations at Maplewood in the future during flood seasons.

Each year, we are mandated to conduct 2 disaster drills. Our drills this past year focused on a scenario of a catastrophic loss of water. We planned our first drill and ironically it ended up occurring 2 days after the flooding of the hurricane. The state does not allow actual disasters to count towards our mandate to practice 2 drills per year. We therefore completed the 2 mandated drills that included having to acquire potable water on very short notice. A preview to the 2012

report includes a loss of ability to use our water system. In Feb of 2012, a boil water notice was issued to Maplewood by the state for unacceptable bacteria levels. A portion of our 2011 disaster drill (obtaining potable water quickly) was utilized during this actual emergency.

As mentioned last year, any significant decisions on capital improvements to our nearly 40 year old building continue to be put on hold due to poor economic times. Water and wastewater pipes continue to deteriorate and the county maintenance department continues to replace as much length as possible with each repair. We struggle with residents desiring more electrical outlets than we have available and we have limited ability to power high energy use appliances such as the individual window air conditioners our residents are requesting, and in some cases are requiring due to a medical condition. We are not an air-conditioned facility, and this poses issues during the hot months. There is considerable discomfort to residents and staff alike, and to complicate matters further, even medications must be kept below certain temperatures, posing additional challenges to our operation. The main roof continues to experience significant leaks and will soon leave no option but to address major repairs or replacement.

The Activity department at Maplewood remains lead by Steve Wilson. Steve and his team continue to make an effort to balance the growing demands related to long term care standards and meeting the individual needs of residents. The activity staff has stepped up to the new responsibilities the MDS 3.0 has posed on this department. Overall we often have a total of 12 to 20 residents requiring review and reports each week which are all part of the new requirements since October of 2010. These include individual interviews, activity assessments, "Care Area Assessments" as well as care plan meeting review and individual care plans written and or updated.

Residents are being admitted with greater and more individualized needs. A newer trend includes younger residents being admitted who have significantly different activity needs and interests than many of the elderly residents. To imagine the effects this has on programming, imagine how teachers would have to rethink teaching high school students if suddenly they were burdened to integrate kindergarten-aged students into the same classroom.

To meet regulations, the Activity Department continues to consistently provide activity programs 7 days a week. Most weeks we offer 40 different programs. These include small focus groups, large groups, special events, community trips, and 1 to 1 resident visits. Supplies are provided and or activities are offered to most every resident 2 to 4 times a week. We assess each resident's activity preferences, needs and abilities. We then offer residents opportunities to participate in planning activities and we adapt activities to each resident's current abilities.

Many residents are very interested in being able to remain involved in community activities. This past year we provided the following trips: Alyson's Orchard, Lyanne's Mini Farm, Sunday Evening Concerts on the Green in Walpole, The Senior Olympics, fishing trips, Keene Swamp Bats, Montshire museum, Magic Wings butterfly museum, Keene's Pumpkin Festival, Stuart and John's Classic Car night and pancake luncheons, scenic bus tours, shopping trips and the most popular of all is dining out at area restaurants.

The Activity department continues to prepare and mail out a bi-monthly newsletter. These are sent to resident families, volunteers and others in the community. Activity staff also facilitates Resident Council meetings monthly including taking minutes and acting as liaison between the Council and applicable departments.

Activity services maintain a “Canteen” for the residents’ convenience. The canteen provides a wide range of shopping items for residents to purchase as needed. We also attempt to provide for special requests and shop to maintain the canteen inventory, fill individual resident requests as well as to pick up Activity department supplies.

Highlights of the 2011 activity programs include: the variety show, the Christmas pageant, Westmoreland school children visits, carnival games and professional juggling, annual walk and roll a thon, scavenger hunt, craft fair, Veteran’s recognition program, the Knights of Columbus Christmas party, Santa’s visit, gift bags and Christmas stockings for every resident, dog days, petting zoo, Maples fine dining, men’s luncheons, patio BBQs, as well as special take out meals from popular restaurants such as Kentucky Fried Chicken, McDonalds, Chinese food and pizza.

We usually offer about 14 music programs each month. In addition to some paid entertainers, we have a number of volunteer entertainers who come to Maplewood. Some of the more popular ones include; The Nelson and Westmoreland Town Bands, The Fall Mountain Regional High School Band, The Cheshiremen, The Ringers on the Square, Keene’s Senior Swingers, The East Bay Jazz Ensemble, the Tropical Sensation Steel Drum Band as well as about forty other popular entertainers.

Community involvement remains an integral part of Activity services. We combined our annual craft fair with a “cider social” for resident families to visit and help residents initiate holiday shopping. Volunteer hours totaled 1,624 hours, or on average 135 monthly. We currently have about 25 volunteers visiting weekly or monthly and about 28 volunteers visiting occasionally. They assist with many of the larger group programs and special events. Volunteers help mend resident clothes, and help with the monthly resident clothing center.

To honor our volunteers, we held a recognition evening. Fifty-seven of our volunteers were in attendance and thanked for their significant contributions. Some of our volunteers are also part of the Maplewood Auxiliary Association. The Auxiliary Association continues to focus on raising funds to support special purchases that can enhance and contribute to the quality of life of the residents.

The pet program managed by the Activities department has a bird, a rabbit, a fish tank and four very loved cats. Dogs visit daily and we help residents feed birds on our patio year round. We have an active horticulture program. Many of our residents were involved in gardening and or farming. We have a small group of volunteers from the Old Homestead Garden club who come to assist residents in making beautiful fresh flower arrangements. After Memorial Day they assist residents in planting the raised and ground level garden beds, making the patio a beautiful place to visit through out the summer. We also plant a Maplewood “Victory Garden.” Residents enjoy working and harvesting fresh tomatoes, green beans, summer and zucchini squash, peppers and cucumbers.

The Physical Therapy Department is lead by Laurel Moody and the department consists of six full-time employees: the director, 2 physical therapy assistants, 2 PT aides, and one rehab technician with a full-time staff PT position remaining open. There is a contract PT who works 2 days a week for 20 hours and a per diem PT who works one day a week to meet the rest of the needs due to this open position. There has been no PT staff turnover this year, and we have had no applicants for the open PT position.

The PT department evaluates all new admissions and screens all residents on a quarterly basis to assist in maintaining residents at their highest functional level as is federally required. PT also provides skilled services, as appropriate, to all nursing home and ALF residents as ordered by a physician. The PT department was able to expand both their skilled and supportive services this year. The rehab technician attended our paid feeding assistant training and assists with breakfast on the fourth floor daily. The PT director and one of the PTA's attended a lymphedema management class in October enabling us to provide those services in-house. Previously, residents had to be transported to Keene for these services. Both rehab aides continue to assist with nursing care, as needed, on all units and one rehab aid assists with transporting residents off-site PRN, along with their primary task of performing functional maintenance programs (walking programs, range of motion programs, exercise programs using the equipment in the employee gym, ETC.) for residents as ordered by the PT. The rehab technician cleans and inspects all wheelchairs on a quarterly basis, providing maintenance/repair as needed and services all durable medical equipment (walkers, wheelchairs, electric wheelchairs, canes, crutches, W/C cushions, etc.) when a problem is reported.

The PT department continues to utilize the ACP modalities on a regular basis. ACP provided 3 inservices at Maplewood nursing home this year, which increased our use and effectiveness of these modalities. These inservices were 2-3 hours each providing several hours of continuing education time per employee. All therapists are finding the modalities very effective in improving patient outcomes as well as increasing the number of residents who were able to receive PT services to address pain and dysfunction.

The director of PT chairs the fall prevention program, provides body mechanic training to all employees during annual orientation and works with injured employees on an individual basis to teach improved body mechanics and decrease the risk of re-injury. All members of the PT department support the mission of Maplewood nursing home by assisting with patient care, answering call lights and alarms, identifying and moderating hazards, following facility policies and procedures and acting as a resource for other departments as needed.

Bethany Lawson manages the Dietary department. She is a contracted Fitz-Vogt employee. She tracks special expenses regarding food and the highest cost involved is due to the thickened beverages and supplements some of residents require to facilitate safe swallowing, prevent choking and to prevent aspiration pneumonia. In 2011, it cost Maplewood \$26,671.93 in specialized thickened beverages. (there was a corresponding and concurrent decrease in pneumonia)

Staff turnover in the dietary department was significant during 2011; these are entry-level positions and many staff leave when a position becomes available in an area they have studied, whether it be a prior degree, or something achieved during their employment. Some vacancies are due to transfers to other departments at Maplewood (an example was an aide who became a nurse and successfully transferred into this vacant and skilled position). Educational focuses for all dietary staff through 2011 include the following:

Proper Hand washing & glove use	Mini Serve Safe
Knife Safety	Food Safety
FVA Sanitation Audit	Portion Control
Plate Presentation	Communication
Sexual Harassment	Food Safety & Sanitation
Food Temperatures & Resident Satisfaction	Eating @ 80
Proper Storage of Food Service Equipment	Fire Safety

Each year, a simple written report can never do justice to what each staff person, manager and department head has contributed and sacrificed to keep Maplewood Nursing Home operating. Without the support of each individual, we would never be able to meet the needs of our residents and thus our community as a whole. We are honored at times when self paying community residents chose Maplewood to be their home. More often, we are serving a population of residents who have needs no other nursing home can meet within our community. The reality of caring for our frail, elderly, and chronically ill residents remains costly and challenging, and there are few people who have a calling and depth of inner resources required in order to be able to work in this environment. As always, I can't thank our staff enough for all that they do to enrich the lives of our Maplewood residents.

Respectfully Submitted,

Kathryn Kindopp, B.Sc.P.T., NHA

Safety Office
2011 Annual Report

Thanks to all who made 2011 another notable year for Safety and a special thanks to the Maplewood Complex Safety Committee and Cheshire County Joint Loss Management Committee for their dedication to safety.

The County maintains an active role in the Greater Monadnock Public Health Network including membership in the Regional Planning Committee and the Healthcare Workforce Summit.

Disaster and fire drills were held in accordance with state and local regulations. Education continues in the Safety Department as appropriate. This year's education included HICS (Hospital Incident Command System) training at Cheshire Medical Center and Infection Control/Blood Borne Pathogen training, also at Cheshire Medical Center.

The Safety Office participated in two tabletop drills this year with outside agencies. One drill was an ACC (Acute Care Center) drill and the other was a POD (Point of Distribution) drill.

The Safety Office was invited to participate in Founder's Day at Keene State College by conducting a presentation on Emergency Preparedness "Go-Bags", which was held in May.

The Workers Compensation and the Temporary Alternative Duty program, managed by the Safety Officer, are current on the compensation process and are in compliance.

The Joint Loss Management Committee and Maplewood Complex Safety Committee have worked hard on many complex issues. These individuals deserve to be recognized for their dedication and faithfulness, taking time out of their busy days to attend meetings or inspections and bringing forth issues that are brought to them by other co-workers. Both committees are vital in supporting and increasing awareness of workplace safety.

Respectfully Submitted,

Pamela Fortner, Safety Officer

Cheshire County UNH Cooperative Extension is a partnership between the University of New Hampshire and the county government, providing a direct link between the university and the citizens of Cheshire County. As stated in NH RSA 24:10, the mission of UNH Cooperative Extension “is to educate people so that they can make informed decisions” that strengthen youth, families and communities, sustain natural resources, and improve the economy.

The local communities have been the center of UNH Cooperative Extension program efforts since its establishment by Congress in 1914. Cheshire UNH Cooperative Extension is one of ten county offices that link the University to local communities. People may drop in or call for information, participate in programs presented by Extension Educators, or access information via the county web site: <http://extension.unh.edu/Counties/Cheshire/Cheshire.htm>. We offer up-to-date information to help residents make informed choices, answer questions and help solve problems. We work to identify those issues critical to residents and to formulate non-formal education programs addressing those issues. Cheshire UNH Cooperative Extension helps individuals improve their health, helps families better manage their time and money, helps communities solve environmental or economic problems, help the food and agricultural industry keep up-to-date with developing technologies, and helps youth become tomorrow’s leaders.

Members of the Cheshire County UNH Cooperative Extension Advisory Council

Jeanette Bergeron, Keene	Marilou Blaine, Alstead
Jennifer Seher, Keene	Eloise Clark, Keene, Chair
Ryan Owens, Walpole, Vice Chair	Jennifer Risley, Keene
Geoffrey Jones, Stoddard	Sharlene Beaudry, Walpole
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Cheshire County UNH Cooperative Extension

Nancy Bradford-Sisson; Family and Consumer Resources
Carl Majewski, Agricultural Resource Educator
Christine Parshall, Nutrition Connections Program Associate
Steve Roberge, Forest Resource Educator, Office Administrator
Andrea Sawyer, 4-H Youth Development Educator
Diana Fiore and Diane DuGray, Administrative Assistants

Cooperative Extension carries out educational programs that address the issues that are most important to Cheshire County citizens. We focus our efforts in four program areas – Agriculture, Forestry & Wildlife, 4-H Youth Development, and Family & Consumer Resources – and we are available to all Cheshire County citizens via traditional classroom seminars, workshops, volunteer trainings, one-on-one site-specific consultations, emails, fact sheets, articles and other forms of media and outreach.

Cheshire County UNH Cooperative Extension Summary of 2011 Educational Programs

Public Workshops / Educational Events	187 events, 2845 attendees
One-on-one Site Visits (forestry & agriculture)	139 visits, 7534 acres
Community Partnerships & Collaborations	68 collaborations or community projects
Assistance to Towns	22 towns
Phone/email/walk-in	2116 contacts
Soil Tests	168 tests
Newsletter Distribution	989 total households
-Online newsletter	481 households
-Age-based parenting newsletter	258 households
-4-H Youth Development	250 households
Afterschool Program Enrollment	800 total youth
-Full-time Enrollment	150 youth
-Additional participants	650 youth
4-H Clubs	31 clubs, 300 youth
Active Volunteers	142 volunteers

Family & Consumer Resources Nancy Bradford-Sisson, Extension Educator

Family and Consumer Resources education efforts help build strong, healthy families and individuals by strengthening their assets and developing capacity to address issues faced across the lifespan. Communities become stronger and grow when families and individuals have the social, emotional, physical, intellectual and economic resources to succeed and thrive.

RAISING KIDS: Strong families raise children to become responsible, productive and caring adults. Many parents lack the knowledge and skills to promote the healthy development of their children. Cheshire County's FY11 parenting/child care educational efforts include: community collaborations; providing articles/data/material for local Parent Express newsletter and statewide Parenting NH newsletter; individual contacts; information and exhibits; age-based newsletter series, Cradle Crier and Toddler Tales (received by 157 Cheshire County households and others receive electronically with our "go green" initiative); distribution of publications/fact sheets. Parents learned: how their actions help their children become happy, healthy, fully functioning adults; communication and effective listening skills; how children grow and develop at different rates; appropriate positive discipline techniques. With this increased knowledge, parents are more effective in providing appropriate nurturance and guidance to their children resulting in positive development and achievement.

EATING RIGHT: Nutrition and physical activity play vital roles in overall health. Research links diets with many preventable causes of death- heart disease, diabetes, obesity and several types of cancer. Lifestyles with risk behaviors that include poor diet, high stress, smoking, drinking and physical inactivity increases the chances of hypertension, high cholesterol, obesity and diabetes. Obesity continues to increase and is of concern in both youth and adult populations. More meals are eaten away from home and people have less knowledge of and less connection to foods and agriculture. Adults tend to under consume foods from the fruit, vegetable, and dairy groups while diets exceed recommendations for fat, sugar and sodium. Cheshire County's FY11 nutrition/wellness/physical activity educational efforts include: group programs such as "Is It Whole Grain?"; Food Stamp Toolkit lessons; healthy snacks workshop for daycare providers; Senior Food Stamp Nutrition Education correspondence course; working with coalitions such as Monadnock District School Wellness Policy committee, Advocates for Healthy Youth, Council for a Healthier Community, Vision 2020; resource information/exhibits; county newsletter articles; individual contacts; distribution of publications/fact sheets. 67 participants in Extension nutrition/wellness/physical activity programs gained awareness, knowledge and skills and change behaviors related to: healthy eating; healthy food choices; benefits of physical activity; healthy weight management practices; improved skill in selection and preparation of healthy foods; recommended diet related practices for disease prevention and management; participation in regular physical activity.

FOOD SAFETY: Each year foodborne diseases cause a significant number of illnesses, hospitalizations, and even deaths, resulting in severe economic losses due to medical treatment and lost productivity. Public health officials believe the risk of foodborne illness is on the rise. In NH where tourism and eating out is a large proportion of the state's revenues, a foodborne illness outbreak could severely impact the entire industry. Cheshire County's FY11 food safety educational efforts include: group programs such as ServSafe®, SAFE, Let's Preserve Food at Home/canning workshops; Green Fuzz/Pink Slime; county newsletter articles; pressure canner dial gauge testing; interactive exhibits at farmer's markets, Agway, Home Depot; WTP: radio show on turkey food safety; individual contacts; distribution of publications/fact sheets. 166 food handlers in Extension food safety programs acquired knowledge/skills and incorporated skills and changed behaviors related to: practicing personal hygiene; cooking foods adequately; avoiding cross contamination; keeping foods at safe temperatures; 24 ServSafe® participants passed the certification exam after attending training with 14 receiving scores above 90; 118 participants acquired knowledge and skills related to USDA recommended food preservation practices.

SPENDING SMART: Individuals and households are saving less and spending more, putting their financial security at risk now and in the future. Cheshire County's FY11 Family Resource Management educational efforts include: group programs such as Take the Road to Financial Security in Later Life, Managing Money Wisely (5 4-week group series at Cheshire County House of Corrections), Who Gets Grandma's Yellow Pie Plate?; county newsletter articles and monthly enews; individual contacts; distribution of publications/fact sheets. 92 individuals gained awareness, knowledge and skills to: manage resources and pay bills on time; recognize consequences of financial decisions; increase personal savings and investments; reduce excessive debt; determine retirement or future income needs and how to meet them; prepare to manage the risk of changes in health and independence. Individuals are motivated to gain skills in money

management. Individuals increased their confidence to manage personal finances. Individuals and families utilized recommended financial management practices by: setting spending/savings goals to meet day-to-day financial obligations; developing and following a plan for achieving personal financial goals; reducing their debt level and managing their use of credit; increasing rates of savings; establishing retirement and investment plans to achieve long term financial goals and income needs. At least 40 Cheshire County citizens took steps or planned to take steps to reduce debt or increase savings as a result of the educational efforts.

Nutrition Connections
Christine Parshall, Program Associate

Nutrition Connections consists of two federal nutrition initiatives, **EFNEP** (Expanded Food and Nutrition Education Program) and **SNAP-Ed** (Supplemental Nutrition Assistance Program Education), whose missions are to provide education to low-income audiences in the areas of nutrition, food budgeting/shopping, cooking, and food safety.

Challenges and Opportunities

We live in a region with increasing availability of locally produced, healthy foods. Yet, we also live in a time of tight budgets and busy families. Fresh, local food is not accessible to all people or valued by all. In Nutrition Connections we take people as they are, where they are, and try to identify what will motivate them to create healthy changes in their diets. Some people need new recipe and menu ideas. Others need to hone their shopping skills in order to make the most of their food dollars. Still others are working on weight management for themselves or someone else in their household.

Nutrition Connections provides learning opportunities in several ways. Many adults participate in single session workshops. Others sign up for a series of lessons taught individually, in a small group setting, or through the mail. Youth participate through school enrichment programs, after school activities, and family cooking classes.

Outcomes

Nutrition Connections reached more than 100 adults and 400 children in Cheshire County this year. This work was made possible by the many schools and organizations that were hosts to programs and/or referred individuals. Families cooked together. Children tasted new foods. Young and old alike evaluated food packages for nutritional content. Practical activities yielded practical results. People discovered that food which tastes good can also be good for them, and doesn't have to break the budget. Interactive classes, using a facilitated dialogue approach, allowed participants to share their own knowledge and ask more questions.

A majority of adult participants surveyed reported improved nutrition practices (such as reading food labels) and nearly all reported an improved food intake in at least one food group. When asked what they planned to try at home, many reported that they would try to read more labels for fat and sodium content, include more whole grains, and drink less juice, among other goals

Twenty-four youth participated with a parent or grandparent in *Cooking Matters for Families*. This six-week class gets families cooking, learning, and trying new foods together. Parents reported that children help more in the kitchen, help plan meals, and try more new foods.

Children in Nutrition Connections youth programs learned about eating from the basic food groups. They explored the fruit and vegetable “rainbow,” examined and tasted whole grain products, rated the snacks they brought to school, and more. Teachers reported that students pay more attention to the nutritional value of their snacks and that they really bring more healthy snacks to school.

A Nutrition Connections Success Story

Jean (not her real name) is an educated and able person, but two of her three children have a rare metabolic disorder which requires a special diet, as well as expensive medication. Shortly after we began working together, Jean’s husband lost his job and they began using Food Stamps. Jean needed assistance with meal planning and shopping. What meals could she prepare which everyone could eat? How could she afford to feed everyone, including their special dietary needs, on a Food Stamp budget? During my visits we tackled food budgeting and practical meal planning, which Jean immediately put into practice. At the supermarket she learned to read nutrition facts labels and use unit pricing. At home she learned to make flexible meals which included something for everyone.

Cooperating Organizations

- RISE, for Baby and Family
- Monadnock Center for Violence Prevention
- Shelter From the Storm
- Keene Housing Authority
- Alstead Primary School
- Many Options After School Program
- Hinsdale Elementary School
- Hinsdale Middle School
- Jaffrey Head Start
- Ashuelot Head Start
- Gilsum After School and Summer Programs
- Winchester Elementary School
- Troy Elementary School
- Southwestern Community Services (Head Start, WIC, Workplace Success, Shelters)
- Monadnock Family Services (In Shape, Family Time)
- Home Health Care, Hospice, and Community Services

4-H Youth Development Andrea Sawyer, Extension Educator

Research has shown that youth development results from carefully planned elements that influence a child's development. National 4-H uses a model that strives to meet the four basic needs of youth: mastery, belonging, independence and generosity. These areas parallel the traditional four H's – head, heart, hands, and health. The Cheshire 4-H program strives to include these elements in its program to help youth develop the critical skills necessary for their future success. Adults who work with youth within 4-H clubs, in schools, or in after school programs, are taught this model. 4-H staff is expected to partner with other adults and youth collaborators to address youth issues and positively influence the quality of life for youth in their communities. This is done in two arenas: after school programs and community youth development.

INDEPENDENCE (Head) - Youth need to make thoughtful decisions, accept responsibility, exercise self-discipline, and move toward independence. They need to know they are able to influence people and events through decision-making and actions.

- 110 members participated in communication events at 4-H Day with 18 selected to go to State Activities Day. Eight were selected to go to Eastern States Exposition (ESE) in West Springfield, MA. Judges reported that 4-H youth are more likely than other youth to display strong communication skills, poise and self-confidence.
- 85% of members completed and exhibited project work.
- 4 youth served on the 4-H Council, one as chair, 2 teens were elected to NH Teen Council
- One teen and one volunteer have been selected to be on the State 4-H Advisory Council.
- One teen has been selected to be on the State 4-H Foundation Board.
- 25% of members serve as officers and 50% of youth practiced leadership skills at club level or by helping at county events.
- The 4-H Kitchen at the fair serves not only as a fundraiser for the Cheshire 4-H Council, but also as hands on experience in applying workforce skills. Over 200 youth members and adults (including some Extension Council members and State Legislators) volunteering over 700 hours raised \$6000 over the 5 days of the fair. 2 teen and 5 adults served as key leaders, supervising shifts, managing inventory and troubleshooting.
- Horse members practiced marketing skills while participating in the ads campaign for the horse program, raising \$5000 for 4-H horse activities.

BELONGING (Heart) - Youth need to feel connected and physically and emotionally safe, know they are cared about, develop social skills, interact with diverse people, learn the value of cooperation, and experience long-term consistent relationships with adults other than parents. These provide a foundation for participation in family, community and work environments.

- There were 47 4-H leaders who reported an average of 123 hours each of direct involvement with club members. 20 volunteers served in middle management roles. 8 new leaders were recruited, screened, and oriented. More than an additional 100 volunteers assisted with club and county activities, averaging 20 hours each. 219 youth were enrolled in 20 different 4-H clubs. Two new clubs were organized and there were 40 new members. 85% of youth completed their project and club work.
- A SET (Science, Engineering, and Technology) leader training workshop provided leaders with information and activities on this National Initiative.

GENEROSITY (Hands) - Youth need to feel they are connected and contributing members of their peer group, family, school and community. They need to realize they live in a global community which requires awareness and compassion for others. Bringing together individuals of different ages and diverse backgrounds strengthens a community's efforts to address issues.

- 75% of youth did a record, resume or scrapbook documenting their 4-H work.
- 21 4-H Clubs reported doing Community Service projects. 27 Cheshire County members did individual Community Service Learning projects. Projects included: Christmas support for various charities, food collecting, helping at community events including Pickle Festival and Strolling of the Heifers, community flower planting, animal visits to elderly or youth with disabilities, community food kitchen assistance, animal rescue and humane society assistance, making wreaths for shut ins, baking and delivering Valentines Cookies to the elderly, participating in the Relay for Life, cleaning a church, adopting a family for the holidays, coat drive for Winchester ACCESS Families, SMS School Food Pantry, and flowers to residents of Maplewood.

MASTERY (Health) –The subject matter taught in 4-H projects is the foundation enabling 4-H youth to master skills and explore possible careers. 4-H volunteers utilize quality research-based content in providing opportunities for youth to learn.

- 20 youth participated in the county horse knowledge and skills contests. As a result of the contests, 8 youth were selected for state quiz bowl, 4 for state judging, and 3 for state hippology. Cheshire sent 4 seniors to the State Quiz Bowl Contest, they placed 2nd overall, one member was the high individual and is on the NH State Team. She is participating in the National Contest in Louisville. The Junior Quiz Bowl team came in 2nd overall, and one member was the high individual of the contest. At the State Judging Contest, juniors placed 3rd, 6th, 7th, and 8th. At the State Hippology Contest 1 senior member placed 1st overall and was named to the state Hippology Team.
- 4-H Horse Field Days was held with 40 youth participating. 13 youth were selected to participate in the state horse show.
- At the state horse show Cheshire earned a number of awards. These included: Highest Overall Rider/Driver attending Eastern States, Chrissy Trophy awarded to the Senior Stable Manager with the highest combined quiz and judging scores; The High Driver Marion Lindabury Trophy, and the Peacemaker trophy which is awarded to the county with the highest combined scores of their members in quiz, judging, and performance. Six riders/drivers were selected to go to ESE.
- Cheshire County teens served as moderators and judges for State Dairy Quiz Bowl. Three youth were selected to attend National Dairy Quiz Bowl and were coached by a Cheshire County volunteer. Cheshire County had the high junior team and high individual junior.
- Over 30 4-H'ers participated the two day State Dairy Judging Tour which took place at farms in New York and Connecticut. Three members from Cheshire County qualified to be on the State Dairy Judging team which competed at Eastern States Exposition. One Cheshire County member team was the high individual of the Dairy judging contest at Eastern States.
- 26 Cheshire County 4-H'ers attended State Dairy Show in Lancaster, NH. One Beginner and one Intermediate were fit and show champions. Thirteen members qualified for Eastern States Exposition, 4 members won in dairy knowledge, one member had grand champion Jersey, 5 members won best bred and owned awards at Eastern States. Two volunteers from our county helped chaperone the event.

- Two Cheshire County youth attended National Dairy Conference in Madison, Wisconsin. Selection was based on a resume, interview, and their knowledge of the dairy industry.
- Five 4-H'ers in the beef project attended Eastern States, along with three chaperones from Cheshire County. New Hampshire won the herdsmanship award, first place in junior records, first place in marketing, and second in the educational exhibit.
- One working steer member attended Eastern States.
- Two teens were selected to go on National trips, and five were selected for State Achievement Awards based on their resumes.
- 14 volunteers judged at 4-H Day, which is our communications event, 6 volunteers judged records, 4 served as judges at State Activities Day, 40 volunteers judged or help superintendents at animal shows at the fair.
- 22 youth attended State Teen Conference, 15 were provided full scholarships and 6 half scholarships by the 4-H Council. Teen Conference was attended by over 200 teens. Two volunteers and one teen interviewed the 4-Hers for this event. Two volunteers chaperoned this event at the University of New Hampshire, and one teen was selected to be a member of the NH Teen Council which will plan the 2012 Teen Conference.
- Cheshire County represents 4-H on the Purebred Dairy Cattle Association. We help plan the State Dairy Breed Shows, which hosts the 4-H qualifying show for members to attend Eastern States; superintendent for the state 4-H dairy show; NH 4-H delegation to Eastern States; Chairman of the ESE 4-H Dairy Committee which plans the 4-H Dairy activities during the members' time at Eastern States Exposition; member of the New England 4-H Council.

Afterschool Programming

The Cheshire County Afterschool Network (CCAN) plans trainings and educational opportunities for afterschool staff. 4-H curriculum was used at 5 sites, 4 sites had 4-H Clubs, and assistance was provided for staff training, evaluation, and program environment.

- 943 Youth were reached through Afterschool or special interest project.
- Worked with Guidance Counselor and two volunteers with the Walpole school garden. They are harvesting produce which goes into the school lunch program.
- Working with volunteers of the Winchester afterschool program toward a goal of getting their garden up and running with hopes of providing produce to the school.
- Worked with a 4-H leader to receive grant funding to continue a 2-week camp for 14 Winchester girls age 9 to 12 that are low in self-esteem and school connectedness. The camp used 5 4-Hers as teen mentors and used 4-H dairy, horse, environmental, nutrition, and SET curriculum. Evaluations showed that more than 78% of the girls showed gains in self-concept, willingness to try new things, to persevere and to value teamwork.
- Worked with Jaffrey Rindge Rotary at their QUEST Camp held at Franklin Pierce College. Two former 4-Hers taught the students about water quality, soils, and gardening using the 4-H Curriculum.

Natural Resources
Agriculture
Carl Majewski, Extension Educator

With over 12,000 acres of cropland and over \$12.3 million in sales in products, agriculture has a strong presence in Cheshire County. There is also a large and growing segment of the population that is interested in raising vegetables, fruits, and/or animals for home food production. Programs in Agricultural Resources teach the skills and provide the information that enables both farmers and homeowners to produce crops efficiently and profitably, and to practice responsible land stewardship, which in turn helps them remain economically and environmentally viable.

In 2011, there were a wide range of programs for both commercial farms and for non-farming homeowners. There were workshops on extending the growing season, energy conservation in food production, and forage crops, focusing on current production practices and current research. There were also on-farm demonstrations on weed management and food safety. In the field, there were farm-scale experiments and demonstrations evaluating new forage crops, and evaluating methods to determine fertilizer needs more accurately. The non-farming public attended workshops throughout the county that taught effective and environmentally friendly gardening practices, backyard animal husbandry, pruning techniques, and pest management.

Activities

- With Hannah Grimes and Cheshire Conservation District, organized and delivered two meetings focusing on energy conservation and growing season extension in the “Energy for Food” Series, with a total of 78 participants.
- With Cheshire Conservation District, organized and delivered programs focusing on no-till farming techniques and on-farm food safety program, with a total of 29 participants.
- Held the Natural Resources Business Institute, a 13-week course that teaches business planning concepts and financial record keeping to people looking to start farms or other natural resources-based enterprises, with 18 participants.
- Held 2011 Corn and Forage Meeting in Westmoreland, with 23 people attending.
- 41 people attended workshops and presentations for home gardeners and backyard livestock owners focusing garden planning, introduction to backyard poultry, and garden pest management in gardens, and managing tree fruit crops for home gardens.
- Reviewed 168 home & garden soil tests.
- Conducted on-farm research looking at using small grains as forage crops on three farms.
- Provided information to 651 people regarding home garden production, the home environment, pest identification, and soil fertility through phone calls, walk-ins, or email.
- Conducted 64 farm and site visits in Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Keene, Nelson, Rindge, Richmond, Stoddard, Surry, Swanzey, Troy, Walpole, Westmoreland, and Winchester.
- 17 visits made with UNH campus-based specialists.
- 5 visits to new or beginning farms.

Selected Impacts

- Six dairy farms that had extensive crop damage resulting from Tropical Storm Irene received information regarding potential herd health hazards, and proper harvesting and storage recommendations to avoid these problems. A fact sheet detailing this information was distributed to farms throughout the state, and a video was made available online.
- According to responses to a questionnaire distributed after the Extending the Growing Season workshop in the “Energy for Food” series:
 - 100% felt the program enabled them to understand the basic principles of season extension; 71% indicated that the program helped them “a lot”.
 - 100% felt the program enabled them to learn appropriate site and crop selection for season extension; 58% indicated the program helped them “a lot”.
 - 84% felt the program enabled them to start using season extension techniques on their farms.
- Participants in the Natural Resources Business Institute were able to begin developing business plans and to identify the necessary steps for achieving their goals. Participants were also able to increase their skills in keeping such financial records as cash flow statements, balance sheets and budgets.
- Respondents to a survey distributed at the Farm Food Safety sessions indicated that the program made them more aware of issues related to food safety on farms, helped them identify improvements for handling and storing crops safely, and allowed them to learn recommended practices for improving the safety of their crops. They also indicated that they intend to make changes on their operations, including testing water, developing food safety plans for their farms, improving animal control practices around the packing house, installing UV sanitizers, and improving field sanitation.
- Six months after participating in the on-farm food safety program, one farm has taken steps to improve the safety of their produce. They have done a better job communicating and enforcing hand-washing policy and having employees wear single-use gloves when handling produce. They have also adopted a regular schedule for sanitizing buckets, crates, and produce bins, and they are looking into installing a UV water filter this winter.
- As a result of farm visits, two dairy farms are experimenting with the use of the Adapt-N model developed by Cornell University to estimate mid-season nitrogen needs on corn.
- Two farms participating in the on-farm grains project found small grains to be a productive forage crop that can fit in a double-crop system with silage corn, and they are looking for ways to incorporate them in their cropping plans.

*Natural Resources
Forestry & Wildlife*
Steve Roberge, Extension Educator

The mission of UNH Cooperative Extension Forestry & Wildlife Program is to provide educational information and assistance to forestland owners, businesses, and natural resource professionals so they can make informed and responsible decisions about maintaining and/or enhancing a healthy forest resource while sustaining economic viability. This is primarily accomplished through one-on-one consultations, workshops & events and providing educational support to collaborating/partnering agencies, organizations and municipalities.

The forest resource of Cheshire County is considerable with 405,100 acres of forestland or 89% of the county. 388,900 acres are owned privately by an estimated 5,600 landowners. The harvesting of timber from privately owned lands, the consulting foresters overseeing the management and the 50 or so logging operators in the county working on these lands significantly contribute to the area's economy and certainly to the state's forest-based economy. The forests of Cheshire County and the rest of New Hampshire also provide the backdrop for a healthy tourism and recreation economy which generates considerable revenue for our local businesses and governments. It is crucial for the economic, environmental and social health of Cheshire County and New Hampshire that the 5,600 private forest landowners in Cheshire County take care of their forest resource and make informed decisions when they use it.

