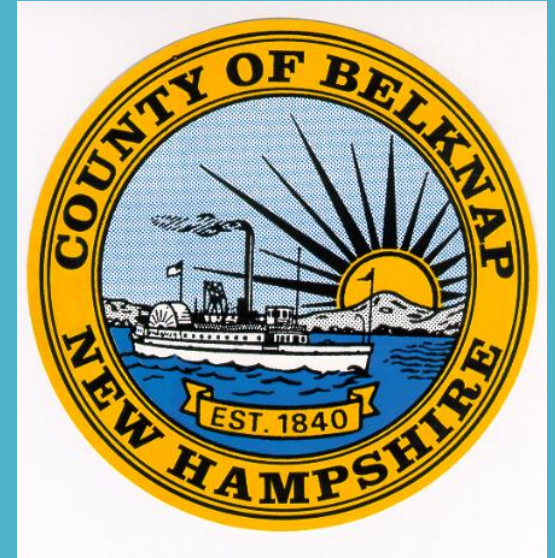


# 2018 Budget

County Commissioners Recommendation

12/8/2017



# Our Process:

We have prepared a budget that will preserve the level of service that the public expects from the County. It is more expensive to do this than it was last year. It is our intention to assist the Delegation in their review of our recommendation and to work collaboratively with them in finalizing a 2018 budget.

On the next pages you will see the history and status of our fund balance along with an overview of The Commissioners fund balance policy.

We will show you a glimpse of what could be, if an effort is made to estimate both expenses and revenues conservatively, properly fund county services, and allow the fund balance to return to a reasonable level.

Then we will ask our Department Heads to briefly explain some of the changes in their respective areas of expertise.

# Tax increase expected:

Please consider that while the amount to be raised by taxes is an increase of 33%, the actual spending (the expenditures) reflects an increase of less than 5%.

The 33% is the result of artificially reducing the tax rate for the past couple of years by using all of the “surplus”. This automatically created a \$2.2 million tax shortfall in 2018.

# Details:

The true increase in spending (4.7%) is created by a few significant items:

Community Corrections Center for a full year (including personnel and operational costs) will cost \$450,000 more than last year.

Contractual obligations to our employees is an estimated additional cost of \$700,000.

We have to pay a full year of the NH Retirement System's rate increase of \$94,000.

Due to the lack of fund balance, our borrowing costs will increase an estimated additional \$144,000.

Health & Human Services projected increase accounts for \$194,000.

We cannot continue to ignore our facility needs by not funding maintenance projects another year. An additional \$178,000.

These added costs total \$1,760,000. When added to the \$2.2 million lack of fund balance, this accounts for most of the tax increase.

# Fund Balance History & Projection:

	Excess	Operational	Fund Bal	31-Dec	
	Revenue	Savings	Used	Balance	
2006	108,182	1,716,833	2,869,661		5,947,168
2007	(21,125)	1,301,345	2,500,000		4,761,515
2008	(127,752)	1,403,966	2,000,000		4,037,729
2009	1,003,854	2,555,995	1,050,000		6,547,578
2010	1,153,043	2,761,082	2,433,465		8,234,435
2011	1,891,776	1,352,511	4,882,000		5,261,501
2012	1,462,196	932,646	3,750,000		3,906,343
2013	1,521,332	627,480	2,350,000		3,705,155
2014	1,442,829	418,049	1,775,000		3,791,033
2015	1,232,782	1,238,009	1,775,000		4,486,824
2016	(179,613)	1,241,870	2,380,000		3,169,081
2017	(916,104)	584,000	2,204,705	<b>600,000</b>	<b>800,000</b>
2018	235,000	581,100	-	<b>1,416,100</b>	<b>1,616,100</b>
2019	235,000	600,000	500,000	<b>1,751,100</b>	<b>1,951,100</b>
2020	235,000	621,100	500,000	<b>2,107,200</b>	<b>2,307,200</b>
	<b>PROJECTED</b>				
	<i>Assumes 2% excess revenue and 2% budgetary savings per year</i>				

# Fund Balance Policy:

- Adopted 2/16/17
- Goal is to maintain \$3.5 - \$5 Million.
- Does not plan to use more to offset taxes than was added in the previous year.



