**TO: Members of the Cheshire 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 27, 2024**

**SUBJECT: Commissioners' Proposed 2025 Budget**

Enclosed is your copy of the Cheshire County Board of Commissioners proposed budget for 2025. The commissioners will present the budget and take questions during a public hearing on Monday, December 9, 2024, at 7:00 PM on the second floor of Cheshire County Hall, 12 Court Street, Keene, NH 03431.

As you are aware, the County budget is a three-tiered process. It starts with Department Heads bringing forward their requests. The Commissioners then review the requests and develop a budget to present to the County Delegation and the public on the 2nd Monday of December each year. It is at this meeting the County Delegation assigns the Commissioners budget to the Executive Committee of the Delegation. They meet over a five-week period at the beginning of the year, review the budget as presented to them and meet with Department Heads. They then vote on their version of a budget with any changes they choose to make. This is then brought back to the full Delegation on the third Monday in March for a vote. This meets the statutory requirements to have an approved budget by April 1, 2025.

Over the last six years the County has been able to minimize the tax impact and have raised taxes by only $743,367 or 2.61% overall. Annually this equates to a .5% increase per year while during that time the CPI rose anywhere between 1.8% to 8% per year.

Included in this letter is data that reflects County taxes to be raised across all ten Counties and the percentage of taxes to be raised during the past six years. You will see that Cheshire County has the lowest average of taxes to be raised since 2019.

The County’s ability to be creative and diligent in the funding of services or projects has been paramount to our success. For instance, the upgrade to the Sheriff’s Dispatch and the communications towers throughout Cheshire County has been completed at a cost of over $5,1000,000 with all but $75,000 covered by grants and other means so the burden of the cost was not taken on by the taxpayers.

Along those lines, the county is the first in the state to have its own electric power option, not just for county government but for the towns that have chosen to join. The development of Cheshire County Power has provided significant savings to the cost of energy throughout the County.

In 2020, the County took on the Connected Families NH program. This program assigns caseworkers who work with children who are at risk of needing out-of-district school placement. This program has had an incredibly positive impact on the children and families of Cheshire County, so much so that the State of NH has supported the expansion of this program statewide. With offices in Keene and Claremont, Connected Families NH now supports families in the majority of New Hampshire’s counties. Not only are we proud of the positive impact this has had on the families and children of New Hampshire, we have been able to add an additional revenue source to reduce the burden on the taxpayers of Cheshire County.

The County grants department continues to excel in its mission of pursing grants to help offset costs and expand the opportunity for programming. Last year alone the grants department has had direct oversight of more than 40 grants and over 17 million dollars in grant funding for the County. These grants help support various entities, including many municipalities and non-profit organizations as well as public health, housing, and rural transportation entities. This past year, the grants department offered their third three-day grant-writing course with 15 individuals in attendance. This course has had 45 individuals attend, and attendees have come away with the ability to apply for grants for their towns, non-profits or small businesses.

These are all examples of how the County has aggressively pursued alternative methods to help stabilize or eleviate the increase of taxes while at the same time meeting the needs of the county.

Although the County Commissioners and senior leadership within the County have worked exhaustively to lessen the impact of the County's portion of taxes, this years budget reflects the challenges that we have witnessed and have been subject to due to the ever-evolving martket competition for personnel. As a result there is a more substantial increase in taxes being proposed. With approximately 62% of the County’s budget made up of wages and benefits, it has become increasingly difficult to not increase taxes and at the same time being able to maintain our community and statutorily required obligations.

The total of the 2025 proposed budget is $74,992,938. This figure represents a decrease of $2,435,615 (3.15%) from 2024. The major decrease is due to one-time grant funded projects.

The proposed taxes of $31,118,488, represents an increase of $2,025,117 (6.96%) from 2024.

During our review of the department budgets, we made reductions to expense requests totaling $1,863,297 and increased revenues by $5,544,572.

Although changes to the budget were made during our review, some increases were difficult to contain. Cheshire County, as an employer, has experienced the same challenges that other businesses locally and globally continue to experience with the shortage of workforce. As one of the largest employers in the county, with nearly 500 employees, we have also had to make wage adjustments in response to the market demands. In addition, the 2025 budget includes a 2.5% cost of living adjustment as well as a 1.5% longevity increase to employee wages. Further the County grapples with the continued pressures of rising health insurance costs.

As always, we are pleased with our department managers and elected officials' efforts as they recognize the pressure to minimize the impact to the Cheshire County taxpayers. Their fiscal responsibility has lessened the impact on the taxpayer and allows the County to meet its obligation to provide necessary and essential services to the citizens of the County.

As stated above, the Commissioners’ proposed budget will be reviewed by the executive committee of the Delegation, which will then make its proposal to the Delegation of Cheshire County State Representatives. The Commissioners look forward to working closely with the Delegation executive committee for their review of the department and elected official's budgets. These reviews typically occur during January and February with a final vote of the Delegation occurring in March.

During the meeting on December 9, 2024, the Executive Committee will determine a tentative schedule for these reviews.

The Board of Commissioners looks forward to answering any questions you may have at the public hearing on December 9, 2024, at 7:00 PM at County Hall, 12 Court Street, Keene.

Very truly yours,

CHESHIRE COUNTY BOARD OF COMMISSIONERS