While the Cheshire County Forest Resources Extension Educator serves on a number of committees providing assistance, programs and workshops, the real strength of the Forestry & Wildlife program at the county level is the one-on-one contact and assistance with the public, landowners and professionals. While some contacts are made by phone, mail or email, many require a personal consultation and field visits. Other audiences can be reached through public forums, meetings, field demonstrations, workshops, newsletters, articles and radio spots.

Landowner Contacts, Woodlot Exams & Referrals

- 66 properties, 4324 acres visited by the Cheshire County Forester. 91 individuals participated in these visits. *36 out of the 66 visits were new to Extension.*
- 22 Landowners were referred to a NH Licensed Forester. To date, 12 landowners have been in contact with a forester.

Woodlot exams vary in length of time, subject and acres covered. The woodlot exam is an opportunity for me to introduce the landowner to the resources they have available to successfully manage their land. The purpose of these visits is to answer any of the questions landowners may have and to provide options or information so landowners can manage their forestland to meet their needs while maintaining the health of the forest and the resources found in and around it. Quite often woodlot exams end with a referral to a consulting forester where the licensed professional can work with the landowner to manage their forest, prepare a planning document or harvest/sell timber.

A large portion of the time the Extension Educator in Forest Resources is the primary contact for landowners interested in managing their forestland. Follow up visits are often required – especially if the extension educator works with the landowner to apply for grants or “cost-sharing” funds to carry out projects on their property.

Other Contacts (email, mail or phone)

- *1465 individuals, organizations, communities or businesses were assisted* in the area of forest/tree insects and diseases, environmental issues, current use and forest law inquiries and other forest resource issues.

An example of assistance handled over the phone would be a Marlborough landowner interested in sub-dividing her land to give to her son and daughter-in-law to build their home. She wanted a portion of the land to remain in current use – therefore reducing the tax burden on the land.

The sub-division she planned would have prevented the land from remaining in current use and significantly increased the property tax due to a utility-owned path that split the sub-division in half. Speaking with the landowner, the Extension Educator in Forest Resources made her aware of this rule in the current use law and advised her to seek an alternative scenario. The landowner could not find help online or at town office before calling the UNH Cooperative Extension office in Keene.

Other examples of assistance from emails, mail or phone would be disease and pest identification, timber values, referrals of natural resource professionals and assistance with laws impacting forestlands and open space.

Workshops & Events

- *39 Public Workshops*, tours/events were led by the Educator in the past year covering a range of topics from best management practices on conserved lands to identification of the Asian Longhorned Beetle to management of forestlands for wildlife habitat and timber production.
- *958 People attended* those events.

Regional Committees & Boards

- Pisgah State Park Technical Committee (County-level)
- New Hampshire Farm & Forest Exposition Board of Directors (State-level)
- Granite State Division Society of American Foresters Continuing Education Chair (State-level)
- Southwest Regional Planning Commission Natural Resources Advisory Comm. (County-level)
- New Hampshire Tree Farm Program County Chair (County-level)

Collaborating/Partnering Agencies, Organizations, etc.

- Andorra Forest - Stoddard NH
- Cheshire County Conservation District
- Cheshire Medical Center
- City of Keene
- Farm Service Agency
- Granite State Division Society of American Foresters
- Harris Center for Conservation Education
- Keene High School
- Monadnock Conservancy
- National Wild Turkey Federation
- Natural Resources Conservation District
- NH Department of Agriculture
- NH Dept. of Environmental Services
- NH Division of Forests and Lands
- NH Farm & Forest Expo
- NH Fish and Game
- NH Timberland Owners Association
- NH Tree Farm
- Project Learning Tree
- Southwest NH Regional Planning Commission
- Town of Alstead
- Town of Chesterfield
- Town of Swanzey
- Town of Troy
- US Forest Service
- Yale University School of Forestry & Environmental Studies

2011 County Farm Annual Report

In March 2011, the County Delegation voted to close the long-standing county-owned and operated dairy farm. At that meeting in March, Chair Weber recognized Rep. Meader for a motion: *“To cease the operation of the current dairy farm facilities as soon as practicable, but no later than June 30, 2011, and to authorize the Commissioners to undertake such actions to arrange for the sale of the various farm assets, pursuant to RSA 28:8a, excepting land, buildings and fixtures and, further, to authorize the Commissioners to solicit bids for the lease of the farmland and buildings in Westmoreland and to execute all documents and undertake all acts necessary to lease the property, pursuant to RSA 28:8-c and subject to ratification by the county convention.* Rep. Hunt seconded the motion. Upon a roll call vote the motion passed 19 in favor and 4 opposed.”

In 2010, the operating deficit for the county farm was approximately \$194,000. Since 1991, the farm has lost a total of \$1.2 million or about \$59,000 per year. Hence the decision to close the farm was made to spare the taxpayers any further tax burden by continuing to subsidize the farm operation.

The County Commissioners, working in collaboration with the Delegation’s Farm Committee guided a process to identify potential renters of the farm property. A Request for Proposals was fashioned that stated, in part, the following:

The Board of Commissioners (the “County”) hereby requests proposals for a lease of the property commonly known as the “County Farm” located at 201 River Rd., Westmoreland, NH consisting of approximately 52 acres of land of which approximately 48 acres are tillable. The subject property also has several buildings thereon and the respondents must identify and specify which buildings are sought to be leased.

Proposals that meet the requirements, as stated herein, will be evaluated with the following criteria:

Suitability of the Proposal – The proposed lease agreement meets the needs and criteria set forth in the RFP.

Sensitivity to the stewardship that the County has demonstrated over the past 100+ years – Candidate will manage the operation in a manner by and large consistent with the practices over the past several decades.

Management Practices – The successful applicant shall demonstrate a commitment to sound land stewardship by following accepted practices that protect soil, water, and other natural resources.

Value/Pricing Structure – The financial benefit to the County.

Candidate Profile and Experience – Candidate has successfully managed similar operations and has the qualifications necessary to conduct the intended activities. The character, integrity, reputation, and judgment of the candidate shall also be considered.

Capacity – Candidate has appropriate staff to successfully manage the operation. Candidate has adequate financial resources to successfully start-up and sustain the operation.

Public Value - Adding value to the greater community will be viewed favorably. Examples may include farming operations and facilities that are accessible to the public, a positive and meaningful contribution to the local economy and/or contribution to local food security.

Long-term Goals / Plans – A clear articulation of a viable goal which continues to demonstrate a sensitivity to the stewardship of the land which has been practiced over the past 100+ years. Proposals will also be evaluated in terms of whether the proposed use and terms will be compatible with (or at least not inconsistent with) the long-term planning for these facilities, which is currently underway in conjunction with a separate group of stakeholders.

Proposal Presentation – The information is presented in a clear, logical manner and is well organized.

A lease was drafted and executed that included, in part, the following language to assure citizens that the land would be properly cared for by the new tenant:

WHEREAS, the Lessor has operated a dairy and produce farm on county-owned land for nearly 200 years and;

WHEREAS, the Lessor has provided a high level of stewardship over this land and continues to have a high stewardship interest in this land and;

WHEREAS, the Lessor, through its County Commissioners and Delegation have indicated a desire to lease this land to encourage new farmers to enter the farming life and;

WHEREAS, it is a goal of the Lessor, in entering this lease is to ensure that agricultural land and improvements be preserved as a working farm and that access to such farm by the public be continued, within reasonable expectations and without interfering with the gainful activities of the Lessee;

WHEREAS, the Lessee shares the purposes and goals of the Lessor and has agreed to enter into this Lease not only to obtain those benefits to which Lessee is entitled under this Lease, but also to further the purposes of the Lessor with regard to the Leased Premises;

WHEREAS, Lessor and Lessee recognize the special nature of the terms and conditions of this Lease, and each of them, with the independent and informed advice of legal counsel, freely accepts these terms and conditions, including those terms and conditions stated in the Requirements and Restrictions attached to this Lease; and

WHEREAS, it is mutually understood and accepted by Lessor and Lessee that the terms and conditions of this Lease further their shared goals over an extended period of time;

This language included very specific conditions for using the property. Ultimately, after interviewing several applicants, Tiffany and Dana Briggs a/k/a BoRiggs Cattle Company was awarded the lease.

2011 was the first year where the county leased the farm land and buildings to a farmer. County expenses for the operation of the farm have dropped to being virtually nil. Income from the farm rental and all farm buildings totaled \$31,000 for the partial year of leased operation. The tenant (Bo-Riggs Cattle Company) has performed in accordance with the lease and appears satisfied with both the relationship with the county and with his success in dairy farming. While 2011 marked the end of a very long county farm history, our stewardship over the land remains strong.

The County gratefully acknowledges the decades of tremendous service, dedication and caring provided by Dave Putnam and his staff over the years. Dave, in so many respects, treated the farm as if it were his own property and gave selflessly at all hours and in all circumstances to preserve and safeguard the animals and property. In fact, at the animal auction, the prices received for our herd was very high due to the condition and quality of the animals. Many auction attendees were astonished at the fine pedigree and excellent health of the herd. Such conditions do not happen by accident. Much credit goes to Dave Putnam for all that the county gained from the operation of this farm. We wish Dave all the best as he moves on in his career.

Respectfully Submitted,
Jack Wozmak, County Administrator

Grant Support Specialist 2011 Annual Report

This is the first full year that the Grant Support program of the County has been operating. The hiring of a dedicated Grant Support Specialist occurred in August of 2010 and has proven to be a financial benefit for the County itself and many of the non-profits in the County. During 2011, we aggressively pursued grant-funding opportunities to reduce the burden of taxpayers and to infuse outside funds into local organizations and agencies. Cheshire County has now become the fiscal sponsor for several grants for agencies and non-profits who do not have the capacity to manage state, federal or local grants. As well as writing and managing grants, we are continually forwarding funding opportunities to agencies that have met with us looking for specific services and sources.

The County has worked with many agencies to strengthen their readiness to accept grant funds. We have begun partnerships with historical societies, libraries, farmers, law enforcement, fire departments, housing organizations, substance abuse and mental health providers, after-school networks, regional transportation, highway safety departments, school departments and others to assist in seeking funds that would be appropriate and necessary for continued support in this region.

When a funding need is presented, we carefully review the source, requirements, internal capacity of the organization to fulfill the programmatic outcomes, evaluation needs, etc. and see if the goals of the grant align with the goals of the County. As fiscal sponsor we do not implement the program but we do manage the funds and adhere to the strict guidelines set forth by the funder. For that service, we have set a Cost Policy of 10%, which is a revenue source for the County.

At the end of 2010, we were managing \$1.8 million dollars in grants. During 2011, we acquired an additional \$1.3 million dollars in funding bringing us to a total of thirty-two State, Federal and Local sources for \$3.1 million in revenue. We researched and applied for a total of nearly \$2 million in 2011. The administration of these grants has provided a revenue stream to the County and, consequently, these fees cover the wages of the Grant Support Specialist position.

The following grant funds were managed by Cheshire County during 2011:

Comm. Dev. Fin. Authority	EF Lane Hotel renovation	\$ 500,000
Dept of Safety	DWI Hunter Patrols	\$ 2,025
Dept of Safety	Operation Safe Commute Patrols	\$ 1,688
Dept of Safety	Operation Safe Commute Patrols	\$ 3,600
Comm Dev. Finance Authority	Second Chance for Success	\$ 500,000
Comm Dev. Finance Authority	Unity Place	\$ 500,000
Dept of Justice, NH	Domestic Violence/SA Asst DA	\$ 30,000
Dept of Justice, NH	Enforcing Underage Drinking Laws	\$ 12,000
US DHHS SAPT Block Grant	JSI- Center for Excellence	\$ 1,500

NH Charitable Foundation	Monadnock Voices for Prevention (MVP) Substance Abuse Prevention	\$ 1,978
Dept of Justice, NH	Domestic Violence/SA Asst DA	\$ 30,000
NH Charitable Found.	MVP	\$ 24,750
Dept of Justice, NH	Residential Substance Abuse Treatment	\$ 15,000
US DHHS SAPT Block Grant	JSI- Center for Excellence for MVP	\$ 400
Dept of Justice, NH	Victim Witness Advocate	\$ 26,500
DHHS, NH	BT-Public Health Network (PHN)	\$ 95,000
DHHS, NH	Amendment to PHN	\$ 48,126
Dept of Transportation, NH	FTA 5310 for Region 5-Transportation	\$ 53,142
US DHHS SAPT Block Grant	MVP	\$ 51,090
AARA DOJ	Custom Records Management (CRM)	\$ 45,950
Dept. of Justice	Add'l funds CRM Database System	\$ 5,535
NH Charitable Foundation	MVP	\$ 39,975
Bureau of Justice Assistance	Bullet Proof Vests	\$ 780
NH Association of Counties	MVP	\$ 200
New Futures	MVP	\$ 200
FEMA- Homeland Security	Mobile Command Unit-Sheriff's Office	\$ 271,003
FEMA- Homeland Security	Voting System-Sheriff's Office	\$ 257,454
NACCHO	Monadnock Regional Medical Reserve Corps	\$ 5,000
Justice Assistance Grant	County Sheriff's Office /City of Keene	\$ 26,538
Dept of Energy	AARA Energy Audit	\$ 8,250
Dept of Energy	AARA Recovery Act Energy Projects	\$ 326,700
Justice Assistance Grant	AARA Recovery-Sheriff's Office	\$ 209,336
Vermont Yankee	County Sheriff's Office	\$ 10,950
		\$ 3,104,670

Respectfully Submitted,

Cyndi Desrosiers, CPS
Grant Support Specialist

COUNTY OF CHESHIRE, NEW HAMPSHIRE

Financial Statements

With Schedule of Expenditures of Federal Awards

December 31, 2011

and

Independent Auditor's Report

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

**Report on Compliance with Requirements That Could
Have a Direct and Material Effect on Each Major Program
and on Internal Controls over Compliance in Accordance
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Schedule of Findings and Questioned Costs

COUNTY OF CHESHIRE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2011

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**COUNTY OF CHESHIRE, NEW HAMPSHIRE
FINANCIAL STATEMENTS
December 31, 2011**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
County of Cheshire, New Hampshire

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 Cheshire, New Hampshire (the County) as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Cheshire, New Hampshire'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 the 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.

As discussed in Note 2 to the financial statements, management has not recorded a liability for other post-employment benefits in governmental and business-type activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other post-employment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net assets, and change the expenses of the governmental and business-type activities. The amount by which this departure would affect the liabilities, net assets, and expenses of the governmental and business-type activities is not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the respective financial position of the governmental and business-type activities of the County of Cheshire, New Hampshire, as of December 31, 2011, or the respective changes in financial position and cash flows, where applicable, thereof for the year then ended.

In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each major governmental fund and the aggregate remaining fund information of the County of Cheshire, New Hampshire as of December 31, 2011, and the respective changes in financial position 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 May 29, 2012 on our consideration of the County of Cheshire, New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 that testing, and not to provide an opinion on internal control over financial reporting or on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages i-ix and 31-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cheshire, New Hampshire's financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Wachon Clukay & Company PC

May 29, 2012

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

The discussion and analysis of Cheshire County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2011. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2011 are as follows:

- The County's total net assets were \$18,549,317 an increase of \$3,651,496, which represents a 24.51% increase over 2010 from \$14,897,821 (as restated).
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$7,345,718 an increase of \$2,040,831 from the prior year balance of \$5,304,887 (as restated). Of this amount, \$4,210,508 is available for spending (unassigned).
- At the end of the current year, unassigned fund balance for the General Fund was \$4,210,508, which represents a 29.23% increase from the prior year balance of \$3,258,171.

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:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Government-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.

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. These 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.

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

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, non-financial 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, including General Government, Public Safety, Human Services/Medicaid Expenses, and the Cheshire County Farm. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.
- **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

A fund is a grouping of related accounts that is used to maintain controls over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The funds of Cheshire County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. In 2011, the County has determined the General Fund and the ARRA Fund to be major governmental funds.

GOVERNMENTAL FUNDS—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

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 balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, identified earlier as the General Fund and the ARRA FMAP Fund. Data from the other governmental funds, which includes

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

County Extension Service, Incentive Fund, Heman Chase Fund, Deeds Surcharge, JAG Grant Fund and the Capital Reserve Funds are combined into a single, aggregated presentation.

PROPRIETARY FUNDS—The County has two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Nursing Home, Wellington Fund, Nursing Home Contribution Fund and Baronoski Fund. An internal service fund is used for its self-funded Health and Dental Insurance account.

FIDUCIARY FUNDS—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS—The notes provide additional information that is essential to gaining 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 presents the General Funds actual revenues and expenditures as compared to the legally adopted budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

County assets exceeded liabilities by \$18,549,317 (\$15,769,263 in governmental activities and \$2,780,054 in business-type activities) as of December 31, 2011. This is an increase in net assets, as restated, of \$3,651,496 from 2010.

**Cheshire County, New Hampshire Net Assets
as of December 31, 2011 and December 31, 2010**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 10,856,299	\$ 7,600,618	675,631	\$ 237,664	\$ 11,531,930	\$ 7,838,282
Direct Financing Lease A/R	1,444,560	1,827,800	-	-	1,444,560	1,827,800
Capital Assets, Net	<u>39,909,915</u>	<u>41,158,709</u>	<u>4,534,137</u>	<u>4,725,588</u>	<u>44,444,052</u>	<u>45,884,297</u>
Total Assets	<u>52,210,774</u>	<u>50,587,127</u>	<u>5,209,768</u>	<u>4,963,252</u>	<u>57,420,542</u>	<u>55,550,379</u>
Other Liabilities	5,851,803	5,254,410	1,624,284	1,225,449	7,476,087	6,479,859
Long-Term Liabilities	<u>30,589,708</u>	<u>32,896,594</u>	<u>805,430</u>	<u>1,276,105</u>	<u>31,395,138</u>	<u>34,172,699</u>
Total Liabilities	<u>\$ 36,441,511</u>	<u>\$ 38,151,004</u>	<u>\$ 2,429,714</u>	<u>\$ 2,501,554</u>	<u>\$ 38,871,225</u>	<u>\$ 40,652,558</u>
Net Assets:						
Invested in Capital Assets,						
Net of						
Related Debt	\$ 7,249,722	7,564,069	\$ 3,474,487	\$ 3,498,075	\$ 10,724,209	\$ 11,062,144
Restricted	2,293,455	2,426,346	72,054	-	2,365,509	2,426,346
Unrestricted	<u>6,226,086</u>	<u>2,445,708</u>	<u>(766,487)</u>	<u>(1,036,377)</u>	<u>5,459,599</u>	<u>1,409,331</u>
Total Net Assets	<u>\$ 15,769,263</u>	<u>\$ 12,436,123</u>	<u>\$ 2,780,054</u>	<u>\$ 2,461,698</u>	<u>\$ 18,549,317</u>	<u>\$ 14,897,821</u>

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Total net assets are presented in three categories: capital assets, restricted and unrestricted.

The largest portion of the County's net assets are related to capital assets (e.g., land and improvements, buildings and building improvements, machinery and equipment, vehicles, and infrastructure). The figure presented (\$10,724,209) is net of any related debt incurred to acquire those assets and represents 57.81% of total net assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the County's net assets (\$2,365,509 or 12.75%) represents resources that are subject to restrictions on how they can be used. For Cheshire County, those restrictions include those related to limitations imposed by statutes governed by the State of New Hampshire and unexpended proceeds from bonds, grants, and restricted donations.

The remaining portion (\$5,459,599 or 29.43%) represents the part of net assets of Cheshire County that may be used to meet the County's ongoing obligations to citizens and creditors without constraints established by debt covenants, enabling legislation, or other legal requirements (unrestricted). As you will note, the unrestricted assets of the County business-type activities have a negative balance. Specifically, the business type activity for Cheshire County is the County owned Maplewood Nursing Home. Although the objective of the County is that the Nursing Home is self sustaining, Maplewood as well as other County run nursing homes throughout the State of New Hampshire face deficits due to Medicaid reimbursement rates being lower than the actual cost to run the homes. The 2011 negative balance decreased by \$307,773 to a balance of (\$766,487) from the 2010 level of (\$1,074,260).

The next statement provided shows the changes in net assets for 2010 and 2011.

***Note 2011 restatements for GASB 54 are only reflected in the 2011 Current year figures.**

Cheshire County, Changes in Net Assets

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for Services	\$ 2,785,986	\$ 2,417,585	\$ 9,342,984	\$ 9,232,054	\$ 12,128,970	\$ 11,649,639
Operating Grants and Contributions	2,564,977	795,431	1,761,603	2,438,001	4,326,580	3,233,432
Capital Grants and Contributions	-	-	25,296	-	25,296	-
Total Program Revenues	<u>5,350,963</u>	<u>3,213,016</u>	<u>11,129,883</u>	<u>11,670,655</u>	<u>16,480,846</u>	<u>14,883,071</u>
General Revenues						
Property Taxes	23,861,006	22,452,755	-	-	23,861,006	22,452,755
Gain(Loss) on Disposal of Capital Assets	-	-	-	460	-	460
Grants and Contributions	-	1,473,670	-	-	-	1,473,670
Interest and Investment	6,064	28,730	636	3,518	6,700	32,248
Other	<u>547,744</u>	<u>210,843</u>	<u>956,959</u>	<u>14,489</u>	<u>1,504,703</u>	<u>225,332</u>
Total General Revenue	<u>24,414,814</u>	<u>24,165,998</u>	<u>957,595</u>	<u>18,467</u>	<u>25,372,409</u>	<u>24,184,465</u>

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

Total Revenues	29,765,777	27,379,014	12,087,478	11,688,522	41,853,255	39,067,536
Transfers	<u>(2,832,842)</u>	<u>(2,820,623)</u>	<u>2,832,842</u>	<u>2,820,623</u>	<u>-</u>	<u>-</u>
Total Revenues and Transfers	<u>26,932,935</u>	<u>24,558,391</u>	<u>14,920,320</u>	<u>14,509,145</u>	<u>41,853,255</u>	<u>39,067,523</u>
Expenses:						
General Government	4,441,778	4,623,596	-	-	4,441,778	4,623,596
Public Safety	8,456,957	7,188,903	-	-	8,456,957	7,188,903
Human Services	8,177,116	8,025,814	-	-	8,177,116	8,025,814
Conservation	246,099	429,391	-	-	246,099	429,391
Economic Development	507,527	39,280	-	-	507,527	39,280
Farm	268,960	429,374	-	-	268,960	429,374
Interest on Long Term Debt	1,501,358	1,537,171	-	-	1,501,358	1,537,171
Cheshire County Nursing	<u>-</u>	<u>-</u>	<u>14,601,964</u>	<u>14,811,158</u>	<u>14,601,964</u>	<u>14,811,158</u>
Home						
Total Expenses	<u>23,599,795</u>	<u>22,273,529</u>	<u>14,601,964</u>	<u>14,811,158</u>	<u>38,201,759</u>	<u>37,084,687</u>
Increase (Decrease) in Net Assets as restated	<u>\$ 3,333,140</u>	<u>\$ 2,284,862</u>	<u>\$ 318,356</u>	<u>(302,013)</u>	<u>\$ 3,651,496</u>	<u>\$ 1,982,849</u>

Governmental Activities

Charges to users of governmental services made up \$2,785,986 or 9.4% of total government revenues and include such services as provided by the Sheriff's Department, Department of Corrections, Court House Leases, Cheshire County Farm, Registry of Deeds, and Assisted Living Apartments. Additionally, the County receives revenue from operating grants and other contributions. In 2011, this totaled \$2,564,977 or 8.62% of total government revenue. Operating grants are used to fund expenses associated with programs such as the Domestic Violence Prosecutor, the Victim Witness Program and the Regional Prosecutor Program. Other contributions included in the amount are grants for Public Health initiatives and Enforcing Underage Drinking programs.

Property tax revenues are the County's largest revenue, accounting for \$23,861,006 or 80.16% of total government revenues. As noted previously, the County is able to recover some of its expenses through user charges, however, a great deal of County operations do not have revenue sources sufficient or available to meet their expenses and as a result are funded by Property Taxes.

One of the largest expenses funded through the assessment of taxes is associated with the obligation towards the Human Service Medicaid Expenses. This area is responsible for paying the County's share of funding for those Cheshire County residents needing Medicaid assistance. As of July 1, 2008, the County took on 100% of the non-federal share for residents in Long Term Care Facilities and for County residents receiving their care at home (Choices for Independence). As a result, the State of New Hampshire took over 100% of the non federal share of the other programs which included Board and Care of Children, Old Age Assistance, Aide to the Permanently and Totally Disabled and Provider Services. As the cost of these programs outweigh the cost of the LTC and Home Care programs, there was a "Hold Harmless" provision included in the statute that protected the Counties from being exposed to additional expenditures above normal inflationary rates for State Fiscal Years 2009 and 2010. After SFY 2010, the legislature establishes caps to determine the maximum liability exposure for these expenses on a biennial basis. The amount of 2011 County

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

Taxes attributable to the State passthrough for these Medicaid State Programs was \$6,787,408 or 28.45% of County Taxes.

The analysis for governmental activities indicates the total cost as well as the net cost of services. The net cost of services identifies the cost of those supported by tax assessments and unrestricted revenues that are not directly related to specific charges for services or grants and contributions that would offset those services.

**Cheshire County, Governmental Activities
For Year Ending December 31, 2011 and December 31, 2010**

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
General Government	\$ 4,441,778	\$ 5,831,545	3,348,351	4,005,067
Public Safety	8,456,957	7,188,903	6,991,817	6,119,273
Human Services	8,177,116	7,286,536	6,407,103	7,286,536
Farm	268,960	429,374	(244,856)	181,886
Conservation	246,099	-	246,099	-
Economic Development	507,527	-	(1,040)	-
Interest Expense	1,501,358	1,537,171	1,501,358	1,467,751
Total Expenses	<u>\$ 23,599,795</u>	<u>\$ 22,273,529</u>	<u>\$ 18,248,832</u>	<u>\$ 19,060,513</u>

Business-Type Activities

Charges for services provided funding for 63.98% of total program expenses with the additional 12.24% coming from operating grants and contributions and 19.40% (\$2,832,842) subsidized by the General Fund.

Although the Nursing Home should be self sustaining, high census levels of Medicaid residents largely contribute to its operating deficit. In 2010, the Nursing Home required the General Fund to subsidize the operations by 18.22% or \$2,820,623. In 2011, the subsidy remained nearly the same increasing only slightly to 19.40% or \$2,832,842, an increase of \$12,219.

Financial Analysis of County Funds

Cheshire County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

During the year ended December 31, 2011, the County implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under Statement 54, the County has segregated fund balance into five classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. One major example of the effects caused by the implementation of GASB 54 is that the various Capital Reserve Fund balances are now reported as part of the General Fund.

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

As of December 31, 2011, the County's governmental funds reported a combined ending fund balance of \$7,345,718, an increase of \$2,040,831 in comparison with the prior year, as restated. Approximately 57.32% of this total (\$4,210,508) represents unassigned fund balance. The increase is partially due to favorable results for actual expenditures when compared to actual revenues. Additionally, \$483,164 of the committed fund balance was added by the Delegation in a budget amendment due to the receipt of ProShare funds. This addition to fund balance was committed to offset 2012 taxes to be raised.

Complete descriptions of the above mentioned classifications and a more detailed breakdown may be found on page 15 of the Notes to the Basic Financial Statements.

Enterprise Funds

The enterprise fund (Maplewood Nursing Home) focuses on the changes to net assets, much as it might be for a private-sector business.

The unrestricted net assets of Maplewood Nursing Home at December 31, 2011 were at deficit levels of (\$1,804,252). The unrestricted net asset deficit increased by \$5,790 over the 2010 level of (\$1,798,462). Although the Nursing Home Supplemental payment helps to narrow the difference between the Medicaid rate and our actual per diem rate, deficit levels still continue as the Medicaid rate combined with the Bed Tax falls short of covering the cost of patient care.

As a government owned nursing home, the census of Medicaid residents tends to be much higher than private nursing home levels. As of December 31, 2011, approximately 84% of the nursing home census consisted of residents needing Medicaid assistance in order to pay for their care. Based on the 2011 Medicaid cost report for Maplewood, the per diem rate was calculated to be \$290.76, however, the actual paid per diem as of December 31, 2011 was \$154.78 or \$135.98 per day short of 2011 costs. The supplemental payment provided additional reimbursement averaging \$42.23 per day with the Proportionate Share Funds providing additional reimbursement of \$26.06 per day. These additional payments still leave the allowable per diem rate short by approximately \$67.69 per day.

As of January 1, 2012 the Medicaid rate for Cheshire County decreased by \$10.04 per day to a daily rate of \$144.74.

Budgetary Highlights

By State statute, the County Convention must adopt its annual budget within 90 days after the beginning of the County's fiscal year. Therefore, any new purchases or proposed changes to the budget are not executed until the budget is adopted. On March 21, 2011, the County Convention adopted the 2011 budget. As adopted, the bottom line was up .46% (\$187,956) and taxes to be raised were 6.51% higher than 2010 (\$1,462,113) for total taxes to be raised of \$23,914,868.

Areas that contributed to the increase included the following:

- Nursing Home revenue projections decreasing by \$552,044.
- Projected revenue decreases in NH Quality Assessment return of \$323,335 due to the phase out of Enhanced ARRA FMAP funds.
- An increase in expenses of \$438,352 for contributions towards Medicaid Assistance for Nursing Home and Home Based Care (HCBC).
- Increase in Health Insurance contributions of \$221,222

CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS

On April 24, 2011, there was a budget amendment of \$750,000 bringing the total approved budget to \$41,982,995. This \$750,000 increase in appropriations was made in order to accommodate an overnight loan to Monadnock Economic Development to reflect a land transaction whereas the County will sell .58 acres of land in order for them to construct a new courthouse.

On July 25, 2011 011 there was another supplemental budget brought before the County Delegation amending the budget by another \$299,557. This amendment was brought forward based on the receipt of ProShare Funds, receipt of grant funds as well as to seek authorization to expend excess revenues realized as a result of equipment auctioned during the closing of the County Dairy Farm. As a result of the supplemental budget, the total budget increased to \$42,282,552 up 3.02% (\$1,237,513) over the 2010 budget. The amendment decreased taxes to be raised by \$53,862 adjusting taxes to \$23,861,006 up 6.27% (\$1,408,251) from 2010.

Capital Assets and Debt Administration

Capital Assets—The County's investment in capital assets for governmental and business-type activities as of December 31, 2011, was \$44,444,052 (net of accumulated depreciation). This investment in capital assets includes land and improvements, water and waste water systems, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and construction in progress.

Major Capital projects and or equipment that was accomplished in 2011 include \$294,496 for the completion of the Waste Water Treatment Plant Upgrade, \$24,000 to replace 2 condensers at Maplewood Nursing Home and \$15,000 each for mechanical lifts and tub lifts for the Nursing Home.

Note 7 – Detailed Notes of Capital Assets provides additional information about capital asset activity during 2011.

Long-Term Debt—At December 31, 2011, the County had total general obligation bonded debt and notes payable outstanding of \$33,190,452. Of this amount, \$1,300,000 is for the Jaffrey District Court House and is reimbursed by the State of New Hampshire by way of a lease agreement. The annual payment schedule for the lease corresponds with the bond schedule principal and interest payments. Other outstanding debt includes construction of a twenty (20) apartment Assisted Living Unit and the expansion of the Nursing Home's therapy departments with debt remaining as of December 31, 2011 of \$310,000. Bonds for the study of a new County Jail had a balance remaining of \$250,000 at year-end. The bonds for the construction of the County Correctional Facility had a balance outstanding at year-end for \$29,600,000. The County made its second payment on a 15 year bond for the Geothermal Heating and Cooling System Bond for the new County correctional facility in 2011 leaving an outstanding balance at year end of \$1,100,000. Additionally, \$416,404 was the final total for the Water Treatment Upgrade Project which was funded by the use of State of New Hampshire Revolving Loan Funds. Repayment of this loan started in 2011 with a term of 5 years. At the end of 2011 the balance remaining was \$337,717. The County also utilized the State Revolving Loan Fund to upgrade its Waste Water Treatment Plant. This project was completed in 2011 for a total cost of \$294,496, which includes accrued interest of \$1,761. ½ of this will be forgiven at the time of the first principal payment in 2012.

The County's long term bonded debt decreased by payments made of \$2,493,687 during 2011 and increased by \$74,724 (new debt issued) for a net decrease of \$2,418,963.

**CHESHIRE COUNTY, NEW HAMPSHIRE
MANAGEMENT'S DISCUSSION & ANALYSIS**

The current outstanding debt for Cheshire County is as follows:

Cheshire County, Outstanding Debt December 31, 2011			
	Governmental Activities	Business-type Activities	Total
Nursing Home Expansion	\$ 207,700	\$ 102,300	\$ 310,000
Jail Expansion Study	250,000	-	250,000
Jaffrey District Court House	1,300,000	-	1,300,000
Jail Construction	29,600,000	-	29,600,000
Jail Geothermal System	1,100,000	-	1,100,000
Water Treatment Upgrade	-	337,717	337,717
Waste Water Trmnt Upgrade	-	292,735	292,735
Total Outstanding Debt	\$ 32,457,700	\$ 734,513	\$ 33,190,452

In 2005, the first lease payment associated with the Energy Efficiency Project was due. Total principal for this project was \$1,070,543 and was spread out a twelve (12) year period. The seventh principal payment was made on May 30, 2011 for \$80,000. The remaining principal due for this project as of December 31, 2011 is \$424,543.

Moody's has assigned an underlying rating of A1 to the outstanding general obligation debt of the County.

Economic Factors

- The Cheshire County unemployment rate for December 2011 was 4.5%, which compares favorably to the State's rate of 4.9 %, the New England rate of 6.9% and the national rate of 8.3 %. The County rate decreased over December 2010 at which time was 5.3 %.
- Most recent equalized assessed valuations of property used for appropriating Cheshire County's 2011 taxes were \$7,232,407,496. This is a decrease over the prior year assessed valuations of .53% or \$38,279,680.
- There were no outstanding tax payments due from any Cheshire County Town as of December 31, 2011.

Requests for Information

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the governments' finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Sheryl A. Trombly, Finance Director, 33 West Street, Keene, NH 03431.