# Forecasting scenario:

	<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>	
	<u>Budget</u>		<u>Budget</u>		<u>Commission</u>					
Expenses	27,116,837	5.94%	27,743,463	2.31%	29,055,233	4.73%	30,055,233	3.44%	31,055,233	3.33%
Bond Issue	8,000,000		-		-		-		-	
Revenues	11,773,397	15.90%	12,576,170	6.82%	11,726,200	-6.76%	11,750,000	0%	11,750,000	0%
Bond Issue	8,000,000		-		-		-		-	
Plus Surplus used	2,380,000	34.08%	2,203,853	-7.40%	-	-100.00%	500,000	#DIV/0!	500,000	0%
	22,153,397	85.64%	14,780,023		11,726,200	-20.66%	12,250,000		12,250,000	
<b>To be raised by taxes</b>	<b>12,963,440</b>	-5.12%	<b>12,963,440</b>	0.00%	<b>17,329,033</b>	33.68%	<b>17,805,233</b>	2.75%	<b>18,805,233</b>	5.62%
		2015	13,837,174	1.26%						
		2014	13,663,314	-1.62%						
		2013	13,885,116	-1.14%						
		2012	14,043,150	-0.21%						
		2011	14,072,183	-1.86%						
		2010	14,333,387	-0.42%						
		2009	14,394,060	0.85%						
		2008	14,271,909	7.42%						
		2007	13,213,199	6.96%						
		2006	12,294,000	4.77%						
		2005	11,707,395							

Now we would like to ask our Department Heads to briefly talk to you about their 2018 requests.



## Nursing Home – Shelley Richardson, Administrator

The Commissioners have recommended a budget of \$11,626,847. This is roughly \$42,000 more than the 2017 budget.

The primary increases are personnel costs, (including a full time Administrative Assistant), IT costs for Electronic Medical Records, 1<sup>st</sup> year of a leased truck, 2 new ovens for the kitchen, and replacement of the dining room floor.

The Nursing Home's share of debt service is down almost \$300,000.

The expenses are off set by estimated revenues of \$9,397,000. Our rate of reimbursement from Medicaid is set by the State and does not cover the actual cost of providing services.

# Corrections – Keith Gray, Superintendent

The recommended budget is \$4,452,784. This is an increase of \$540,000 over last year's budget. The increase is primarily a result of personnel cost increases, a full year of programming (CORE), increased grant funding from the Dept. of Education, and training costs.

This expenditure is offset by anticipated revenues of \$207,000.

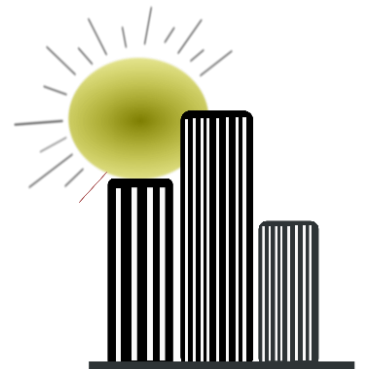
No additional staff positions are requested in this budget.

# Facilities Maintenance – Dustin Muzzey, Manager

The Commissioners recommended budget is \$640,020. This is \$46,000 more than the 2017 budget.

Most of the increase relates to our new fiber optic internet service (all but the nursing home is in this department), anticipated utility costs, and building improvements.

- Replace the Fire Alarm control panel and ancillary equipment at courthouse
- Replace access control system at court house
- Install audio system in conference room (ADA request)



# Sheriff's Department – Mike Moyer, Sheriff

The Commissioners recommended budget is \$2,328,160. This is \$265,000 more than the 2017 budget. Most of the increase is attributable to personnel costs, including a new full time Dispatch position, and additional vehicle leases.

