

## **BOARD OF SELECTMEN'S MEETING**

**March 3, 2011**

**7:00 P.M. – MUNICIPAL OFFICE BUILDING – HANOVER, NH**

The meeting of the Board of Selectmen was called to order at 7:00 p.m. by Vice Chairman Katherine Connolly. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice Chairman; Peter Christie, Selectman; Athos Rassias, Selectman; Judith Doherty, Selectman and Julia Griffin, Town Manager.

### **1. PUBLIC COMMENT.**

Vice Chairman Connolly called the meeting to order and asked for Public Comment.

Carol Weingeist, President of the Outreach House, apologized for missing the meeting last night and wanted to thank the Board for their on-going support.

### **2. 4th BUDGET HEARING:**

Budget Adoption – Review of Budget Strategies

Ms. McClain stated that she provided the Board with a multiple page document that was comprised of three sections: (1) Items for Further Consideration and Discussion; (2) Follow-up on Requested Information; and (3) Issues for Future Work and Resolution. The Board addressed the items in this document in order.

- 1) Moving the hazardous material budget from the Fire Fund to the Ambulance Fund would result in \$5,542 in additional costs to the General Fund.

Chairman Walsh stated that he had mentioned this item in the budget discussions and wasn't necessarily thinking of this as part of this year's budget. He would like to review this between May and November.

- 2) Add \$60,000 in Dispatch charge revenue with offsetting expenditures in anticipation of adding a neighboring community to the Dispatch Center's service area.

Ms. McClain stated that this item is budget neutral. Vice Chairman Connolly stated that since this item is budget neutral, she would agree with it. The Board unanimously agreed with this addition.

- 3) \$40,000 to transfer into the Bridge Replacement and Renovation Capital Reserve Fund.

Chairman Walsh thought that this was one that this was an item that they want to review for next year's budget. The question is how much they should be reserving. The Board agreed to put this on the list for further review.

- 4) Discussion about terminating the Howe Library Building Repair and Equipment Capital Reserve and add the \$9,000 to the Building Maintenance and Improvement Capital Reserve Fund.

Selectman Christie stated that the idea was to get rid of the amount because it is so small. The Board agreed that they should move this small amount of money to a different reserve.

Selectman Rassias asked why it was set up and why it hasn't been used in a long time. Ms. Griffin stated that this was to save for a looming upgrade to the Innovative system which they no longer use.

Chairman Walsh wants to come back to this item. He would like to see where the Board ends up at the end of the budget discussions to see if they want to use this amount for taxpayer relief.

- 5) Whether to revise any of the requested amounts from social service agencies.

Chairman Walsh felt that those agencies who qualified under the new policy should receive the amount requested. The Board decided to fund the social service agencies at the levels requested and only fund the agencies who qualify.

- 6) \$131,900 to ASA (After School Adventures) Revenues and offsetting expenses in case the conversations with the Hanover After School Program go forward.

Chairman Walsh stated that this is okay with him as long as they are not using General Fund taxes. Selectman Rassias stated that a combined program should be undertaken only after the Board has had a good chance to review it.

- 7) \$3,000 set aside for the Traffic Counts.

Vice Chairman Connolly felt this expenditure was unnecessary as the Department of Transportation (DOT) is doing the counts for the Town. Ms. Griffin noted that they do traffic counts but not moving counts.

Chairman Walsh clarified that this doesn't change anything that the Planning & Zoning Board is doing.

- 8) Eliminate part-time service funding in the amount of \$6,500 for Health & Welfare due to new staff in late April.

Vice Chairman Connolly felt that this was reasonable. Ms. Griffin and Ms. McClain agreed as well.

- 9) Utilization of the Fire Fund Undesignated Fund Balance and whether they should consider paying back the taxpayers in the near term.

Ms. McClain stated that if this is the direction that the Board wants to move in, this would be a \$150,000 draw from Undesignated Fund Balance and the Fire Fund in FY2012. Ms. Griffin stated that this would leave another \$300,000 in Undesignated Fund Balance which would keep them at their goal of 10%. Selectman Christie felt this was appropriate.

