



PROFESSIONAL FIRE FIGHTERS

O F N E W H A M P S H I R E

Media Release

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LGC's “transparency”, just another attempt at misdirection

Londonderry, NH- Last week, in an attempt to appear transparent, The Local Government Center released previously unseen financial information in which they try to justify the questionable use of asset transfers from the HealthTrust to the other trusts of the Local Government Center. During a NH Public Radio story (<http://www.nhpr.org/node/28250>) the LGC admitted that they transferred approximately \$14.5 million dollars from the HealthTrust to their Property Liability Trust which houses their workers compensation pool. While this sudden show of cooperation from the LGC is a welcome change, the Professional Firefighters of NH believe their admission is merely the tip of the iceberg and another attempt at misdirection.

While the LGC would have the public believe they are being transparent, a quick look at their financial statements from December 31, 2008 shows over \$20 million in reserves with net assets at nearly \$11 million. “Elementary school math taught me that when you have a reserve balance of over \$20 million dollars and you have an operating loss of nearly \$6 million, you have \$14 million left in reserves, making it totally unnecessary to dip into the HealthTrust,” stated President David Lang of the Professional Fire Fighters of NH. “We are very concerned that public employee health insurance money is questionably being transferred and spent by the LGC in ways that go far beyond the stated purpose of that trust.”

Attorney Glenn Milner, who is counsel for the Professional Firefighters of NH added, “RSA 281A-11, III clearly defines what steps a workers compensation public risk pool must take when faced with an operating loss. The LGC is required to go back to the city or town and ask the legislative body to appropriate the funds necessary to balance the books.” Attorney Milner

continued, "The admission of questionable transfers by the LGC makes us increasingly more concerned as to what is really happening inside that building. Government needs oversight and it is becoming more apparent the LGC does as well."

- The LGC Operating loss for 2008 is defined as \$5,458,213. (See page 5 of the LGC Financials 2007 & 2008)
- Claims Reserves as of December 31, 2008 for the Property Liability Trust was \$20,080,549 along with their net assets of \$10,922,071. (See page 14 of the LGC Financials 2007 & 2008)
- The LGC as of December 31, 2008 membership has grown to 215 member groups with contributions growing to \$5.2 million (see page 9 of the LGC Financials 2007 & 2008)
- See LGC financials; 2007 & 2008,
http://www.nhlgc.org/LGCWebSite/PDFDocuments/AboutLGC_Newsroom/Finance/Financial_CY2008_Financial_Statements_LGC_PLT.pdf)

The Professional Fire Fighters of New Hampshire [PFFNH] Headquartered in Londonderry, NH, represents more than 2,000 full-time active and retired professional fire fighters and paramedics who protect the Granite State. More information is available at www.pffnh.org.