EXHIBIT A
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Net Assets
December 31, 2011

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 6,272,046	\$ 1,535,602	\$ 7,807,648
Investments	32,378	25,300	57,678
Accounts receivable, net	148,117	2,440,896	2,589,013
Due from other governments	195,382	394,999	590,381
Internal balance	3,924,745	(3,924,745)	-
Prepaid expenses	94,611	8,125	102,736
Inventory		95,905	95,905
Current portion of direct financing lease receivable	189,020		189,020
Total Current Assets	<u>10,856,299</u>	<u>576,082</u>	<u>11,432,381</u>
Noncurrent Assets:			
Restricted cash		99,549	99,549
Direct financing lease receivable	1,444,560		1,444,560
Capital assets:			
Non-depreciable capital assets	1,046,822	75,211	1,122,033
Depreciable capital assets, net	<u>38,863,093</u>	<u>4,458,926</u>	<u>43,322,019</u>
Total Noncurrent Assets	<u>41,354,475</u>	<u>4,633,686</u>	<u>45,988,161</u>
Total Assets	<u>\$ 52,210,774</u>	<u>\$ 5,209,768</u>	<u>\$ 57,420,542</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 571,404	\$ 404,889	\$ 976,293
Accrued expenses	1,075,386	597,133	1,672,519
Deferred revenue	50,148	220,623	270,771
Due to other governments	1,750,800	147,419	1,898,219
Current portion of deferred revenue on long-term receivable	59,020		59,020
Current portion of deferred bond premium	12,335		12,335
Current portion of bonds payable	2,312,700	102,300	2,415,000
Current portion of note payable		84,930	84,930
Current portion of capital lease payable	20,010	66,990	87,000
Total Current Liabilities	<u>5,851,803</u>	<u>1,624,284</u>	<u>7,476,087</u>
Noncurrent Liabilities:			
Deferred revenue on long-term receivable	274,560		274,560
Deferred bond premium	92,513		92,513
Bonds payable	30,145,000		30,145,000
Note payable		252,787	252,787
Capital lease payable	77,635	259,908	337,543
Other long-term obligations		292,735	292,735
Total Noncurrent Liabilities	<u>30,589,708</u>	<u>805,430</u>	<u>31,395,138</u>
Total Liabilities	<u>36,441,511</u>	<u>2,429,714</u>	<u>38,871,225</u>
NET ASSETS			
Invested in capital assets, net of related debt	7,249,722	3,474,487	10,724,209
Restricted	2,293,455	72,054	2,365,509
Unrestricted (deficit)	<u>6,226,086</u>	<u>(766,487)</u>	<u>5,459,599</u>
Total Net Assets	<u>15,769,263</u>	<u>2,780,054</u>	<u>18,549,317</u>
Total Liabilities and Net Assets	<u>\$ 52,210,774</u>	<u>\$ 5,209,768</u>	<u>\$ 57,420,542</u>

See accompanying notes to the basic financial statements

EXHIBIT B
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$ 4,441,778	\$ 486,771	\$ 606,656		\$ (3,348,351)		\$ (3,348,351)
Public safety	8,456,957	1,181,148	283,992		(6,991,817)		(6,991,817)
Farm	268,960	513,816			244,856		244,856
Human services	8,177,116	604,251	1,165,762		(6,407,103)		(6,407,103)
Conservation	246,099				(246,099)		(246,099)
Economic development	507,527		508,567		1,040		1,040
Interest and fiscal charges	<u>1,501,358</u>				<u>(1,501,358)</u>		<u>(1,501,358)</u>
Total governmental activities	<u>23,599,795</u>	<u>2,785,986</u>	<u>2,564,977</u>	\$ -	<u>(18,248,832)</u>	\$ -	<u>(18,248,832)</u>
Business-type Activities:							
Nursing Home	14,601,964	9,342,984	1,761,603	25,296		(3,472,081)	(3,472,081)
Total business-type activities	<u>14,601,964</u>	<u>9,342,984</u>	<u>1,761,603</u>	<u>25,296</u>	-	<u>(3,472,081)</u>	<u>(3,472,081)</u>
Total primary government	<u>\$ 38,201,759</u>	<u>\$ 12,128,970</u>	<u>\$ 4,326,580</u>	<u>\$ 25,296</u>	<u>(18,248,832)</u>	<u>(3,472,081)</u>	<u>(21,720,913)</u>
General revenues:							
Property taxes					23,861,006		23,861,006
Interest and investment earnings					6,064	636	6,700
Miscellaneous					547,744	956,959	1,504,703
Transfers					<u>(2,832,842)</u>	<u>2,832,842</u>	-
Total general revenues and transfers					<u>21,581,972</u>	<u>3,790,437</u>	<u>25,372,409</u>
Change in net assets					3,333,140	318,356	3,651,496
Net assets - beginning, as restated					<u>12,436,123</u>	<u>2,461,698</u>	<u>14,897,821</u>
Net assets - ending					<u>\$ 15,769,263</u>	<u>\$ 2,780,054</u>	<u>\$ 18,549,317</u>

See accompanying notes to the basic financial statements

EXHIBIT C
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	ARRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,177,522	\$ 1,838,138	\$ 256,386	\$ 6,272,046
Investments	1,441		30,937	32,378
Accounts receivable	102,563		45,554	148,117
Due from other governments	195,207		175	195,382
Due from other funds	3,723,909	233,681	40,674	3,998,264
Prepaid expenses	94,611			94,611
Total Assets	<u>\$ 8,295,253</u>	<u>\$ 2,071,819</u>	<u>\$ 373,726</u>	<u>\$ 10,740,798</u>
LIABILITIES				
Accounts payable	\$ 422,890		\$ 128,766	\$ 551,656
Accrued expenses	719,968			719,968
Deferred revenue	50,148			50,148
Due to other governments	1,750,800			1,750,800
Due to other funds	302,542		19,966	322,508
Total Liabilities	<u>3,246,348</u>	<u>\$ -</u>	<u>148,732</u>	<u>3,395,080</u>
FUND BALANCES				
Nonspendable	94,611			94,611
Restricted	12,644	2,071,819	208,992	2,293,455
Committed	692,226			692,226
Assigned	38,916		16,002	54,918
Unassigned	4,210,508			4,210,508
Total Fund Balances	<u>5,048,905</u>	<u>2,071,819</u>	<u>224,994</u>	<u>7,345,718</u>
Total Liabilities and Fund Balances	<u>\$ 8,295,253</u>	<u>\$ 2,071,819</u>	<u>\$ 373,726</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 39,909,915

Other long-term assets are not available to pay for current period expenditures and therefore are saved in the funds. 1,633,580

Internal Service Funds are used by the County to charge the costs of health and dental insurance; the assets and liabilities of the Internal Service Fund are included in Business-type Activities. This amount represents the amount due from the Business-type Activities at year end. 229,241

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Long-term liabilities at year end consist of:

Deferred revenue related to long-term receivable (333,580)
Deferred bond premium (104,848)
Bonds payable (32,457,700)
Capital lease payable (97,645)
Accrued interest on long-term obligations (355,418)

Net assets of governmental activities \$ 15,769,263

See accompanying notes to the basic financial statements

EXHIBIT D
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	ARRA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 23,861,006			\$ 23,861,006
Intergovernmental	1,213,357	\$ 613,518	\$ 738,102	2,564,977
Charges for services	2,764,712		21,274	2,785,986
Interest and investment income	4,544	1,118	402	6,064
Miscellaneous	701,987		95,549	797,536
Total Revenues	<u>28,545,606</u>	<u>614,636</u>	<u>855,327</u>	<u>30,015,569</u>
Expenditures:				
Current operations:				
General government	4,382,815		36,239	4,419,054
Public safety	7,142,362		32,472	7,174,834
Farm	194,302			194,302
Human services	8,094,543			8,094,543
Conservation	249,857			249,857
Economic development			507,527	507,527
Capital outlay	81,196		483,962	565,158
Debt service:				
Principal retirement	2,331,100			2,331,100
Interest and fiscal charges	1,605,521			1,605,521
Total Expenditures	<u>24,081,696</u>	<u>-</u>	<u>1,060,200</u>	<u>25,141,896</u>
Excess revenues (under) expenditures	<u>4,463,910</u>	<u>614,636</u>	<u>(204,873)</u>	<u>4,873,673</u>
Other financing sources (uses):				
Transfers in	350,547			350,547
Transfers out	(2,709,924)		(473,465)	(3,183,389)
Total other financing sources (uses)	<u>(2,359,377)</u>	<u>-</u>	<u>(473,465)</u>	<u>(2,832,842)</u>
Net change in fund balances	2,104,533	614,636	(678,338)	2,040,831
Fund balances at beginning of year, as restated	<u>2,944,372</u>	<u>1,457,183</u>	<u>903,332</u>	<u>5,304,887</u>
Fund balances at end of year	<u>\$ 5,048,905</u>	<u>\$ 2,071,819</u>	<u>\$ 224,994</u>	<u>\$ 7,345,718</u>

COUNTY OF CHESHIRE, NEW HAMPSHIRE	
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	
For the Year Ended December 31, 2011	
Net Change in Fund Balances--Total Governmental Funds	\$ 2,040,831
Amounts reported for governmental activities in the statement of activities are different because:	
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 as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(1,129,003)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the gain of disposed capital assets reduced by the actual proceeds received from the sale of capital assets.	(119,792)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	64,220
Governmental funds report the effect of bond issuance premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	33,347
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,312,700
Repayment of principal on capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	18,400
Revenue received from the State of New Hampshire and reported in the governmental funds are reported as a reduction of the direct financing lease receivable in the statement of net assets.	(194,220)
Internal Service Fund is used by the County to charge the costs of dental and health insurance to individual funds. The net cost of the Internal Service Fund is reported in Governmental Activities.	235,841
In the statement of activities, interest is accrued on outstanding bonds and capital leases, whereas in governmental funds, an interest expenditure is reported when due.	70,816
Change in Net Assets of Governmental Activities	<u>\$ 3,333,140</u>

See accompanying notes to the basic financial statements

EXHIBIT E
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Net Assets
Proprietary Funds
December 31, 2011

		Business-type Activities	
		Nursing Home Fund	Internal Service Fund
ASSETS			
Current Assets:			
Cash and cash equivalents		\$ 275,124	\$ 1,260,478
Investments		25,300	
Accounts receivable, net		2,437,515	
Due from other governments		394,999	
Due from other funds		3,381	8,439
Prepaid expenses		8,125	
Inventory		95,905	
Total Current Assets		3,240,349	1,268,917
Noncurrent Assets:			
Restricted cash			99,549
Capital assets:			
Non-depreciable capital assets		75,211	
Depreciable capital assets, net		4,458,926	
Total Noncurrent Assets		4,534,137	99,549
Total Assets		\$ 7,774,486	\$ 1,368,466
LIABILITIES			
Current Liabilities:			
Accounts payable		\$ 303,429	\$ 101,460
Accrued expenses		597,133	
Deferred revenue		220,623	
Due to other governments		147,419	
Due to other funds		3,703,943	
Current portion of bonds payable		102,300	
Current portion of note payable		84,930	
Current portion of capital lease payable		66,990	
Total Current Liabilities		5,226,767	101,460
Noncurrent Liabilities:			
Note payable		252,787	
Capital lease payable		259,908	
Other long-term obligations		292,735	
Total Noncurrent Liabilities		805,430	-
Total Liabilities		6,032,197	101,460
NET ASSETS			
Invested in capital assets, net of related debt		3,474,487	
Restricted		72,054	
Unrestricted (deficit)		(1,804,252)	1,267,006
Total Net Assets		1,742,289	1,267,006
Total Liabilities and Net Assets		\$ 7,774,486	\$ 1,368,466
 Reconciliation to government-wide statement of net assets:			
Net assets of the Nursing Home Fund per above		\$ 1,742,289	
Adjustment to reflect the consolidation of Internal Service Fund activities related to Business-type Activities		1,037,765	
Net assets of Business-type Activities		\$ 2,780,054	

See accompanying notes to the basic financial statements

EXHIBIT F
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	<u>Business-type Activities</u>	
	<u>Nursing Home</u> <u>Fund</u>	<u>Internal Service</u> <u>Fund</u>
Operating revenues:		
Intergovernmental revenue	\$ 1,761,603	
Charges for services	9,342,984	\$ 3,032,436
Miscellaneous	956,959	
Total operating revenues	<u>12,061,546</u>	<u>3,032,436</u>
Operating expenses:		
Administrative	2,703,841	2,483,553
Quality improvement	94,685	
Dietary	1,377,973	
Nursing	5,795,697	
Atypical unit	1,212,780	
Facilities	1,131,260	
Wastewater treatment plant	24,192	
Water treatment plant	19,046	
Environmental services	656,270	
Activities	264,380	
Social services	229,636	
Occupational therapy	196,457	
Physical therapy	399,151	
Speech therapy	81,255	
Other services for residents	225,669	
Depreciation	469,441	
Total operating expenses	<u>14,881,733</u>	<u>2,483,553</u>
Operating income (loss)	<u>(2,820,187)</u>	<u>548,883</u>
Non-operating revenues (expenses):		
Interest revenue	115	521
Interest expense	(33,273)	
Net non-operating revenues (expenses)	<u>(33,158)</u>	<u>521</u>
Income (loss) before capital contributions and transfers	(2,853,345)	549,404
Capital contributions	25,296	
Transfers in	<u>2,832,842</u>	
Change in net assets	4,793	549,404
Total net assets at beginning of year, as restated	<u>1,737,496</u>	<u>717,602</u>
Total net assets at end of year	<u>\$ 1,742,289</u>	<u>\$ 1,267,006</u>
Reconciliation to Government-Wide Statement of Net Assets (Exhibit B):		
Change in net assets of the Nursing Home Fund per above	\$ 4,793	
Adjustment to reflect the consolidation of Internal Service Fund activity related to Business-type Activities	<u>313,563</u>	
Change in net assets business-type activities, Exhibit B	<u>\$ 318,356</u>	

See accompanying notes to the basic financial statements

EXHIBIT G
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-type Activities	
	Nursing Home Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received from services	\$ 12,120,167	
Cash received (paid) for interfund services provided	(1,729,476)	\$ 3,032,436
Cash paid to suppliers	(5,027,658)	(2,494,922)
Cash paid to employees	(7,650,858)	
Net cash provided (used) by operating activities	<u>(2,287,825)</u>	<u>537,514</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	<u>2,832,842</u>	
Net cash provided by noncapital financing activities	<u>2,832,842</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Proceeds from other long-term obligations	21,795	
Principal paid on bonds payable	(102,300)	
Principal paid on note payable	(78,687)	
Principal paid on capital lease payable	(61,600)	
Interest paid on long-term debt	(35,319)	
Purchases of capital assets	<u>(274,981)</u>	
Net cash used for capital and related financing activities	<u>(531,092)</u>	<u>-</u>
Cash flows from investing activities:		
Investment income	115	521
Purchase of investments	<u>(19)</u>	
Net cash provided by investing activities	<u>96</u>	<u>521</u>
Net increase in cash and cash equivalents	14,021	538,035
Cash and cash equivalents (deficiency) at beginning of year	<u>(3,439,459)</u>	<u>830,431</u>
Cash and cash equivalents (deficiency) at end of year	<u>\$ (3,425,438)</u>	<u>\$ 1,368,466</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (2,820,187)	\$ 548,883
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	469,441	
Changes in assets and liabilities:		
Accounts receivable, net	(103,685)	
Due from other governments	57,000	
Prepaid expenses	(6,901)	
Inventory	7,069	
Accounts payable	(38,676)	(11,369)
Accrued expenses	2,020	
Deferred revenue	105,306	
Due to other governments	1,577	
Compensated absences	<u>39,211</u>	
Net cash provided (used) by operating activities	<u>\$ (2,287,825)</u>	<u>\$ 537,514</u>
Supplemental disclosure of non-cash transactions:		
Capital asset additions included in year end liabilities	<u>\$ 22,287</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

EXHIBIT H
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2011

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 404,779
Due from other funds	<u>19,748</u>
Total assets	<u>\$ 424,527</u>
LIABILITIES	
Accounts payable	\$ 43,951
Due to others	126,958
Due to other governments	250,237
Due to other funds	<u>3,381</u>
Total liabilities	<u>\$ 424,527</u>

See accompanying notes to the basic financial statements

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2011

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Cheshire, New Hampshire conform to accounting policies generally accepted in the United States of America for local governmental units, except as indicated hereinafter. The following is a summary of significant accounting policies.

Financial Reporting Entity

The County of Cheshire, New Hampshire (the County) was established in 1769 under the laws of the State of New Hampshire. The County boundaries include twenty-three New Hampshire municipalities located in southwestern New Hampshire. The County operates under the Commissioner/Delegation form of government and provides services as authorized by state statutes.

The financial statements include those of the various departments governed by the Commissioners and other officials with financial responsibility. The County has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is also eliminated to avoid "doubling up" revenues and expenses.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

2. Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The County employs the use of three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

The *General Fund* is the main operating fund of the County and is used to account for all financial resources except those required to be accounted for in another fund.

The *ARRA Fund* is used to account for the temporary increase in Federal Medical Assistance Percentages (FMAP) of 6.2%.

2. Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The following is the County's major proprietary fund:

The *Nursing Home Fund* accounts for all revenues and expenses pertaining to the County's Nursing Home facility operations. The Nursing Home Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation) of providing goods or services to the residents on a continuing basis are financed or recovered primarily through user charges.

The County is self-insured for its health and dental insurance. The activity associated with this self-insurance program is accounted in the *Internal Service Fund*.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

3. Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The County maintains one type of fiduciary fund: agency funds. The County's agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's agency funds account for Sheriff's escrow and court-forfeited funds, Register of Deeds, Nursing Home resident funds, and the jail canteen/recreation fund.

Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Assets.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the proprietary fund type is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

In the government-wide financial statements and proprietary fund statements, private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The County has elected not to follow the FASB pronouncements issued subsequent to November 30, 1989.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

1. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 3). Revenue from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes and interest on investments.

Charges for services and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

Budgetary Data

The County's budget represents functional appropriations as authorized by the County Delegation. The County Delegation may transfer funds between operating categories as they deem necessary. The County adopts its budget under State regulations, which differ somewhat from accounting principles generally accepted in the United States of America in that the focus is on the entire governmental unit rather than on the basis of fund types.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation, is employed as an extension of formal budgetary integration in governmental funds. Encumbrances outstanding at year end

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

are reported as a component of fund balance since they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services.

Cash and Cash Equivalents

The County pools its cash resources for the governmental and proprietary funds. Cash applicable to a particular fund is reflected as an interfund balance. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	Nursing <u>Home Fund</u>	Internal <u>Service Fund</u>
Statement of Net Assets - Proprietary Funds:		
Cash and cash equivalents	\$ 275,124	\$ 1,260,478
Due from other funds	3,381	8,439
Due to other funds	(3,703,943)	
Restricted cash		99,549
	<u>\$(3,425,438)</u>	<u>\$ 1,368,466</u>

Investments

Investments are stated at their fair value in all funds. Certificates of deposit with a maturity of greater than ninety days from the date of issuance are included in investments.

Accounts Receivable

Nursing Home Fund accounts receivable at December 31, 2011 are recorded net of an allowance for uncollectible receivables of \$136,483.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2011 are recorded as prepaid items.

Inventory

The County accounts for inventories under the consumption method on a first-in, first out basis. Inventories are recorded at cost.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the government-wide statement of net assets, but are not reported in the governmental fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair values as of the date received. The County maintains a capitalization threshold of \$5,000 for its governmental activities and \$500 for its business-type activities. The County does not possess any intangible assets. Improvements

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets of the business-type activities is also capitalized.

All reported capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	<u>Description</u>	<u>Years</u>
	Land improvements	10-30
	Water system	30
	Wastewater system	30
	Buildings and improvements	5-40
	Vehicles and equipment	5-25

Compensated Absences

Employees earn vacation and sick leave as they provide services. Provision is made in the annual budget for vacation and sick leave. Vacation may be accrued to one and one-half times an employee's annual earned vacation. Any unused vacation beyond this amount will be forfeited. Accrued/unused vacation has been included as a liability in these financial statements.

Employees may accumulate sick leave days up to ten days per year, cumulative to a maximum of sixty days. Any unused sick leave days in excess of sixty days are to be paid to the employee at the end of the year at a rate of one-half day for each excess day that has been accrued. No payment for unused sick leave is made upon termination.

Deferred Bond Premium

The issuance of general obligation bonds resulted in a difference between the bond proceeds and the actual principal to be repaid. This difference, reported in the accompanying financial statements as a deferred bond premium, is being amortized as a component of interest expense over the remaining life of the debt. The balance of the deferred bond premium in the Governmental Funds as of December 31, 2011 is \$104,848.

Accrued Liabilities and Long-Term Obligations

Except for the obligation for other post-employment benefits (see Note 2), all payables and accrued liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current resources are reported as obligations of the funds.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Policy

During the year ended December 31, 2011, the County implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement 54 established new fund balance classifications and changes the definition of governmental fund types. Under Statement 54, the County has segregated fund balance into five classifications; Nonspendable, Restricted, Committed, Assigned, and Unassigned. These components of fund balance are defined as follows:

- Nonspendable Fund Balance: Amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact.
- Restricted Fund Balance: Amounts that can only be spent for the specific purposes stipulated by external resource providers (such as grantors) or the enabling legislation (federal or state law). Restrictions may be changed or lifted only with the consent of the resource providers or the enabling legislation.
- Committed Fund Balance: Amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision making authority (annual meeting of the County Delegation). Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.
- Assigned Fund Balance: Amounts that the County *intends* to use for a specific purpose. For all governmental funds other than the General Fund, any remaining positive amounts are to be classified as "assigned". The Board of Commissioners expressly delegates this authority to the County Administrator. Items that would fall under this type of fund balance classification would be encumbrances.
- Unassigned Fund Balance: Amounts that are not obligated or specifically designated and are available for any purpose. The residual classification of any General Fund balance is to be reported here. Any deficit fund balance of another fund is also classified as unassigned.

In instances when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications may be applied, committed resources are to be applied first, followed by assigned and unassigned.

In accordance with the County's fund balance policy, the recommended minimum unassigned fund balance in its General Fund should equal 8% of the annual total budgeted appropriations. The recommended target balance is to maintain an unassigned fund balance between 8% and 11% of the annual total budgeted appropriations. Any amount of the unassigned fund balance in excess of the minimum balance may be appropriated by the Commissioners to offset property taxes as part of the budget approval process with the Delegation to set tax rates for the calendar year.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

The Board of Commissioners may recommend to the Delegation through a budget amendment to appropriate funds from the unassigned fund balance even if such use decreases the unassigned fund balance below the recommended minimum balance in the event of emergency purposes or to alleviate unanticipated short-term budgetary problems, such as revenue shortfalls.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Nursing Home Fund, these revenues are charges to customers for sales and services. Operating expenses, which include depreciation on capital assets, are necessary costs incurred to provide the service that is the primary activity of the proprietary fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates. Significant estimates include the allowance for uncollectible receivables and depreciation expense.

NOTE 2--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Other Post-Employment Benefits

The County did not implement GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Statement 45 requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The provisions of GASB 45 were required to be implemented by the County during the year ended December 31, 2009.

NOTE 3--PROPERTY TAXES

Property taxes levied to support the County are based on the assessed valuation of the prior April 1st for all taxable real property.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Under state statutes, the twenty-three Towns/City that comprise Cheshire County (all independent governmental units) collect County taxes as part of local property tax assessments. As collection agent, the Towns/City are required to pay over to the County its share of property tax assessments. The Towns/City assume financial responsibility for all uncollected property taxes under state statutes.

NOTE 4--RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2011, the County was a member of the New Hampshire Public Risk Management Exchange (PRIMEX). The County currently reports all of its risk management activities in its General Fund. The Trust is classified as a "Risk Pool" in accordance with accounting principles generally accepted in the United States of America.

The Trust agreement permits the Trust to make additional assessments to members should there be a deficiency in Trust assets to meet its liabilities. Accounting principles generally accepted in the United States of America require members of pools with a sharing of risk to determine whether or not such assessment is probable and, if so, a reasonable estimate of such assessment. At this time, the Trust foresees no likelihood of an additional assessment for any of the past years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Based on the best available information there is no liability at December 31, 2011.

Property and Liability Insurance

PRIMEX provides certain property and liability insurance coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. As a member of PRIMEX, the County shares in contributing to the cost of and receiving benefit from a self-insured pooled risk management program. The program includes a Self Insured Retention Fund from which is paid up to \$500,000 for each and every covered property, crime and/or liability loss that exceeds \$1,000.

Worker's Compensation

PRIMEX provides statutory worker's compensation coverage to member towns, cities, and other qualified political subdivisions of New Hampshire. The Trust is self-sustaining through annual member premiums and provides coverage for the statutorily required workers' compensation benefits and employer's liability coverage up to \$2,000,000. The program includes a Loss Fund from which is paid up to \$500,000 for each and every covered claim.

NOTE 5--DEPOSITS AND INVESTMENTS

The County has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance.

Deposits and investments as of December 31, 2011 are classified in the accompanying financial statements as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Statement of Net Assets:	
Cash and cash equivalents	\$ 7,807,648
Investments	57,678
Restricted cash	99,549
Statement of Fiduciary Net Assets:	
Cash and cash equivalents	404,779
	<u>\$ 8,369,654</u>

Deposits and investments at December 31, 2011 consist of the following:

Cash on hand	\$ 1,400
Deposits with financial institutions	8,310,576
Investments	57,678
	<u>\$ 8,369,654</u>

The County’s investment policy states that any excess funds which are not immediately needed for the purpose of expenditure may only be invested in certificates of deposit, overnight repurchase agreements, U.S. Government securities – Treasury bills, the New Hampshire Public Deposit Investment Pool and others as approved by the County Commissioners and the County Executive Committee.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. Currently, the County does not have an investment policy for assurance against custodial credit risk; however, the County has an agreement with the bank to collateralize deposits in excess of the FDIC insurance limits.

Of the County’s deposits with financial institutions at year end, \$8,144,272 was collateralized by securities held by the bank in the bank’s name.

Investment in NHPDIP

The County is a voluntary participant in the New Hampshire Public Deposit Investment Pool (NHPDIP), an external investment pool. The NHPDIP is not registered with the United States Securities and Exchange Commission as an investment company. The NHPDIP was created by state law and is administered by a public body of state, local and banking officials.

Investments in the NHPDIP are not investment securities and, as such, are not categorized by risk. The County’s exposure to derivatives is indirect through its participation in the NHPDIP. The County’s proportional share of these derivatives is not available. The fair value of the position in the investment pool is equal to the value of the pool shares.

NOTE 6--DUE FROM OTHER GOVERNMENTS

Receivables from other governments at December 31, 2011 consist of various federal, state and local municipal fundings. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables is as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

U.S. Marshall Service - federal inmates	\$ 76,860
Rockingham County - federal inmates	13,455
Department of Justice - Public safety grants	33,101
Department of Health and Human Services - public health grants	27,525
State of New Hampshire - District Court bailiff reimbursement	24,754
State of New Hampshire - Medicaid reimbursements	342,070
State Revolving Loan proceeds	52,929
Miscellaneous grants and reimbursements	19,687
	<u>\$ 590,381</u>

NOTE 7--CAPITAL ASSETS

The following is a summary of changes in capital assets in the governmental funds:

	(as restated) Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011
Governmental activities:				
Capital assets not depreciated:				
Land	\$ 984,559			\$ 984,559
Construction in process		\$ 62,263		62,263
Total capital assets not being depreciated	<u>984,559</u>	<u>62,263</u>	<u>\$ -</u>	<u>1,046,822</u>
Other capital assets:				
Buildings and improvements	47,859,311	450,856		48,310,167
Equipment	1,783,819		(534,605)	1,249,214
Total other capital assets at historical cost	<u>49,643,130</u>	<u>450,856</u>	<u>(534,605)</u>	<u>49,559,381</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,505,738)	(1,492,514)		(9,998,252)
Equipment	(963,241)	(149,608)	414,813	(698,036)
Total accumulated depreciation	<u>(9,468,979)</u>	<u>(1,642,122)</u>	<u>414,813</u>	<u>(10,696,288)</u>
Total other capital assets, net	<u>40,174,151</u>	<u>(1,191,266)</u>	<u>(119,792)</u>	<u>38,863,093</u>
Total capital assets, net	<u>\$ 41,158,710</u>	<u>\$(1,129,003)</u>	<u>\$ (119,792)</u>	<u>\$ 39,909,915</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 47,327
Public safety	1,450,846
Farm	45,069
Human services	98,880
Total governmental activities depreciation expense	<u>\$ 1,642,122</u>

The following is a summary of changes in capital assets in the proprietary fund:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

	(as restated) Balance 1/1/2011	Additions	Reductions	Balance 12/31/2011
Business-type activities:				
Capital assets not depreciated:				
Land	\$ 75,211			\$ 75,211
Total capital assets not being depreciated	<u>75,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>75,211</u>
Other capital assets:				
Land improvements	499,271			499,271
Buildings and improvements	7,120,660	146,293		7,266,953
Water system	1,461,974	2,563		1,464,537
Waste water system	919,309	1,889		921,198
Vehicles and equipment	<u>2,465,182</u>	<u>202,851</u>	<u>(22,599)</u>	<u>2,645,434</u>
Total other capital assets at historical cost	<u>12,466,396</u>	<u>353,596</u>	<u>(22,599)</u>	<u>12,797,393</u>
Less accumulated depreciation for:				
Land improvements	(457,317)	(10,512)		(467,829)
Buildings and improvements	(4,620,172)	(237,066)		(4,857,238)
Water system	(771,786)	(49,975)		(821,761)
Waste water system	(325,765)	(29,356)		(355,121)
Vehicles and equipment	<u>(1,640,979)</u>	<u>(218,138)</u>	<u>22,599</u>	<u>(1,836,518)</u>
Total accumulated depreciation	<u>(7,816,019)</u>	<u>(545,047)</u>	<u>22,599</u>	<u>(8,338,467)</u>
Total other capital assets, net	<u>4,650,377</u>	<u>(191,451)</u>	<u>-</u>	<u>4,458,926</u>
Total capital assets, net	<u>\$ 4,725,588</u>	<u>\$ (191,451)</u>	<u>\$ -</u>	<u>\$ 4,534,137</u>

Depreciation expense was charged to the proprietary fund as follows:

Nursing Home	\$ 469,441
Total business-type activities depreciation expense	<u>\$ 469,441</u>

A reconciliation of total additions to accumulated depreciation to the depreciation expense charged to the Nursing Home is as follows:

Total additions to depreciation	\$ 545,047
Less accumulated depreciation on assets transferred from governmental activities to business-type activities	<u>(75,606)</u>
Depreciation expense in the Nursing Home Fund	<u>\$ 469,441</u>

The balance of the assets acquired through capital leases as of December 31, 2011 is as follows:

	Governmental Activities	Business-type Activities
Buildings and improvements	\$ 246,225	\$ 824,318
Less accumulated depreciation for:		
Buildings and improvements	<u>(80,023)</u>	<u>(267,903)</u>
Total	<u>\$ 166,202</u>	<u>\$ 556,415</u>

**COUNTY OF CHESHIRE, NEW HAMPSHIRE
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2011**

NOTE 8--DUE TO OTHER GOVERNMENTS

At December 31, 2011, the County had amounts due to other governments as follows:

State of New Hampshire - Department of Health and Human Services	\$ 1,725,705
City of Keene	18,778
New Hampshire Department of Revenue Administration - Nursing Facility Quality Assessment	147,419
Miscellaneous intergovernmental payables	6,317
	<u>\$ 1,898,219</u>

NOTE 9--DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the New Hampshire Retirement System (NHRS), a cost-sharing multiple-employer defined benefit pension plan administered by the NHRS Board of Trustees. The plan provides service, disability, death and vested retirement allowances to plan members and beneficiaries. Benefit provisions are established and may be amended by the New Hampshire State legislature. The NHRS issues a publicly available financial report that includes financial statements and required supplementary information for NHRS. That report may be obtained by writing to New Hampshire Retirement System, 54 Regional Drive, Concord, New Hampshire 03301.

Funding Policy

Covered public safety employees are required to contribute 9.3% of their covered salary, whereas general employees are required to contribute 5.0% of their covered salary, through June 30, 2011, and 11.55% and 7%, respectively, thereafter. The County is required to contribute at an actuarially determined rate. The County's contribution rates for the covered payroll of public safety employees and general employees were 14.63% and 9.16%, respectively through June 30, 2011, 25.57% and 11.09% respectively in July 2011, and 19.95% and 8.8%, respectively, thereafter. The County contributes 75% of the employer cost for public safety officers employed by the County, and the State contributes the remaining 25% of the employer cost, through June 30, 2011 and the County contributes 100% thereafter. The County contributes 100% of the employer cost for general employees of the County. In accordance with accounting principles generally accepted in the United States of America (GASB #24), on-behalf fringe benefits contributed by the State of New Hampshire of \$63,908 have been reported as a revenue and expenditure of the General Fund in these financial statements.

Per RSA-100:16, plan member contribution rates are established and may be amended by the New Hampshire State legislature and employer contribution rates are determined by the NHRS Board of Trustees based on an actuarial valuation. The County's contributions to the NHRS for the years ending December 31, 2011, 2010, and 2009 were \$1,282,788, \$1,165,676, and \$1,061,650, respectively, equal to the required contributions for each year.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

NOTE 10--SHORT-TERM OBLIGATIONS

The County issues tax anticipation notes during the year. These borrowings are to assist in the payment of operating expenses during the year and are guaranteed to be repaid from the tax revenue received in December from the Towns/City within the County.

The changes in short-term debt obligations for the year ended December 31, 2011 are as follows:

Balance - January 1, 2011	\$ -
Additions	22,000,000
Reductions	<u>(22,000,000)</u>
Balance - December 31, 2011	<u>\$ -</u>

NOTE 11--LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The changes in the County's long-term obligations for the year ended December 31, 2011 are as follows:

	(as restated) Balance 1/1/11	Additions	Reductions	Balance 12/31/11	Due Within One Year
Governmental activities:					
Bonds payable	\$ 34,770,400		\$ (2,312,700)	\$ 32,457,700	\$ 2,312,700
Capital leases payable	116,045		(18,400)	97,645	20,010
Total governmental activities	<u>\$ 34,886,445</u>	<u>\$ -</u>	<u>\$ (2,331,100)</u>	<u>\$ 32,555,345</u>	<u>\$ 2,332,710</u>

	(as restated) Balance 1/1/11	Additions	Reductions	Balance 12/31/11	Due Within One Year
Business-type activities:					
Bonds payable	\$ 204,600		\$ (102,300)	\$ 102,300	\$ 102,300
Note payable		\$ 416,404	(78,687)	337,717	84,930
Capital leases payable	388,498		(61,600)	326,898	66,990
Other long-term obligations	634,415	74,724	(416,404)	292,735	-
Total business-type activities	<u>\$ 1,227,513</u>	<u>\$ 491,128</u>	<u>\$ (658,991)</u>	<u>\$ 1,059,650</u>	<u>\$ 254,220</u>

Payments on the general obligation bonds and capital leases of the governmental activities are paid out of the General Fund. Payments on the bonds payable, note payable, capital leases payable, and other long-term obligations of the business-type activities are paid out of the Nursing Home Fund.

