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County budget mistake

Revenues in state filing off by \$1.2 million

By **LISA D. CONNELL**
Staff Writer

There's a mistake on a budget form Sullivan County officials filed with the state, but there's uncertainty what effect, if any, it will have on taxes or services.

The problem stems from confusion about \$1.2 million listed as revenue under a capital reserve fund that doesn't

Newport actually exist.

County delegates are waiting to see if there's an actual shortfall that would result in higher taxes or cuts to services. The 2006-07 budget, which was adopted in June, is under review by the state Department of Revenue Administration, which sets tax rates throughout the state.

When the county delegation approved the budget, members were counting on the money in the reserve fund for the total revenue sum, which was expected to be \$26.9 million. Without the money, revenue would fall to \$25.7 million.

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County Manager Ed Gil de Rubio said Friday the budget is not short \$1.2 million.

"Not according to our accountant it isn't," Gil de Rubio said. "We sent all our budget forms to him and he said everything was intact."

Accountant Jeffrey A. Graham was unavailable for comment on Friday and Saturday.

Rep. Peter Franklin, D-Newport, brought the problem to the attention of the county delegation.

"Everything went along smoothly until I looked at the MS 42 that had been sent to the DRA and noticed that part of the revenue numbers included the \$1.2 million, which was to be transferred from a capital reserve fund that I knew didn't exist," Franklin said.

Delegates met Thursday afternoon in Newport to discuss the matter but could take no action because a quorum was

not present. Franklin, Delegation Chairman John Cloutier, Vice Chairman Larry Converse, Tom Donovan, all of Claremont, Charlotte Houde-Quimby of Meriden, and James Phinizy of Acworth, attended the meeting. Gil de Rubio did not attend.

Cloutier, as chairman, signed the forms sent to the state, along with Delegation Clerk Arthur G. Jillette Jr. of Goshen.

"It was my mistake, I take responsibility for it," Cloutier said about signing off on the budget.

Phinizy and Donovan steered Thursday's discussion toward examining what could be done to resolve the problem as it may now exist.

"I'm not the financial police here," Donovan said. "We have to come up with the \$1.2 million or raise taxes somewhere or we eliminate certain services already in the budget."

Phinizy asked where the first area would be that the budget shortfall would be immediately noticed.

"At what point do red flags appear? Would we have to file for a supplemental budget?" he asked.

In a telephone interview Thursday night, Franklin said the responsibility is still with the people who sign off on the budget.

'Bed tax' at county home may have been miscalculated

By LISA D. CONNELL
Staff Writer

There's another area of the 2007 budget that may have skewed its calculations, and one on a political note: the amount of money the county pays to fund and operate its nursing home.

Unity The amount entered on the so-called bed tax that the county pays toward a patient's stay in the county's nursing home may have mistakenly been calculated at 7 percent instead of 6 percent. The bed tax is the county's share of the Medicaid bill paid primarily by the federal government. A private company, Pennsylvania-based Genesis, is under contract for one year to provide health care services to nursing home patients. County Commissioner Ben Nelson mentioned the Genesis contract as a possible reason why State Rep. Peter Franklin, D-Newport and other dele-

gates are looking into the never-funded capital reserve fund.

Earlier this summer, county delegates agreed to offer a nine-month contract to Genesis. County commissioners found extra money in the budget to award Genesis a 12-month contract. The issue regarding that contract remains contentious between the commissioners and delegates.

"Genesis has allowed us to bring in enough new revenue with no expense to the taxpayer," Nelson said.

State Rep. James Phinizy, D-Acworth, also mentioned the Genesis contract during a telephone interview Friday night. He is one of several delegates who believes that the county can offer its own nursing care by locally hiring a medical staff.

"If Genesis was to go away tomorrow, this issue would go away tomorrow," Nelson said of the \$1.2 million shortfall discussion.

"We're all imperfect," Franklin said. "It's not the end of the world if you make a mistake. But it is the end of the world if you don't correct it."

Barbara Robinson, director of municipal services for the DRA in Concord, is reviewing the county's budget form. Officials at the DRA review the MS 42, plus the minutes of the county's June convention, to ensure what was approved at the convention is reflected in the budget sent to Concord. After all

those steps are completed, the county's tax rate is set. Robinson did not return calls seeking comment on Friday.

Rep. Beverly Rodeschin, R-Newport, said she is waiting for the audit of the 2005-06 budget for answers. Audit results are expected on Friday. The audit may show if the 2007 budget can rely on \$1.2 million that was listed as being in the reserve account.

County Commissioner Ben Nelson said the county has "had

clean audits in years past." He said he is "confident the money is there."

Nelson cited "election year politics" as the reason the 2007 budget form is under scrutiny by some county delegates. Delegates Franklin, Cloutier, Converse and Donovan are up for re-election this fall.

"They're trying to create an issue where there is none," Nelson said Friday afternoon.

He also said the MS 42 form itself is a reason for confusion.

Entering a county budget's figures on a form used by all of New Hampshire's 234 municipalities doesn't work well for the counties' financial entries.

"What works for 234 is a little bit awkward for 10," Nelson said.

Phinizy on Friday evening said he can't really say whether there is or isn't the \$1.2 million shortfall.

"Peter Franklin has made a claim and the claim seems to have some merit," he said.

The delegation is scheduled to meet again on Tuesday. Officials don't expect to learn the results of the 2005-2006 budget audit until Friday.

This is the second straight year of problems with county paperwork filed with the state. Last year, Gil de Rubio added an old signature sheet to a budget form after minor revisions were made to the version approved by delegates. Recently, he received a cease and desist order from the state Attorney General's office over the incident. The order states that Gil de Rubio could be charged with a crime if he again signs off on a budget before getting the delegation's approval for changes.

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