

MINUTES
Cheshire County Commissioners Meeting
Wednesday, December 07, 2022

County Hall Building
12 Court Street, Keene, NH 03431

Zoom Call-in Number: +1 646 558 8656
Meeting ID: 409 748 8803
Pin #: 6031233

Present: Commissioners Jack Wozmak, Robert Englund, and Terry Clark

Staff: County Administrator Coates, Finance Director Trombly, HR Director May, Superintendent Iosue, and Assistant County Administrator Bouchard

Guest(s): Terry Johnson, Senior Project Manager, Southwest Regional Planning, Linda Mangoes, and Josh Meehan, Keene Housing.

At 8:30 AM, Commissioner Wozmak opened the meeting, and all Commissioners were present. Administrator Coates then read the opening meeting items.

I. Public Comments

Upon recognition from the Chair, a Public Comment on topics of interest may be made, not to exceed three (3) minutes in length.

II. Elected Officials & Department Head Updates

To receive, as informational, departmental updates requiring Commissioner review, participation, approval, and impactful departmental and operational issues.

HR Director May was recognized and asked the Commissioners to add children of “significant others” to the County Employee illness policy. Specifically, (change in bold) “Sick leave pay may be used for any illness or injury and for medical care related to such illness or injury of an employee or of their spouse, children, parent, significant other **or the child(ren) of significant other that reside in the employee’s home** which prevents the employee from being able to be at work for any regularly scheduled shift”

Following a question from Commissioner Wozmak concerning the way the new rule would apply to joint custody relationships, May then addressed the issue to everyone’s satisfaction.

Commissioner Englund then moved to approve the request, which Commissioner Clark seconded. Upon roll call vote, the motion passed unanimously.

III. Scheduled Items

Master Agenda Item #1050: CDBG Public Hearings - T. Johnson - Southwest Regional Planning Commission.

Action Expected: To review and approve the request for CDBG funding for gap funding for the Hundred Nights Shelter and 105 Castle Street Projects.

The Chair opened the public hearing for discussion of the Community Development Block Grant Gap Fund Amendment Requests at 8:31 AM.

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The Chair read the following opening statement:

Public Hearings Notice
County of Cheshire
Community Development Block Grant

Notice is hereby given that a Public Hearing will be held on **December 7, 2022, at 8:30 AM.** to discuss and hear public comment on two proposed applications for funding by the County of Cheshire to the New Hampshire Community Development Finance Authority (CDFA) for federal Community Development Block Grant (CDBG) funds. CDBG funds are awarded to municipalities and counties on a competitive basis in New Hampshire for housing, public facilities, and economic development projects which have the primary benefit to low- and moderate-income individuals. The maximum grant award is \$500,000 for each eligible category. To provide additional funding for projects impacted by cost overruns, CDFFA has made an additional \$1,500,000 available statewide under the CDBG Gap Fund program for currently active CDBG projects.

The proposals to be discussed are for up to a combined total of \$757,870 in federal CDBG funds through the CDBG Gap Fund program. If awarded, the funds would be subgranted, less administrative costs, to Keene Housing and Hundred Nights in amounts of \$400,000 and \$357,870, respectively, to support their ongoing projects to construct facilities on Caste St. and Water St., respectively.

Terry Johnson, Senior Project Manager with Southwest Region Planning Commission, was recognized and explained that Cheshire County was awarded two Community Development Block Grants (CDBG). CDBG funds are available to municipalities and counties on a competitive basis for projects that primarily benefit low- and moderate-income persons. Cheshire County is eligible to receive up to \$500,000 per program year in each of the categories of public facilities, housing, economic development, microenterprise technical assistance, and emergency grants. Feasibility study funds are also available for up to \$25,000 annually. A small portion of funds from each grant is used for administration costs associated with the project.

The first was a grant in the amount of \$500,000 awarded in February of 2022 from the NH Community Development Finance Authority (CDFA), which was subgranted to Hundred Nights, Inc. to construct an emergency shelter and resource center at 122 – 124 Water Street in Keene, NH. The second was a grant in the amount of \$500,000 awarded in April of 2022 from the CDFFA, which was subgranted to Monadnock Affordable Housing Corporation, an affiliate of Keene Housing, for the rehabilitation of 105 Castle Street in Keene, NH. The 105 Castle Street facility provides a community space and laundry facilities for residents of Harper Acres and is the home of the Monadnock Collaborative.

Both the Hundred Nights Shelter and 105 Castle Street Projects have experienced higher-than-expected construction costs as a result of inflation and supply chain disruptions caused by the

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COVID-19 pandemic. The CDBG Gap fund has been made available by CDFR to provide additional funding for projects impacted by cost overruns.

