

FINAL

BOARD OF SELECTMEN'S MEETING

February 25, 2013

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 Chairman Peter Christie. Present were: Peter Christie, Chairman; Athos Rassias, Vice Chairman; Bill Geraghty, Selectman; Nancy Carter, Selectman; Jay Buckey, Selectman; and Julia Griffin, Town Manager.

1. PUBLIC COMMENT.

Chairman Christie asked for Public Comment. There were no comments from the public.

2. PUBLIC HEARING TO CONSIDER AND ACCEPT DONATION RECEIVED FOR USE OF FIRE STATION.

Ms. Griffin reported that the Hanover Fire Department hosted a birthday party and the parents were grateful and send a donation. Town staff recommends that the Board accept this donation in the amount of \$150.00.

Vice Chairman Rassias MOVED to Accept the Donation Received for the Use of the Fire Station in the Amount of \$150.00. Selectman Buckey SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE DONATION RECEIVED FOR THE USE OF THE FIRE STATION IN THE AMOUNT OF \$150.00.

3. 1ST BUDGET HEARING:

- Town Manager's Presentation of Proposed FY 2013-2014 Budget
- Police
- Parking
- Fire
- Ambulance

Chairman Christie announced that this is the first night of budget hearings. He also stated that Ms. Griffin and Ms. McClain will give an overview of the budget and the Board will compile a list of items for further review which will be finalized at the final budget hearing.

Town Manager's Presentation

Ms. Griffin reported that she waited to prepare the memo regarding the budget until after she received information regarding the Governor's budget a couple of weeks ago. She stated that the message from Governor Hassan is that she is committed to restore a number of State services; critical elements of funding including Medicare; gas tax money; increase shared Rooms & Meals Tax; but the problem is that the proposal is dependent on a high end and highly regulated Casino that will pay a licensing fee. Ms. Griffin stated that it's unclear how reliable this is as a source of

funding. Ms. Griffin stated that staff will continue to follow the budget very closely and there are a lot of hearings going on for elements of the budget.

Ms. Griffin stated that the Select Board gave direction for staff to bring forward no more than a 3.93% tax levy increase; an approach that the Finance Committee recommended that the Town work with. The 3.93% increase was to include 2.3% in increased compensation costs (\$192,000); .63% Municipal Cost Index; 1% increase for new initiatives; and the allowance to absorb expenditures of \$10 million growth in total gross assessed valuation. The Board indicated that they did not want the budget to absorb the impact of the increase of the employer mandated contributions to the NH Retirement System (a 1.63% tax levy impact). Ms. Griffin stated that this is not included in the proposed budget.

Ms. Griffin stated that when all of the numbers are added together and then converted from tax rate to tax levy it creates a 5.03% increase in the tax rate. She noted that the Finance Committee was to see no more than a 1.2% tax rate increase. In looking at the General Fund Undesignated Fund Balance on June 30, 2012, there is an additional \$240,000 over and above what is needed in the fund to maintain a 10% savings. If this was applied to the tax rate it would bring the tax rate down from 5.03% to 2.16% and this would include the impact of the NH Retirement System contributions.

Chairman Christie gave a breakdown of the tax rate increase from the Town's perspective:

Town	3.93%
State	<u>1.63%</u>
	5.56%
\$10 million	<u>.53%</u>
Tax Rate	5.03%
\$240K UDRF	2.16% (Undesignated Reserve Fund Balance)

The Town portion of the impact on the tax levy is a 3.93% increase; downshifting from the State will add another 1.63% for a total of 5.56% on the tax levy. This would be offset by the \$10 million of assessed value increase to bring a tax rate of 5.03%. If the Board accepts the use of \$240,000 of Undesignated Reserve Fund Balance, it would bring the rate to 2.16%.

Ms. Griffin stated that there are a few things in the budget this year is the replacement of one of two non-LED traffic signals at Park & Summer Street. Also included is a sidewalk segment on Verona near Brook Hollow connecting to Wheelock Street and this is based on concerns that have been brought forward about speeders and the number of pedestrians in the area.

Ms. Griffin stated that they are including the repair of one red listed bridge and additional money for another red listed bridge that is part of the current year's budget because of cost overruns.

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Ms. Griffin stated that they are including the first of a 2 or 3 year boost for the paving budget to try to get them to a point where they will fully fund the paving cycle. The costs for paving materials increases because of fuel oil costs.