General Obligation Bonds

Bonds payable at December 31, 2011 are comprised of the following individual issues:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Governmental Activities:

\$37,000,000 Correctional Facility Bonds due in annual installments of \$1,850,000 through October 2027; interest at 4.25%	\$ 29,600,000
\$2,600,000 Jaffrey District Courthouse Bonds due in annual installments of \$130,000 through October 2021; interest at 3.875% - 4.85%	1,300,000
\$1,300,000 Correctional Facility Geothermal Project Bonds due in annual installments of \$100,000 through August 2020 and \$50,000 through August 2024; interest at 2.00% - 4.00%	1,100,000
\$500,000 Correctional Facility Design Bonds due in annual installments of \$25,000 through October 2021; interest at 3.875% - 4.85%	250,000
\$4,400,000 Assisted Living/Nursing Home Improvement Bonds due in annual installment of \$207,700 through August 2012; interest at 4.50% - 5.10%	<u>207,700</u>
	<u>\$ 32,457,700</u>

Business-type Activities:

\$4,400,000 Assisted Living/Nursing Home Improvement Bonds due in annual installment of \$102,300 through August 2012; interest at 4.50% - 5.10%	<u>\$ 102,300</u>
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Debt service requirements to retire general obligation bonds for governmental activities at December 31, 2011 are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 2,312,700	\$ 1,372,588	\$ 3,685,288
2013	2,105,000	1,275,015	3,380,015
2014	2,105,000	1,187,880	3,292,880
2015	2,105,000	1,100,013	3,205,013
2016	2,105,000	1,011,740	3,116,740
2017-2021	10,475,000	3,723,712	14,198,712
2022-2026	9,400,000	1,584,500	10,984,500
2027	<u>1,850,000</u>	<u>78,625</u>	<u>1,928,625</u>
	<u>\$ 32,457,700</u>	<u>\$11,334,073</u>	<u>\$ 43,791,773</u>

As included on the Statement of Activities (Exhibit B), interest expense for the year ended December 31, 2011 was \$1,396,296 on general obligation debt for governmental activities.

Debt service requirements to retire general obligation bonds for business-type activities at December 31, 2011 are as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 102,300	\$ 5,217	\$ 107,517

As included on the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds (Exhibit F), interest expense for the year ended December 31, 2011 was \$8,458 on general obligation debt for business-type activities.

Note Payable

The note payable for business-type activities at December 31, 2011 is comprised of the following individual issue:

\$416,404 Water Project Upgrade Note due in annual installments of \$84,930 through July 2014 and \$82,927 through July 2015; interest at .895%	\$ <u>337,717</u>
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Debt service requirements to retire the note payable for business-type activities at December 31, 2011 are as follows:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 84,930	\$ 3,023	\$ 87,953
2013	84,930	2,262	87,192
2014	84,930	1,502	86,432
2015	82,927	742	83,669
	<u>\$ 337,717</u>	<u>\$ 7,529</u>	<u>\$ 345,246</u>

As included on the Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds (Exhibit F), interest expense for the year ended December 31, 2011 was \$8,368 on the note payable for the business-type activities.

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

Capital leases payable at December 31, 2011 is comprised of the following individual issue:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Building improvements, due in varying annual installments through May 2016; interest at 4.67%	\$ <u>97,645</u>	\$ <u>326,898</u>

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Debt service requirements to retire capital lease obligations for governmental activities at December 31, 2011 are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 20,010	\$ 4,560	\$ 24,570
2013	21,850	3,625	25,475
2014	23,690	2,605	26,295
2015	25,760	1,499	27,259
2016	6,335	296	6,631
	<u>\$ 97,645</u>	<u>\$ 12,585</u>	<u>\$ 110,230</u>

Debt service requirements to retire capital lease obligations for business-type activities at December 31, 2011 are as follows:

Year Ending <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2012	\$ 66,990	\$ 15,266	\$ 82,256
2013	73,150	12,138	85,288
2014	79,310	8,722	88,032
2015	86,240	5,018	91,258
2016	21,208	990	22,198
	<u>\$ 326,898</u>	<u>\$ 42,134</u>	<u>\$ 369,032</u>

Other Long-Term Obligations

Business-type Activities:

The County has drawn \$292,735 of approximately \$614,000 in funds under the State of New Hampshire, State Water Pollution Control Revolving Fund Program for improvements to the Wastewater Treatment System. Payments are not scheduled to commence until the first anniversary of the scheduled completion date of the project or the date of substantial completion, whichever is earliest. Interest is accrued at 1% during the construction period of the project and is to be paid upon completion of the construction project within the following year.

As authorized by the American Recovery and Reinvestment Act, the County shall be provided federal financial assistance for the above Wastewater Treatment System Project, whereby a portion of the principal sum, not to exceed \$225,500 or 50% of aggregate disbursements, whichever is less, will be forgiven. The principal forgiveness will be applied at the time of each loan repayment over a period not to exceed 10 years.

Direct Financing Lease Receivable

The County has entered into a direct financing lease agreement with the State of New Hampshire for a term of 20 years following construction of the Jaffrey District Court building. The semi-annual payments the County will receive are equal to the annual interest and principal payments on the bond. The State will occupy the District Court building and incur all direct costs associated with the building for the entire period. The County has agreed to sell the District Court building to the State for a purchase price of \$1 at

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

the end of the lease. Future minimum lease payments to be received have been recognized in the governmental activities and are as follows:

Year Ending December 31,	Principal	Interest	Totals
2012	\$ 130,000	\$ 59,020	\$ 189,020
2013	130,000	53,690	183,690
2014	130,000	48,230	178,230
2015	130,000	42,575	172,575
2016	130,000	36,790	166,790
2017-2021	<u>650,000</u>	<u>93,275</u>	<u>743,275</u>
	<u>\$ 1,300,000</u>	<u>\$ 333,580</u>	<u>\$ 1,633,580</u>

NOTE 12--INTERFUND BALANCES AND TRANSFERS

The County has combined the cash resources of its governmental and proprietary fund types. For accounting and reporting purposes, that portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2011 are as follows:

	Due from				Totals
	General Fund	Nonmajor Governmental Funds	Nursing Home Fund	Fiduciary Funds	
General Fund		\$ 19,966	\$ 3,703,943		\$ 3,723,909
ARRA Fund	\$ 233,681				233,681
Nonmajor Governmental Funds	40,674				40,674
Nursing Home Fund				\$ 3,381	3,381
Internal Service Fund	8,439				8,439
Fiduciary Funds	<u>19,748</u>				<u>19,748</u>
	<u>\$ 302,542</u>	<u>\$ 19,966</u>	<u>\$ 3,703,943</u>	<u>\$ 3,381</u>	<u>\$ 4,029,832</u>

During the year, several interfund transactions occurred between funds. The General Fund transferred funds to the Nursing Home to support current operations. The various transfers between the Nonmajor Governmental Funds and the General Fund included \$325,000 of interest earned on bond proceeds and administration costs associated with a grant award. Funds transferred from the Nonmajor Governmental Funds to the Nursing Home Fund in the amount of \$122,918 represents capital assets acquired through a grant award.

Interfund transfers for the year ended December 31, 2011 are as follows:

	Transfer from		
	General Fund	Nonmajor Governmental Funds	Totals
General Fund		\$ 350,547	\$ 350,547
Nursing Home Fund	<u>\$ 2,709,924</u>	<u>122,918</u>	<u>2,832,842</u>
	<u>\$ 2,709,924</u>	<u>\$ 473,465</u>	<u>\$ 3,183,389</u>

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

NOTE 13—SELF INSURANCE

During the year ended December 31, 2000, the County established a Health and Dental Insurance Fund (an internal service fund) to account for and finance its self-insurance program. Under this program, the Health and Dental Insurance Fund provides coverage for up to a maximum of \$70,000 annually for each individual plan participant. The County purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss.

All funds of the County participate in the program and make payments to the Health and Dental Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability reported in the fund at year end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information is available prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount for the past five years are as follows:

Year Ending December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claims Paid	End of Year Liability
2007	\$ 149,409	\$ 1,797,670	\$(1,823,025)	\$ 124,054
2008	124,054	1,328,138	(1,308,809)	143,383
2009	143,383	2,065,974	(2,098,137)	111,220
2010	111,220	2,719,547	(2,717,938)	112,829
2011	112,829	2,483,553	(2,494,922)	101,460

NOTE 14—RESTRICTED NET ASSETS

Net assets are restricted for specific purposes as follows:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>
ARRA Medicaid funds	\$ 2,071,819	
County Extension Services	12,163	
Donations	20,031	\$ 72,054
Correctional facility project	145,756	
Sheriff's forfeiture funds	9,408	
Miscellaneous grants	34,278	
	<u>\$ 2,293,455</u>	<u>\$ 72,054</u>

NOTE 15—COMPONENTS OF FUND BALANCE

The County's fund balance components are comprised as follows:

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

<u>Fund Balances</u>	General <u>Fund</u>	ARRA <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable				
Prepaid expenses	\$ 94,611			\$ 94,611
Restricted for:				
ARRA Medicaid funds		\$ 2,071,819		2,071,819
County Extension Services	12,163			12,163
Donations	481		\$ 19,550	20,031
Correctional facility project			145,756	145,756
Deeds surcharge			16,002	16,002
Sheriff's forfeiture funds			9,408	9,408
Miscellaneous grants			34,278	34,278
Committed for:				
Capital Reserve Funds	209,062			209,062
Reduction of 2012 tax rate	483,164			483,164
Assigned for:				
Encumbrances	28,216			28,216
Carryforward appropriations	10,700			10,700
Unassigned	<u>4,210,508</u>			<u>4,210,508</u>
	<u>\$ 5,048,905</u>	<u>\$ 2,071,819</u>	<u>\$ 224,994</u>	<u>\$ 7,345,718</u>

NOTE 16--COMMITMENTS AND CONTINGENCIES

Litigation

Legal counsel estimates that any potential claims against the County which are not covered by insurance are immaterial and would not affect the financial position of the County.

Other Contingencies

The County participates in the federally assisted Medicaid program at the County Nursing Home. This program is subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time; although the County expects such amounts, if any, to be immaterial.

Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amounts, if any, of expenditures which may be disallowed by the granting agency cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 17--RECLASSIFICATION

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

NOTE 18—RESTATEMENT OF EQUITY

Governmental Funds

During the year ended December 31, 2011, it was determined that the liability for accrued vacation was not previously reflected as a current liability within the General Fund. It was also determined that the interfund balance between the General Fund and the House of Corrections Construction Fund was overstated. The water and wastewater projects were previously reported in Capital Projects Funds (included within the nonmajor governmental funds). Since these two projects are for the benefit of the Nursing Home, all associated activity with the water and wastewater upgrades are to be recorded within the Nursing Home Proprietary Fund.

Effective January 1, 2011, the County retroactively changed its method of financial reporting to conform to a recent pronouncement of the Governmental Accounting Standards Board (Statement No. 54). This new standard changes how fund balance is reported for governmental fund types. As a result, several of the County's previously reported nonmajor governmental funds (Capital Reserve Funds, County Extension Service Fund, and the Heman Chase Fund) have been reclassified into the General Fund for reporting purposes. In addition, resources that are for the sole benefit of the Nursing Home have been reclassified into the Nursing Home Proprietary Fund for reporting purposes.

The impact of the restatement on the governmental funds is as follows:

	General Fund	House of Corrections Construction Fund	Nonmajor Governmental Funds
Fund Balance - January 1 (as previously reported)	\$3,300,323	\$ 485,129	\$ 349,204
Amount of restatement due to:			
Current liability for accrued vacation	(249,069)		
Overstatement of interfund (receivable)/payable	(331,436)	331,436	
Capital Project Funds applicable to the Nursing Home Proprietary Fund			70,270
Reclassification of major fund to a nonmajor fund		(816,565)	816,565
Amount of restatement due to conversion to GASB Statement No. 54			
Donations and Capital Reserve Funds applicable to the Nursing Home Proprietary Fund			(108,153)
Capital Reserve Funds	208,929		(208,929)
County Extension Service Fund	15,144		(15,144)
Heman Chase Fund	481		(481)
Fund Balance - January 1, as restated	<u>\$2,944,372</u>	<u>\$ -</u>	<u>\$ 903,332</u>

Proprietary Fund Statements

The water and wastewater projects were previously reported in Capital Projects Funds (included within the nonmajor governmental funds). Since these two projects are for the benefit of the Nursing Home, all associated activity with the water and wastewater upgrades are to be recorded within the Nursing Home

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
December 31, 2011

Proprietary Fund. These water and wastewater upgrade projects resulted in capital asset additions which were funded through authorized debt issuances, all of which was previously recognized in the County's governmental activities. In addition, resources that are for the sole benefit of the Nursing Home have been reclassified into the Nursing Home Proprietary Fund for reporting purposes.

Net assets of the Nursing Home Fund as of January 1, 2011 have been restated as follows:

Net Assets - January 1 (as previously reported)	\$1,460,107
Amount of restatement due to:	
Deficit balance of the Capital Project Funds	(70,270)
Donations and Capital Reserve Funds	108,153
Net book value of capital assets	873,921
Long-term obligations	<u>(634,415)</u>
Net Assets - January 1, as restated	<u>\$1,737,496</u>

Government-Wide Financial Statements

As previously referenced, the ending balance of the water and wastewater capital projects funds, the capital assets and the long-term obligations are to be recorded within the Nursing Home Proprietary Fund. During the year ended December 31, 2011, it was also determined that capital assets were overstated as of December 31, 2010 in the governmental activities.

Net assets of the governmental and business-type activities as of January 1, 2011 have been restated as follows:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>
Net Assets - January 1 (as previously reported)	\$ 13,267,448	\$ 2,184,309
Amount of restatement due to:		
Governmental Funds now reported within Proprietary Funds	(37,883)	37,883
Net book value of capital assets	(873,921)	873,921
Long-term obligations	634,415	(634,415)
Overstatement of capital assets	<u>(553,936)</u>	
Net Assets - January 1, as restated	<u>\$ 12,436,123</u>	<u>\$ 2,461,698</u>

NOTE 19—SUBSEQUENT EVENT

Subsequent to year end, the County converted the funds borrowed under the state revolving loan fund of \$292,735 for improvements to the Wastewater Treatment System and accrued interest of \$1,761 into a \$294,496 note payable. As authorized by the American Recovery and Reinvestment Act, a total of \$146,367 of principal will be forgiven at the time of the initial repayment. The County will make annual principal payments of \$29,626 over a 5 year period and interest at a rate of 0.97%.

SCHEDULE 1
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 23,914,868	\$ 23,861,006	\$ 23,861,006	\$ -
Intergovernmental	2,301,614	1,819,107	1,149,449	(669,658)
Charges for services	2,708,195	2,751,130	2,764,712	13,582
Interest income	355,956	30,956	4,389	(26,567)
Miscellaneous	715,412	715,412	696,095	(19,317)
Total Revenues	<u>29,996,045</u>	<u>29,177,611</u>	<u>28,475,651</u>	<u>(701,960)</u>
Expenditures:				
Current:				
General government	4,605,994	4,554,931	4,382,429	172,502
Public safety	7,054,474	7,215,146	7,071,844	143,302
Farm	215,029	215,029	189,302	25,727
Human services	8,627,023	8,627,023	8,094,543	532,480
Conservation	130,044	130,044	132,913	(2,869)
Capital outlay	625,827	175,555	79,256	96,299
Debt Service:				
Principal retirement	2,421,100	2,331,100	2,331,100	-
Interest and fiscal charges	1,729,380	1,725,580	1,605,521	120,059
Total Expenditures	<u>25,408,871</u>	<u>24,974,408</u>	<u>23,886,908</u>	<u>1,087,500</u>
Excess revenues over expenditures	<u>4,587,174</u>	<u>4,203,203</u>	<u>4,588,743</u>	<u>385,540</u>
Other financing sources (uses):				
Transfers in	-	325,000	352,812	27,812
Transfers out	<u>(4,587,174)</u>	<u>(4,517,503)</u>	<u>(2,820,238)</u>	<u>1,697,265</u>
Total other financing sources (uses)	<u>(4,587,174)</u>	<u>(4,192,503)</u>	<u>(2,467,426)</u>	<u>1,725,077</u>
Net change in fund balance	-	10,700	2,121,317	2,110,617
Fund balance at beginning of year				
- Budgetary Basis, as restated	<u>2,677,666</u>	<u>2,677,666</u>	<u>2,677,666</u>	<u>-</u>
Fund balance at end of year				
- Budgetary Basis	<u>\$ 2,677,666</u>	<u>\$ 2,688,366</u>	<u>\$ 4,798,983</u>	<u>\$ 2,110,617</u>

See accompanying notes to the required supplementary information

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2011

NOTE 1—BUDGET TO ACTUAL RECONCILIATION

General Fund

Amounts recorded as budgetary amounts in the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General Fund (Schedule 1) are reported on the basis budgeted by the County. Those amounts differ from those reported in conformity with accounting principles generally accepted in the United States of America in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit D). General Fund budgetary revenues and expenditures were adjusted for encumbrances, non-budgetary revenues and expenditures, and on-behalf payments for fringe benefits as follows:

	<u>Revenues, and Transfers</u>	<u>Expenditures and Transfers</u>
Per Exhibit D	\$ 28,896,153	\$ 26,791,620
Encumbrances, December 31, 2011		28,216
Encumbrances, December 31, 2010		(42,152)
Non-budgetary revenues and expenditures	(3,782)	(6,630)
On-behalf fringe benefits	<u>(63,908)</u>	<u>(63,908)</u>
Per Schedule 1	<u>\$ 28,828,463</u>	<u>\$ 26,707,146</u>

Budgetary information in these financial statements has been presented only for the General Fund as there is no adopted budget for the ARRA Fund.

NOTE 2—BUDGETARY FUND BALANCE

As of December 31, 2011, the County’s unassigned fund balance that is available to reduce the 2012 property tax rate is \$4,210,508.

SCHEDULE I
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	<u>Expenditures</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Pass Through Payments from Community Development		
Finance Authority		
Community Development Block Grants / State's Program and Non-Entitlement Grants in Hawaii	14.228	
#09-403-CDHS		\$ 3,877
#10-403-CDED		<u>500,000</u>
Total Department of Housing and Urban Development		<u>503,877</u>
DEPARTMENT OF JUSTICE		
Pass Through Payments from the New Hampshire		
Department of Justice		
Violence Against Women Formula Grants - Recovery Act	16.588	
#2010-WF-AX-0042		30,000
#2009-EF-S6-0019		<u>32,770</u>
		<u>62,770</u>
Residential Substance Abuse Treatment for State Prisoners	16.593	
#2010-RT-BX-0039		<u>8,913</u>
Enforcing Underage Drinking Laws Program	16.727	
#2010CD29		11,236
#2011CD29		<u>2,858</u>
		<u>14,094</u>
Received Directly From U.S. Treasury Department		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	
#2010-DJ-BX-0959		<u>13,266</u>
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	16.804	
#2009-SB-B9-2958		<u>32,790</u>
Total Department of Justice		<u>131,833</u>
DEPARTMENT OF TRANSPORTATION		
Pass Through Payments from the New Hampshire		
Department of Transportation		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	
#NH-65-X001		<u>18,078</u>
State and Community Highway Safety	20.600	
#315-11A-090		<u>1,098</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	
#308-11A-083		<u>1,341</u>
Total Department of Transportation		<u>20,517</u>

See notes to schedule of expenditures of federal awards

SCHEDULE I
COUNTY OF CHESHIRE, NEW HAMPSHIRE
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2011

Federal Granting Agency/Recipient State Agency/Grant Program/State Grant Number	Federal Catalogue Number	<u>Expenditures</u>
ENVIRONMENTAL PROTECTION AGENCY		
Pass Through Payments from the New Hampshire Department of Environmental Services		
Capitalization Grants for Clean Water State Revolving Funds - Recovery Act #CS-333094-03	66.458	<u>945</u>
Total Environmental Protection Agency		<u>945</u>
DEPARTMENT OF ENERGY		
Received Directly From U.S. Treasury Department		
Energy Efficiency and Conservation Block Grant Program (EECBG) - Recovery Act #DE-SC0003699	81.128	<u>197,463</u>
Total Department of Energy		<u>197,463</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass Through Payments from the Town of New Ipswich, New Hampshire		
Medical Reserve Corps Small Grant Program #IMRCSG101005-01	93.008	<u>2,324</u>
Pass Through Payments from the New Hampshire Department of Health and Human Services		
Public Health Emergency Preparedness	93.069	<u>143,736</u>
Block Grants for Prevention and Treatment of Substance Abuse #95846502	93.959	<u>70,035</u>
Total Department of Health and Human Services		<u>216,095</u>
Total Expenditures of Federal Awards		<u>\$ 1,070,730</u>

See notes to schedule of expenditures of federal awards

COUNTY OF CHESHIRE, NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2011

NOTE 1—GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Cheshire. The County's reporting entity is defined in Note 1 of the County's basic financial statements.

NOTE 2—BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the County's basic financial statements.

NOTE 3—RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The recognition of expenditures of federal awards has been reported in the County's basic financial statements as intergovernmental revenues in the governmental and proprietary funds as follows:

Major Governmental Fund:	
General Fund	\$ 320,065
Nonmajor Governmental Funds	<u>749,720</u>
	<u>\$ 1,069,785</u>

The amount of \$945 represents fifty percent of expenditures in the Wastewater System upgrade project to be drawn down from the State Revolving Loan Fund Program. This is the amount that will be forgiven on the principal of the loan over the length of the loan.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
County of Cheshire, New Hampshire

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County of Cheshire, New Hampshire as of and for the year ended December 31, 2011, and have issued our report thereon dated May 29, 2012. 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.

Internal Control Over Financial Reporting

Management of the County of Cheshire, New Hampshire is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County of Cheshire, New Hampshire's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Cheshire, New Hampshire's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and,

accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jackson Clukay & Company PC

May 29, 2012

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Commissioners
County of Cheshire, New Hampshire

Compliance

We have audited the County of Cheshire, New Hampshire's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County of Cheshire, New Hampshire's major federal programs for the year ended December 31, 2011. The County of Cheshire, New Hampshire's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Cheshire, New Hampshire's management. Our responsibility is to express an opinion on the County of Cheshire, New Hampshire's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Cheshire, New Hampshire's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Cheshire, New Hampshire's compliance with those requirements.

In our opinion, the County of Cheshire, New Hampshire complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the County of Cheshire, New Hampshire is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Cheshire, New Hampshire's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over

compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Cheshire, New Hampshire's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Nelson Aikens & Company PC

May 29, 2012

**County of Cheshire, New Hampshire
Schedule of Findings and Questioned Costs
Year Ended December 31, 2011**

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: adverse
 Internal control over financial reporting:
 Material weakness(es) identified? _____yes X no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? _____yes X none reported
 Noncompliance material to financial statements noted? _____yes X no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? _____yes X no
 Significant deficiency(ies) identified
 not considered to be material weaknesses? _____yes X none reported
 Type of auditor’s report issued on compliance
 for major programs: unqualified
 Any audit findings disclosed that are required
 to be reported in accordance with
 Circular A-133, Section .510(a)? _____yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.228	Community Development Block Grants / State’s Program and Non-Entitlement Grants in Hawaii
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG) – Recovery Act

Dollar threshold used to distinguish between Type A and Type B program: \$ 300,000 .

Auditee qualified as low-risk auditee? _____yes X no

Section II—Financial Statement Findings

There were no findings relating to the financial statements required to be reported by GAGAS.

Section III—Federal Award Findings and Questioned Costs

There were no findings and questioned costs as defined under OMB Circular A-133 .510(a).

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Friday, January 14, 2011 9 AM
33 West St., Keene, NH

PRESENT: Representatives Hunt, Butynski, Emerson, Hawkes, Johnson, Lerandeau, Meader, Moore (Robert Jr.), Sterling, Tatro, Weber, County Administrator Wozmak, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly.

Chairman Hunt opened the Executive Committee meeting at 9 AM.

Facilities – Maplewood

Barry reviewed .29 line and indicated that there are no big changes other than the 1st year of the nurse call license. Barry talked about the electrical line indicating that we are dealing with a broker. We got in a bit late in 2010 so have not yet started to see the savings.

Barry spoke on the gas LPG line and how that is used for the ozone system and how the ozone saves money on fossil fuels. Rep Lerandeau asked about the gas and fuel products. Do you buy spot market and do you buy from a tanker load? King said we get 7,000 gallons at a time and have lately been going to the spot market, as this result is lower pricing.

Rep. Hunt asked about the Honeywell contract. He asked about the deal where we would get a rebate from them if we do not see savings. We have been saving on utilities and those savings are paying the bond fees for the work done to upgrade our equipment.

Rep. Hunt inquired about the Honeywell payments. King told him that Honeywell is under a three-year contract for the maintenance and replacement of most roof top units, air compressors, fire alarms, security and some other building systems. The Honeywell programs are all propriety with Honeywell.

King discussed an equipment inventory he did listing the mechanical equipment and its age and he will use this in planning capital purchases. Rep. Hunt wants to know if Honeywell can come back and say they won't replace but that the County needs to replace? Barry indicated that based on the age of the unit, they could say it is our responsibility. As part of this contract they come in monthly to calibrate the equipment each month. In response to questions, King said that there is a Honeywell person on the property at least 1 day a week at Maplewood and 1 day a week in Keene. County wide we pay about \$130k to Honeywell. This does not cover the jail as they contract out individually to different contract providers.

Rep. Hawkes asked about the propane, as the 9-month figures don't look like we are going to hit the 2010 budget but we have asked for an increase in the 2011 budget. King indicated that with the jail coming off and futures indicating that the price is going up, this might be too high. If they would like to see a cut this is an area that they could do so. Rep. Weber and Hunt would like to see King sharpen his pencil and see about reducing this line. Barry will come back with adjusted figures. Hunt would like to see if Barry could find \$20k throughout this budget as cuts.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Friday, January 14, 2011 9 AM
33 West St., Keene, NH

Rep. Tatro wanted to know whom we pay our cable to and why we don't use satellite. Barry indicated that we looked at that in the past and the residents did not want it.

Rep. Emerson would like to see \$20k out of the propane budget. Rep. Hunt said he would like to just have Barry come back with a \$20k reduction without specifying the line or area to be reduced.

Rep. Hunt, after looking at the Equipment Repair line, is thinking that he would like to see if King could come back with \$22k.

The Old Jail Building

As to the old jail, Hunt asked why we couldn't drain the sprinkler system so that we can literally mothball the building? County Administrator Wozmak indicated that as we continue to take people through the jail the need for heat and electricity is necessary. He also said he would be very reluctant to totally mothball the building out of fear that moisture, mold and mildew could develop and virtually ruin the building, making it impossible to re-use. Wozmak urged that we be supportive of minimal operating costs to preserve the building as a useful asset even though we don't know what its use will be yet.

Rep. Tatro asked what groups of people came through. Wozmak said that he has meet and continues to meet with various groups including Land For Good, the Monadnock Conservancy, Great Falls Food Hub, and others. These stakeholders have expressed an interest in adapting the building for other uses. At this time, there is no firm plan to act on. The Farm Study committee of the Delegation, along with the Commissioners, will convene to look at these proposals over the winter months.

Rep. Hawkes asked if there is an appraised value of the jail. Would it be just easier to demolish the building? Wozmak thinks that we are still in the early stages of determining what the building could be used for. He invited the Delegation to have some patience as these ideas get fleshed out and avoid any urge to simply destroy what could be 35,000 feet of useable space.

Rep. Butynski asked if there is some way to reduce the \$33 by \$10k and still allow people to view the property? Hunt wants to know if we could just drop the Honeywell contract on the old jail. Wozmak doesn't necessarily disagree but would hate to see a building go into complete disrepair or be turned into a petri dish. Rep. Hunt would like to see if there could be some cut to this budget as we get closer to wrapping up this budget. Wozmak offered to reduce up a \$10k from the old jail maintenance line and he would report to them at quarterly meetings whether we are meeting the reduced goal for operating expenses at the old jail.

Wastewater Treatment Plant-

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Friday, January 14, 2011 9 AM
33 West St., Keene, NH

Outside Service line – Rep. Weber wanted to know if having spent \$11k as of 9 month why are we only budgeting \$10k for 2011. King indicated that we installed new covers due to the recent upgrade and this is costing less since these have been installed.

Rep. Sterling asked about the Full Time employee for the WWTP – He said that Jaffrey has outsourced the operations for their treatment plants and have saved a lot of money. King will look into what it would cost to outsource and if there would be any savings.

Water Treatment Plant

Rep. Hunt asked if the same person doing WWTP is doing WTP? King said yes. There was a question about outside services (OSS) as to where it is. Rep. Emerson asked about supplies And Hunt said he would like to see \$5k taken out of this budget

Rep. Tatro thinks we should look into subcontracting this as well. He said Swanzey subs this out and then has one operator for both water and wastewater. He was advised that the county staff act in both capacities as well.

Rep. Hunt indicated that they would like to see a liquidation proposal when it comes time to discuss the farm. The Executive Committee will pass by the farm facility costs until they discuss the farm in February.

Rep. Butynski said he would like to see a proposal for leasing as well as liquidation. Rep. Hunt wants to know if we lease do we lease the equipment? Wozmak thinks if the Delegation is OK with seeking interested parties, they can seek proposals for different options. He said we could lease the land, the buildings, the equipment and the herd or any combination thereof.

Rep. Weber and Butynski think we can cut the total on the Court House Facility Budget by \$25k and possibly \$40k. The 2010 budget is currently coming in at \$254 so they feel that Barry can review and come up with savings somewhere in this range. Rep. Hunt questioned the water/sewer bill for this building. After much discussion it was determined that City of Keene water/sewer rates are very high. Hunt would like Barry to cut \$5k from this budget.

Facilities Manager King talked about the vehicle purchase. Rep. Lerandeau asked how many vehicles. King indicated that we always get State Bid. Rep. Tatro and Lerandeau would like to see that we allow the local dealers to bid on this as well. Rep. Weber would like to see this stay in for now and move on.

King discussed the condensers that are in the budget. He said they were purchased used 37 years ago. This would be a major priority. Honeywell will not replace these condensers. Honeywell stipulates in their contract that they will not replace obsolete equipment.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Friday, January 14, 2011 9 AM
33 West St., Keene, NH

King said the fire hydrant replacement for \$6k could be eliminated as he could go without replacing it at this time. Rep. Butynski asked if it would be a safety issue. Barry does not feel it would be a building safety issue unless there was a forest fire. Rep. Hawkes indicated if we shut it off so that it doesn't leak, can't it be turned back on in the event of a fire? The answer is yes. Barry spoke on the Idexx for E-Coli purchase for \$5,500 – This would be a 2-year payback as we pay \$28 weekly.

The County Treasurer's Budget

Sheryl spoke on behalf of the Treasurer's budget and indicated that the Interest Expense may be able to adjust downwards once we have our TAN sale at the beginning of February.

Deeds

Evelyn talked about the continued decline in the number of document recordings, which reflects in declining revenues.

The outside services (OSS) line is for her imaging and indexing. Rep. Hunt asked if this is proprietary. Hubal indicated yes. 9 out of the 10 counties use the same vendor. She indicated the vendor is very good and if they don't use what it is anticipated they receive credits on their accounts.

Safety

The Committee asked if a reduction in continuing education could be made in the amount of \$700 on the basis of historical use. Could the overall budget be reduced by \$3,500? Trombly will make a note of their request.

Health and Dental

Rep. Butynski would like to see the breakdown for Dental and would like to know if would could get NE Dental. Trombly will look into other providers although she did remind the committee that the county was self-insured as to dental coverage.

Human Resources

Rep. Butynski would like to see Wendy try to reduce the Human Resources budget by \$10k. He would like to know the employee split on Dental as well.

Representative Butynski also said that since the county is digging deeply on its budget, whether the delegation would like to present that the Delegation also waive their fee. This change was not made but Rep. Butynski said going forward, he would personally waive receipt of the stipend of \$25.00 per meeting although he wished to continue his mileage reimbursement.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Friday, January 14, 2011 9 AM
33 West St., Keene, NH

Human Services

Commissioner Aaron Patt spoke on behalf of the major concern this budget is in the future when the cap ends in SFY 2011 and must be revisited. He spoke on behalf of how important it is to understand and pay attention to this when it expires in SFY 2010. He said that if it expires, it would cause a significant increase in property taxes over which the Commissioners will have no control. Aaron would like for the Delegation to keep the County Commissioners apprised of what they are going to do and how they are going to vote when this expires. Patt said he is drafting a memo to draw attention to this important state-funding topic.

Aaron mentioned that as they cut the budgets down to the bare bones there is nothing left at the end of the year for surplus. Surplus that as it grows can go back to help offset taxes.

Rep. Butynski would encourage Aaron to share the memo that he is sharing with the selectmen with the delegation. He also would like to see this memo shared with his counterparts in the State. He thinks it is very important this information to share this with everyone. Butynski thinks the 40% of the new legislature need to be educated. Aaron will send out what he has written to all of the Delegation.

Commissioner Patt feels it needs to be determined if we are just going to be a payer of Medicaid or if this downshift continues if we need to consider shutting down the nursing home.

Commissioner Zerba mentioned that there is \$40,000 in the 2011 budget to study what the options might be to do with the nursing home. He mentioned that based on the deficit at the NH it costs approximately \$86/per \$200k to subsidize the residents at the NH.

Rep. Hunt would like to see the CHINS Diversion and Juvenile Conference Committee lines moved from Human Services to outside agencies in 2011. Sheryl will make a call to see if the directors of these programs can come in on Monday for the outside agency reviews.

There being no further business, at 12:00 PM, the meeting was suspended to meet on January 24, 2011 at 9 AM.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 24, 2011 9 AM
33 West St., Keene, NH

PRESENT: Representatives Hunt, Butynski, Emerson, Hawkes, Johnson, Lelandeau, Meader, Moore (Robert Jr.), Sad, Sterling, Tatro, Weber, County Administrator Wozmak, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly. Rep. Smith was absent

Chairman Hunt opened the Executive Committee meeting at 9 AM.

Rep. Hunt made opening comments to orient the newer members of the Executive Committee as to their role in reviewing the outside agencies that request funding from the county. He explained that the executive committee acts much like a foundation reviewing grant requests.

The first agency was **Home Healthcare, Hospice and Community Services** (also known as HCS or the VNA). They are requesting \$103,000 in 2011.

CEO Barbara Duckett was joined by her staff Susan Ashworth and Richard Skeels. HCS said that county funding is important for many reasons, not the least because they received a decrease in 2011 from Medicare, which is their main source of payment. The funding they receive from the county goes to pay for homemaker services for a group of people that are Cheshire County residents. They are looking for \$103k for 2011. They received a significant decrease in Medicare rate reimbursements this year as well as other providers across the nation. Duckett explained that of the home care clients they serve, 48% women over 75 – 31% over 85 and that of that group 84% is women.

She underscored that for many of the people receiving home care services, without these services, they would likely be in need of institutional setting at a much greater cost. Rep. Weber seemed surprised that there was no other option besides nursing home placement but Duckett said that the services they provide are the alternative to nursing home placement. Rep. Weber asked what the average spent per month on each of client is? Richard Skeels said it was about \$415/month. Rep. Sad asked about the average salary of your employees and do you have trouble recruiting. Duckett said salaries are in accordance with the St NH salary survey and they stay in line with those averages. They do not have currently any nursing opening. She said that Homemakers start @ \$8.00/hour and they do have trouble attracting enough homemakers.