Chairman Walsh wants to make it more but the history is that they have been designating a certain amount of undesignated fund balance every year and he would like to see a target of having 10% at the end of each year but not have that be the goal at the end of each year. Selectman Christie stated that there will be a day of reckoning on this and last year was \$150,000 and the same for this year but there is a chance that this won't be the case in future years and then they will pay the price more heavily. Chairman Walsh is willing to take the chance at 9% versus 10%.

Chairman Walsh felt that it should be \$200,000 which will bring them still way over 10%. Chairman Walsh believes that as they dig into the Fire Department structure, Ambulance structure and Fire hydrant issue, they will find that things are not going to get worse but will get better. Selectman Christie stated that there is the last year of the Fire District phase-in so there will be a little relief on that as well. The policy is over 2 years so if they want to increase the amount to \$200,000, they can do that. Vice Chairman Connolly reported that they do not have to hold to 10%. Selectman Christie stated that he doesn't have a problem doing this as it is the last year of transition from 4 Fire Districts to 3.

10) Fire hydrant fees.

Ms. McClain stated that, as requested by the Board, she has prepared a chart that shows the current flow of funds among the Water Utility Fund, the Fire Fund, and private property owners who are responsible for private hydrant charges. Ms. McClain stated that the Water Utility maintains and operates the fire hydrants and the hydrant distribution system. The Fire Fund pays the Water Utility the full cost as determined by the Public Utilities Commission (PUC) which is currently \$656,546. The Fire Fund then turns around and bills certain private property owners for private hydrants and receives \$146,624 in revenue. The net hit to the Fire Fund is \$509,922 recovered through the Fire District 1 tax rate. Selectman Christie asked about Dartmouth College and where that fits in. Ms. McClain stated that they are included in this as private property owners billed for private hydrants.

Ms. McClain stated that if the Board chooses not to endorse the incremental change in the fire hydrant charges to the Fire Fund, it means an additional \$40,070 expense to the Fire Fund. Chairman Walsh confirmed that there is no change relative to hydrants in the Water Company and the Fire Fund this year and we will figure this out between now and November, and they will have some hearings on this, and there will be a real change next year to be effective July 1, 2012. Ms. McClain stated that she will add \$40,070 back in to the Fire Fund budget. Chairman Walsh wanted her to also reset the Water Utility Fund. Selectman Christie stated that they will have another year behind them in running the Water Utility Fund.

11) Gallons of fuel used to heat the Fire Station.

Ms. McClain stated that this was a follow-up item and they calculated \$5,500 savings with the boiler system upgrade.

12) Further discussion regarding total compensation.

Chairman Walsh stated that the increase in total compensation will be determined by the Union negotiations and what the State impacts will be. He would like to know where they are in the Fire Fund tax rates with the changes that have been made to the budget. Ms. McClain stated that with the changes that were made so far, the blended tax rate went to \$1.29 or a 1.05% increase for the Fire Districts.

The Board agreed to accept these changes.

13) Map out the Ambulance Fund Undesignated Fund Balance to the upper cap of the target of 10%.

Ms. McClain stated that the changes are fairly minimal. Without knowing what is going to happen on the Medicare front, she would not recommend that they draw down the fund balance.

Selectman Christie noted that they are just over 10%. Given the uncertainty, Ms. McClain felt that they would end up putting more aside in the uncollectible reserve to hedge against future Medicare reimbursement changes.

14) Parking Fund – further discussion about keeping \$50,000 to keep conversations going with the Downtown merchants for alternative employee parking solutions.

Ms. McClain suggested encumbering the funds and creating the Downtown Parking Initiative as a separate line-item account, apart from the Advance Transit Downtown Shuttle Service. Chairman Walsh noted that this would not change this year's budget. The Board agreed with this approach to keep this money available next fiscal year for this effort.