Ms. Griffin reported that items that are not included in this budget are some Safe Routes to Schools improvements; safety lighting for crosswalks; new roof for the police department section of the Public Safety Building and the old portion of the Howe Library. There have been discussions with the School District about a School Resource Officer (SRO) but there is no assistance for those efforts in this budget. Ms. Griffin noted that they were unable to add funds to the contributions to reserves even though this was a goal of the Board of Selectmen this year.

Vice Chairman Rassias stated that the \$10 million growth estimate in valuation change is a big drop from previous years. Ms. Griffin stated that this is due to reduced permit activity; the College is not building any dormitories or dining halls this year which provide large amounts of permit revenue.

Selectman Buckey asked whether the State downshifting being discussed is just related to the Retirement System contributions. Ms. Griffin stated that in the General Fund, the Retirement System is the only downshifting from the State which is a \$158,000 increase.

Chairman Christie asked how a 2.2% increase in expenditures ends up as a 5% tax rate increase. Ms. McClain reported that this is due to a decrease in non-tax revenue.

Chairman Christie would like to see an updated list of red listed bridges. Ms. Griffin stated that Peter Kulbacki will attend the next budget hearing and he'll have the list.

Chairman Christie wanted to include items on the list for review that are not being funded.

Selectman Carter asked if the Social Service Agencies that are not being recommended for funding will be given enough notice to get signatures for petitions. Ms. Griffin stated that they will be given notice if the Board agrees not to fund them and they will have a month to get a petitioned warrant article together.

Selectman Carter asked if the Town of Hanover has history with seeking donations for specific projects such as changing the wood floor at the Richard Black Center. Ms. Griffin stated that they have fundraised for other facilities and noted that the Hanover Rotary Club donated the money for the original wood floor.

Chairman Christie stated that he would like to see the dollar amounts included with the list of items not included in the budget.

Selectman Geraghty expressed concern over the roof repairs and wanted to learn more about how items are prioritized as far as putting on a new roof vs. putting in a sidewalk. Chairman Christie stated that this was one of the reasons they wanted to see the amounts because they are not going to let a roof fail.

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Chairman Christie noted the Tax Ratio from went from 62.87% to 63.98% which is due to relying less on non-tax revenue.

Selectman Carter asked about the Town Properties line item and how they attribute personnel to Town properties. Ms. McClain stated that there are custodians and Public Works personnel included with that item. Ms. McClain stated that with the restructuring of the Public Works Department, Ross Farnsworth's time as the Superintendent of Buildings is no longer split between funds but added to Town Properties which accounts for the increase.

Chairman Christie noted the \$170,000 reduction in Planning & Zoning. Ms. Griffin stated that this is due to the slowdown in College projects.

Chairman Christie asked about the Outside Project Revenue. Ms. Griffin stated that this money budgeted in the Public Works Department and Planning & Zoning for work that they may do on behalf of developers; this money is reimbursed by the developer so the exact amounts of revenue recorded are accounted for in the expenditures. This allows the Town to receive money paid by outside parties for projects the Town implements on their behalf such as a roadway. Ms. McClain noted that there is \$100,000 in the Public Works budget and \$30,000 in Planning & Zoning.

Chairman Christie noted the loss of \$20,000 in investment income over last year; the Town used to earn \$350,000.

Chairman Christie asked for clarification on the Tax Increment Financing District Levy. Ms. Griffin stated that this is for the 7 Lebanon Street property; the tax revenue generated as a result of construction in the District goes to offset the cost of the infrastructure. The tax revenue paid by the 7 Lebanon Street building offsets the cost of principal and interest on the bond for the Parking Garage.

Chairman Christie noted that for every 1% spent there is \$84,000 in additional revenue that needs to be found.

Chairman Christie referred to page 29 which shows the impacts on the tax rate. Selectman Buckey clarified that the amounts are not adjusted for inflation. Ms. McClain stated that this also doesn't reflect the distribution of all Fire District costs. Chairman Christie suggested adding a section to show the Fire District 2 and Fire District 3 costs.

Selectman Geraghty stated that on the tax bill, 70% is related to the school; 25% to the Town and 5% to the County. Ms. McClain anticipates that the County portion will continue to rise. Chairman Christie noted that they are trying to provide the information to the people as they have asked for it.