Rep. Hawkes asked a follow-up question to the large number of people that HCS serves. He wanted to know if they have to turn people away. He was told that, based on the screening, they have to turn them down only because their needs are not enough to be in the program. However if they truly have a need, they are not turned away. But the money the county provides makes it work to cover the needs of those that need services in the program. The HCS philosophy is that they try to give everyone that has needs a little bit of services even if it is cleaning once a week. She emphasized safety as a factor.

Rep. Emerson asked if HCS serves people in Hillsborough County. Duckett said yes, Emerson asked if Hillsborough County gives any money to HCS. Duckett said no. She said that the towns in the county give money but not the County. Hillsborough County government used to award HCS 5% incentive funds that totaled \$5,000.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 24, 2011 9 AM
33 West St., Keene, NH

Rep. Sad asked about other revenue and was advised that there are flu clinics as well as grants that their grant writer applies for, mostly to run the area's only transit system, which has routes that are intended to serve the needs of the elderly and disabled as well as others, with a route system to get to medical appointments and shopping.

Monadnock Family Services.

CEO Jamie Collins appeared with CFO Peter Skalaban, and Board member Frank Dubiski. They are requesting \$100,000 in 2011. They are also requesting \$5,750 for Monadnock Substance Abuse Services as well as \$5,000 for Acting Out, for a total request of \$110,750.

Last year this time they started the reorganization and in order to maintain services in spite of the cuts they were facing was to cut back there administration costs and took duties that were placed on 9 people and placed them onto 3 individuals. This allowed them to continue giving services.

This proved to be the right decision starting the year with 43 programs and ending the year with 43 programs. They were able to serve more people even though their cuts went from \$250k to \$750k due to Medicaid cuts. Although the public story may tell something different through an audit.

The ARK center handles children, some of whom have been abused and cases are in court. They have court ordered visits in a safe environment. They work with the Child Advocacy Center and MCVF and the police departments in order to create an integrated network. ARK is a totally grant based program. Without grants, the programs will not survive. Prosecution services are provided by another agency. Concern was expressed that that program has changed its mission.

Several Representatives were pleased that the point was brought up. Many of the cases that are being seen at ARK are with children very significantly abused. The ARK center provides a trained clinician as part of their visitation program. For example when the children is court ordered to see a parent in a visitation and they ask a trained therapist why they have to see the abusive parent, the therapist has a duty to pass this information along.

Rep. Weber's concern is that the funding application does not explain any of what he has presented. Her concern is what she calls "Agency Creep" where the mission of one agency starts creeping over overlapping with what another agency is already doing. Weber just wants to make sure that they are making sure to clearly indicate what the mission of the program. Rep Emerson thinks they should redo their Mission Statement.

Rep. Johnson asked if this more in depth coverage has grown from the recommendations from the court to visit ARK. In prior years they were having difficulties getting referrals. She was told that, yes, they are getting referrals from the Child Advocacy Center and from the Victim Witness Coordinator.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, January 24, 2011 9 AM
33 West St., Keene, NH

Johnson Indicated that we are very fortunate to have this service in our county as many counties in the state do not have this program. MFS said that, currently, they have 18 cases being serviced by 1 full time employee.

CEO Collins said that, at MFS, they are constantly trying to evaluate their programs to see if there are ways to enhance what they are providing. The programs they provide are always a work in progress.

Rep. Hunt said that, looking at the budget requests in the past, the ARK program is a new proposal. Rep. Weber said she understands it is a new request but would like to see a mission statement in the future that states the accurate mission of the program. Weber is not looking for them to redo this now but asking for in the future to have them define better.

Rep. Johnson would like to know what the increase in the number of clients in the ARK service over the past couple of years is. The MFS staff present said they do not have this info handy as she just took over the program but will get that info to Rep. Johnson.

Keene Community Kitchen

Ann Davis– From Keene Community Kitchen presented. They are requesting \$15,000 from the county in 2011.

Rep. Sad asked about the classes that they provided and do they coordinate with UNH. Ann indicated that when working with UNH they could only serve the very lower economic class. Many of whom they serve with these programs are the working poor that just cannot be served by UNH as they can only provide the programs to the very lower income class.

Rep. Sterling said that he was the welfare officer for 14 years in Jaffrey and this was one of his favorite programs. He did say that he was concerned that they might be getting away from their core mission of the food pantry with some of the other programs that are starting to provide. Ms. Davis said that they are trying to be a food bank to ensure getting food into this region. But there are many issues as it is difficult to get the food.

They are trying to educate their clients to be more thrifty as due to our location we are in competition with the other areas in the State to get to the National Food Bank first. Areas such as Manchester, Hillsborough County etc are able to easily get there and get the food first. This is why they feel education is important as well.

Rep. Butynski would like to see a breakdown of how many are served.

Rep. Hawks was curious how many people for the hot meals program represent the County. Davis said it was mostly Keene. As expenses go up (travel) expect that to continue to go up. Although Keene does end up being a magnet for the area homeless population due to its many organized services.

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Rep. Emerson asked where Rindge is on the list. Anne said that they only ask the towns for reimbursement of services only for the Pantry and Rindge has there own Pantry.

Monadnock Center for Violence Prevention –

Robin Christopherson brought in a copy of their full audit and a statement of their financials for year ending 12/31/2010. The Center serves 44 towns in the Monadnock Region and a Monad United Way Agency. They are requesting \$11,506 for 2011.

Their request also includes a request for the reimbursement of an Americorp volunteer, which is new from previous years to just cover rent this also included \$5,000 for the funding of the Americorp Position. \$6,156 is for rent \$5,000 is for the Americorp.

Monadnock Developmental Services

Carol Brown & Chris Coates joined Alan Greene, the CEO. They are requesting \$54,733 in 2011. They explained that children that end up in a residential facility costs approx. \$120,000 per year yet through this program is about \$9k/year. They provide 150 hours for 155 families at 9/hr rate. In 2010 they received some one-time Medicaid money (\$16,500) that they will no longer receive. That is the driving force in the increase for the 2011. As of today she has 7 families waiting for service in Cheshire County. They will likely need to wait until July when she can look at the budget to see if she can try to serve them.

Rep. Sterling was wondering about the high number of individuals receiving services in Jaffrey and the high number of Special Education students in Jaffrey. – It is likely there is a correlation.

Greene explained that MDS does not go to the individual towns for funding only the County as they feel that it would be double dipping to ask from both sources.

Aids Services of Monadnock Region

Susan McNeil explained that she is the only full-time employee and that they have one quarter-time contracted case manager. She is requesting \$30,000 in 2011. Chairman Hunt asked how many residents wee living at the Cleve Jones Wellness House. McNeil said she had 6 residents currently and 2 just recently moved on. She said she could have up to seven residents.

CHINS (Children in Need of Services) and Juvenile Conference Committee (JCC)

Judy Sadowski from the Keene Youth Service Dept spoke to the request for funding. She is requesting \$20,800 for the CHNS program and \$10,000 for the JCC. She educated the Representatives about youth issues and are related to District Court Services.

JCC - \$10k request – this is a county wide program and serves all the towns and the City for youth who would be seen in District Court to hold youth accountable for there actions. It is for 1st time

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offenders, which diverts them from going before court and goes before the Committee to come up with an alternative to going before the judge. If they complete the program, (takes about 3 months) then their charges are dropped. They are hoping to help prevent these youth from re-offending in hopes to keep them out of our jails or Alternative Sentencing.

She said that 2/3 of those in the program are from the Town's of the county and not the City. Program runs on a combination of incentive funds, County & City funds. They will serve as many as they can with the \$10k they are requesting. Rep. Emerson asked about Jaffrey, Dublin & Rindge – This program does not support those youths that are brought before the Jaffrey District Court.

Sadowski said that these programs started in 1999; CHINs Diversion – Children in Need of Services. The type of youth they take into this program could be a runaway, truancy, “incorrigible” in an effort to change them outside the criminal code. They also can take tobacco violations in this program.

This program covers the 18 towns and the City of Keene – 50% are coming from Keene 50% around the region. This program was started historically by the County because of their success in the JCC and the coordination with the courts. In response to questions, she said that parents/schools etc can make referrals to this program in hopes to change the behavior of the child before they get into the court system. Statistically, as to the CHINS in 2007 – 87% remained out of court and JCC – 97% did not reoffend 2 years being out of the program, which is an indication of its success. CHINs – Information and referral – short term intervention – and can include long-term case management.

Child Advocacy Center

Carolyn Esty – Fiscal agent and Atonia Hart – Director of CAC spoke to the request for funding in the amount of \$26,000 for the Child advocacy Center and \$15,000 for the All R Kids Visitation Center.

The amount requested is approx 20% of their budget. This program services children who have been sexually and physically abused. She coordinates a forensic interview with a team from multiple agencies (police) in another room witnessing the interview so that they do not have to go through the process many times with the different agencies.

They coordinate these children with Trauma therapists in order to help with mental help treatment and to help in early on prevention to avoid issues that can develop from having been abused as a child. They work with the County Attorneys office, MCVP. Strafford County also has a program. There are 3 CAC are non – profits in the state including Cheshire Counties.

Monadnock Family Services (MFS) was their was their fiscal agent – This became a problem as they were competing for funding with all the other programs that MFS was fiscal agent for. They also had to pay a 9% admin fee to MFS. These reasons caused them to look for another fiscal agent. This is mainly Superior court but she does see some District Court cases as well. (These are the pre-felony offenders).

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Rep. Hunt asked whether their cases come in from all the towns. He was told that this year Keene #1, Hinsdale & Winchester 2nd. Rep Hawks asked if this program overlaps with the one that MFS just spoke of.

The program is on 164 Emerald Street and Atonia invites anyone that is able to stop by and see the offices.

There being no further business, at 12:00 PM, the meeting was suspended to meet on January 31, 2011 at 9 AM at the Cheshire County Department of Corrections.

Jane Johnson, Clerk

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Cheshire County Jail, 825 Marlborough Street, Keene, NH

PRESENT: Representatives Hunt, Butynski, Emerson, Hawkes, Johnson, Lerandean, Meader, Moore (Robert Jr.), Sad, Sterling, Tatro, Weber, County Administrator Wozmak, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly. Rep. Smith was absent

Chairman Hunt opened the Executive Committee meeting at 9 AM.

Department of Corrections:

Rick presented a staffing pattern analysis for the jail. He also presented video examples of real incidents that occur regularly in the cellblocks showing how the staffing works with 1 officer in each cellblock and how it works when backup arrives to assist the situation. (Ask Rick to give a breakdown of the staffing levels that he presented.

Rep. Emerson asked how many staff was at old jail and was told 55. She asked how many average Fed Inmates and was told 21 to 23 on average but lately 18 currently. Emerson asked the maximum capacity and was told it was 239 total with 199 of those in General Population

Rep. Butynski asked about the issues that he has recently heard about with freezing pipes etc. He was told that it has nothing to do with the Geothermal but there was freezing pipes due to a malfunction in the roof top system. This caused a leak that leaked over the top of the control room computer room.

Rep. Hunt wanted to know if we would be holding the contractors responsible. Wozmak indicated that this would be covered. All the disciplines are working together to determine what was the cause and how to prevent from happening in the future. In the long run between warranties and or insurance we will not have an exposure. There are at least 6 insurance companies involved, as there could be subrogation.

Rep. Tatro asked what is being done to prevent this from happening again or so this unit is not above the computer equipment. Wozmak said he is looking to add Glycol to this unit. With the initial design, we were working to avoid the expense of Glycol through the use of thermostats; redundant valve shut off, monitoring devices, etc.

Rep. Sad asked why the Admin p/r line has increased. This includes a new LADC position for 2011. This position will be offset at least in part by a grant. Also includes first full year funding for the receptionist position that was added in 2010.

Sad asked why the OSS line increased from the Dept request. \$18,250 was added for the expense association with Electronic Monitoring. This is new in 2010 as pretrial inmates now are allowed to be on electronic monitoring and we can not charge for pretrials.

Rep. Lerandean asked about the Water/Sewer. Wozmak informed him that these were refined over time as we have received better usage numbers against the fees the City charges.

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Roger Zerba mentioned that Jack is trying to work with the City to get them to take over our system. The city declined as they indicated we were the only users, why would they want to take it over. Jack reminded them that this was the gentlemen's agreement all along as we built to their specs. They still declined but we have submitted a petition requesting a reduced rate seeing as though the rate includes maintaining the system.

Rep. Sterling asked about vehicle gas increase? The Superintendent indicated that this is anticipated increase is due to Federal Transports – This is offset by reimbursement.

John Hunt asked where the cost savings are from this new building – What did we gain? The Superintendent said that Westmoreland was not was that it was not to standards. The design of the building is the most operationally efficient building. Hunt said that it is costing us 1.5 million dollars more to operate this building so he does not understand what he is missing. He was reminded that the new jail is 3 times larger than the old jail and that the new jail was not built to reduce expenses but to build an appropriate jail for the number of inmates. He was further reminded that for the entire decade that it took to get the project approved, all financial projections regarding cost were well explained both in terms of operating costs and staffing levels.

Rep. Lerandeau asked if we could rent it out to another County? Commissioner Aaron mentioned that another county has approached us to take female prisoners. We are working on negotiating this to take place. Wozmak said to keep in mind that there has been a huge change in the thought that at one point it was indicated that we should not build for the purpose of holding Federal Inmates. Now, the push is getting total offset revenue from Federal Inmates.

Rep. Hunt asked if our Federal daily rate is too high. Commissioner Pratt said as far as he can see this is not the issue with the Federal contract. This was their negotiated rate. It is service, convenience.

Rep. Hawks asked about the sign seen indicating Correctional Institution – Sam feels that Rick needs the support of the Delegation to make this a correction institution to make these individuals succeed once they leave.

Rep. Sad asked if there is a better way to pay for this cost rather than have them in the facility? Electronic Monitoring is a better option, as we will pay \$20/day rather than the \$105 cost. They are also responsible for their own Prescriptions and Medical Expenses.

Rep. Sterling asked about the \$15,000 Vehicle expense. The Superintendent said that this is based on a 5-year average to keep his vehicles up and running. Many of the vehicles are hand-me-downs from the Sheriff's Dept and need a great deal of work to pass inspection and be safe.

Rep. Butynski asked if he could look at his budget to see if there is a possibility that this budget could be cut by 5%.

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The Superintendent talked about savings that they have achieved. They have been going to Price Chopper and getting \$10.00 prescriptions. This change has already saved \$10 of thousand of dollars. They are constantly looking for ways to save money.

Also a great % of his staff is uncertified but must be sent to the academy. The academy just went from 4 weeks to 5 weeks. Rick fought this change as this causes more time away that requires having to cover for these positions while they are away.

Because of this, Rick has insisted to the academy that he will based on training and experience that he will submit to get his officers certified by only paying the fee so that these individuals do not have to be taken off the floor to go to this 5 week academy.

Jack Pratt wanted to respond to Bill Butynski's request. Pratt indicated that as a rep he fought hard to get the jail to reduce staffing. What he wanted to let Bill know that they will do everything they can do to get the budget down but that we need to be realistic. These CO's are working alone in these pods @ \$12.50/hour and he doesn't want to put these officers at risk and when it comes to cuts he does not want to see personnel cut. He feels the LADC position is very valuable and if we can make the inmates better people when they leave.

Butynski does support the LADC position but cannot support the budget as presented. He feels the budget as presented by the Commissioners was too high and because this was not done he is asking the Superintendent, who knows his budget, he would like Rick to look through and make the decision where he can cut 5%.

Rep. Johnson agrees with Bill B. – she knew this was coming. It is very hard to tell constituents when they have to tell them that they are cutting educational programs but what a wonderful Jail facility we have. She would like to know how we can spread things a little bit thinner and not hit the taxpayer so hard.

Commissioner Patt said if you cut personnel, might as well put \$ in the legal budget to cover the lawsuits that will come from cutting personnel.

Hunt just wants to ask to support Butynski to look hard to see if the jail can reduce by \$200k – He recognizes that payroll may not be the area to cut.

Rep. Weber said, looking at the staffing pattern analysis and what was demonstrated today she is convinced that we cannot do with less. She also wanted to say thank you for the strides made in Federal Inmate Revenue.

Alternative Sentencing:

Mike Potter presented an overview of what the program does. He discussed program outcomes and recidivism. They ask the clients for permission to receive police records. They look at current arrest prior to the program and then again 1 ½ year after leaving the program.

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The #'s show that each have an average of 4 arrests prior to the program and 1 arrest after.

Commissioner Patt broke down the costs for the various programs: \$105 – Jail; \$35.63 – Alt Sent; \$20.00 – Electronic Monitoring.

Wozmak reminded that when we studied what we needed in the jail they indicated that this program was needed regardless unless we wanted to build an even bigger jail. Also, if we are able to keep people out of the jail we are able to accept paying customers.

Rep Weber made a plea to the delegation that if she sees bills that would eliminate programs such as this that they not support such bills, as these programs are beneficial.

Rep. Sterling asked if we could we track what their actual residence is as to whether they are still in the County.

Rep. Tatro questioned the rent for the housing of this program and wondering if cheaper space could be found. Wozmak said we just renegotiated at a lower rate not yet reflected in the budget figures. Johnson asked about the increase or juggling around of the 2 OSS expenses. Wozmak the overall expense request was not increased just reallocated to better capture how it is being spent.

Potter said we support and push the clients to make progress. It is not an easy thing to do. Look at your own self as to how many times you tried to change a habit of your own and how many times you may not have met it with success. Roughly 90% of individuals struggling with addiction also have mental health issues.

Fire Mutual Aid:

Chief Tirrell said that retirement up about 25%, Health up, Workers Comp up. Overall this budget is up 7% but for the areas that they had control over they worked hard to keep this level.

Tirrell spoke to the formula – 10% Capital Fixed Base amount equally divided by community – 50% population – 40% equalized assessed valuation. Additionally this year as there was a decision to purchase the old Keene Fire Station. They bought it for \$405k to buy this building. This will be a 15 year mortgage and will cost each member \$537/year to pay for. The cost for maintaining building will be a new expense that they will have to incur and will be determined once they take it over. The Mutual Aid Board felt this was the most economical thing to do, as they do not have to move the equipment. This will allow them to bring the radio repair shop and will bring this operation into this facility once they take it over.

Commissioner Patt asked if the County is the best vehicle for billing the County communities? Phil cannot say if it is the best but is has worked well for us.

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The way it works is the County will be 1/6 of the overall County billing for the first 6 months of the year. The County then uses whatever vehicle it does to collect the money for the Cheshire County towns.

Commissioner Pratt asked if you were to go to a direct billing for Cheshire County how far in advance do you need to know. Tirrell said at least a year in advance so that they could notify the towns they would need to vote on this.

Rep. Sterling asked how much is currently in there Capital Reserve and was told approx. \$100,000. Sterling noticed there was no discussion as to how they will use these funds. Tirrell said part of this would be used on sprinkling the Fire Station once they own it.

Pratt asked when do you anticipate moving in and was told when the new fire station is built.

Rep. Weber asked what has caused the increase in this budget. The Chief said this year does assess the \$537 in the budget (although they have not bonded yet – in the event they are able to based on interest rates they have assessed this. If they don't mortgage this year then they will set aside these assessments in a reserve account.

Pratt asked for a financial statement. Tirrell said he would provide one.

Public Health:

Sheryl explained that this is a budget neutral entry to allow the county to continue to participate in regional public health issues and programs when requested.

UNH Cooperative Extension:

Ryan Owen, Nancy Braddford Sisson, Holly Dowdy and Steve Roberge presented the budget. Steve opened with a budget decrease in the P/R admin line. – A 4-H position has resigned and they will not be replacing - This is a \$7,000 decrease in their 2011 budget request.

Steve spoke on the ongoing concern of potential for duplication of services and that they assure that they are not duplicating these other agencies.

Steve sent around information that explained what they do and that these activities are well documented in the County Annual Report.

J Hunt asked about the 700 people that were noted to have connected with for nutritional events. The map looks more like 70. Steve noted the maps shows # of events not the # of people that attended. Jack Pratt asked Steve to explain the financial relationship and was told that there are 3 partners – County, State & Federal contribution.

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State and Federal provided \$380k in 2010 and the County \$188k. Each contributes about 1/3. The amount contributed by the County provides services in Cheshire County – 4 educators, 2 Admin staff that are County employees.

Hunt said State & Federal funds pay for Salary & Fringe of the Educators. The county contributes approx. \$69k and the State & Federal funds fill the balance.

Pratt would like to see a complete budget that captures the entire budget of Coop Extension. Sheryl will work with Steve to give a complete funding picture of UNH Coop Extension. And how the entire amount of money from all sources is spent.

Conservation District:

Amanda Costello and a Board member presented the conservation district budget.

Amanda spoke on behalf of what the Conservation District does and all the Federal \$'s and grants they bring in for the community.

Sterling – Does Amanda work with the local conservation commissions? Yes – Provide outreach for anything that the Conservation District can do for presentations or on as needed basis when the locals need help or support. They do not want to duplicate the other efforts throughout the region but they are to support and coordinate.

Rep. Hawks asked about the difference between UNH & Conservation District. UNH are the Educators and Conservation is the agency that helps leverage \$'s. The work to coordinate their individual skill sets not duplicate.

There being no further business, at 12:00 PM, the meeting was suspended to meet on January 31, 2011 at 9 AM at the Cheshire County Department of Corrections.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, February 7, 2011 9 AM
Maplewood Nursing Home, Westmoreland, NH

PRESENT: Representatives Hunt, Butynski, Emerson, Hawkes, Johnson, Lerandean, Meader, Moore (Robert Jr.), Sad, Sterling, Tatro, Weber, County Administrator Wozmak, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly. Rep. Smith was absent

Rep. Hunt opened the meeting at 9:00AM

Rep. Hunt recognized Assisted Living Facility Director Miffek who presented the ALF budget.

Commissioner Zerba mentioned that the Assisted Living facility is able to carry its cost and even makes a small amount of money.

Rep. Hunt asked if there are any vacancies in the facility. Administrator Miffek said that there is one unit currently available. She went on to say that she has about five more people on the list that she needs to call regarding the available apartment. In response to a question about transportation Administrator Miffek explained the taxi service in Keene can be used for anyone who wishes to go into Keene for shopping, doctors' appointments etc., but that she usually tries to get the family to assist.

Rep. Sad mentioned the Red Cross rider program. This service is available but Maria indicated that she did try requesting Red Cross assistance but were told that there were no drivers available for our area.

Rep. Hunt asked about cable television for the residents and wanted to know why we don't just pass this along as a straight charge. Administrator Wozmak said this was the practice in the past but that the charges are now built into the rent.

Rep. Hawke asked about the twelve-month revenue amount. Director Trombly stated it is currently at \$588,000 but a rent increase for 2011 will bring this figure to \$600,000.00 for budgeting purposes.

Administrator Wozmak pointed out that the last bond payment for the ALF is in 2012 for \$310,000.00.

Maplewood Administrator Kindopp presented the MNH budget.

Administrator Kindopp spoke to the Capital Requests for 2011 and reviewed the administration and dietary budget.

Rep. Hunt asked about the steam kettle in Dietary. Administrator Kindopp indicated that one of the units is quite damaged and can no longer be repaired. The original request was for two units to be replaced but the Commissioners asked if was possible to replace one unit in the coming year and the second unit the following year to avoid a large hit to the budget.

Administrator Kindopp then addressed the request for bedside table replacements. The purpose of the request is to be able to address the issue of residents having a locking mechanism for their valuables. Getting 50 units would allow for one floor to be equipped with locking tables. Kindopp then spoke to

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the resident replacement furniture request and said that this is an ongoing replacement of chairs, and over-bed tables and it is the same amount of money that she requests each year.

Administrator Kindopp discussed the mechanical lifts used at MNH noting that approximately 40 residents used these lifts per day. She then discussed the Pulse Oximeter request that allows assessing residents' heart rates and oxygen levels. She is seeking to replace one unit.

Administrator Kindopp then discussed the Low Air Mattresses and said that in the past we had to rent these for a daily rate. She would like to replace the one that she has as it only has about a 3-year life.

Kindopp then spoke to the request for chair replacements to bring some of the furnishings up to date. She said that the purchase was not critical to the operation of the facility but that they would definitely be a needed enhancement.

Rep. Hunt asked how many bed frames were replaced in 2010. Administrator Kindopp said that there were fifteen replaced in 2010 and she is seeking the funding to replace fifteen more.

Rep. Sad asked about the presentation that the Delegation saw from Warren Street about rebuilding the Nursing Home.

Commissioner Pratt mentioned that they have not moved beyond the initial presentations that were given, however they have started having discussions with firms about an analysis of the operation of MNH and its future given that the building is about 40 years old. He went on to say that there is money proposed in the 2011 budget to determine what direction to go with the nursing home.

Hunt asked how Medicaid reimbursement works. Administrator Wozmak noted there was a time where we actually made money/broke even. This was back when Medicaid actually paid us what it costs to run the Nursing Home. Now the reimbursement is half of what it costs us to provide the care. This is absolutely a function of the State budget cost shifting. We cover the placement of residents needing Medicaid no matter what facility they are in throughout the State as long as their last residence was in Cheshire County.

Administrator Wozmak said the question is that we got into the business when we could do it cheaper. We need to examine if it is still reasonable for the County to continue to this. But if we were not in the business who would take these residents, Wozmak asked. The private homes might take them but it is possible they would want to be subsidized. These questions need to be answered before we start moving forward as to whether we should build another facility.

The NHAC is forecasting that the State will continue to shift costs down to the County and that Long Term Care will be solely a County issue and the State will get out of it. The cap is going to expire in 2012. This is the amount that is protecting us from taking on more expenses as it pertains to Medicaid.

Rep Emerson questioned whether there is an RSA's that indicates we are responsible to take care of these residents? Administrator Wozmak responded to say there is no law that requires us to must run a

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Nursing Home but there is a statute that outlines our requirement to pay 100% on the non-federal share.

Rep Hunt feels that if the building was sold that the proceeds should go in a trust established to pay the private nursing homes a subsidy to take on these residents.

Commissioner Patt feels that a decision such as this really needs to go out and be voted on by the community.

Rep Johnson mentioned that the care at MNH is excellent. Feels we need to get the word out so that they are aware what we have here. We may not have fancy furniture but have good care.

MNH Administration –

Rep Emerson questioned the increase in the OSS line. The commissioners added \$40,000.00 to do a study on the Nursing Home. It is not known if this amount will actually be sufficient as an RFP like this has not been done in the past.

Commissioner Patt followed up to say that the study will help us to answer the question if we are going to continue to be a provider and payer or just a payer. We cannot build a new facility without answering this question. Rep Hunt asked who is talking about building a new facility? Commissioner Wozmak said we have a 35-year-old building that needs something done. We need to answer the question even if it was to consider renovating.

Nursing Home Administrator Kindopp said we have become the most highly regulated business in the country and have surpassed the nuclear power regulations. Currently the windows are below the height they need to be but we are grandfathered in. Some day we may not be grandfathered in any longer.

Kindopp provided some statistics regarding our nursing home population:

- 84% - Have a cognitive impairment
- 126 residents required assists with toileting
- 60 people of the 126 cannot be left alone due to falls risks.
- 78 are on alarms but expect in the near future to have alarms reduction.
- 65 are at high falls risk
- 40 require mechanical lift to get out of bed. (This requires a minimum of 2 staff sometimes 3)
- 27 need assistance with mobility (this takes 2 staff)
- 72 need assistance with 1 staff member

Rep Sad asked how the scheduling system is going. Finance Director Trombly mentioned that all systems are in place including Human Resource and Time & Attendance. The Time and Attendance platform has automated a great deal of processes that have cut out a number of hours for the payroll process.

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Environmental Services - In response to a question, the Executive Committee was advised that a total 511,000 lbs. of laundry was handled for 2010 in comparison to 603,000 lbs. in 2009. This decreased in 2010 as the jail moved out. They did not have to add staff with the loss of the inmates due to the decrease in lbs.

Rep Emerson asked what the Butterfly program is. – This is for the end of life care program. In order to improve the quality of whatever life span they may have left. This program tracks residents from the beginning of their stay to their end of life. The staff look for triggers that would indicate that the residents are experiencing a decline in daily life activities.

Rep Butynski asked if we get referrals from Brattleboro? Kindopp responded that we do get them but the bulk of our referrals come from Cheshire.

Occupational Therapy Director Gina Cutler explained her department and provided some statistics: The majority of this budget goes towards adaptive equipment for feeding.

- 80% of residents need assistance with feeding.
- 38% require multiple adaptive equipment
- The adaptive equip line did go up as the level of care the residents.
- Out of 144 – only 16 residents are independent for feeding.
- 38% of the 128 require adaptive equipment

Because the department went over budget in 2010 an increase in 2011 is being sought to cover the additional resources needed.

Physical Therapy Director Laurel Moody spoke about the Physical Therapy Department at the nursing home. The department is not fully staffed being short on the Staff Therapist position and this is currently being handled with an outside service contract.

Speech Therapy is also working on recruiting for a Speech Therapist– Our last Speech Therapist retired in 2010 and now only works with us one day a week. We are required to provide PT, OT & Speech.

There being no further public business to discuss, Rep. Hunt moved to adjourn the meeting and was seconded. Upon vote the motion passed unanimously.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Farm Committee Meeting
Monday, February 7, 2011 1PM
Maplewood Nursing Home, Assisted Living Facility Conference Room,
201 River Rd., Westmoreland, NH 03467

PRESENT: Representatives Sad, Butynski, Emerson, Hawkes, Johnson, Moore (Robert Jr.), Tatro, Weed, Chase, County Administrator Wozmak, Commissioner Roger Zerba; Representatives Carr and Cartwright were absent.

Chairwoman Sad opened the Farm Committee meeting at 1PM.

County Administrator Wozmak presented a general overview regarding the efforts surrounding the County Farm and the vacant House of Corrections facility over the past several months. He explained that these efforts have been documented in the form of memorandums and other efforts have included projects from teams of graduate students from Antioch University. In addition, he explained that a collaboration of stakeholders, including organizations such as the Greater Falls Food Hub, Land for Good, the Monadnock Conservancy, UNH Cooperative Extension, Cheshire County Conservation District, and others who are concerned about the sustainability of the farm operations were present today. He reported that this group has asked to speak today regarding some ideas that they have.

Chairwoman Sad requested that the four (4) Antioch project proposals be distributed to the committee via USPS before the next meeting and County Administrator Wozmak indicated that this would occur. She explained that this committee's scope includes analyzing all of the financial aspects of the County Farm and surrounding property and operations, to include a close inspection of financial statements to analyze all profits and losses. Chairwoman Sad also advised that this committee would also hear from various committees and other experts to ensure that a well informed recommendation would be made.

Chairwoman Sad acknowledged the presence of the aforementioned collaboration of stakeholders who were present today asking to be heard, and welcomed them to introduce themselves and a brief summary of their purpose.

Ryan Owens of the Monadnock Conservancy introduced himself on behalf of this collaboration. He explained that this yet-to-be-named collaboration has come together to look at both short-term and long-term plans for this operation, but that its main focus is to look at the long-term. He explained that their collective vision is to continue the tradition of Cheshire County and the stewardship of this farmland, in a way that is financially viable and sustainable, and would ultimately benefit the local economy, environment, education, and well-being of the greater community. He referenced a preliminary written report titled "Proposal for the Reuse of the County Farm, Land, and Former Jail" that had been previously mailed out to members of the Farm Committee for their edification.

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Introductions of individuals who were included in this Collaborative were conducted. These individuals included: Amanda Costello (Cheshire County Conservation District), Carl Mailer (Great Falls Food Hub), Gary Fox (Great Falls Food Hub), and Carl Majewski (UNH Cooperative Extension). Ryan explained that Bob Bernstein (Land For Good) was absent at this meeting. Carl Mailer clarified that although Great Falls Food Hub is named on the cover of the report, the report is equally shared by all organization in this collaboration.

Amanda provided further background information, including follow up on the S.A.R.E. grant. She explained that recent efforts have included conducting focus groups, and interviews of owners of other local farms. She advised that the Cheshire County Conservation District had contracted with Land For Good regarding a study regarding the reuse of the House of Corrections (Westmoreland).

Ryan asked the committee to provide approximately one (1) year's time to conduct a feasibility study of the discussed property, and that what the Collaboration was seeking today was a signal of interest and commitment to the process.

County Administrator Wozmak clarified that the decision-making regarding entering into a short-term lease of the farm is on a separate timeline, and is being conducted in the near term, while what this Collaborative is asking for is time to study possibilities for the long term options of the farm and surrounding land. He emphasized that it is beneficial to all involved if there could be some clear indication of interest upfront, so as to save the time and energy of all those involved if the committee has already committed to closure of the farm.

Rep. Weed asked for clarification regarding the separate timelines. He said that any short-term lease of five (5) to ten (10) years would obviously impact the long term options being discussed. He advised that from his perspective, any flexibility being asked for must be on the part of the Collaborative, not the Farm Committee.

County Administrator Wozmak advised that at the present time, the length of the lease being discussed at the Board of Commissioners meetings are roughly one (1) year.

Rep. Butynski stated that the discussion of feasibility and sustainability of the farm has been at six (6) year process to date, and in that time, the County and its taxpayers have incurred an approximately \$250,000 loss each year for a total of approximately \$1.5 million. He advised that this process is nothing new, and that his position is that the farm must not continue to lose any more money at the expense of the County taxpayers starting immediately.

Rep. Emerson asked if the House of Corrections was on a 500 year floodplain.

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County Administrator Wozmak advised that the jail location was in the flood plain, which required an elevation of the land in order to build the building. Some of the land surrounding the jail is in the flood way and cannot be built upon.

Rep. Weed stated that the losses from this property equal to approximately \$1.85 per taxpayer per year, and that this opportunity presented by the Collaborative may be just a start to greater possibilities.

Rep. Butynski reiterated that his position was that he would not support any plan that would allow the County to take further losses on this property, but that he would be open to listening to any ideas for a long term plan.

William Bucknell introduced himself as a member of the public and on the Chesterfield town Budget committee and asked to speak. Chairwoman Sad indicated that there were no plans to hear from the public today, but asked him to continue with his comments if they were limited.

Mr. Bucknell explained that he is on the Budget committee for Chesterfield and that he supports Rep. Butynski's position. He discussed that much of our food comes from California, but they are projected to have severe issues regarding their water supply that will surely affect food availability and pricing. He expressed his support for a local agriculture and food supply. Mr. Bucknell also cautioned against high turnover regarding the operations and owners of the farm, due to the health of the livestock. He advised that a year-to-year change would result in interruptions of milk production and ill effects for the herd.

Rep. Johnson expressed support for both Rep. Butynski and Rep. Weed's positions, and that she agrees that the financial losses have been significant but that she was interested to learn more to make a well-informed decision on the land.