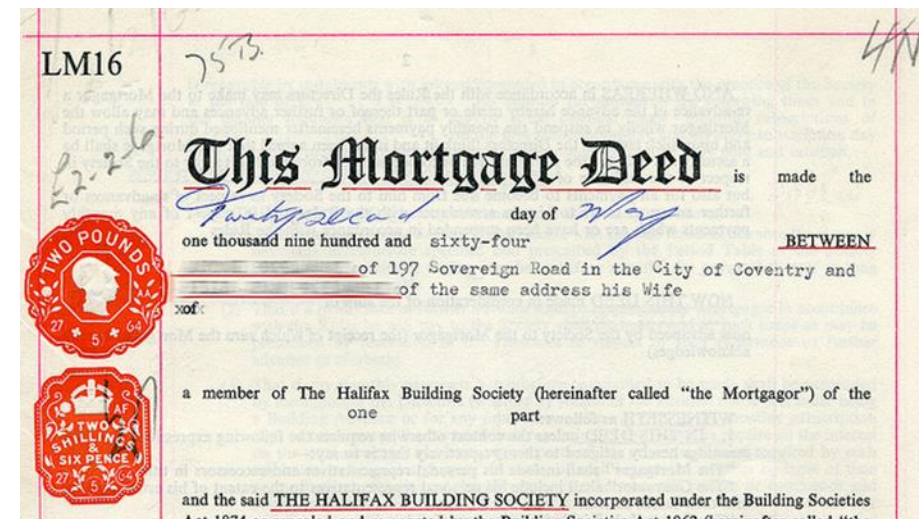
This is off set by estimated revenues of \$409,000.



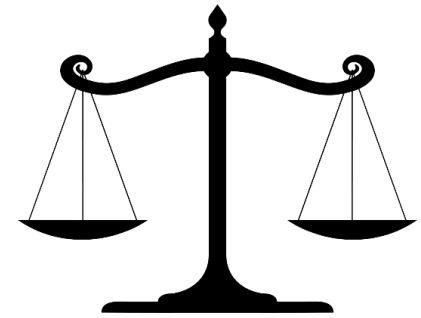
# Registry of Deeds – Judy McGrath, Register

The Commissioners recommend a budget of \$385,265 for this department. This is a slight increase over 2017 and is related to personnel cost increases.

The offsetting revenue is primarily comprised of the fees collected from real estate transfers. The total expected is \$935,450.



# County Attorney, Andrew Livernois



The Commissioners have recommended a budget of \$919,180 for the operation of this office. That represents an increase of \$96,000 over last year. This is related to personnel cost increases primarily. A grant funded attorney position has been added, along with the associated revenue.

- \$46,035 of the increase is the result of the increase in the cost of health insurance
- The increase of \$9,579 to the Part Time Salary line represents the increased costs arising from the fact that one of my administrative employees will be going out on maternity leave, and needs to be replaced by a temporary employee
- The increase in my Full Time Salary line arises from the addition of a second Victim Witness Coordinator. This position will be grant-funded, with an 80/20 match. As a result, the estimated net cost of adding this employee will be approximately \$11,000.
- With the additional grant-funded position, offsetting revenue is projected to be \$124,250 (an increase of \$44,250)

# Restorative Justice: Mike MacFadzen, Director

This Department provides court diversion services for both youth & adults.

Additionally, they will be working in our Community Corrections programs, assisting with classes and pretrial services.

They are also an integral part of our Recovery Court, along with the County Attorney and Corrections staff.

The Commissioners are recommending \$181,605, which is a decrease from last year.



# General Administration



The County operates with a centralized administration which includes risk management, finance, and human resources.

Administration provides support services to all other departments of the organization.

The Commissioners recommend a budget for Finance & Administration of \$765,460. This is \$116,784 more than the 2017 budget. Once again, they are recommending re-instating a full time Human Resources Director. Aside from personnel costs, the increase is a result of legal fees being moved from another section of the budget, and software training needs for our financial & payroll packages.



# Information Technology



The County's computer infrastructure is maintained and managed by a private technology firm (Mainstay, Laconia NH). They will attend a scheduled Delegation meeting to explain the projects that have been recommended and answer any questions you may have about the County's technology infrastructure.

The Commissioners recommend a budget of \$170,800 (excluding the Nursing Home). This is an increase of \$6,455 from the 2017 budget.

