

COMMISSIONERS
GEORGE MAGLARAS, Chairman
PAUL J. DUMONT, Vice Chairman
RONALD R. CHAGNON, Clerk

TREASURER
PAMELA J. ARNOLD

COUNTY ADMINISTRATOR
RAYMOND F. BOWER

STRAFFORD COUNTY COMMISSIONERS

WILLIAM A. GRIMES
 Justice & Administration Building
 P.O. Box 799
 Dover, New Hampshire 03821-0799
 Telephone: (603) 742-1458
 Fax: (603) 743-4407



January 31, 2007

The Honorable Mayor Scott Meyers
 Dover City Hall
 288 Central Avenue
 Dover, New Hampshire 03820

Dear Mayor Myers:

Thank you for your letter of January 30, 2007 regarding the County Budget. We appreciate your positive comments regarding County operations at the House of Corrections and Riverside Rest Home. We also share many of the concerns voiced in your letter and would like to specifically address the efforts we have and/or are undertaking to resolve them.

We share your accolades for the revenue projections for the House of Corrections' for 2007. In fact, we pledged to retire the bond issue with boarding revenues, and in 2007, we will nearly triple the cost of the bond payment with Jail revenues.

For the first time in January of 2007, via a combination of the County's community-based programs, we will be safely and effectively monitoring more inmates in the community than in the House of Corrections. [These programs include Community Corrections, Strafford Academy, and the Drug Court]. The primary value of these programs is proper client management focused on rehabilitation to reduce recidivism. A valuable secondary benefit is a net savings attributable to these programs of between 2.5 to 3 million dollars, annually.

We also share your concern about rising benefit costs. History will show our efforts to resolve our—and your—concerns. The average wage for a County employee in 2005 was approximately \$12.00 per hour. Union negotiations and County practice were to agree to divert wage increases and use those increases to pay higher benefit costs. This was effective for County management, as substantial employee benefit cost contributions for lower paid County employees would price Strafford County out of the work force. In addition, for every dollar paid to employees in benefits in lieu of wages, the County saved approximately twenty percent (20%—the County's match in Social Security, Retirement, and Workers' Compensation).

In 2005, we directed County management to change this philosophy for two main reasons: While previous policy made financial sense, it became politically unsupportable due to the current

COPY to
 all
 Commissioners

market. In addition, the health insurance cost is so variable, future costs are unpredictable and therefore, difficult to account for when you are negotiating multi-year labor agreements.

In early 2006, we entered into a two-year Union agreement which changed full-time employees' health insurance contributions from very little to an average of 16.25% (part-time employees contribute significantly greater percentages).

We again agree with your concerns regarding retirement rates. We are also aware that there are several pieces of pending legislation that have been written to address these issues. While we have not taken a specific position, as all of the legislation has not taken specific form, we agree the system needs to be modified to address the rate increase concerns.

Y909 The deficits at Riverside Rest Home (RRH) are budgeted for yearly. However, as you are aware, we are constantly working with Legislators and State Officials to enhance our Medicaid reimbursement rate. This topic has been the County's main focus for the last several years and will continue to be until it is resolved. We are pleased that we both share the knowledge that the care for the elderly at RRH has not been affected by these financial issues.

We would like to thank you for your interest in County operations. We wholeheartedly agree with your comments, and therefore, encourage citizen participation in all County activities. We are proud of our accomplishments and believe the more citizens are involved, the more they will share this belief.

Very truly yours,

George Maglaras, Chairman

Paul J. Dumont, Vice Chairman

Ronald R. Chagnon, Clerk

jlm