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2024 BUDGET NARRATIVE

Presentation of County Commissioners Budgets to Delegation Members

Updated November 17, 2023

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County of Carroll, NH
Delegation Members

Dear Delegation Representatives,

The County of Carroll, NH 2024 budget, as approved by the County Commissioners on November 2, 2023, is \$39,800,840.29 representing a 6.63% increase from the 2023 final budget of \$37,327,304. All departments in cooperation with the finance department have taken great care in reviewing the current year's budget, while trying to manage the challenges of the current economy and staffing needs.

During the 2023 budget cycle, we reorganized the County budget to reflect accurate department costs, separating costs from the previous "Special Fees", "County Buildings and Facilities", "Administration Building" and "IT" budgets and assigning to appropriate departments. The fiscal year 2024 proposed budget now has one year of established history of these changes and comparison to fiscal year 2023 budgets to actuals, making the comparisons and analysis much more streamlined.

Some of the assumptions used in preparing the budget are as follows:

- Personnel schedules were prepared and reviewed by the finance department for all departments prior to release to appropriate staff responsible for preparing budgets.
- The Commissioners voted to create a pay structure which would help staffing that was paid at a lower pay scale, by calculating raises on an hourly rate versus percentage. The structure is as found below:
 - All staff earning less than \$55,000 were given a \$1.50 raise per hour.
 - Those staff earning \$55,000 and higher were given a 3% raise.
 - Should a department head feel that there were adjustments to be made, they did so within their budgeting discretion.
- Budgets were reviewed between Department Heads and Finance Department, reviewing personnel schedules, reasoning behind large increases as compared to 2023 and possible reductions of current year budgets based on below expected spending.
- The budget being presented does not include grant income or grant expenses, but only the County and Mountain View Nursing Home proposed budgets.

During fiscal year 2023, we relied on fund balance analysis and DRA recommendations to establish a proper fund balance, being cognizant of the use of prior year fund balances to offset taxes and the historic increases in County taxes going back to 2019. We approached the fund balance conservatively in the 2023 budget, maintaining a projected fund balance equal to 15% of the approved budget.

During fiscal year 2023, we saw unexpected revenues which were projected to increase our fund balance beyond the County's original estimates. Due to this increase, we are suggesting the use of \$3,700,000 of the projected 2023 fund balance to offset the 6.63% increase in 2024 proposed expenses. Use of these prior fund balances will increase the County taxes by 2.87% or

\$613,887 and leave the County fund balance at a projected 20% of County proposed expenditures for 2024. Because we are using such a large portion of prior fund balance, I feel comfortable leaving the fund balance at 20% as we do not expect the same sort of "surprise" revenue in 2024 and do not expect to have that amount to offset 2025 budgets.

Major Items Impacting Proposed 2024 Budget:

County General Fund:

The County General Fund proposed budget shows an increase of 7.79% over 2023. Highlights of significant changes are discussed below:

- **Attorney's and Victim Services** – Increase in budget attributable to salary and related benefits. Salaries and benefits accounted for 100% of the increased budget.
- **Finance** - Increase in budget attributable to salary and related benefits, inclusive of CFO with decreases in utilities.
- **Human Resources** - Increase in budget attributable to salary and related benefits as well as increase in advertising for vacant positions. This was previously part of the CIVIC Human Resource software, however, has been discontinued.
- **Registry of Deeds** - Increase in budget attributable to salary and related benefits and required contracted equipment and services, with decreases in utilities.
- **County Facilities** – 30% of Director salary moved to this budget from the Nursing Home as well as increases in Care of Grounds for the tower road repair and increases in maintenance of Annex.
- **Information Technology** - Increase in budget attributable to salary and related benefits.
- **Sheriff and Dispatch** – 3% Increase for all union employees per CBA, plus 1 part-time, per diem Deputy position
- **Corrections** – Decrease in salaries due to CBA negotiations in fiscal year 2023. 2% COLA only applied in proposed 2024 budget. Increases are due to increased Primecare contract negotiated as well as increased mental health services no longer covered by the federal mental health grant.
- **Department of Public Works** - Minor increases due to changes in salary projections from fiscal year 2023.
- **BEAS** – Increased contract pricing of 1.79% in 2024
- **UNH Cooperative** – The cooperative requested a 12.3% increase for 2024. We compromised at 6.09%.
- **Regional Appropriations** – The County's policy is to take 2% of the general budget. The general budget is projected at \$21,775,580 of which 2% is \$435,512. Currently, the appropriations are at \$477,000 which can be offset by current Opioid funding of \$34,000. Currently, the appropriations exceed the County policy by \$7,488.
- **Long-Term Debt and Interest** – Based on current debt amortization schedules.
 - **Corrections – New Roof** – As has been discussed for the past two years, the Jail has some serious issues with its roof and needs to be replaced. The current quote for the project is \$1,200,000. Between County Facilities and the Corrections Department Head, an additional \$70,000 has been budgeted in capital for internal repairs once the roof is removed. At this point, these are only estimates as it is unknown what will be found when the roof project begins.
 - We have received a quote for leasing this project for 10 years. The first payment would be encumbered with projected unspent funds from 2023. The first least payment, with interest at 5.29% is included in the 2024 budget within long-term debt and interest expense.
- **Capital** – See attachment of Capital details by department.
- **Transfer to Non-Capital Reserve** – We have requested that \$190,000 be transferred to this fund. We are projecting that we will end the year with a \$40,000 deficit in this fund with our funding guide to be \$150,000. The combined deficit plus our \$150,000 target brings the request to \$190,000. The large deficit in this fund is largely due to the updated County policy, following the RSA regarding elected officials and the payment of historic earned vacation and sick hours, inclusive of long-time employees leaving with large, earned time payouts.
- **Transfer to Capital** – We are requesting that an initial transfer of funds to the Capital Reserve be completed in the amount of \$150,000.
- **County Insurance** -The health insurance currently is at an 11.3% not to exceed contract, which has been included in all personnel schedules. Other insurances, specifically property and liability insurance, have been estimated at a 5% increase.

Mountain View Nursing Home Fund:

Of Special Note: The budget was prepared and approved prior to our new Mountain View Administrator taking the position with the County. The budget as proposed by the Commissioners will be evaluated and discussed further with the Delegation and necessary recommendations or changes will be presented at the Delegations request.

The Nursing Home proposed budget shows an increase of 5.25% over 2023. 14.83% of this increase is due to increased salaries and benefits at the same pay structure mentioned in the assumptions on page one. There was a 17.60% decrease in other costs as compared to 2023.

Included in the salaries and benefits are (23) full-time and (1) part-time vacant positions totaling \$2,428,657. The two departments that have significant increases are Nursing and Recreation. In the 2023 budget, (4) staffing vacant positions were defunded for a total savings of \$311,210 which are now fully included in the current proposed budget.

The budget has been prepared on the assumption that the Nursing Home will be 100% staffed so there will be no need for Agency staffing. Agency staffing costs as of October 31, 2023, were \$1,292,135, averaging approximately \$129,000 per month. Based on this spending track, we expect agency spending to be at approximately \$1,550,293 by year end or 63.8% of the vacant position costs.

- Nursing – There is a significant increase in 4413.017 – Education and conferences to invest in the nursing home staff. The proposal includes LNA and MNA education to be reimbursed by BEAS (NEW offsetting revenue line) should the student pass and agree to employment. LPN tuition is not reimbursable, would be a benefit of the County, but should include some guidelines to be followed. The breakdown is as follows:
 - LNA course $\$2200 \times 2 = \4400
 - MNA course $\$2000 \times 2 = \4000
 - LPN course $\$18,000 \times 2 = \$36,000$
 - Existing qualifying loan tuition reimbursement $1 @ \$900/\text{month} \times 12 \text{ months} = \$10,800$
 - Annual in-service done by outside agency (not restricted to in-house education) $10 \times \$165.00 = \1650
 - Total, \$56,850 budgeted

Of special note – There is \$28,805 in our interest-bearing funds set aside by our previous Nursing Home Administrator for education benefits to staff. In addition, there is also a CD, within the Nursing Home, which has recently been renewed for six months valued at \$207,040 which can be used to offset various educational benefits in the future.

- Nursing – Includes (4) new positions – Unit Managers. One is staffed and the other three remain open. Each position represents approximately \$117,470 in salary and benefits at the single health insurance rate. \$352,410 represents the 3 vacant unit manager positions.

Requested Action Items:

- Approval of 2024 County of Carroll Budget by Delegation
- Registry of Deeds – Approval of Equipment Fund use of funds

We thank you for your consideration and ultimate approval of the 2024 County of Carroll budget as presented by the County of Carroll's Commissioners to the Delegation.

Sincerely,

Bonnie Batchelder Edson

Bonnie K. Batchelder Edson, CFO