# Human Services:

This is where we pay for all the citizens of our County who have been determined to be eligible for Nursing Home level of care, by the State.

They may be at home receiving services or in any Nursing Home in New Hampshire. The goal is to keep people in their homes as long as possible.

There is a cap set by the State Legislature on how much the Counties have to pay. It continues to increase.

This is only one line in our budget, but it's a big one! \$6,538,452. This is an increase of \$194,000.

There is a revenue off set of \$280,000.



# Outside Agencies

The County provides funding to several non-profit agencies who provide services that either directly assist county service provision or provide additional services to citizens of the County.

The agencies and the Commission recommendations are:

UNH Cooperative Extension	\$155,275
Conservation District	85,000
Genesis	34,200
Community Action Program (CAP)	60,905
Belknap Economic Development Council	25,000
Child Advocacy Center	<u>11,000</u>
	\$371,380

This is an increase of \$111,255 from last year.

# Other...

- The County's Debt Service payments for 2018 will be \$490,960. (\$338,080 in the General Fund + \$152,880 in the Nursing Home)
- The Commissioners recommend \$150,000 for contingency expenses.
- The Commissioners recommend \$178,700 Capital Projects in 2018. There was no appropriation for this purpose in 2017. We look forward to reviewing the County's Capital Improvement Plan with you during an upcoming work session.