Hundred Nights is requesting \$357,870 from the CDBG Gap Fund to assist with higher-than-expected construction costs for the Hundred Nights Shelter project. During the month of February 2022, Hundred Nights executed a Guaranteed Maximum Price (GMP) agreement for Construction Management services with D.E.W. Construction Corporation. Following a competitive bid process for sub-trades/subcontractors in May of 2022, Hundred Nights and D.E.W. executed an agreement amendment that established the GMP at \$4,881,824. The final cost was 14.6% higher than the original construction budget of \$4,166,090, as established in the CDBG application for this project. Construction has been underway since the spring of 2022. In addition to requesting CDBG Gap Funds, Hundred Nights has instituted a number of actions to reduce costs and secure additional sources of funds. These include creating a list of construction value engineering items and efforts to secure additional funding for the project, raising more than \$5.4 million in outright cash gifts, pledges, government grants, and state tax credits.

Monadnock Affordable Housing Corporation (MAHC) requests \$400,000 from the CDBG Gap Fund to assist with higher-than-expected construction costs for the 105 Castle Street project. In August of 2022, the project received five bids from qualified contractors ranging from \$2,935,351, about \$989,000 over budget, to \$3,779,000, about \$1.8 million over budget. MAHC has entered into a construction contract with Cheshire Builders, the low bidder, in the amount of \$2,935,351, and work has begun on the project. In addition to requesting CDBG Gap Funds, MAHC has taken a number of steps to reduce costs and show increased sources of funds. Among other steps, these include using value engineering options, increasing the Monadnock Collaborative's contribution to the construction cost from \$221,000 to \$309,000, and MAHC being able to increase its share of the project from \$467,000 to \$600,000.

The increased award amounts for both projects would be above the standard program cap but will be allowable due to the extraordinary conditions of the COVID-19 pandemic.

Sara Barrett, a representative of Hundred Nights, Inc., provided details about the Hundred Nights Shelter Gap Fund request and explained the impact of the COVID-19 pandemic and the resulting supply chain and labor shortages, as well as a gross escalation of material costs.

Josh Meehan of Keene Housing spoke and stated that this is the first time that Keene Housing has had a project that has been unable to be completed due to a massive escalation of costs. He also spoke about the steps undertaken to reduce costs and increase revenues to help offset the project costs.

Coates was then recognized and said that he wanted to ensure that the commissioners and public were aware of his activities as a member of the boards of Hundred Nights and Keene Housing in the interest of transparency.

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Commissioner Englund asked some questions about the costs and the timing of the Hundred Nights project, and Johnson said that it should be completed in June of 2024.

The following written statement was provided to be included in the minutes of the hearing.
On behalf of Keene Housing and Monadnock Affordable Housing Corporation, I want to thank you for the opportunity to apply for CDBG Gap Funding in the amount of \$400,000 for the 105 Castle Street project.

We are also grateful to NH CDFA for this opportunity and for its flexibility in allowing the application to be submitted prior to this hearing. Several years ago, the CDFA was able to gain greater control over its rules, which had previously been written into NH law. Since that time, it has made many changes to the program. It hasn't always been easy to keep up with the changes, but this opportunity is truly an example of the benefit of that increased control.

105 Castle Street is a building with two occupants. The first is the community center and laundry for Harper Acres, which contains 112 apartments for lower-income residents, most of whom are elderly or disabled.

The second is Monadnock Collaborative, which has adopted the trade name of NH Care Collaborative. Each year, NH Care Collaborative provides a wide variety of services to hundreds of elderly and disabled people, which have two major benefits: (1) they provide physical and financial help, which allows people to stay in their own homes for as long as possible, and (2) in doing so, they save the County and its residents the cost of providing Medicaid-funded nursing home care. Following construction, NH Care Collaborative will have a 20-year lease considerably below market commercial rent.

In 2021, the County sponsored a CDBG grant application to make major needed improvements to 105 Castle Street. In March of that year, 105 Castle had a serious fire that burned about half the building and damaged the remainder. Thanks to continued sponsorship by Cheshire County, Keene Housing submitted an application for CDBG Emergency Funds and was awarded \$500,000. The project went to bid and received 5 bids from responsible bidders in August 2022.

During this process, the construction cost has risen from about \$1 million to \$3 million. Much of that increase is caused by inflation and COVID-related supply chain disruptions. Keene Housing/MAHC has been able to raise much of the funds necessary to fill the gap. We have obtained a higher insurance payment from our insurance company. NH Care Collaborative has increased its contribution to reflect the additional square footage they will be renting and the project's increased costs. MAHC has increased the amount of its share of the cost. Finally, the Cheshire Builders, the lowest bidder, has offered several opportunities to cut construction costs.

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Even with those changes, there is still a substantial gap. We are hoping that CDFA will approve this application for \$400,000 which would close the gap.

The Chair opened the floor to public comment on the project and none were received.

Commissioner England then moved to close the Public Hearing on the CDBG Block Grant Amendments Hearing. Seconded by Commissioner Clark. Upon roll call vote, the motion passed unanimously.