15) Change \$185,000 funding source for membrane replacement work in the Parking Facility to come from the Parking Operations Vehicles and Parking Facility Improvements Capital Reserve Fund instead of the Designated for Capital Reserve (a sub-account of the Parking Fund's Undesignated Fund Balance) as proposed.

Ms. McClain stated that the question is whether the money should be drawn from the Parking Operations Vehicles and Parking Facility Improvements Capital Reserve Fund which is held by the Trustees of Trust Funds and requires Town Meeting approval instead of how it is proposed in the budget.

Vice Chairman Connolly asked if there was a fund for general maintenance. Ms. McClain stated that they only started reserving for this work 2 years ago which did not have the adequate funding at the time that the membrane needed replacement. Ms. Griffin noted that the warranty on the membrane is 5 years and as they gained experience with this garage and the membrane

costs, 2 years ago they decided to beef up the Reserve Fund to pay for this. This was going to take several years to build up the maintenance reserve.

Chairman Walsh felt that they should leave this as it is and discuss restructuring the funds prior to next year's budget and Town Meeting. He noted that there's no impact in moving the funds back and forth.

Ms. Griffin stated that it really doesn't matter which fund to take it from, but this is an expense that they needed to incur. The Board needs to sort out the reserves and figure the most rational way to organize them.

Ms. McClain reported that with the changes that have been endorsed by the Board, they are at a combined Town and Fire District blended tax rate increase of .94%. Ms. Griffin stated that they are just under 1.0% for a tax rate increase.

Chairman Walsh wanted to find out what it would take to get to a blended 0% tax rate. Ms. McClain stated that a reduction of \$90,000 would get them to a 0% tax rate.

Chairman Walsh wanted to get to 0% so that they could associate any tax rate increase to the State's actions; however, he doesn't see \$90,000 in the cut list that makes sense to act upon.

Chairman Walsh stated that Selectman Christie had it right that the Departments worked hard and this is a good budget. Selectman Christie stated that the Departments have done a sensational job and they have hit their target. They are now at 1% and it is appropriate to not make cuts that will affect activities.

The Board was in total agreement to keep the tax rate at less than 1%. Chairman Walsh wanted to know the tax rate on an average house valued at \$490,000. Ms. McClain stated that the tax would be \$2,602 with the new projected rates so it is \$25 more for the year just for the municipal portion of the tax. Ms. Griffin pointed out that this is the smaller portion of the residents' tax bill, with the School and County comprising the rest.

Selectman Christie stated that there were other suggestions made last night regarding audio visual equipment, mapping and cruiser replacement. Selectman Christie stated that he felt that they were in the right place with the cruiser replacement and did not suggest any further change. Selectman Christie noted that the new cameras in the Boardroom are helpful. Ms. Griffin stated that she and Jonathan were looking at finding money in the current year's budget for the improvements to the presentation equipment. Ms. Griffin noted that they will continue to look at the GIS mapping issues, and there is the possibility of some Open Source opportunities if the Regional Planning Commission can organize the data.

Ms. Griffin noted that Betsy McClain prepared the Issues for Future Work and Resolution for the Board to consider at future budget sessions.

Selectman Christie asked Bill Garrity for his opinion as to the outcome of the budget hearings from the Finance Committee's perspective. Mr. Garrity gave his strong approval and noted that the Finance Committee will be pleased.

Chairman Walsh wanted to thank the Department Heads and staff for the work they all did to get the budget to this place. This was a relatively easy process for the Board of Selectmen because of all of their hard work.

**Selectman Christie MOVED to approve the budget with the recommended changes. Selectman Doherty SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE BUDGET WITH RECOMMENDED CHANGES.**

### **3. ADMINISTRATIVE REPORTS.**

Ms. Griffin stated that she sent the Board an e-mail regarding the Nan and Alan King sanctuary. She stated that they are anxious for her to sign the agreement and she wanted to make sure the Board was comfortable with her continuing to pursue this with the Conservation Commission.