# Overview Information...

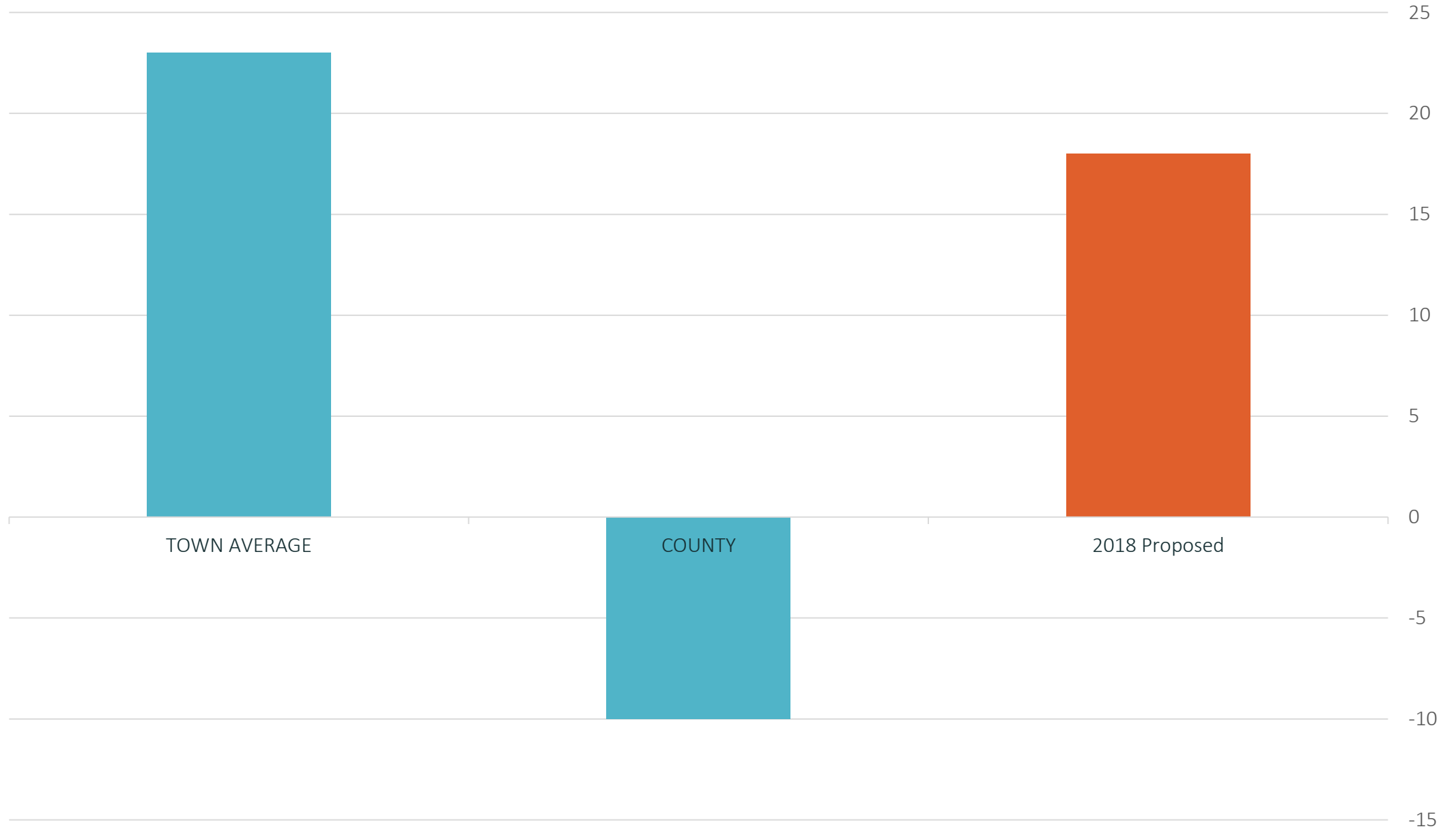


The Commissioners have cut nearly \$1M from the departmental requests.

County-wide personnel costs include:

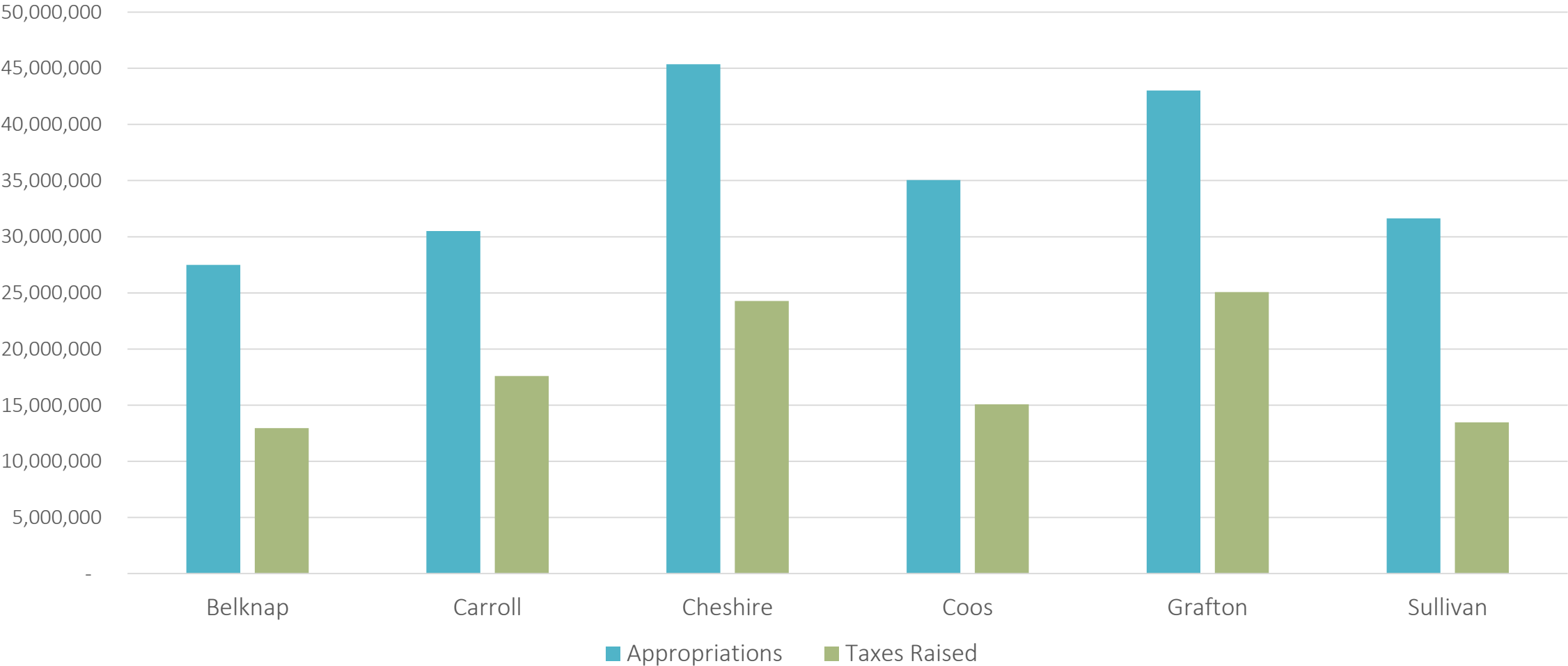
- A full year of the wage increases that were paid in 2017, plus wage increases for 2018 (1.6% cost of living on April 1 and 3% step increases on anniversary dates).
- Health Insurance Rates have increased 8% (we have moved to a less expensive carrier).
- NH Retirement System rates went up in July; from 11.17% to 11.38% for Group I and from 26.38% to 29.43% for Group II.