Commissioner Englund moved to approve the submittal of the amendments and vote to authorize County Administrator Chris Coates or County Commissioner Chair John Wozmak as the Authorized Designees to sign and submit the CDBG amendments and, upon approval of the CDBG amendments, authorize the Authorized Designee to execute any documents which may be necessary to effectuate the amended CDBG contract. Seconded by Commissioner Clark. in favor. Upon roll call vote, the motion passed unanimously.

The Chair then opened the discussion with a request to designate Cheshire County Grants Manager Suzanne Bansley as an Authorized Certifying Official for the existing 2022 CDBG Microenterprise Development Assistance Award.

Terry Johnson explained that the purpose of the request is a resolution to appoint Suzanne Bansley as an authorized certifying official for the 2022 CDBG Microenterprise Development Assistance Award. The appointment would be for the period of the grant, which began on July 1, 2021, and ends on June 30, 2023, with administrative close out on September 30, 2023. A copy of the Certificate of Vote outlining the resolution is included in the meeting packet.

Approval of the resolution would authorize Suzanne Bansley to specifically execute all Exempt Environmental Review documents that are submitted to comply with requirements of activities completed by Subrecipients during the project. The resolution would not authorize Suzanne Bansley to execute other legal or required documents for which the County Administrator and Chair are authorized to execute as specified in the Microenterprise Grant Agreement.

The Chair opened the floor to staff and commissioners for comment and none were received.

Commissioner Englund moved to appoint Grants Manager Suzanne Bansley as an Authorized Designee, specifically to sign and submit exempt environmental reviews that may be necessary to administer the CDBG requirements. Seconded by Commissioner Clark. Upon roll call vote, the motion passed unanimously.

The Commissioners thanked Johnson, Mangoes, and Meehan for their attendance and participation and then addressed Master Agenda Item #1051: Department of Corrections Request for Fund Expenditure for Capital Project - D. Iosue

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Action Expected: To review and approve a request for funds to complete a previously approved acquisition of a Ford Explorer with a Police Package for the Department of Corrections.

Iosue discussed that the dealer that supplies many of the state police vehicles has not been able to obtain the requested vehicle at the price that was previously approved for \$32,000, and the price has been increased to \$40,000 due to supply chain shortages. The other option is to wait for a 2023 model that will cost \$47,000, which is \$14,000 above the amount allocated. Following discussions, **Commissioner Wozmak moved to approve the acquisition of the 2022 vehicle at a price of \$40,000 for the Department of Corrections, provided the monies can be found in the previously approved county budgets. Commissioner Clark seconded the motion, and upon roll call vote, the motion passed unanimously.**

IV. County Administrator

Weekly Operations Report - The County Administrator will update the Commissioners on activities that have taken place since the previous meeting.

Coates said he is traveling and that he and Chief Spain attended the Kiwanis's club meeting in Keene, which went very well.

He is meeting with the Hillsborough County Board of Commissioners today to discuss how the Cheshire rebranding efforts were rolled out, and he is also seeking additional funding.

He said that this coming Monday from 2:00 PM to 6:00 PM for new State Representative Training, followed by three Delegation meetings from 7:00 PM. Commissioner Clark will also speak to the creation and rollout of Cheshire Community Power.

He stated that a small uptick in Covid-19 at the Nursing Home is being experienced due to increased family visits and other activities, and due care and additional caution may be put into place if the issue continues.

Coates said he is stepping down from the NH Retirement Commission after almost five years, and a replacement is being sought. Commissioner Wozmak expressed interest in knowing more about the opening as he previously served on the committee and would be open to rejoining the committee to represent the County if another candidate is not identified.

Coates reminded the Commissioners that on December 21st the Commissioner's Holiday gathering for Department Heads would occur in Delegation Hall at noon.

Commissioner Wozmak spoke about the completion of the EMS buildings and explained a few issues that are being dealt with but said that the final walkthrough went well. He said that one of

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the used ambulances would be ready next week, and hiring went very well. He said that 28 staff members had been hired or were in the process of onboarding by the end of next week.

V. **Old Business** None

VI. **New Business** None

VII. **Consent Agenda Items:**

Vote to accept the Weekly Manifests for December 07, 2022, and the Minutes of November 30, 2022.

Commissioner Englund moved to accept the Weekly manifests and the minutes of the November 30th meeting, and the Commissioners calendar as presented. Commissioner Wozmak seconded the motion, and upon roll call vote, the motion passed unanimously.

VIII. **Calendar**

Action Expected: To accept the calendar as informational and to make necessary changes/additions.

IX. **General Discussion for Commissioners**

Master Agenda Item #673: Commissioners - State Cost Shifting Letter and Restorative Justice Program

X. **Nonpublic Sessions:** None

XI. **Adjournment**

At 09:26 AM, there being no other public business to discuss, Commissioner Wozmak moved to adjourn the meeting, and Commissioner Englund seconded the motion. Upon roll call vote, the motion passed unanimously.

Recorded and edited by:

R. Bouchard

Assistant County Administrator

Reviewed and submitted by:

Terry Clark

Clerk, Board of Commissioners