Ms. Griffin stated that the Conservation Commission talked about this at their last meeting and they are comfortable with the Memorandum of Understanding. Ms. Griffin wanted to make sure the Town was not acquiring land that needed additional landscaping. Selectman Doherty confirmed that there would not be a cost to the Town. Ms. Griffin confirmed that this was the case and stated that she has fond memories of Nan and Alan attending meetings.

**Selectman Doherty MOVED to authorize Julia Griffin to sign the Memorandum of Understanding on behalf of the Town for the Nan and Alan King Sanctuary in Etna Village. Vice Chairman Connolly SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO AUTHORIZE JULIA GRIFFIN TO SIGN THE MEMORANDUM OF UNDERSTANDING ON BEHALF OF THE TOWN FOR THE NAN AND ALAN KING SANCTUARY IN ETNA VILLAGE.**

### **4. SELECTMEN'S REPORTS.**

#### **Peter Christie**

Selectman Christie had nothing new to report.

#### **Kate Connolly**

Vice Chairman Connolly stated that the Planning Board will be hearing the anticipated Hanover Inn expansion next Tuesday night.

**Judy Doherty**

Selectman Doherty had nothing new to report.

**Athos Rassias**

Selectman Rassias reported that the Hanover Bike & Pedestrian Committee held a meeting. They met with Carolyn Radisch to review the proposed changes near the Hopkins Center which will increase the utility of the area for the buses. He noted that 160 buses go through the area on a daily basis not to mention the other forms of transport.

**Brian Walsh**

Selectman Walsh had nothing new to report.

**5. OTHER BUSINESS.**

Chairman Walsh wanted to recommend that they attempt to take on the budget in 3 nights next year. Selectman Rassias stated that this year's schedule with four Public Hearings back-to-back is not sustainable. Vice Chairman Connolly recommended going back to 2 nights in one week and then another 2 nights the following week. She has concerns about compressing the meetings into 3.

Chairman Walsh felt that a separate public hearing for the Social Service Agencies before the budget hearings they could bring the budget hearings down to 3 nights.

Ms. Griffin stated that they could make it 4 nights over 2 weeks but they could have the public hearing for the social service agencies in the first meeting in February.

Chairman Walsh stated that for the \$25,000 for the downtown marking efforts, there are on-going discussions between the Chamber of Commerce, Selectman's Advisory Committee and Downtown Marketing Alliance and how they will work together. This will play out between now and hopefully before the summer. This needs to be decided by the end of September. Chairman Walsh stated that he told the Chamber, the Committee and the Alliance that they would leave this money in the budget, but they need to make a decision by September 30<sup>th</sup>.

Ms. Griffin stated that they need to know about this prior to September 30<sup>th</sup> because the DRA sets the tax rate in October and we need to know whether they are including that \$25,000 assessment.

**6. ADJOURNMENT.**

**Chairman Walsh MOVED to adjourn the meeting. Selectman Doherty SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 7:55 P.M.**

Respectfully Submitted,

Judith A. Doherty, Secretary

Minutes prepared by Elizabeth S. Rathburn.

### **SUMMARY**

1. **Selectman Christie MOVED to approve the budget with the recommended changes. Selectman Doherty SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE BUDGET WITH RECOMMENDED CHANGES.**

2. **Selectman Doherty MOVED to authorize Julia Griffin to sign the Memorandum of Understanding on behalf of the Town for the Nan and Alan King Sanctuary in Etna Village. Vice Chairman Connolly SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO AUTHORIZE JULIA GRIFFIN TO SIGN THE MEMORANDUM OF UNDERSTANDING ON BEHALF OF THE TOWN FOR THE NAN AND ALAN KING SANCTUARY IN ETNA VILLAGE.**

3. **Chairman Walsh MOVED to adjourn the meeting. Selectman Doherty SECONDED the motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 7:55 P.M.**