Chairman Christie noted that the General Fund has \$1.5 million in Undesignated Fund Balance which is 12% of the operating budget. The guidelines suggest keeping the reserves at the 5% to 10% range; if it should be reduced below 5% it will need to be built back up and if the reserves go above 10% it should be used to reduce taxes over a 2 year period. Chairman Christie noted

that there was a similar balance last year but they did make a one-time expenditure for the Etna Library.

Police

Detective Captain Frank Moran introduced Lieutenant Michael Evans, Dispatch Coordinator Doug Hackett, and Lieutenant Patrick O'Neill.

Captain Moran reported that he would be presenting the budget in Chief Giaccone's absence while he is out on medical leave. He noted that the budget has been primarily structured by the Chief with help from Lt. Evans, Doug Hackett, Lt. O'Neill, Betsy McClain and Julia Griffin. Captain Moran stated that his division is a small part of the budget but he has reviewed the rest of the budget. He felt that it is a reasonable budget that does not call for huge projects or expenditures; the percentage increase of 2% appeared to be in line with the Board's wishes.

Captain Moran stated that the Department is having a good year in spite of the health and staffing issues. He noted that the Department handles its hardships by rallying, covering shifts, and handling their obligations. The Department's hope is for the Chief to make a complete recovery.

Captain Moran reported that the Police Department has hired 3 excellent people this year; they are motivated, friendly, and intelligent and have brought new life to the department. The Department is conducting another hiring process on Saturday in the hopes of getting one good candidate.

Captain Moran reported that Lt. Michael Evans completed the project to replace 4 cruisers and asked him to speak to that effort. He noted that the final product is a source of pride for the officers that use them every day.

Lt. Evans noted that the purchase of vehicles through the Capital Reserve Contribution is the 2nd largest line item of the police budget. In 2012 they completed the project that was started in 2010, long before Ford could provide prices or pictures of the new cruisers. He noted that the cars were delivered almost a year later than anticipated. The cars are all wheel drive and with the new radios they are able to speak to officers in Vermont.

Lt. Evans stated that this is truly a source of pride for the Department. The downside of the delay in delivery was the need to replace transmissions in the old cruisers; there were reliability issues. He noted that in past Town Meetings the issue has come up as to whether they could delay the replacement of cruisers and they learned first hand that this was not a good situation. The cars are the most capable he has driven. The cruisers have V6 engines and although mileage went up, fuel use in 2012 went down.

Lt. Evans stated that they are seeing a 15% increase in fuel economy in these cars. He noted that they also have some technology to further reduce costs including Idle Right technology which allows officers to turn the vehicles off while leaving other equipment on and he anticipates being able to further increase fuel savings.

Lt. Evans stated that the Police Department also completed the garage behind the Police Station. The building was an old house from the Rivercrest neighborhood and was repurposed as the Police Department's garage.

Captain Moran asked Dough Hackett to speak to the Grants that he's been able to secure.

Mr. Hackett stated that he spent a significant amount of time trying to fill vacancies in staff but there were 3 large grants that he was able to secure a grant of almost \$400,000 to replace the fire radio system; an additional \$94,000 grant for the Water Company security and an additional \$63,000 to replace the highway radio system at the end of the year totaling almost \$500,000.

Captain Moran reported that the Police Department has been working with the schools to implement security enhancements at their facilities without adversely affecting the environment. The enhancements do not include a School Resource Officer at this point but the dialogue will continue.

Chairman Christie noted that the cost increases in the Police Department's budget are set as part of the union contract agreement for wages and salary. He also noted that there are many items that were level funded in this budget.

Vice Chairman Rassias asked about the overtime costs. Captain Moran reported that this is partly due to staffing issues but as officers' pay increases, their overtime does as well. Lt. Evans noted that there is an increase in the overtime line item but that has been cut in the past.

Ms. Griffin stated that overtime is one of the areas that she looks to cut first in every operating department. She needs to find \$200,000 to \$300,000 in cuts in order to reach the Board's tax rate target.

Selectman Carter asked how this works practically on the ground. She asked if there was bidding for overtime and whether the officers that have seniority that are paid at a higher rate get more overtime opportunities. She also asked whether this changes the way that the Department works where they would task the more junior officers to work overtime.

Lt. Evans stated that they are not able to do that because they are governed by the contract. The cuts made to overtime mean fewer hours of coverage. Ms. Griffin stated that they can look at the budget at the end of the year to cover over expenditures of the budget as there is flexibility across line items.