Ryan Owens explained that the Collaborative is in the process of securing initial funding for a feasibility study from an anonymous foundation. He explained that the potential donor has requested to learn more about the commitment of the County Delegation to support the process of the feasibility study and also acknowledge and consider the results from the feasibility study, if conducted. Ryan explained that commitment could be comprised of cash or in-kind support.

Rep. Tatro asked if the potential donor was asking for a cash or financial match from the County Delegation.

Ryan explained that this would certainly be welcomed, but there is a strong understanding of the financial circumstances at the present time. He advised that before the potential donor was willing to fund this feasibility study effort, the potential donor has requested some assurance that the results would be valued by the County.

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County Administrator Wozmak advised that the County Administration and Finance Departments have prioritized the reuse and sustainability project(s) for the County Farm. He explained that Cyndi Desrosiers, Grant Support Specialist, would dedicate time to this process by seeking appropriate grant funding as needed. He further explained that Thanh Nguyen, Project Manager, would coordinate various stakeholders, manage County communications, and perform other appropriate duties as needed.

County Administrator Wozmak whether the Farm Committee and County Delegation would appropriate \$20,000 to this feasibility study to secure funding of the potential donor.

Rep. Butynski advised that any appropriations would be made by the Delegation, and not the Farm Committee. He reaffirmed that he cannot support any further losses as this property and its operations have been losing money for the past several years. He stated that he places this responsibility of planning and operations on the County Administrator and the Board of Commissioners.

Rep. Weed offered his support to help with the process to disseminate any information or provide any other type of assistance to facilitate this process to investigate long term options that would maintain the value of the land and tradition of Cheshire County. He stated that he was excited for the opportunities.

Wozmak asked the committee to consider making a recommendation to the delegation regarding the \$20,000 on the basis that if the \$250,000 loss was taken off the tax bill, that it would certainly be responsible for the county, as the owner, to participate in funding this group of outsiders as they conduct their feasibility study. Wozmak felt that we have some obligation to at least offer a token financial contribution since we are the owners of the land and continue to have a responsibility to be proper stewards of the land.

Rep. Johnson said that it was her position that an investment into long-term options would be worth it.

Rep. Chase reported that she felt strongly about local food security and being able to “feed our own”. She cautioned against wasting resources and compared this County resource to her home state of Rhode Island, where they did not have any resources such as this. She stated that she felt that the Farm Committee should not be “penny-wise and pound foolish” regarding these decisions.

Rep. Emerson said that she was interested in the possibilities for a Food Hub and/or a Food Bank, and in particular, she was interested in locally grown organic foods.

The schedule of the upcoming Farm Committee meetings was discussed. County Administrator Wozmak advised that the schedule would be posted publicly, and that it would be on the County website within 24 hours. A regular time of 12:30pm on the Mondays following the Executive

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Committee budget meetings, which occurs typically from 9:30 to noon on Mondays (excluding holidays) at various County offices as posted on the meeting schedule.

Chairwoman Sad reported that the Farm Committee would continue to hear from everybody and that we would continue these discussions in the upcoming meetings.

The Collaborative explained that the anonymous donor had asked for an assurance of commitment to the feasibility study by Thursday, 2/10. It was clarified that this followed their normal business timeline so that evaluation and decision-making could occur at the proper levels to be able to properly award this funding.

Chairwoman Sad reported that no firm decisions would be made in that brief time frame, reminding the Collaborative that today was only the first meeting of the Farm Committee.

Rep. Weed asked for a discrete meeting to hear more fully from the Collaborative, including details of its plans and other possible activities. It was noted that this should be open to the entire Delegation and to the public. Chairwoman Sad issued her support for this and that the Delegation would be asked to schedule this.

Amanda Costello noted that regardless of their support or decision making regarding the Collaborative, that each individual and their respective agencies were available as resources to the Farm Committee. These individuals have expressed their support to offer their expertise and familiarity with the local stakeholders.

A walking tour of the County Farm and the vacant House of Corrections was available upon close of the meeting to any who were interested.

There being no further business, at 2:20 PM, the meeting was suspended to meet on February 14, 2011 at 12:30 PM at the County Administrative Office Conference Room at 33 West Street, Keene, NH 03431.

Jane Johnson, Clerk

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PRESENT: Representatives Hunt, Butynski, Emerson, Hawkes, Johnson, Lelandeau, Meader, Moore (Robert Jr.), Sad, Sterling, Tatro, Weber, County Administrator Wozmak, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly. Rep. Smith was absent

Sheriff's Department:

Sheriff Foote was present for the Sheriff's budget. He spoke on his request for two new deputies. Some of the smaller police departments are requesting the Sheriff's Dept to assist in covering for the small town's police needs. There is also a request for Dispatch Supervisor for the 3rd Shift. This would provide someone on this shift with decision/supervisory responsibility that does not exist on this shift currently. This budget also has three new vehicles requested.

Rep. Emerson asked if there are any grants for the radios. Sheriff Foote indicated that there have been grants in the past. There is grant funds in the current budget for radios for the entire county. And have in the past had grants that helped other towns in the county. Grant funds are not available to replace the radios but to buy new.

Rep. Sad asked if the two new deputies are to assist towns and the overflow work and wanted to know if the grade and benefits that the County offers would be greater than what the part timers would have gotten had they been hired by the town.

Commissioner Patt spoke saying that if you have a part-timer in the towns you end up training them and then they are whisked away by another agency. Hiring full time is really the only way to get away from these part-timers needing to find full time work once they have acquired the training by the town.

Sheriff Foote said that the Sheriff's office is not going to take over for the towns but will be there to assist. The Chiefs of the town will be the one to take the initial call. There has been safety issues in the past as the towns do not have any backup assistance if further assistance is needed and that is when the Sheriff department steps in and helps.

Rep Butynski said that the state is in a dire financial situation. He would like to see letters from the towns showing their support that they are willing to pay extra dollars in County taxes to receive added Sheriff department support to assist the town Police Departments. If he could see these letters of willingness to pay then he might consider this request. Sheriff understands that things are not getting any better but he still needs to provide the services.

Rep. Tatro asked if any of the Sheriff's services are directly reimbursable? Sheriff Foote responded that only Gilsum pays directly for the services they are receiving.

Rep. Hunt said that the Jaffrey Chief of Police sent him an email wondering if we are already doing this why do we need more. Sheriff Foote said that we are doing this during the daytime but this would provide coverage at night or crossover of shifts. It's a safety issue.

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Rep Johnson asked if we what the breakdown of what this will cost and what it would save over time with the reduction of overtime. None of us wants to pay more money and there is nothing showing where the savings will come from.

Rep Sterling asked if the Sheriff was anticipating hiring already certified Deputies and how long after hiring when would they be online. He also inquired how long would it take to get them certified and trained.

Rep Sterling asked how much overtime was incurred for 2010? Sheriff Foote said \$20,686 and indicated that much of his overtime is already reimbursed for extra details, extradition etc. He does not feel that there would be a great deal of savings from the hiring of these positions. Miscellaneous Sheriffs Income line includes the reimbursement for much of the overtime that is being spent.

Rep. Tatro asked where in the Sheriff's budget does it show the cost for going through police standards and training. Sheriff Foote stated that this is in the cost of the salary and that there are no actual fees other than the lost time of sending a deputy to training while being paid as a County Employee.

Rep. Tatro asked if the Sheriff has a breakdown of which towns have coverage and which ones don't and how does the Sheriff's department justify charging all the County towns when only some of them need services. Sheriff Foote replied that the Sheriff's department would help out all towns when needed.

Rep. Sad asked if the Sheriff had any records of requests from surrounding towns that he had to turn down because the department don't have enough staff to assist? Sheriff Foote said he does don't track what the department has not been able to help out on.

Commissioner Patt explained how Dispatch shows the number of calls per town.

Rep. Hunt asked the Sheriff if the department ever helps out Keene? Sheriff Foote said that the department helps out Keene all the time.

Rep. Hunt stated that his fear is mission creep; he wasn't excited when the Sheriffs got radar detectors in the cars and he feels this is more of a policy discussion of how we want to manage our police patrol throughout the County. The Towns have been tough on their police dept and have cut down on their staffing so is the County now going to increase their budget to offset the cuts that the Towns have made? Rep. Hunt feels he needs to talk to his selectmen to see what is going on in his community.

Commissioner Patt feels it is more costly at the town level for the hiring and losing of their police than it would be to hire Deputies at the Sheriffs level.

Rep. Hunt does not feel he can make this decision today. He has some fear that any available Sheriff resources will be sucked up by Keene. Rep. Sterling said that he understands the concerns of

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needing police protection 24 X7 but by hiring at the County level can the towns reduce their budgets and use the County services.

Commissioner Pratt said that this should be an area to explore to see if there are efficiencies that could be gained by having the County provide more of the coverage for the towns and be able to reduce expenses at the towns levels. His towns biggest concern is the response time to Domestic Violence issues.

Administrator Wozmak said that it is an interesting question to be asked at the Town level as to whether they are actually trying to make cuts and would be satisfied with less service or if they would like to see these services shift.

Rep. Hunt asked what the uniforms increase in the budget represented. Sheriff Foote said that this is for his annual request to include reimbursement for Dry Cleaning. Rep. Hunt and Rep. Butynski would like to see a 5% reduction to this budget. The Executive Committee has asked the Sheriff to look at his budget and see if he can cut a full 5% across the board.

Capital Requests - Rep. Hunt asked if there is ongoing maintenance for the Mobile Command Unit. The Sheriff stated that Homeland Security will provide ongoing grants to maintain the MCU. Rep. Hunt asked how do we know that the MCU will never be an ongoing expense to the County. The Sheriff said he knows that there is Homeland Security grants for ongoing maintenance.

Rep. Hunt asked if we have another hand held radar? Commissioner Patt spoke saying that if you are contracting with the towns you need this equipment.

County Attorney Peter Heed presented the County Attorney budget:

County Attorney Heed said that the biggest increase is in post conviction cases. Felony cases have remained level. The district court prosecutor is able to deal with these in the district court and avoid them from getting to the Superior Court level. This saves time and money keeping them out of the superior court.

The regional prosecutor program attorneys are paid for 100% by the towns that use this program.

Attorney Heed spoke about the Extradition Line and how unpredictable it is to budget for this line. He has to make a judgement call as to how extreme the charges are as to whether they are going to go get them. Administrator Wozmak said that the question needs to be asked whether as a policy Extradition is something the County wants to do. The County Attorney is already over his 2011 allocation and it is only February. In addition, the medical costs of several criminals that have been extradited have been very large and burdensome for the Corrections budget. Frequently, after incurring great expense on hauling a criminal back to this jurisdiction, the charges are dropped.

Rep. Hunt spoke saying that years ago we had a County Attorney that would not hire for the Victim Witness position and now we have three Victim Witness positions. Rep. Hunt asked if it really takes

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three staff positions to do this? Attorney Heed said that since the law requires us to contact the witnesses we can't do this without these positions. This has been the same number of positions at least since 2006 although grant-funding losses have caused the county budget to increase to cover the costs of the program.

Rep. Sad asked how it was possible to save the 41k in the Outside Service Contract Line for the Reg. Prosecutor program. Attorney Heed said that now that the program is up and running there is no longer any need for these contract services.

Rep. Hunt made a request to the County Attorney to look at shaving 5% from his budget. Attorney Heed said that he will look to see what he can do and will bring it back his recommendations to the Executive Delegation.

Rep. Tatro asked if 5% is cut what the impact is going to be on services would be.

Commissioner Patt said that the County Attorney has Microsoft office which is about five versions out of date and when they get electronic information files they are often not compatible with what is being sent by the towns. When this occurs it is standard practice to Computer Operations involved in being able to read these electronic submissions. The first thing that is needed is to request from the towns a standard format and then the County needs to get up to date with Microsoft Office 2010. Administrator Wozmak said that cutting the County Attorney budget by five percent, please keep in mind that the County Attorney is already over the extradition budget and that he is dealing with technical difficulties that need to be addressed.

Rep. Emerson asked about the increase in the County Administrators salary. Administrator Wozmak indicated this is the calculation for the COLA. Administrator Wozmak indicated that whatever the COLA ends up being approved at the he will forgo the COLA for 2011.

Wozmak and Trombly presented the restructuring that is being proposed in the 2011 budget between shifting the Executive Assistant to the Commissioners to the Project Manager without substantial budgetary impact, due, in part to the Project Manager being an existing FTE previously at Alternative Sentencing but deleted from that budget. So it is a net reduction of one position.

Computer Operations – IT Director Doug Scribner gave background on his budget and the number of technologies that the department services. He listed the technology that has been added since his department became a three person department in 2007. Director Scribner talked about the electronic evidence the CA's office is getting and the extra work this is putting on his department to allow the County Attorney's office the ability to read this information that is coming over and not compatible with the software we have. The Department of Corrections relocation has caused Doug to spend at least one day a week at the new facility.

Rep. Sad asked how much time proportionally is spent at the County Attorney's office and could that be better served by just updating the software? Director Scribner said that even if we

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update/upgrade the problem is that most all towns are using different ways to gather and preserve evidence.

Rep. Hunt asked if IT could create something to send out to the towns to let them know how they need to send their electronic documents.

Rep. Hunt then asked about the computer leases and if we actually return the equipment or if we buy it out. Director Scribner said that the County does return them and that the County has gone from a three year lease to a 4 year lease cycle.

Rep. Butynski asked what would happen if you added a part-time person rather than a full time as requested in his budget. Director Scribner said that the problems with part timers is that because the systems are so complex it is difficult to get them trained and then find that they need full time employment and then end up moving on after being trained. Director Scribner said that one of his goals is to have someone at DOC more than one day a week.

County Farm:

Discussion took place regarding the review of the 2011 Budget for the Farm. The Farm Committee will be meeting after this Executive Committee Budget review.

Rep. Hunt asked, if we are losing money why would anyone would want to lease an operation that we show as running at a loss? Administrator Wozmak said that he doesn't know that answer but it must be that others can operate it differently than we are.

Rep. Hunt said that he wants to build a budget that isn't business as usual but creates a drop-dead date with the intention of other opportunities that do not include the County running it. Administrator Wozmak mentioned that there are at least fifteen people that came to a meeting expressing concern that the County does not just walk away from this property that they have owned for hundreds of years. Rep Sterling asked about giving the farm a six month budget and revisiting it at the end of that time.

Rep. Emerson asked if Grant Specialist Desrosiers could put out a grant to cover the operation of the farm. Cyndi indicated that she has put out an ARBOG Grant for \$250k but the award would not happen until August. This would be to develop a long-term solution. Desrosiers has been working to find grants for the farm but there are really no grants out there to support farm operations.

Commissioner Pratt sated that it seems clear to him listening to the Delegation that we cannot continue to sustain the farm in its present form. His proposal would be to stop the financial leak as of July 1 and hope that someone as of that date will lease it in its present form. He would hate to see us sell the equipment, sell the cows, tear down the buildings. He said that that as of July 1 the County should not bear the operational costs any longer but he also would not like to see the land sold for development.

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Farm Manager Dave Putnam spoke saying that if the County decides to have an auction on July 1 to sell everything, the figure for selling all the equipment and animals would bring in about \$300k.

Commissioner Patt said that one of the items mentioned in the farm report is that the upkeep/maintenance that has been put into the farm and that the County has built up equity. He feels that if we decide to lease the farm that one of the conditions is that the lessee agrees to maintain the equipment and the buildings.

Rep. Bob Moore – Spoke to say that somewhere along the line the buck has been passed on from the Commissioners to the Farm Committee. Having just got onto the committee, there has been no vote taken and is it just a waste of time to be on this committee if there is not going to be a budget as of 7/1/11. He thinks the Farm Study Committee can come up with other ideas/recommendations and that might mean the farm study committee might need to meet several times over the next couple of weeks so that they can come up with a recommendation.

Rep Butynski asked about the process so far. Administrator Wozmak indicated that an ad went out looking for those interested in leasing the farm. They received 5 letters of interest. They have scheduled meetings on the Feb 24 for interviews to take place with those that submitted interest. After having these meetings and it appears they really have the ability to take on then they will request written proposals. This will then be passed along to the Farm Committee and the Commissioners.

Rep Sterling asked the Commissioners what a 6-month budget would look like.

Rep. Hunt would like a revised budget proposal that funds the operation through 6/30 (status quo) and liquidated by 9/30/11.

Rep. Hunt said that he believes that the operation of the farm should shut down on 6/30/11 and that the County would need to keep Dave on the payroll to liquidate the equipment and that by 9/30/11 the buildings are shut down.

Administrator Wozmak mentioned that he feels that the county should participate funding in the feasibility study because the County has a number of people stepping up to put plans together.

Rep. Hunt said that he wants the Commissioners to put together a new farm budget as they are rejecting the budget that has come before them for the Farm and that the new budget should be presented at the Feb 28th meeting.

Commissioner Pratt said that he totally disagrees that we start demolishing the buildings and selling off all the assets. Commissioner Pratt said that he would like to see the potential lessee's maintain the current operations at the lessee's expense and not the Counties. This will allow some time to see the ideas that come out of the Antioch report.

He does agree that we should not continue to carry the cost of the farm any longer than 7/1/11.

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Commissioner Patt said that he agrees there needs to be a drop dead date and that we do need to look at all possible options including selling off everything. Rep. Hunt has brought up another option and that all options need to be looked at.

There being no further business, the meeting was suspended.

Jane Johnson, Clerk

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PRESENT: Representatives Sad, Butynski, Emerson, Hawkes, Johnson, Moore (Robert Jr.), Tatro, Weed, Chase, Representatives Carr and Cartwright were absent.

Chairwoman Sad opened the Farm Committee meeting at 1PM.

The Committee continued its discussion regarding current value of the assets of the farm and former jail property, and the projected scope of operations following a number of different scenarios which may occur over the next several months. After much discussion, it was agreed upon by the Committee that no definitive actions regarding both short term and long term plans of the property could be taken until those who have responded to the February 2, 2011, RFQ were interviewed by the Board of Commissioners, County Administrator and/or their designees on the scheduled date of February 24, 2011.

There being no further business, at 1:14 PM, the meeting was suspended to meet on February 28, 2011 at 12:30 PM at the County Administrative Office Conference Room at 33 West Street, Keene, NH 03431.

Jane Johnson, Clerk

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PRESENT: Representatives Sad, Butynski, Emerson, Hawkes, Moore (Robert Jr.), Tatro, Weed, Chase, Carr, Cartwright.

Chairwoman Sad opened the Farm Committee meeting at 11:40 AM.

Individuals representing a collaboration advocating for a feasibility study into the long term uses for the County farm and the vacant House of Corrections facility in Westmoreland, NH were introduced: Amanda Costello (Cheshire County Conservation District), Ryan Owens (Monadnock Conservancy), and Bob Bernstein (Land for Good). Also present were Carl Majewski (UNH Cooperative Extension), Steve Roberge (UNH Cooperative Extension), and Pete Throop (Monadnock Conservancy).

This collaborative gave a presentation to the committee regarding the proposed feasibility study, including its purpose, projected timeline and budget, and background. Among general information that was given, the collaborative discussed the inherent value of the County farmland in regards to its natural resources, especially when considering the scarcity of farmland in NH in general. Costello discussed that research conducted through the SARE grant identified that there are approximately 30 to 50 potential entrepreneurs who are seeking farmland to begin or expand operations.

It was explained that the feasibility study would explore multiple options and possible scenarios for long-term use of the County farm and reuse of the jail facility. At a minimum, the deliverables would include a thorough report describing these options, and would consist of site plans, budgets, and local market research regarding each option. Possible reuse options being preliminarily discussed included public land and facilities for recreation, agriculture education, a food hub, or a food processing facility that would provide opportunities to local farms to produce value-added products, such as cheeses and canned/jarred foods.

Costello also discussed that as part of the SARE grant, a needs assessment of farmers in the Cheshire County area was conducted. It was reported that in total, 39 questionnaires were administered and that the final report would be made available soon. Costello described that preliminary data indicated that cheese processing, food storage, and continuing education were found as common needs among local farmers and that these needs presented opportunities within the local market.

Rep. Cartwright asked about the timeline in regards to the current process of seeking a short-term lease for the County farmland and the long-term feasibility study. The concern was raised that the recommendations of the long-term feasibility study may not be compatible and practical due to the short-term lease agreement that is anticipated to last approximately five (5) years, beginning as soon as this Spring. Owens advised that this collaborative fully appreciates and supports the County decision to enter into short-term lease agreement, especially considering that it is highly desirable to ensure that this land has a continuous farming operation on it for the good of the land itself. Owens

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stated that the vision of the feasibility study is entirely consistent with County goals, both in the short-term and the long-term.

Bernstein advised that members of this collaborative have been included in the short-term lease process with County Administrator Wozmak, Grant Support Specialist Desrosiers, and Project Manager Nguyen, to provide technical assistance in regards to the RFP that is being developed. He expressed appreciation that this partnership has worked very well over the past few weeks while going through the RFQ/RFP process with staff from the County.

Owens discussed that if the County only planned for the short-term lease, without full consideration of the long-term plan, that there may be opportunities missed in terms of local food security, contribution to local economy, and education to local farmers and other community members. Owens reported that in addition, without a long term plan the jail facility would likely remain unused and continue to be a tax burden in terms of either one-time demolition costs or continuous upkeep costs.

Owens went on to describe the specific nature of the support that this collaborative was currently seeking from the Farm Committee, which was needed so that the collaborative could proceed with the knowledge that the in-kind time and efforts made and the actual financial investment(s) being committed to this feasibility study would not go to waste. He advised that this support consisted of three main components: 1) a commitment from the committee that any decisions that were made regarding the property would not preclude the recommendations of the feasibility study, for example, deciding to sell the property to a private owner before the study was complete; 2) an allocation of either human resources from County staff or financial resources from the County budget to contribute to the feasibility study and supplement any other in-kind and/or cash being contributed from their agencies and other private donors; and 3) participation from the Farm Committee to participate in identifying priorities and parameters of the feasibility study.

Bernstein advised that \$30,000 has been donated by a funder who wishes to remain anonymous at this time for the feasibility study. It was discussed that the estimate for the complete feasibility study would be approximately \$127,000.

Rep. Moore Jr. advised that he would only support this effort if no public funding was used. It was discussed that in-kind support of staff time would be used given that the Committee was unwilling to recommend a cash contribution at this time.

Rep. Sad asked about the timeline of the study. It was previously discussed that the study would take one (1) year to complete. Rep. Butynski noted that to ensure that the recommendations would fit with the timeline of the delegation and the executive committee, that the study should be completed by January 2012.

MINUTES
Cheshire County Delegation
Farm Committee Meeting
Monday, March 8, 2011 1PM
County Administrative Offices, 33 West Street, Keene, NH

At 12:45 PM Representative Sad made a motion, seconded by Representative Butynski, that the Farm Committee shall fully endorse the Cheshire County Farm and Infrastructure Project feasibility study, as presented, and approve that county staff may participate, as necessary, provided that there be no requirement of any direct financial contribution by the county; that the study shall be completed on or before January 10, 2012; and finally, that periodic reports regarding the feasibility study will be provided to the Farm Committee

The motion was approved unanimously upon a voice vote.

There being no further business, at approximately 1:00 PM, the meeting was suspended to meet on at date, time and location to be determined.

Susan Emerson, Clerk Pro Tem

MINUTES
Cheshire County Delegation
Monday, March 21, 2011 7 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Byrnes; Carr; Cartwright, Chase, Dwinell, Emerson; (Hawkes was absent); Hunt; Johnsen, Johnson; Lerandeau; Lindsey; Meader; Moore (Charles), Moore (Robert, Jr.); Parkhurst; Roberts; Sad; Smith; Sterling; Tatro; Weber; Weed; Commissioners Pratt, Zerba and Patt; Administrator Wozmak; Finance Director Trombly.

Chair Weber called the meeting to order at 7 PM.

Chair Weber recognized Rep. Meader for a motion:

To cease the operation of the current dairy farm facilities as soon as practicable, but no later than June 30, 2011, and to authorize the Commissioners to undertake such actions to arrange for the sale of the various farm assets, pursuant to RSA 28:8a, excepting land, buildings and fixtures and, further, to authorize the Commissioners to solicit bids for the lease of the farmland and buildings in Westmoreland and to execute all documents and undertake all acts necessary to lease the property, pursuant to RSA 28:8-c and subject to ratification by the county convention. Rep. Hunt seconded the motion. Upon a roll call vote the motion passed 19 in favor and 4 opposed.

The Chair recognized Rep. Hunt for a motion:

To accept the Executive Committee proposed budget for 2011 in the amount of \$41,232,995. Rep. Meader seconded the motion. Discussion followed. (*The MAIN MOTION*)

The Chair recognized Rep. Roberts for a motion:

To amend the budget by reducing the Dept. of Correction budget by \$160,000 and increasing the outside agencies by \$95,000 and increasing the alternative sentencing budget by \$65,000, which would be a budget neutral change to the budget. Seconded by Rep. Weed. Rep. Roberts spoke to his motion saying that he would rather put the jail out of business and increase programs that keep people out of jail. He made several comments regarding our obligation to programs that keep people from going to jail.

Rep. Hunt responded that the cut to alternative sentencing did not eliminate the program but merely reduced the outside services line to the 2008 level. He also was against reducing the jail budget now that it is becoming a profit center. Michael Potter, the director of the alternative sentencing/mental health program said that the program had been in existence for the past ten years and he discussed in some detail the scope of the program. Rep. Weed said he visited the Academy program and the ASP program as well and was impressed with the impact that the programs have on repeat offenders.

County Commissioner Patt spoke to the revenue that the jail is building and how the staff resources are more important than ever. Rep. Lindsey was concerned that a cut, such as proposed by Rep. Roberts would adversely affect the correctional officers.

MINUTES
Cheshire County Delegation
Monday, March 21, 2011 7 PM
12 Court St., Keene, NH

Rep. Roberts spoke to his position before the jail bond was voted and how he did not want us to build a jail to hold federal inmates. Rep. Gladys Johnsen said that the solution is as simple as raising taxes, which would add only a small amount.

Commissioner Zerba commented that one reason why the jail budget was up for 2011 over 2010 was that the jail was only open for part of the year last year.

Rep. Sterling asked the impact on taxes and was told that on a \$200,000 house, the tax impact of this budget would be \$40.22.

Rep. Johnsen wants to add the \$65,000 to alternative sentencing. Rep. Hunt reminded the delegation that the outside service line of the program still has \$100,000 in it. Commissioner Patt gave a brief cost history of the outside service lines. Commissioner Jack Pratt commented that these cuts are very difficult and that the county is caught between valuable programs that are useful and taxpayers that say that they cannot continue to pay as much in taxes.

Rep. Weed reminded people that the primary reason for government is to serve the community and these cuts work against that purpose. Rep. Weber said that she was very conflicted about the cuts but they were necessary across the board.

Upon a roll call vote on Rep. Roberts the amendment of the main motion to **amend the budget by reducing the Dept. of Correction budget by \$160,000 and increasing the outside agencies by \$95,000 and increasing the alternative sentencing budget by \$65,000, which would be a budget neutral change to the budget, the motion failed on a vote of 6 in favor and 17 opposed.**

Rep. Gladys Johnsen moved to restore the \$65,000 to the Alternative Sentencing budget, seconded by Rep Chase. Rep. Hunt reminded the Delegation that there is still \$100,000 in the outside service line. Commissioner Patt recounted the history of the increase in the outside service line. On a roll call vote of 3 in favor and 20 opposed, the motion to amend the main motion failed.

Rep. Gladys Johnsen made a motion to add \$144,726 to the Outside Agencies, seconded by Rep. Weed. After brief discussion, upon the roll call vote of 7 in favor and 15 opposed with one abstention, the amendment failed.

Rep. Tatro made a motion to amend the main motion by adding \$37,000 to restore the Mutual Aid budget, seconded by Rep. Roberts. Rep. Sad asked what would be lost with this budget cut. Rep. Roberts addressed the merits of mutual aid the economic benefit to the City of Keene. Rep. Hunt suggested that the Delegation might revisit this in August. Upon a roll call vote, there were 6 in favor and 16 opposed with one abstention and the amendment failed.

MINUTES
Cheshire County Delegation
Monday, March 21, 2011 7 PM
12 Court St., Keene, NH

Returning to the main motion (above) to accept the Executive Committee proposed budget for 2011 in the amount of \$41,232,995, upon a roll call vote of 17 in favor and 6 opposed with one abstention, the motion passed.

Rep. Hunt made a motion to approve taxes to be raised from cities and towns for the operating and capital budget of the county for 2011 in the amount of \$17,111,022, which represents 40% of the total county budget. Seconded by Rep. Sad. Upon a roll call vote of 19 in favor and 4 opposed with one abstention, the motion passed.

Rep. Hunt made a motion to approve taxes to be raised from the cities and towns for the obligations mandated by RSA 167:18-a in the amount of \$6,803,846 which represents 16% of the total county budget, seconded by Rep. Lerandean, upon a roll call vote of 23 in favor and 1 abstaining, the motion passed.

Rep. Sad made a motion to accept the recommendation of the Farm Committee and fully endorse the Cheshire County Farm and Infrastructure Project feasibility study and approve that county staff may participate, as necessary, provided that there be no requirement of any direct financial contribution by the county; that the study shall be completed on or before January 10, 2012; and finally, that periodic reports regarding the feasibility study will be provided to the Farm Committee, seconded by Rep. Tatro. Upon a roll call vote of 23 in favor and 1 abstention, the motion passed.

Rep. Tatro moved that the Delegation vote to authorize the Commissioners to undertake all legal research and communications necessary to dissolve the current funding structure and allow Mutual Aid to raise their operating funds directly from all of the towns they serve, seconded by Rep. Sad. There was discussion about the implication of this motion and whether there would be time to study the impact. Commissioner Pratt said that the plan would be for the Commissioners to work with mutual aid to visit the towns for discussion and fact-finding. After more discussion, a motion was made and seconded to table the motion. Upon a roll call vote of 19 in favor and 4 opposed with one abstention, the motion was tabled.

There being no further business the meeting adjourned.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Monday, April 18, 2011, 7 PM
Keene City Hall Council Chambers
3 Washington St., Keene, NH

A special meeting of the Keene City Council and County Delegation was held Tuesday, April 18, 2011. The purpose of the meeting was to receive information about the proposed new court facility on county-owned land in downtown Keene, next to the current Superior Court building.

The meeting was called to order at 7:00 PM by the Honorable Mayor, Philip Dale Pregent. The mayor welcomed everyone's attendance and introduced the head table which included Chair of the Cheshire County Commissioner, Jack Pratt; Chair of the County Delegation, Representative Lucy Weber; the Chair and Co-Chair of the District Court Task Force, Senator Molly Kelly and Attorney Douglas Green; Executive Director of Monadnock Economic Development Corporation, Jack Dugan, County Administrator, Jack Wozmak; the City Manager, John MacLean, and City Clerk, Patricia Little.

Roll called of the Keene City Council: Charles H. Redfern, Terry M. Clark, James T. Dunn, Nathaniel M. Stout, James P. Duffy, Janis O. Manwaring, Kris E. Roberts, Mitchell H. Greenwald and Ruth R. Venezia were present. Kendall W. Lane, David C. Richards, Pamela Russell-Slack, June M. Donegan, Cynthia C. Georgina and Philip M. Jones were absent.

Roll called of the Cheshire County Delegation: William Butynski, John Brynes, Daniel Carr, Anne Cartwright, Cynthia Chase, Richard Dwinell, Susan Emerson, Sam Hawkes, John Hunt, Gladys Johnson, Jane Johnson, Gus Lerandean, Steve Lindsey, David Meader, Charlie Moore, Robert Moore, Jr., Henry Parkhurst, Kris Roberts, Tara Sad, Edwin Smith, Franklin Sterling, Jr., Bruce Tatro, Lucy Weber and Charles Weed were present.

Roll called of County Commissioners: John Pratt and Aaron Patt were present. Roger Zerba was absent.

Opening Remarks

Representative Weber stated with respect to the County, the concerns of the Delegation was that the County had just built the new jail and they weren't thrilled to hear that the new Court House could be in Jaffrey. She continued there were also concerns about the effect on the County budget with having the County Attorney and other staff members go back and forth between two Court House sites.

City Council Meeting Minutes
April 18, 2011

Commissioner Pratt stated Jack Dugan, Jack Wozmak and John MacLean have done a great service to this community in bringing this project where it is tonight and they hope to see the light at the end of the tunnel.

Senator Kelly acknowledged the efforts to date and thanked everyone for their attendance. She stated the task force members and nearly everyone in the room have been working together to make sure all the Courts stay in Keene and she is looking forward to a recommendation.

Attorney Douglas Green thanked Senator Kelly for suggesting two years ago that they form a task force to look into this. He stated as a lawyer who uses Keene District Court on a regular basis, he felt it was important to keep the legal system in Keene, the geographic center, and to make sure the people of Cheshire County had proper and prompt access to the legal system. He continued he echoed Senator Kelly's comments that this wouldn't have happened without the hard work of Jack Wozmak, John MacLean, and Jack Dugan and he hopes they are now at the point where they can move forward.

Re-stating of Motions Adopted at June 21, 2010 Joint Meeting

The City Clerk read the motions adopted at the June 21, 2010 joint meeting as follows:

The Cheshire County Delegation vote: On a 13-0 vote, the County Convention approved the use of county-owned land for the construction of a new court facility next to the current Superior Court building provided that agreeable terms and conditions are negotiated between the County, the City of Keene and the Developer and, if approved by the Commissioners, that the Delegation then review said terms and conditions for final approval, and further, that County staff is authorized to continue working on the downtown Court building project with all due speed and diligence to achieve a successful outcome in the shortest period of time.

The County Commissioners vote: On a roll call vote of 3-0, the County Commissioners approved the use of county-owned land for the construction of a new court facility next to the current Superior Court building provided that agreeable terms and conditions are negotiated between the County, the City of Keene and the Developer and, if approved by the Commissioners, that the Delegation then review said terms and conditions for final approval, and, further, that County staff is authorized to continue working on the downtown Court building projected with all due speed and diligence to achieve a successful outcome in the shortest period of time.

The City Council vote: On a roll call vote of 13-0, the City Councilors authorized the City Manager to negotiate with the interested parties all things necessary in support of the proposed new court facility on county-owned land in downtown Keene next to the current Superior Court building.

Presentation – Jack Dugan, Executive Director of Monadnock Economic Development Corporation (MEDC)

Mr. Dugan stated MEDC is a private, non-profit, 501 C3, regional economic development corporation with its headquarters in Keene. He listed some projects: the old Woolworth's building, the old Sears building, the Colonial Theatre, the old Goodnow Block, the Black Brook Corporate Park, Krif Road, and the Railroad property. He stated their region extends from the Connecticut River to Milford, North Charlestown, Hillsborough and south to the Massachusetts border.

Mr. Dugan explained how MEDC became involved with the Court House project. He stated the Keene District Court Task Force was searching for a solution on how to build a brand new \$10.3 million court house and pay for it with a total of \$450,000 per year in lease payments from the State of NH. He continued what made the idea more challenging was the fact that within the \$450,000 lease payment from the State, they have to pay operating costs for a 40,000 square foot building. This includes heat, electricity, and real estate taxes. He stated the estimate for expenses is \$250,000 per year.

