



**TO: Members of the Executive Committee, County Delegation,  
Selectmen of the Towns in the County and Mayor of the City of  
Keene**

**FROM: The Cheshire County Board of Commissioners**

**DATE: November 29, 2017**

**SUBJECT: Commissioners' Proposed 2018 Budget**

Enclosed is your copy of the Cheshire County Board of Commissioners Proposed Budget for 2018. We will be presenting the budget and taking questions during a public hearing on Monday, December 11, 2017 at 7:00 PM on the second floor of Cheshire County Hall, 12 Court Street, Keene, NH 03431.

The total of the 2018 proposed budget is \$50,552,358. This figure represents an increase of \$4,594,874 (10.00%) from 2017. Taxes to be raised are proposed at \$28,197,998. This figure is an increase of \$3,916,982 (16.13%) from 2017.

As this is the first significant increase in taxes since 2012 with an overall tax increase of 1.83% over the last six years, the major contributing factor is the new bond for the County Nursing Home. As you should be aware, a \$35,960,000 bond to renovate and build an addition to Maplewood Nursing Home in Westmoreland was voted on by the Delegation on March 22, 2017. Of the increase in taxes, the first bond payment represents \$2,849,209 (11.73%) of the 2018 increase in taxes.

The last time the County had a major bond was in 2008 with the construction of the Department of Corrections. At that time, the county budget experienced a similar substantial increase to taxes and the budget went up by \$3,492,389 in order to service the first payment on that bond. We had the ability to refinance the Jail bond after ten years and were able to save over \$1,000,000 in interest costs. We have built this opportunity into the Nursing Home bond as well, and will act upon it if interest rates at that time support exercising this option.

During our review of the proposed department budgets, we made reductions to expense requests totaling \$433,312 and increased revenues by \$1,191,528.

Although considerable adjustments were made during our review, other areas outside of the Nursing Home bond payment were difficult to contain such as employee normal wages adjustments of approximately \$416,500 (1.72%), expenses for County residents needing Medicaid Assistance for nursing homes and home based care up by \$168,000 (.69%), and increases in health insurance costs of \$523,000 (2.15%). Furthermore the Commissioners have included \$142,000 (.58%) in this budget to fund ½ of the impact of a wage and classification study, the first study to have been completed since 2003.

We recognize that the impact of the bond would cause a sharp increase in the County budget but are pleased with the efforts of our department managers and elected officials as they recognize the pressure to minimize the impact on the taxpayer while meeting our obligation to provide necessary and essential services to the citizens of the County while fulfilling our obligation to provide fair and equitable wages to the County's hardworking employees.

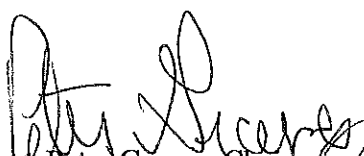
As you may know the Commissioners proposed budget is reviewed by the Executive Committee of the Delegation which then makes its own proposal to the full Delegation of Cheshire County State Representatives. The Commissioners look forward to working closely with the Executive Committee of the Delegation for their review of the department and elected official's budgets. These reviews typically occur during the month of January and February.


During the meeting on December 11, 2017, the Executive Committee will determine a tentative schedule for these reviews. Once the Executive Committee reviews are finalized at a meeting yet to be determined, they will present their budget to the full Delegation for final approval.

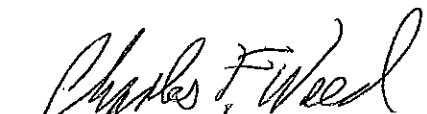
The Board of Commissioners looks forward to answering any questions you may have at the public hearing on December 11, 2017 at 7:00 PM at County Hall, 12 Court Street, Keene.

Very truly yours,

**CHESHIRE COUNTY BOARD OF COMMISSIONERS**

  
Peter Graves, Chairman

  
Joseph Cartwright, Vice Chair

  
Charles F. Weed, Clerk