# Taxes raised by Towns/City - % Change since 2008

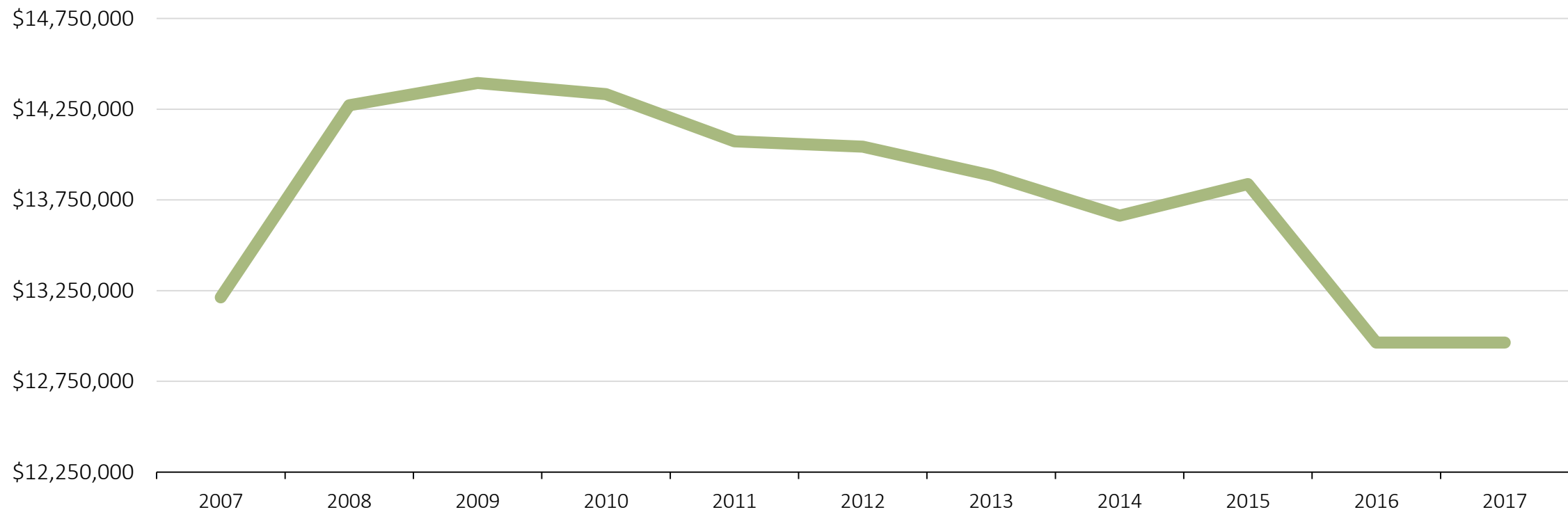


# 2017 County Comparison:

Chart Title



# Consider the amounts raised through County taxes since 2007:





# In conclusion...

Please don't hesitate to call on any of the Commissioners or the County Administrator if you have questions.

We encourage you to attend our meetings anytime. We meet the first & third Thursdays of each month at 5:15 pm.

We look forward to more detailed discussion about the County budget and the services provided.