Mr. Dugan stated the solution is a combination of several funding sources: a Federal program called New Markets Tax Credits, a State program called Tax Increment Financing (TIF), the reasonable terms on the sale of the land and a bond. He reviewed each of the programs.

New Market is a Federal Government Program that was established 8-9 years ago. It encourages and induces investment in low income neighborhoods. Mr. Dugan stated if a project is a worthwhile public benefit project that takes place in a low income census tract, the project is eligible for up to 39% of the total project in the form of federal tax credits. He continued there are only four low income census tracts in Cheshire County: the entire town of Hinsdale, the entire town of Winchester, two small tracts on the west side of Main Street in Keene and one tract was located on one side of Winter Street in Keene. He stated they would be awarded 39% of the projects in tax credits and then they would sell the projects to an investor. He continued in this case, because of the magnitude of the tax credits, they will sell them to a large bank.

Mr. Dugan stated the bank will buy the projects at a discount and they will buy 39% of tax credits or 39% of \$2.4 million but the net to the project from the cash generated by the sale of the tax credits will be under \$2.8 million. He continued the proposed site on Winter Street is an eligible tract.

The Tax Increment Financing District is a State law that the City adopted. It has been used on the east side of downtown to build the Well Street parking garage. It has been used to build the infrastructure to help open up and serve the Black Brook Corporate Park. Mr. Dugan explained a geographic area is drawn around a project and the taxes being generated within that geographic area are divided up amongst the County, the City and the School and any new tax increment created within that boundary can be dedicated to supporting public purpose projects. He continued the proposed site on Winter Street is

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currently not generating taxes and it is partly owned by the County. He stated the taxes from the new Court House which will be owned by a private, non-profit entity, can be paid and returned by the City to be invested in a project. When the project is sold, the property taxes will be paid by the new owner. Mr. Dugan stated the County owns the land and MEDC is asking the County to give them a loan of \$750,000. He explained that within 24 hours, they will give the cash back to the County, but the loan will stay in place as long as they own the project.

Mr. Dugan stated MEDC researched and found a project in Florida that used a similar bond structure that allowed the use of tax exempt revenue bonds to help them pay for a Court House. He continued through that project, they found a bond counsel, Palmer and Dodge, in Boston. The bond counsel is convinced that this is a project that can be financed with tax exempt revenue bonds. He stated this is important because tax exempt revenue bonds come with a lower interest rate than bank financing and they have a great deal of flexibility. He continued one of the requirements of a project partially funded with New Market Tax Credits is that for the first seven years of the loan, they are required to pay interest only.

Mr. Dugan reviewed the funding structure. The County loan would be for \$750,000. He explained that they would receive a check on Tuesday and they would write the County a check for \$750,000 on Wednesday. He stated this loan will stay in place until the project is sold and then the loan will be repaid.

In regards to the New Market Tax Credit, Mr. Dugan stated the investor buys 39% of the project in the form of tax credits at a discount. He stated they then invest \$2.77 million in the project. He explained one of the reasons the investor buys the tax credits at a discount is because they can spread the credits out over the first seven years of the project. He continued at the end of the seventh year, the \$2.77 million goes away and it automatically creates almost \$3 million in equity in the project.

In regards to the Tax Increment Financing, the Court House project is on Winter Street which is in the TIF District. Mr. Dugan stated because they will be leasing the Court House to the State, the State will pay new taxes to the City and because it is in the TIF District, the City will re-invest the new taxes back into the Court House project. He continued the majority of funding will be in the form of a Tax Exempt Revenue Bond for \$6.78 million and when all this is added up, they get a \$10.3 million Court House.

Mr. Dugan reviewed the following points. The loan from a bank is interest-only for seven years. The investor's return is limited to the benefits derived from the New Market Tax Credits and after seven years, the investors withdraw from the partnership. The loan for the land remains with the project until it is sold at which time the loan will be repaid. The new taxes generated from the new Court House will be re-invested in the TIF District. He stated if they are all agreeable to this, they can move forward with building a new court house in downtown Keene within the confines of a \$450,000 per year lease.

Mr. Dugan reviewed slides of the exterior and interior of the proposed Court House. It will be three stories and the exterior will be made of brick, glass, and granite. The bottom level corner facing the southeast on Winter Street will be the location of the main entrance and the stairways and elevators leading to the upper stories will be accessed from there. The security screening will take place there also. Behind this will be 38 secured, private, parking spaces for Court employees. He pointed out the sally port to the Sheriff's office and the holding cells. The District Court, clerks' offices, the staff lounge, the judicial office, a file storage room, two court rooms and conference rooms are located on the second floor. The layout of the third floor is similar and has two court rooms.

Mr. Dugan stated they have a lease that has been signed by the State for \$450,000 and according to the lease, the County needs to know to inform the State of their decision within the next month. He continued if they have their financing contingencies in place, they will begin construction later this summer. He stated they need the City Council to agree to the use of TIF and property taxes and they need the County Delegation's support to borrow the money for the 24 hour period. He continued this afternoon they received a positive response from the NH Business Finance Authority which, in addition to having allocation of New Market Tax Credits, also issues the Tax Exempt Bonds.

Questions and Answers

Representative Henry Parkhurst asked where parking would be. Mr. Dugan responded there will be 38 secured spaces underneath the building and there will be public metered spaces available in that area. He stated the County and the City have been discussing alternatives but this is beyond his purview. The City Manager stated the City Council has authorized him to discuss this with the County Administrator and they have had preliminary discussions relative to parking. He continued the City has parking lots in the Gilbo Avenue area with spaces available for County employees and Court business. He stated they have talked briefly about the Latchis property recognizing that there is an opportunity for the City and the County to work together on the removal of the building and the possible construction over time of a parking deck that would fit in that area. He continued they recognized that the infrastructure for a parking deck would serve not only the Court House but also downtown. He stated parking facilities for downtown are part of the City's master plan and the parking deck could come out of the TIF District they have now.

Representative John Hunt asked if the County had to come up with \$750,000. Mr. Dugan responded they are asking the County to loan MEDC the money to buy the land. Representative Hunt asked if they must borrow the \$750,000. Mr. Wozmak responded in the negative and stated they will have the cash on hand and that this is a budget neutral expense. He continued they are investing in the project and out of the invested proceeds; MEDC will buy the County land for \$750,000. He continued the \$750,000 they have invested in the projects stays as a note for seven years or longer after which time they get paid back on the loan.

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Representative Hunt stated if the County turns around and gets the \$750,000, then they haven't invested anything. Mr. Wozmak responded they will have a note for \$750,000. The Representative asked if the loan was their investment or if the loan was for the land. Mr. Wozmak responded it was their investment.

Representative Hunt asked if they were taking a second to the bond. Mr. Dugan responded in the affirmative. He stated they are building a \$10.3 million project and at the end of the seven years, they will have \$750,000 plus \$6.78 million in bonds. Mr. Dugan added the interest rate was 1% which is a requirement of the New Market Tax Credit and it is the minimum interest rate.

Representative Emerson asked how many parking spaces they have right now and how many spaces they would have once the project was completed. Mr. Wozmak responded there are 85 parking spaces there now and they are replacing 38 of them. The Representative asked if the City would be installing meters at the Latchis parking garage. The City Manager responded this is a decision the City will have to make through a development agreement. The County Commissioners and the City Council will have the final say over any development agreement. He stated if the County makes the Latchis property available, then they will determine how the County is made whole. He continued if the City has jurisdiction on that land relative to parking, then the City would continue to meter parking or find a way to reserve short-term and long-term parking.

Representative Emerson stated they will be losing 47 parking spaces that are there right now. Mr. Wozmak responded those spaces are not County spaces and they are metered spaces. Representative Emerson stated they are spaces for downtown and losing them is a bad idea. The City Manager stated a recent parking study identified where the City has surplus parking at this time and there is parking available in the Commercial Street lot. The Manager continued in the alternative, if the Court facilities are moved to Jaffrey, this will have an effect on the City's downtown economic vitality which is important to this region and the surrounding communities.

Councilor Clark asked how much money will need to be paid back in year eight. Mr. Dugan responded for the first seven years, the County loan and bond are half the interest loan and no principal is paid on the bond. He stated in year eight, there will be a \$6.7 million loan and it will amortize over the next 30 years. He continued with the tax exempt funding, they think they will get bonds with a 3.5-4% interest rate. He stated with the flexibility of the Tax Exempt Revenue Bond, they can get these types of terms.

Representative Franklin Sterling asked if the \$750,000 was included in the \$6.7 million bond? Mr. Dugan responded in the negative and stated in the State's lease, they have the option to buy it for \$7.5 million and there is a backup option for the County to buy it for \$7.5 million minus the \$750,000 if they can't sell it. He continued the State has a 15 year lease with 3% escalators each year and two five year renewal terms. Representative Sterling asked if they had calculated what the bond payment would be. Mr. Dugan responded he doesn't have it with him but he thinks it is less than \$200,000.

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Representative Sterling asked how the new parking garage would be financed. The City Manager responded he doesn't have the authority to obligate the City to a new parking garage. He stated the City pays for its parking structures by taking the revenues produced from the meters and reserved spaces but they also have the revenue which would come out of the TIF District which covers the entire downtown and which will be expanded to pull in the Keene Middle School. He continued the TIF District has done well as a result of the Railroad property investments and there is funding that will deal with infrastructure. He stated there are only 22 spaces available at the County lot for the general public and the City has issues relative to parking that need to be addressed regardless of this project.

Representative Sam Hawkes asked what the contingency plan was for a 10-15% overrun. Mr. Dugan responded the contractor's contract will have a contingency and on our side, we have a \$680,000 contingency. Mr. Dugan continued they are setting up an original operating reserve balance of \$250,000 and they will be adding \$30,000 to this every year during the 37 years. He stated at the end of the seventh year, they will take \$350,000 from that reserve and apply it towards the principal balance of the note. Mr. Dugan stated in regards to how much we pay in the first seven years, they will be selling some tax credits and they will be investing \$300,000 over the first seven years.

Representative John Byrnes stated he is impressed with the design but he would like to see a connection between the old building and the new building. He asked when they had arrived at the price of \$10.3 million for the project. Mr. Dugan responded the State put out a Request for Proposals (RFP) with a detailed list of specifications. He continued he and the architect worked closely with the State to come up with acceptable floor plans. He stated they took the plans to a builder for an estimate and then they refined the plans to refine the estimate. He continued they built in the value of the land and the cost of equipment. The Representative asked how long ago he was quoted that amount. Mr. Dugan stated a few months ago. Mr. Dugan continued the construction manager will bid to sub-contractors and MEDC will be involved in that process. He stated they have a clerk of the works who reviews the bids and sometimes they may not choose the least expensive one. He continued steel may rise but they have a significant contingency.

Representative Byrnes asked if it wouldn't be more economical to have other contractors bid. Mr. Dugan responded there is a limited amount of contractors who can do the work for this project and there are only two steel contractors in this region that can do it. The use of local subcontractors is always encouraged.

Sheriff Foote stated it is the State's building but there is a big issue with the two buildings not being connected. He continued the Sheriff's Department supports the Superior Court and the District Court. He stated the two buildings should be connected for security purposes Mr. Dugan responded they put together creative financing together and just made it under their budget. He stated the County has ideas in regards to using the existing Superior Court but it would cost another six figures to add a connector between the buildings.

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Representative Bruce Tatro asked what the finance arrangement was on the old Court House at the present time and who owns it. He asked if the County will pay the State to keep the facility and if they continue to use it, where the money will come from to maintain the old building. Mr. Wozmak responded the County currently owns the Court House and the State pays the rent. He stated they will be able to repopulate that space with County functions and currently they are paying rent to third parties for offices they don't own. He continued if they could gather up low cost funds and bring operations back under one roof, they could minimize the loss of revenue. He stated there would be some expenses associated with any renovations, but he doesn't know what that amount would be.

Representative Gus Lerandeanu asked what State agency Mr. Dugan was referring to. Mr. Dugan responded they worked with Administrative Services and they worked with Judiciary on the Court room designs. Mr. Wozmak stated the plans came through the Bureau of Court Facilities who is talking with the Chief Justices and the Bureau of Court Facilities is interacting with Administrative Services.

Representative Weber stated currently they have the State paying rent for the Court House and they will be using the State's rent to cover the bond cost. She asked if the State wouldn't be paying any rent during the construction period or if the State will be double paying. Mr. Wozmak responded there will be a cross over period where the State will begin to pay rent to MEDC and they will stop paying the County but the exact date is unknown. Mr. Dugan stated during the construction period, they don't pay rent. He continued at the beginning of the project, the cash is pooled into an interest bearing account and some of that interest can be used to serve the construction. He stated they have another line item in the budget to pay the rest of the interest and a \$10.4 million budget to carry them through the construction period.

Representative Edwin Smith asked if it was conceivable that the County operations in the current administration building could be moved into the old Court House and then that building could be sold to pay for the renovations. Commissioner Pratt responded this is a possibility but the question is whether or not there is enough space in the existing Court House. He stated the Registrar of Deeds is running out of space now so that space may be continued for other County functions. He continued if there was additional space, they may lease it to non-profits rather than putting it up for sale.

Representative Hunt asked how much the County is receiving from the State. Mr. Wozmak responded \$400,000 a year. The Representative stated we are about to cut ourselves off from \$400,000. He continued we don't pay that kind of outside rent now and this is a huge hit for the County tax payer. Mr. Wozmak responded the State put out an RFP to move the Courts so it was their judgment that the revenues would go away if the State transferred the court facilities somewhere else. Commissioner Pratt responded the State has made it clear that either they will build the State a new Court House in Keene or the State will build it where they want which is in Jaffrey.

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Representative Anne Cartwright asked what the cost was to the taxpayers. Mr. Dugan responded zero and stated there are two funding sources for the new Court House. He continued there is the 1% loan from the county for \$750,000 which represents the value of the land and the County will make \$750,000 when they sell it. He stated the second is the bond which is paid for by the rent which is State tax dollars. Senator Kelly confirmed that this project will not require an increase in property tax dollars.

Representative Byrnes stated it will cost the taxpayers in Cheshire County because of the loss of income from the other agencies. He asked if they will lose \$300,000-\$400,000. Commissioner Pratt responded there will be a decrease in revenues from the State. Mr. Byrnes asked if this will be passed on to the taxpayers. The Commissioner responded in the affirmative. Mr. Dugan stated currently they lease the Superior Court for \$400,000 per year and a significant amount of that is used for expenses. Commissioner Pratt continued they aren't losing the gross amount but they are losing the net amount which is about \$200,000 per year. He stated if they bring in other court related entities into the old building, they are shrinking the amount to a negligible amount.

Representative Smith stated if they do nothing, the State will most likely move the Court to Jaffrey and any increase cost will happen whether they build it or not. He continued if they build it in the current location, they will have the Court House near the existing old Court House so the County facilities will be in one place. He stated there is no difference in the net loss to the County whether we build a Court House or not. Representative Weber stated if we do nothing and the Court moves to Jaffrey, we not only don't have the income but we would then need to move some of the prosecutors to Jaffrey and they would need to transport people from the jail to Jaffrey.

Representative Sterling asked Mr. Dugan if the bank loan had a guaranteed rate for the first seven years. Mr. Dugan responded in the positive. Representative Sterling asked if it would stay at the same rate in the eighth year. Mr. Dugan responded in the affirmative. Representative Hunt stated it feels like they are trying to accommodate the City of Keene by blending the District Court in with the County Court which is not a County problem. He stated he is concerned how much this will cost the County taxpayers and he wants to make sure they have done due diligence to insure that they aren't doing something that is a benefit to Keene but a detriment to the rest of the County.

Councilor Clark asked if they will have an iron clad seven year contract with a 3% escalator built in. Mr. Dugan responded the lease is a 15 year lease and it escalates each year. He continued the State option is two five year terms beyond that.

Representative Carr stated his concern was that the extraordinary extra tax expense the tax payers would have to pay to go back and forth to Jaffrey will add up to far more than the income from the State. He continued right now, this deal would lock the State into a lease for 15 years with two options of five more years. He stated allowing even part of it to go to Jaffrey would be a huge expense on our taxpayers.

City Council Meeting Minutes
April 18, 2011

Next Steps

Representative Weber stated the Cheshire County Delegation is meeting next Monday, April 25, 2011 to discuss what their pleasure is with respect to the project.

Commissioner Pratt stated the County Commissioners will decide at this Wednesday's meeting whether to formally recommend to the full Delegation that this project move forward.

The City Manager stated the City Council has already given him the authority to do what he needs to do if the Delegation and the County Commissioners decide to move forward. He stated the City Attorney, Finance Director and he want to talk to the City Council about development agreements and about any other issues associated with parking.

At 8:33 pm, Councilor Clark made a motion to adjourn, which was duly seconded.

Respectfully submitted by,
Bettina Chadbourne,
City of Keene
Minute Taker

Rep. Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Monday, April 25, 2011 7 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Byrnes; Carr; Cartwright, Chase, Dwinell, Emerson; Hawkes; Hunt; Johnsen, Johnson; Leraudeau; Lindsey; Meader; Moore (Charles), Moore (Robert, Jr.); Parkhurst; Roberts; Sad; Smith; Sterling; Tatro; Weber; Weed; Commissioners Pratt, Zerba and Patt; Administrator Wozmak; Finance Director Trombly.

Chair Weber called the meeting to order at 7 PM.

Chair Weber recognized Rep. Hunt for a motion:

To make the vote that will be coming before the Delegation regarding the \$750,000 loan to Monadnock Economic Development Corporation for the purchase of County owned land for the construction of a new court facility, a 2/3rds vote of the delegation.

Rep. Hunt stated that he felt this warranted a 2/3rd vote as he believes that we need to accept that the loan will never be paid back and that we should just consider that we have donated the land for this project. He also feels that the significance of this reality should require a 2/3rd vote no different than statutory requirements for authorizing bonds.

Discussion followed whether statutorily a 2/3rd vote was required for this type of authorization. After much discussion, it was recognized that 2/3rd vote was not required.

Chair Weber stated that she did not feel a 2/3rd vote was proper and that ultimately she needed to decide whether to entertain this motion or if the vote would go forward *at the ruling of the chair* requiring only a simple majority of which is statutorily required.

Chair Weber decided that in order seek a consensus, this decision is not only at her sole ruling, Chair Weber made the following motion: **To take a vote on whether to make the vote that will be coming before the Delegation regarding the \$750,000 loan to Monadnock Economic Development Corporation for the purchase of County owned land for the construction of a new court facility, a simple majority as statutorily required. Upon a roll call vote, the ruling was upheld 15 in favor 9 opposed.**

Chair Weber recognized Rep Weed for a motion:

Rep Weed moved To sell 0.58 acres of county-owned land on Winter Street in Keene to Monadnock Economic Development Corporation for the amount of \$750,000 for the sole purpose of constructing a new courthouse thereon, and, further, to waive the requirements of RSA 28:8c regarding competitive bidding on the basis that the transfer of land is necessary for the specific public purpose of constructing a public courthouse. This land is more specifically described as the subject of a subdivision of county-owned land on Tax Map 001-02-001 being that land approved for subdivision by the City of Keene on December 13, 2010 as a “Governmental Use of Property” pursuant to RSA 674:54, and further that the Commissioners are authorized to execute any and all documents pertaining to this transfer of land. Seconded by Rep Sad.

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Rep Emerson spoke to say that it was not reasonable to move the courthouse to Jaffrey and that we need to keep it in Keene.

Rep Hunt spoke to Rep Emerson's comment in that he did not feel talk of moving the courthouse to Jaffrey was reality.

Rep Smith spoke regarding his past dealings as a State Representative when the Keene Superior Court House first was brought onto the Capital Budget in the 1990's in need of being upgraded. This project was near the top of the list for a decade and still on the list.

Rep Cartwright asked if concerns for parking and a joining of the two buildings for Sheriff's access were going to be addressed.

Comm Pratt indicated that the City had already addressed much of the parking issues with new parking that had been created just recently through out the city. As for the Sheriff's issues with access to the building, the funding from the State will not cover the cost of joining the two buildings but it is an important issue to him as well and that the County will continue to look for funding sources that may accommodate this construction to happen.

Rep Lerandau asked how the State would proceed if this option did not go forward.

Senator Molly Kelly read aloud a letter from Judge Edwin W. Kelly. (See Attached)

Rep Byrnes asked if they could receive more clarification on the creative financing.

Bob Elliot from MEDEC spoke to the legality of the financing indicating the role of Bond Council to assure and give opinion that the financing structure is permitted.

Rep Sterling spoke to say that he does agree that moving the courts to Jaffrey is foolish, however he is concerned that the financing is shaky.

Rep Hunt urged all to re-read Judge Kelley's letter and that he feels there is no threat to move to Jaffrey and that he restates his prior position.

Rep Johnson spoke to say that she is in favor of the project but has concerns that the facility will eventually cost the county taxpayers money.

Upon a roll call vote the motion passed on a vote of 18 in favor and 6 opposed.

Chair Weber recognized Rep Hawkes for the following motion:

Rep. Hawkes moved to amend the 2011 County Budget by adding \$750,000 to Revenue account 3501.00.00 and adding \$750,000 to expense account 4459.00.00 to reflect the land

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Monday, April 25, 2011 7 PM
12 Court St., Keene, NH

transaction with Monadnock Economic Development Corporation, seconded by Rep Chase. Upon a roll call vote the motion passed on a vote of 18 in favor and 6 opposed.

Chair Weber recognized Rep Sad for the following motion:

Rep. Sad moved to accept the recommendation of the County Commissioners and the Delegation Farm Committee regarding the lease of the County Farm in Westmoreland, to wit:

- 1. Lease the county farm land and buildings (minus the Sheep Barn and farm houses) to BoRiggs for an initial period of 5 years at a monthly rental amount of \$1,250;**
- 2. Lease the two farmhouses to the existing (farm employee) occupants for a monthly rent of \$600.00 per month for the next 12 months whereupon the amount of the rent can be adjusted if warranted by market conditions or a change in tenancy.**
- 3. Lease the Sheep Barn to the current farm hand for a monthly rent of \$100/month for the next 12 months, whereupon the amount of the rent can be adjusted if warranted by market conditions or a change in tenancy.**
- 4. Authorize the County Commissioners to negotiate the lease language with the lessee and execute any and all necessary documents**

Upon a roll call vote the motion passed unanimously with 24 in favor.

There being no further business the meeting adjourned.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Monday, July 11, 2011 7 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Carr; Cartwright, Chase, Emerson; Hunt; Johnson; Lerandeau; Lindsey; Meader; Moore (Robert, Jr.); Sterling; Tatro; Weber; Weed; Commissioners Pratt and Patt; Administrator Wozmak; Finance Director Trombly

ABSENT: Representatives Byrnes; Dwinell; Hawkes; Johnsen; Moore (Charles); Parkhurst; Roberts; Sad; Smith

Chair Weber called the meeting to order at 7:24 PM.

Chair Weber provided an update regarding Rep. Sad's condition and recovery following an automobile accident.

ProShare funds were discussed. Finance Director Trombly advised that \$908,164 has been received from the State of NH, an unprecedented amount during her employment with the County. Trombly advised that other Counties have received comparable amounts. Trombly reminded the Delegation that they had already budgeted \$275,000 in anticipation of the receipt of ProShare funds so that the budget only needed amendment as to proshare funds by the amount of \$633,164.00.

The Commissioners recommendation to use ProShare funds by adding \$120,000 to Intermediate Nursing Services to adjust for the increase in the County contribution towards Nursing Home Care due to the changes as adopted in HB2 to increase the cap from \$105 million to \$107, and increase the Maplewood Capital Reserves fund by \$513,164 was discussed. The Commissioners explained that they have an interest in building up the Capital Reserves of Maplewood in anticipation of millions of dollars of renovation costs now that the building is 35 years old. They feel that saving this money rather than bonding such work is far less costly for the taxpayer.

Rep. Butynski stated that he would like a more thorough conversation regarding budget recommendations for the use of ProShare funds. He was uncomfortable with so much going into Capital Reserves and might like to see some go to tax relief. Rep. Hunt suggested that capital reserve requests should be discussed after other budget line items are addressed and resolved.

Chair Weber recognized Rep. Weed for a motion to recess the current meeting and to reconvene the Delegation following the next Executive Committee meeting. Rep. Hunt seconded the motion but after discussion, the motion was withdrawn by Rep. Weed.

Chair Weber recognized Rep. Butynski for a motion:

To increase revenue line #3404.01.00 (Patient Income-State) by \$114,534 to account for the semiannual rate increase from \$146.48 per day to \$154.78 per day for Medicaid Room and Board reimbursement at Maplewood Nursing Home based on cost report, acuity and available state funds. Rep. Linsey seconded the motion. Upon a roll call vote the motion passed unanimously.

Chair Weber recognized Rep. Sterling for a motion:

To increase revenue line #3319.00.00 (Federal Grants Reimbursement) by \$45,950 to allow for the receipt of Federal Grant funds and to authorize the use of these funds by increasing

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account #4900.97.34 (Capital Outlay – Computer) by \$45,950 in order to purchase and implement an electronic customer records management system for the Cheshire County Attorney’s Office. Rep. Weed seconded the motion. Upon discussion, Rep. Cartwright stated that the purchase of the electronic system should only be authorized if the Federal grant was awarded to the County. Upon a roll call vote the motion passed unanimously.

Chair Weber recognized Rep. Cartwright for a motion:

To abate the interest charged for late payment on County Tax payment for 2010 for the Town of Troy in the amount of \$140.02. Rep. Chase seconded the motion. Upon discussion, Commissioner Patt advised that the Town of Troy experienced a cash flow issue due to extenuating circumstances and explained the efforts made by the town to make the entire payment on time including making a partial payment and delivered by hand to the County on the due date. Rep. Weber inquired whether we have waived interest before, which was answered by County Administrator Wozmak in the affirmative, though only once to the best of his knowledge. Rep. Tatro stated that he believed that it might set a poor precedent and that it was not fair to the rest of the municipalities. There was some discussion that the town had an obligation to make sure they had sufficient cash on hand to meet their obligations. Upon a roll call vote the motion passed 11 in favor, 4 opposed.

The Delegation discussed the property and building at 0 Lampson Street, formerly known as the Latchis Theater. Commissioner Pratt clarified that authorization was needed from the Delegation before the Board of Commissioners could entertain bids for the sale of property, even for informational purposes to gauge the level of interest in the property within the real estate market, and that additionally, any disposition for the property would be subject to ratification by the Delegation.

Chair Weber recognized Rep. Hunt for a motion:

To authorize the Commissioners to solicit proposals for the disposition of the former Latchis theater building, including land and building and to execute all documents and undertake all acts necessary to carry out the intent of this motion, pursuant to RSA 28:8-c and subject to approval by the county convention. Rep. Lerandeau seconded the motion. Upon a roll call vote the motion passed unanimously.

Wozmak discussed the proposed Keene Court House project, and began with a review of the actions already taken by the Delegation, as follows: The Delegation has voted to sell the Winter Street lot to the Monadnock Economic Development Corporation (MEDC); the Delegation has amended the 2011 budget to allow for the land transaction; the Delegation has authorized the Commissioners to enter into a loan agreement with MEDC related to the land transfer. Wozmak provided an update, as follows: The project, like any other major project, has experienced a few unforeseen hurdles but has so far cleared those hurdles. MEDC has been granted an extension for up to four months from the State, which means that construction will be started by the end of 2011 and that the building will be completed by February 2013. Mr. Dugan from MEDC reassured Mr. Wozmak that under no circumstances will the County be asked for any other form of assistance beyond the loan for the purchase of the land that has already been approved by the Delegation. A

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construction timeline is being developed, and as of this report, the groundbreaking date or the date on which actual construction will begin is not yet known.

Rep. Tatro inquired whether any transaction has taken place yet regarding the land transfer for the loan. Wozmak advised that no transactions have taken place and that transactions are pending finalization of the project timeline and other project milestones before construction. Rep. Lindsey asked about the project timeline in regards to the City of Keene Fire Department building being constructed within the same general neighborhood. Wozmak advised that he is not aware of the construction timeline for the Fire Department.

Chair Weber recognized Linda Mangones, Community Development Block Grant (CDBG) Administrator of Keene Housing Authority. Mangones advised that Southwestern Community Services, Inc., Keene Housing Authority, and Cheshire Homes, Inc. were seeking authorization for the County Commissioners to approve the submission of a CDBG application to the NH Community Development Finance Authority for up to \$500,000 to be used for the second phase of a project (known as Brookbend East) to raze and rebuild 75 apartments on Ivy Drive, Keene. Mangones advised that the first phase of the project (Brookbend West) was made possible by way of a CDBG application through the City of Keene.

Mangones advised that the rebuilding of the forty year old housing complex was more cost-effective than rehabilitation due to the layout of the entire complex and the layout of each individual unit, notably due to kitchens being located on the second floor of each unit, and an inability to replace gas stoves with electric stoves because of the electrical infrastructure throughout the complex.

Rep. Cartwright asked about the level of risk taken on by the County if this CDBG application was authorized. Mangones responded that the success rate of CDBG projects was very high, and that when CDBG projects become unfeasible, the projects are dissolved before transactions occur and there is risk of liability otherwise. Rep. Hunt advised that he supported Mangones' response, and that in his experience, CDBG projects are highly successful.

Chair Weber recognized Rep. Sterling for a motion:

To authorize the Cheshire County Commissioners to apply for and accept Community Development Block Grant funds on behalf of Monadnock Affordable Housing Corporation (MAHC) in an amount up to \$500,000, for a housing project known as Brookbend East.

Rep. Lindsey seconded the motion. Upon a roll call vote, the motion passed unanimously.

Chair Weber recognized Chief Phil Tirrell from Southwestern Fire Mutual Aid (FMA) who discussed the funding structure by which FMA bills the County for the 23 Cheshire County municipalities who receive FMA services, and to discuss the amount of funding received from the County by FMA for the 2011 budget year. It was discussed that the Delegation had level-funded FMA during this year, which was \$46,000 less than the request made by FMA. Tirrell explained that FMA provides service for 78 total municipalities, which include 55 municipalities outside of the Cheshire County area who have all finalized their respective budgets and provided payment based upon budget calculations made by FMA. Tirrell advised that these payments have been made based upon figures calculated before the Delegation denied the funding request, and that as a result, 23

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Cheshire County municipalities have been a disparate amount than the 55 towns outside of the County. Tirrell advised that due to timing and to attempt to avoid a similar issue the next budget cycle, FMA may choose to proceed with billing towns within Cheshire County directly, identical to the billing practice for those towns outside of the County.

Rep. Cartwright advised that she did not want towns billed directly, and supported the funding structure as-is to increase the ability for area municipalities and the Delegation to negotiate funding for FMA as a collective unit. Rep. Cartwright advised that, if billed separately, the ability to negotiate funding requests is reduced because there was less of an opportunity to communicate with FMA. Tirrell advised that all communities have input regarding the FMA budget, by means of their Select Boards and/or Fire Chiefs.

Rep. Tatro advised that Fire Chiefs did not constitute proper representation due to fiscal responsibility belonging solely to the Boards of Selectmen. Rep. Tatro inquired whether FMA has ever relieved a municipality of a budget request, to which Tirrell advised that payment arrangements have been made in years past but that no bill has actually been reduced at all.

Rep. Weed advised that he felt that the FMA service is essential to life safety and should be supported, and that he felt that funding could not be spent better.

Rep. Weber advised that the supposed value of negotiating as a County did not seem to be consistent with the timing of the budget cycle, which would not allow for the County to bargain with FMA before municipalities outside of Cheshire County finalize their budgets. Rep. Weber advised that the election cycle also was not consistent with the ability to bargain, since outgoing representatives would be the individuals who were negotiating with FMA. Rep. Weber also advised that level-funding or cuts were common for other agencies during this difficult budget year.

Tirrell advised that FMA employees were almost all categorized with the NH Retirement System as Group II, which experienced a very significant increase in employer contributions identical to the financial burden addressed by the Delegation earlier in the evening. Several representatives stated that, notwithstanding the fact that many employee-related costs for municipalities have increased, that many towns found it necessary to either level fund or decrease their actual budgets and that Mutual Aid should not be an exception to this.

Rep. Hunt offered to make a motion that evening to vote that Mutual Aid level fund their budget next year in order that they understand—in plenty of time before they do their budget—where he stands on funding.

Rep. Lindsey asked about the relative ease that municipalities could withdraw from the FMA service area. Tirrell described that a simple process could be followed which would allow for a municipality to withdraw.

Rep. Butynski advised that he could not support funding FMA in the amount originally requested by increasing the current budget by \$46,000, due to other vital services being cut in this budget year. Rep. Butynski advised that the Alternative Sentencing Program was cut significantly, and that

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reduced amount of funding for this program would translate into individuals with mental illness being incarcerated at an increased rate, and loss of life.

Chair Weber recognized Rep. Sterling for a motion:

To increase expense line #4219.00.00 (Fire Mutual Aid) by \$46,138 to reinstate the reduction made to the budget at the March 21, 2011 meeting. Rep. Weed seconded the motion. Upon a roll call vote, the motion passed with 9 in favor, 6 opposed.

Chair Weber suspended the meeting at 9:26 PM, to resume on July 25, 2011 at 7 PM at the same location.

Minutes approved on 07/20/2011

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, July 11, 2011 6:30 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Emerson; Hunt; Johnson; Lerandeau; Meader; Sterling; Tatro; Weber; Commissioners Pratt and Rogers; Administrator Wozmak; Finance Director Trombly

ABSENT: Representatives Hawkes; Sad

Rep. Johnson opened the Executive Committee meeting at 6:35 PM. The meeting was held to review the first quarter budget.

Finance Director Trombly advised the following: At the end of the first quarter (March 31th), expenses are on target with a combined excess of \$190,605 after adjusting for major items that have not been expended due to timing. Overall county expenses are estimated at 74.87% remaining with Maplewood at 76.77% remaining. As of March 31, 2011, budget balances should be at approximately 75% remaining.

At the end of the first quarter, revenues adjusted for the tax collection pattern, are 75.23% overall for the county remaining and Nursing Home revenues to 72.86% remaining. As revenues should also be around 75% remaining, this indicates that revenues are on target as of the first quarter of the year. The totals combined amounts to an overage of approximately \$210,000.

Trombly further noted the following regarding revenues:

- Page 1 - Federal Grants are at 95.90% remaining. This revenue item is contingent on timing of grant awards. Offsetting expenses are budgeted and are expended only upon receipt of grant funds.
- Page 2 – Registry of Deeds Fees at 78.81% remaining. This budget has been reduced significantly from prior years based on the ongoing slow down of the real estate market. Based on first quarter receipts, it would appear this revenue source could still come in short for 2011, however, recordings typically increase the last half of each year. Based on these projected year-end increases, the revenues should come in as budgeted.
- Page 2 – County Inmate Holds revenue is at 98.95% remaining. This budget reflects a new contract for housing female inmates from Rockingham County. This contract did not start immediately in 2011 and the revenues budgeted reflect a partial year. These revenues should meet or exceed projections by year-end.
- Page 3 – Farm Revenues- Revenues for the Cheshire County farm will exceed projections for 2011. Although the proceeds from the auction will not be in the financial reports until the second quarter review, the sale exceeded budget projections by \$42,935. A request will be made to the full delegation to amend the 2011 budget by this amount so these excess revenues can be expended on building repairs that are necessary to be completed on the farm buildings.

Trombly advised the following regarding expenses:

- Page 6 – County Attorney Extradition line – This line item is over budget as of March 31, 2011. Discussions have occurred between the Commissioners and the County Attorney as to considering the charges against the individual in justifying whether to extradite the individual back to Cheshire County.

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Cheshire County Delegation
Executive Committee Meeting
Monday, July 11, 2011 6:30 PM
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- Page 18 - Facility Budgets – The fuel lines for all County facilities will need to be monitored closely and balanced against other line items. The spike in fuel oil prices that has been seen was not anticipated when the 2011 facility budget was created.
- Page 23 – DOC overtime – Overtime for the correctional officers will go over budget for 2011 but it is possible that other areas of the DOC budget will offset this overage. The cause is due to the fact that the budgeted FTE's for Correctional Officers is too closely matched to the actual staffing levels needed for the facility. Therefore, the use of overtime is necessary in most instances when there is a staff call-out or to cover scheduled time off. This will need to be addressed in future year budgets by adding additional FTE's so that overtime is not the only backup for adequately staffing the facility when shifts need to be relieved for these vacancies.

Rep. Emerson inquired about expenses made to life insurance, and Trombly advised that the line item includes short-term disability in addition to life insurance, and that the expenses in the amount of \$129,691 cover the premium for all employees who are employed over 30 hours per week.

Rep. Emerson asked about expenses made to transportation. Trombly advised that the County provides transport in lieu of other ambulance services, and that the amount shown represents the net expenditure after Medicaid reimbursement is taken out.

Rep. Hunt asked about the revenue overages. Trombly advised that the increased revenues are primarily due to an enhanced bed tax for Maplewood Nursing Home residents that account for approximately \$50,000 over the budgeted amount.

Rep. Emerson inquired about the costs of the dietary department at the House of Corrections. Trombly advised that we have contracted with FitzVogt and that the per meal cost at the current facility has decreased in comparison to the old House of Correction in Westmoreland, from approximately \$3.25 to approximately \$1.99 per meal.

Rep. Emerson asked for clarification on the budget line items for "FSA" and Assisted Living Clothing. Trombly advised that flexible spending accounts are available to County employees who obtain health insurance outside of the County as a pre-tax method of paying for medical expenses. Trombly also advised that, following the Collective Bargaining Agreement Assisted Living Facility staff is provided reimbursement for uniforms and scrubs.

Chairman Hunt asked if there were any further questions of the Finance Director and there were none.

Anticipating the dialog to take place at the Delegation meeting immediately following this meeting, Rep. Hunt suggested that the Executive Committee should preview the budget amendments on the slate for the Delegation meeting in order to make a recommendation that the Delegation could consider. There was discussion about the historic role of the Executive Committee at this point in the year and that while during the formal budget process the Executive Committee does indeed vet all budget recommendations, it has not happened that way in the past as to mid-year routine budget amendments. Hunt said he wanted to nonetheless have the Executive Committee perform this function as this time. After much discussion, it was decided that the Executive Committee would schedule another meeting at which the mid-year

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Executive Committee Meeting
Monday, July 11, 2011 6:30 PM
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budget amendments would be reviewed and recommendations formed to advance to the full Delegation. That Executive Committee meeting will be held on Wednesday, July 20, 2011 at the County Administration Building at 33 West Street, Keene. The Delegation will consider the budget recommendations on July 25, 2011 at 7PM in the Jury Assembly Room of Superior Court, Keene, NH.

There being no further business, at 10 AM, the meeting was adjourned at 7:15 PM.

Minutes approved on July 20, 2011.

Rep. Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, July 20, 2011 9 AM
33 West St., Keene, NH

PRESENT: Representatives Butynski; Emerson; Hunt; Johnson; Lerandean; Meader; Moore (Robert, Jr.); Sad (via teleconference); Sterling; Tatro; Weber; Commissioners Pratt and Patt; Administrator Wozmak; Finance Director Trombly

ABSENT: Representative Hawkes

Chairman Hunt called the meeting to order at 9:02 AM.

Chairman Hunt welcomed Rep. Sad via teleconference, who was at her home residence recovering from a recent automotive accident.

Chairman Hunt provided an overview and summary of the Delegation meeting on July 11, and advised that the purpose of the Executive Committee meeting was to examine the as-of-yet unresolved budgetary considerations, including the receipt and allocation of additional ProShare funds received from the State in the amount of \$633,164, excess revenue realized from the farm auction in the amount of \$42,935, and the Group II retirement expenditure increase in the amount of \$114,534.

The options of using excess funds to reduce taxes to be raised and also increasing the capital reserve fund balance were discussed. Commissioner Patt advised that the proportion of the capital reserve fund balance has been reduced over time as the overall budget is increased and funding has not been allocated to the capital reserve fund balance for the past 6 years. It was discussed that there is \$323,472.75 in the overall capital reserve fund balance, with approximately \$50,000 specifically in the budget for Maplewood Nursing Home.

Rep. Weber discussed that she would like to see a total of approximately \$160,000 returned to taxpayers, and that this figure was based upon the \$46,138 expenditure increase for Southwestern Fire Mutual Aid voted into the budget by the Delegation at the July 11 meeting, and \$114,534 realized from the Medicaid room and board reimbursement increase.

Commissioner Patt advised that the unprecedented amount of ProShare funds received from the State represented a unique opportunity, and that there would be more overall benefit if applied to the capital reserve fund balance. Commissioner Zerba advised that the current capital reserve fund balance was woefully inadequate when compared to the size of the overall county budget, and expressed support for applying funds to capital reserves. Commissioner Pratt urged the Executive Committee to consider that ProShare funds in this amount was likely to be a one-time occurrence that could not be counted on in future years.

County Administrator Wozmak discussed the condition of the 35+ year old Maplewood Nursing Home facility and advised that, as with all facilities over time, the nursing home will need a number of major repairs to adequately maintain the structural integrity and extend the lifespan of the building of the building in good working condition. Wozmak urged the Executive Committee to consider using funds for savings to increase the capital reserve fund balance. Wozmak discussed that the vast majority of funding needs can be predicated several years ahead of time, and that a base of savings would help to create stability over the impact which will impact taxpayers over time.

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Cheshire County Delegation
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33 West St., Keene, NH

Wozmak advised that a lack of savings creates a need to be reactive as issues arise, and that this many times results in County bonds and debt service which must be paid off by taxpayers over the long-term. Wozmak pleaded with the Committee to begin saving now for known expenses in the future as opposed to borrowing money for decades to come. He urged them to 'save-then-spend' rather than 'deplete-then-borrow'.

Rep. Butynski discussed the tax bills he receives as a homeowner, and reflected on the shift of taxes he has experienced over time. Rep. Butynski advised that the County portion of the tax bill used to be the lowest portion, but it has since increased to be the largest portion of his tax bill. Commissioner Pratt responded that the actual county operating budget increased less than one-half of one percent. Cost shifts and revenue reductions, many caused by the House in Concord, are responsible for the dramatic changes. Wozmak reminded the Committee that as a result of the State Representatives actions regarding the State budget, that \$6.8 million has been added to the county budget. And that this is a direct increase in property taxes, which, over the past decade or more, that never used to be placed on the back of the taxpayer and that this large, gradual cost-shift represents nearly half of the county taxes at this point.

Rep. Sterling stated that he would like to see a substantial amount of funds returned to taxpayers, and that, in general, he supported relieving taxpayers by reducing revenues, which would compel the Delegation to reduce the County budget even further for the next few years.

Upon discussion, Chairman Hunt recognized Rep. Sterling for a motion:

To apply \$160,000 to reduce taxes to be raised, and apply \$473,164 to capital reserve. Rep. Butynski seconded the motion. Upon discussion, Rep. Sterling withdrew the motion.

The excess funds from the farm auction were discussed. Administrator Wozmak advised that no major repairs have been conducted on the farm facilities since the construction of the buildings in 1986, when they were newly constructed following a fire that destroyed the previous facilities. Wozmak advised that, among other things, repairs should include a replacement of roof (which currently has numerous holes in it) on the milking barn, removing rot from the sides of one of the barns, repairing or replacing broken windows on the sheep barn and the maintenance shed, and painting all of the buildings.

Upon further discussion, Chairman Hunt recognized Rep. Lerandeau for a motion:

To recommend the increase of revenue line #3404.10.00 (State of NH Proportional Share Funds) by \$633,164 for the receipt of State of NH Proportional Share Funds not previously budgeted, and to authorize the use of Proshare funds by reducing taxes to be raised by \$100,000; adding \$50,000 to the Maplewood Capital Reserves fund account # 4915.89.00 and reserving \$483,164 by applying to fund balance; recommend the increase of expense line #4230.13.00 (DOC Retirement) by \$98,875 and expense line #4211.13.00 (Sheriff Retirement) by \$15,659 in order to account for the increased expenses that will be realized in 2011 for the increase in Group II employer contributions from 16.62% to 25.57%; and recommend the

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Executive Committee Meeting
Monday, July 20, 2011 9 AM
33 West St., Keene, NH

increase of revenue line #3405.03.00 (Farm-Sale of Livestock) by \$23,835 for the excess revenue achieved on the livestock auctioned on May 5, 2011 and increase revenue line #3405.03.03 (Farm Sale of Equipment) by \$19,100 for the excess revenue realized on the sale of Farm Equipment at this auction, and to authorize the use of these additional revenues by increasing Capital Outlay – Farm account #4900.89.15 by \$42,935 in order to perform necessary building maintenance to the County Farm Barns and structures.

Rep. Tatro seconded the motion. Upon a roll call vote, the motion passed 10 in favor and 1 opposed.

Finance Director Trombly advised that the impact on taxes to be raised as recommended by the Executive Committee would be reduced from 6.51% to 6.2%, and that the county budget would be \$42,015,716 in total.

There being no further business, Chairman Hunt adjourned the meeting at 10:19 AM.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Monday, July 25, 2011 7 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Cartwright, Chase, Emerson; Hunt; Johnsen (Gladys); Johnson (Jane); Lerandeau; Lindsey; Meader; Moore (Robert, Jr.); Parkhurst; Sterling; Smith; Tatro; Weber; Weed; Commissioners Pratt and Patt; Administrator Wozmak; Finance Director Trombly
ABSENT: Representatives Byrnes; Carr; Dwinell; Hawkes; Moore (Charles); Roberts; Sad;

Chair Weber called the meeting to order at 7:00 PM.

Rep. Hunt, Chair of the Executive Committee, provided an overview of the Executive Committee meeting on July 20 and the recommendations that are scheduled to be discussed at the present meeting. There was discussion regarding the compromises reached by the Executive Committee regarding the budget recommendations.

Rep. Weber expressed concerns about the near-term future and stated that she felt fortunate that the budget discussions being held currently were in regards to additional funds as opposed to further budget deficits.

Commissioner Patt advised the Delegation that approximately \$50,000 is being held in capital reserves for Maplewood Nursing Home, a department of the County which has an approximately \$14 million operating budget. Commissioner Patt advised that this disproportionate figure of capital reserves to operating budget should be a cause of concern to the Delegation, and further, that increasing the capital reserve fund balance over time should be strongly considered to ensure that any capital expenditures would not require undue hardship on taxpayers (from having to borrow) and the overall county budget.

Upon discussion, Chair Weber recognized Rep. Hunt for a motion:

To accept the recommendation of the Cheshire County Executive Committee and to increase revenue line #3404.10.00 (State of NH Proportional Share Funds) by \$633,164 for the receipt of State of NH Proportional Share Funds not previously budgeted, and to authorize the use of Proshare funds by reducing taxes to be raised by \$100,000; adding \$50,000 to the Maplewood Capital Reserves fund account # 4915.89.00 and reserving \$483,164 by applying to fund balance. Rep. Lerandeau seconded the motion.

Chair Weber recognized Rep. Cartwright for a motion:

To amend the motion on the floor by reducing taxes to be raised by \$250,000, and reserving \$333,164 by applying to fund balance. There being no second to the motion, the motion to amend failed.

Upon a roll call vote, the main motion on the floor passed 15 to 1.

Chair Weber recognized Rep. Hunt for a motion:

To accept the recommendation of the Executive Committee and to increase expense line #4230.13.00 (DOC Retirement) by \$98,875 and expense line #4211.13.00 (Sheriff Retirement) by \$15,659 in order to account for the increased expenses that will be realized in 2011 for the increase in Group II employer contributions from 16.62% to 25.57%. Rep. Moore (Robert, Jr.) seconded the motion.

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Rep. Weed inquired how many employees in the Sheriffs Department is currently paying into the NH retirement system as Group II employees. Sheriff Foote advised that there are 7 FTEs in the Sheriff's Department who pay into the system.

Upon a roll call vote, the motion passed unanimously; 16/0.

Chair Weber recognized Rep. Hunt for a motion:

To accept the recommendation of the Executive Committee and to increase revenue line #3405.03.00 (Farm-Sale of Livestock) by \$23,835 for the excess revenue achieved on the livestock auctioned on May 5, 2011 and increase revenue line #3405.03.03 (Farm Sale of Equipment) by \$19,100 for the excess revenue realized on the sale of Farm Equipment at this auction, and to authorize the use of these additional revenues by increasing Capital Outlay – Farm account #4900.89.15 by \$42,935 in order to perform necessary building maintenance to the County Farm Barns and structures. Rep. Lelandeau seconded the motion.

Administrator Wozmak advised that no major repairs have been conducted on the farm facilities since the construction of the buildings in 1986, when they were newly constructed following a fire that destroyed the previous facilities. Wozmak advised that, among other things, repairs should include a replacement of roof (which currently has numerous holes in it) on the milking barn, removing rot from the sides of one of the barns, repairing or replacing broken windows on the sheep barn and the maintenance shed, and painting all of the buildings. In addition, Wozmak reminded the Delegation that the County is now landlord to a private tenant who is leasing the facility.

Rep. Weed inquired whether some or all of the employed individuals who will conduct the repairs are Cheshire County residents. Wozmak advised that he is currently aware of an interested party for repair of the roof, which constitutes the largest repair among those discussed, and that he is from Westmoreland.

Upon a roll call vote, the motion passed unanimously; 16/0.

Chair Weber recognized Rep. Hunt for a motion:

To amend the 2011 bottom line budget to an amount of \$42,282,552¹. Rep. Lelandeau seconded the motion. Upon a roll call vote, the motion passed unanimously; 16/0.

Chair Weber recognized Rep. Hunt for a motion:

Motion to approve taxes to be raised from cities and towns for 2011 in the amount of \$23,861,006.00. Rep. Lelandeau seconded the motion. Upon a roll call vote, the motion passed unanimously.

¹ The minutes were amended on August 12, 2011 to correct a mathematical error in the total amended budget. On April 25, 2011, the Delegation approved a \$750,000 budget amendment related to the proposed new court building in Keene. This amendment brought the bottom line budget to \$41,982,995. That amount was inadvertently omitted from the calculation when presenting the bottom line budget total at the meeting. The new total of \$42,282,552 reflects all appropriations voted by the Delegation in 2011.

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In regards to the 2012 budget, Rep. Butynski asked the Commissioners to consider providing more relief to County employees who are lower on the pay scale in relation to the amount spent on healthcare and other benefits, in comparison to those who are higher on the pay scale.

Rep. Lindsey inquired about the progress made, if any, on a more robust legal library for inmates in the House of Corrections. Wozmak advised that he would follow up with the Superintendent.

Chair Weber recognized Rep. Lelandeau for a motion to adjourn. Rep. Smith seconded the motion. Voted unanimously.

There being no further business, the meeting was adjourned at 7:36 PM.

Minutes approved on _____

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Meeting Minutes
Monday, September 26, 2011 7 PM
12 Court Street, Keene, NH

PRESENT: Representatives Butynski, Byrnes, Cartwright, Dwinell, Emerson, Hawkes, Johnsen, Johnson, Leraudeau, Lindsey, Meader, Moore (Robert Jr.), Parkhurst, Roberts, Sad, Sterling, Tatro, Weber and Weed. Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly.

Rep. Weber opened the meeting at 7 PM.

Rep. Weber then introduced the first topic which was the Community Development Block Grant (CDBG) proposal to fund the relocation of Samson Manufacturing Corporation from Massachusetts to Black Brook Park in Keene. The grant application could be for up to \$500,000.

Rep. Weber introduced Jack Dugan Executive Director Monadnock Economic Development Corporation. Mr. Dugan then introduced Charles Perry the financial consultant for Samson Manufacturing and Andrew Prayer from Samsung manufacturing.

Mr. Dugan also introduced Linda Mangones who give background information on the Community Development Block Grant program and a history of the successful CDBG programs in the community including \$500,000 for a Fast Roads optical fiber project that would bring high-speed Internet access to a greater part of the region than at present.

Another successful CDBG project with the \$500,000 was the purchase and renovation of the EF Lane Hotel in downtown Keene. Mr. Perry from Samsung manufacturing spoke about the product line that his company will produce at the new Keene location.

Rep. Weed asked a question concerning the Regional Center for Advanced Manufacturing.

Representative Sterling asked if matching funds were a requirement for the program.

Rep. Butynski stated that he would like to see semiannual reports regarding job creation.

Representative Emerson asked a question of Mr. Dugan regarding courthouse funding. Mr. Dugan said that this wasn't related to the project under discussion at this time. Rep. Emerson said that the answer to the Courthouse question would affect how she voted.

Representative Chase asked how many employees there are currently and was told that there were 10 to 12, but only four or five will potentially transfer to the new Keene location. There was a short discussion about the type of jobs that would be created and whether or not there were people who would be available that could be hired who were already trained.

Representative Chase moved that the delegation authorized the Cheshire County Commissioners to apply for and accept Community Development Block Grant funds on behalf of Monadnock Economic Development Corporation in an amount up to \$500,000.00, to refurbish the industrial building located at One Partition place in Black Brook Corporate Park and to make a loan to Samson Manufacturing Corporation to purchase equipment related to their weapons accessories and manufacturing operation.

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The motion was seconded by Rep Moore Jr. was passed on a unanimous vote of 22 in favor and no opposed There being no further business, the meeting was adjourned at 6:30PM.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, September 26, 2011 6 PM
33 West Street, Keene, NH

PRESENT: Representatives Butynski, Emerson, Hawkes, Johnson, Lerandeau, Meader, Moore (Robert Jr.), Sad, Tatro, Weber, Commissioners Roger Zerba and Aaron Patt, Finance Director Sheryl Trombly.

Vice Chair Rep. Lerandeau opened the meeting at 6PM.

The second quarter budget report was presented by Finance Director Trombly.

At the end of the second quarter (June 30th), expenses are on target with a combined excess of \$283,000 after adjusting for major items that have not been expended due to timing. Overall county expenses are estimated at 50.38% remaining with Maplewood at 51.58% remaining. As of June 30, 2011, budget balances should be at approximately 50% remaining.

At the end of the second quarter, revenues adjusted for the tax collection pattern, are 49.88% overall for the county and Nursing Home revenues at 48.95% remaining. As revenues should also be around 50% remaining, this indicates that revenues are on target at the end of the first half of the year. The totals combined amounts to an overage of approximately \$210,000.

As you review the second quarter reports, the following areas may be of interest:

Revenues:

- Page 1 - Federal Grants are at 89.06% remaining. This revenue item is contingent on timing of grant awards. Offsetting expenses are budgeted and are expended only upon receipt of grant funds.
- Page 2 – Registry of Deeds Fees at 54.32% remaining. This budget has been reduced significantly from prior years based on the ongoing slow down of the real estate market. Recordings do typically increase the last half of each year, therefore, revenues should come in very close to the 2011 budgeted projections.
- Page 4 – Interest on Investments at 99.14% remaining– \$325,000 of this line item will be transferred at the end of 2012 from the final interest earned on the Jail Bond proceeds.

Expenses:

- Page 6 – County Attorney Extradition line – This line item was over budget in the 1st quarter and remains so as of June 30, 2011. Discussions did occurred between the Commissioners and the County Attorney as to considering the charges against the individual in justifying whether to extradite the individual back to Cheshire County.
- Page 13 – Information Technology (Comp Ops) – This department budget is at 48.67% remaining due to timing of computer software maintenance contracts being due. This budget will even out and come in as projected for 2011.
- Page 18 - Facility Budgets – As mentioned in the first quarter review, the fuel lines for all County facilities are being monitored closely and balanced against other line items in the

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33 West Street, Keene, NH

budget. The spike in fuel oil prices was not anticipated when the 2011 facility budget was created.

- Page 23 – DOC overtime – Overtime for the correctional officers will go over budget for 2011 but it is likely that other areas of their budget will offset this overage. The cause is due to the budgeted FTE's for Correctional Officers being too closely matched to the actual staffing levels needed for the facility. Therefore, the use of overtime is necessary in most instances when there is a staff call-out or to cover scheduled time off. This will need to be addressed in future year budgets by adding additional FTE's so that overtime is not the only backup for adequately staffing the facility when shifts need to be relieved for these vacancies. The telephone line is also over budget as of June 30, 2011. This is due to a posting error and will be corrected in a subsequent reporting.
- Page 26 – Farm Budget is at 11.35% remaining. The farm was officially closed as of June 30, 2011. There will be minimal expenses that will post against this budget after June 30, 2011 and the farm will end the year with unspent appropriations.
- Page 29 – Human Service Budget at 47.95% remaining. This will level with the July, 2011 Human Service Bill. Per statute, each county receives a certain percentage of a \$5million credit based on the population of elderly in each county. Cheshire County's percentage is approximately \$300,000, which is a reduction to our Medicaid payment in July of each year.

There was general discussion and the Committee was satisfied with the report.

There being no further business, the meeting was adjourned at 6:30PM.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Farm Committee Meeting
Monday, September 26, 2011 5:15PM
County Administrative Offices, 33 West Street, Keene, NH

PRESENT: Representatives Sad, Butynski, Emerson, Hawkes, Moore (Robert Jr.), Chase, Johnson and Cartwright.

Absent: Tatro, Weed and Carr.

Chairwoman Sad opened the Farm Committee meeting at 5:15 PM.

Individuals representing a collaboration advocating for a feasibility study into the long term uses for the County farm and the vacant House of Corrections facility in Westmoreland, NH were introduced: Amanda Costello (Cheshire County Conservation District) and Ryan Owens (Monadnock Conservancy).

This collaborative gave an update to the committee regarding the feasibility study. They distributed a report; Interim Report 3 – September 1, 2011 which is attached to these minutes. They also provided a summary of the six public forums they held seeking input from the public about the best use or uses for this county property. That is also attached to these minutes. Amanda Costello reported that we were drafting an ad to solicit those who might have an interest in leasing or developing the former jail and farm property for uses consistent with the criteria established by the Farm Committee and underscored through the feedback from the public forums.

Costello said that they anticipate that the report will be complete by year's end.

Wozmak provided an update on the leased farm operation of the former county dairy farm. The tenant is continuing to get equipped and has not had luck yet finding a herd he can afford or that meets his standards. But the rent is being paid and the buildings are looking good. He is also now renting the sheep barn and will soon be renting the herdsman's house as well.

The Blood Farm house was discussed and whether the county continues to have a useful purpose for it. At one time it did house some farm help but has not lately. It is currently rented to Chesco. After discussion the Committee voted unanimously to ask that the County Commissioners assess the feasibility of selling the county-owned land and buildings known as the Blood Farm on River Road in Westmoreland and make a report and a recommendation to the full Delegation as soon as practicable and to advance this recommendation to the full Delegation this evening. Voted unanimously.

There being no further business, the meeting was adjourned at 6PM.

Jane Johnson, Clerk

MINUTES
Cheshire County Delegation
Monday, December 19, 2011 - 7:00 PM
12 Court St., Keene, NH

PRESENT: Representatives Butynski; Byrnes; Carr, Cartwright, Chase, Dwinell, Hunt; Johnsen (Gladys), Johnson (Jane), Lelandeau, Lindsey, Meader, Moore (Charles), Moore (Robert, Jr.), Parkhurst; Roberts, Sad, Sterling; Smith, Tatro, Weber, Weed, Commissioners Pratt, Zerba, and Patt; Administrator Wozmak, Finance Director Trombly, Project Manager Bouchard

ABSENT: Representatives Hawkes and Emerson

The meeting was called to order by Chair Weber at 07:00 for the purpose of reviewing the Cheshire County Commissioners' 2012 Proposed Budget and for public comment.

Chair Weber asked Commissioner Pratt to introduce the 2012 budget to the delegation. Commissioner Pratt outlined the overall decrease of \$1.34M in the proposed 2012 budget and gave an overview of the events that involved the Fire Mutual Aid transition of billing the County to direct billing of the towns. He then covered the discussions the Commissioners had with a majority of the towns where it was made clear that the increase in Fire Mutual Aid (FMA) costs now going to the towns would be at least off-set by an equal or greater reduction in County taxes. Commissioner Pratt went on to say that the Commissioners had taken the mandate from the towns to heart and have proposed cutting the 2012 budget amount greater than just the FMA costs and in fact had made substantial cuts across the board. Some of these cuts include a 45K cut to each County department and the complete elimination of the Alternative Sentencing / Mental Health Court program.

Rep. Cartwright asked a question regarding pay raises that are in the 2012 draft budget presentation. Commissioner Pratt addresses the question by explaining that the current Maplewood employees' union contract calls for a 3.9% increase for 2012. He noted that the monies listed in the budget are contingent monies for the union contract only and any other raises would be reviewed by the Executive Committee. He went on to say that the only personnel addition in the budget is to increase the current LADAC (Licensed Alcohol and Drug Abuse Counselor) position at the Department of Corrections from a half-time position to a full-time position.

Rep. Butynski asked a question concerning the procedures that are to be followed for reviewing and approving the 2012 budget over the next two months and the opportunity for public input. Commissioner Pratt addressed the question and said that the Executive Committee of the Delegation will be meeting during the months of January and February to review the budget and that the public is welcome to attend. In addition, each department manager will also have the opportunity to appear at the Executive Committee meeting to argue against individual department cuts.

Rep. Cartwright questioned that when the County was paying the one lump sum payment to FMA why it wasn't possible to hold the costs from the escalations that have been applied over the past few years. Commissioner Pratt replied that because the FMA is an independent municipal corporation that the County did not have input into the cost passed to the County but had to simply pass those costs through its own budget process.

Rep. Hunt stated that the entire unwinding process with the FMA has taken a protracted amount of time (years). He went on to say that the way that the FMA calculates the individual towns' costs is based on both population and assessment as opposed to how County taxes are calculated which is only on assessment alone.

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A discussion of the area covered by the FMA was taken up and it noted that the overall geographic area now serviced by FMA extends to over 70 towns in both New Hampshire and Vermont.

A question was asked of the Commissioners if the lower recidivism rate reported from the Alternative Sentencing Program (ALS) has saved the County money. ALS Director Potter stated that the program had met that goal and that he would be sending out an information packet to each representative that outlines the goals and achievements of the program.

B. Tracy a Chesterfield resident rose and asked if 1.57M difference between the adopted 2011 budget and proposed 2012 with a subsequent 500K decline in capital reserves means that the County is “kicking the can down the road” in meeting future capital expense requirements. Finance Director Trombly responded that transfers to the capital reserves will come from the Pro Share monies received from the State and will help to replenish the capital reserve funds over time as the monies arrive.

Commissioner Patt noted that the County needs to raise more than 700K in taxes and that the cost of the FMA to the towns must be offset in order to make good on the promises made to the towns to not only offset the FMA costs but to further reduce overall County taxes to help reduce the local tax burdens.

Rep. Butynski stated that the other way to add to reserve funds is to cut other areas noting that 900K overall is earmarked for Maplewood Nursing Home. Commissioner Pratt stated that the Federal American Recovery and Investment Act (ARRA) funds that are available will cover the needed capital expenditures for a majority of the needed capital improvements for 2012.

Keene City Counselor Manwarring was recognized by the Chair and asked about the article in the Sentinel newspaper that related the number of inmates in jail due to drug and alcohol and mental health issues. The comment was made that the Commissioners have made a very different decision than the article would suggest was prudent from a cost standpoint. Director Potter stated that the overall cost using 2010 figures as approximately \$36 per client per day to be in the program.

Commissioner Pratt then spoke to the issue previously raised of how challenging it is to craft the County budget in these difficult economic times. He said that if you looked objectively at the Maplewood Nursing Home it is the most difficult financial decision that needs to be made because Medicaid is underfunding MNH by over 2.5M per year and number is expected to grow. The most crucial question in the coming two to four years is the extent that we continue running MNH at an ever growing deficit.

“D. V.” a former Alternative Sentencing Program client was recognized by the Chair. D. V. said that he wasn’t able to get counseling anywhere else except in the Alternative Sentencing Program program.

“J” from Hinsdale was recognized by the Chair. J. stated that she is 45 years old and had never been in legal trouble before. She stated that she was receiving counseling for PTSD and gambling issues at Alternative Sentencing Program and was attending between five to seven meetings each week. She said that she now has a real relationship with her children that she wasn’t able to have before

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Cheshire County Delegation
Monday, December 19, 2011 - 7:00 PM
12 Court St., Keene, NH

starting in the Alternative Sentencing Program. She went on to say that she now has a direction for her life and that being in the Alternative Sentencing Program gave her the resources that she needed to do the work that she needed to complete.

“A” from Keene was recognized by the Chair and said that as an Alternative Sentencing Program participant the training and education he has received as client has helped him work and contribute to society and not sit in jail.

Rep. Roberts was recognized by the Chair and stated that it was necessary to look at the value of Alternative Sentencing Program through the long range effects on families. He went on to say that 300K allocated for the Alternative Sentencing Program budget can save more than just ten peoples’ lives and that the damage that will be done by eliminating the Alternative Sentencing Program must be closely scrutinized.

B. Tracy was recognized by the Chair and asked if the debt service for MNH and DOC found on Page 86 of the 2012 Proposed Budget Book was correct in showing 3.2M in debt service for the jail and that the total to run the jail is 7.4M. He went on to ask what thinking the Commissioners have done with ameliorating the cost of running the facility. Had privatizing the jail been considered given that the jail accounts for about 30% of the total budget.

Commissioner Patt spoke to the question and said that the Jail has a 20 year bond and that the real problem in County costs can be found with the Medicaid shortfall which will cost the County an amount equal to all of operational costs for all programs in the County in 2012. He went on to say that DOC has realized revenue of over 800K for 2011 for housing federal inmates and out of county female inmates and that federal transports are bringing in approximately 7K per month in additional revenue.

Commissioner Patt also said that State RSA’s say the County must have jail but it does not say we must have a nursing home. He went on to say that we are talking to the towns about each dollar that is coming from taxes and we need to address what we are willing to do to address the Medicaid shortfall issues.

The Chair asked is there were any further comments from members of the public. Hearing none, **the Chair recognized a motion to close the public session and it passed unanimously. The Public Session closed at 7:48 PM**

The Chair opened the regular Delegation meeting at 7:49PM.

The Chair then heard a motion from Rep. Tatro and seconded by Rep. Lelandeau to “move to authorize the Register of Deeds to expend 2012 surcharge funds in the amount of \$20,400.” The motion passed unanimously.

The meeting adjourned at 7:51 upon unanimously vote of the delegation members present.

Respectfully Submitted,

Rep. Jane Johnson, Clerk.

MINUTES
Cheshire County Delegation
Executive Committee Meeting
Monday, December 19, 2011 – 7:54 PM
12 Court Street, Keene, NH

PRESENT: Representatives Butynski; Hunt; Johnson (Jane), Leraudeau, Meader, Moore (Robert, Jr.), Sad, Sterling; Smith, Tatro, Weber, Treasurer F. Parker, Commissioners Pratt, Zerba, and Patt; Administrator Wozmak, Finance Director Trombly, Project Manager Bouchard

ABSENT: Representatives Hawkes and Emerson

Chair Hunt opened the meeting at 7:54 PM

The Chair then heard a motion from Rep. Leraudeau and seconded by Rep. Weber to “authorize the Treasurer of Cheshire County, upon the request of the Cheshire Board of Commissioners to borrow in anticipation of taxes an amount not to exceed \$24 million dollars for the 2012 budget year, January 1, 2012 to December 31, 2012. Motion was voted on and passed unanimously.

The schedule for the 2012 Proposed Budget Review meetings was discussed and dates identified for the normal budget review cycle as well as an Alternative Sentencing Program / Mental Health Court session to be held on January 19th at 7:00 PM at the Court House. (See attachment at end of minutes).

Commissioner Patt mentioned that he had presented a Power Point presentation on the proposed 2012 budget to some of the towns he had visited recently while reviewing the FMA situation. A request was made of Commissioner Patt to present the slides at the first Executive Committee meeting and he agreed to do so.

The conversation then turned to the Alternative Sentencing Program (ASP) and if the current participants of the program would be sent to jail if the program terminates. The opinion of those present was that the decision to send anyone to jail would be reviewed on a case-by-case basis by DOC staff members Barnes Peterson and Doug Iosue before any action was taken.

Administrator Wozmak stated that the need to cut the budget meant that real people had to be cut from their jobs and real services needed to be eliminated in order to make real cuts to the budget.

Rep Butynski asked what was included in the increase in proposed payroll. Did it include union and non-union personnel?

Commissioner Pratt said that it would be unfair and not in the best interests of the County to have to give union members a raise and not give the rest of the county personnel the same rate increase if it were to be granted. Further the numbers in the proposed budget are contingency numbers and there to reflect the possibility of having to meet the some of the projected collective bargaining agreement increases. Money would have to be added to the budget to provide all employees with any wage adjustments.

Administrator Wozmak stated that he would be meeting with the union in the four to six weeks to discuss the contract.

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Rep. Sterling asked how union employees the County has. Administrator Wozmak replied that there are about 140 union members all at the nursing home.

A question was asked as to why 45K was cut from each department across the board instead of being taken proportionately based on the size of the department. Commissioner Pratt replied that it was done this way because 45K represents about one Full Time equivalent position for each department and was the fairest way they could think of for all the departments involved.

Commissioner Patt spoke to the problem expressed by the towns of getting tax dollars to the County and he said that the proposed budget takes into consideration the towns tax rate pains.

Administrator Wozmak related the meeting that was held with the Department of Health and Human Services Commissioner Toumpas concerning the Medicaid issues between the state and county and how some of the problems can be addressed to facilitate better communications and more timely payment of Medicaid funds.

Rep. Butynski asked if a one page history and overview of the union contract could be provided to the Executive Committee for their review.

At 8:27 Chair Hunt made a motion to adjourn and the motion passed unanimously.

Jane Johnson, Clerk