Chairman Christie asked about the story behind the notation that officers are unable to do more of the parking duties because of the other pressures on the patrol staff. Lt. Evans stated that some of this is a result of short staffing; if officers are tied up on other calls, they do not have the time to handle the lower priority calls such as parking.

Selectman Geraghty asked for an overview of the Dispatch Center and the Towns that they serve and whether there have been more conversations about a Regional Dispatch Center. Mr. Hackett

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stated that the discussion to merge the 3 Dispatch Centers (Hanover, Lebanon & Hartford) has been a discussion that has come up many times in the past 20 years. There have been some off the record conversations about the feasibility of tackling this project.

Selectman Geraghty felt that it would make sense to pick up the pace on this project because he feels that there would be some kind of savings with this initiative. Ms. Griffin stated that it's clear that Hanover likes the Regional Dispatch Center model but one of the other dispatch centers would need to decide to merge; there is concern over the loss of control. Ms. Griffin stated that Hanover has been very clear with the cost allocation for the Towns that they serve.

Vice Chairman Rassias asked whether there have been more discussions coming from the County regarding their desire to take over dispatch services for all of Grafton County. Ms. Griffin stated that there have not been further discussions about this and they don't believe its being actively pursued.

Selectman Carter asked about the polygraph equipment and training noted in this budget. Captain Moran stated that this is a new initiative. He noted that it is a budget neutral project and that Detective Eric Bates has an interest in this and secured the funding for the equipment and the training. The equipment would be owned by the Town and would be used for criminal and background investigations. He noted that there have been many pre-employment polygraphs over the past year which has resulted in significant expense to the Town.

Selectman Carter asked if this could become an income source for the Department by being able to offer the services for other departments and the community. Captain Moran stated that the priority is the Town of Hanover with regard to employment needs and the criminal investigations. Captain Moran stated that he doesn't envision the need for polygraphs for pre-employment changing. The Department can also access polygraph services through the State for felony cases.

Selectman Buckey asked about the charge for telephones. Mr. Hackett stated that the \$41,000 line item covers the dial phone services and radio circuits to control the radios off site (Lyme Fire Station, Hayes Hill, Plainfield).

Selectman Buckey asked about the Town-Wide IP Telephone System Lease. Mr. Hackett stated that the \$9,159 expense is the final lease payment for the Town-wide system that was installed 5 years ago. Selectman Buckey asked if they could reduce the number of other phones. Ms. McClain stated that there is a need for redundancy and with the call volume it is clear that they are as low as they can go.

Selectman Carter asked if the Police Department gets to keep the administrative fees charged for Special Details. Ms. McClain noted that the police department does not get to keep the money; it goes back into the General Fund.

Kristi Fenner, Finance Committee member, asked where in the budget she would find the expense for polygraphs and the cost savings. Ms. Griffin noted that this is charged to the Human Resources budget as with all pre-employment costs.

Ms. Griffin noted that the Adult Diversion numbers are down. Selectman Carter noted that there are no budget figures for Juvenile Diversion. Ms. Griffin noted that Valley Court Diversion now handle the juvenile cases. Selectman Carter asked if we knew why the Adult Diversion numbers were down and whether this was in part due to better partnerships within the community.

Elizabeth Rathburn, Adult Diversion Program Coordinator, reported that it became evident that when Dartmouth College changed to their BASICS program, the students are getting more of the education that Diversion had previously been providing with the License Alcohol and Drug Abuse Counselor. She noted that it's hard to tell whether they are being more responsible or getting better about not getting caught. She reported that she learned from the feedback received from Diversion that a lot of the students were getting more of the alcohol education piece through the BASICS program. The Hanover Alcohol Diversion program was then re-vamped in order to eliminate duplication between the programs. Ms. Rathburn also reported that Dartmouth hired another Counselor to work with Brian Bowden. Ms. Griffin stated that Dartmouth has been working really hard on this problem so there are fewer students participating in excessive alcohol consumption.

Captain Moran stated that he worked directly with the College a couple of years ago to address this issue and Chairman Christie pointed out that one of the objectives would be to get Dartmouth to deal with their problem and take it seriously. Captain Moran feels that since the shift in the administration he is seeing an outstanding cooperation level with Dartmouth. The College and the Police Department are working together and sharing information. Dartmouth has put money into providing safe travel for student. The Police Department is also enforcing the law regarding prohibited sales and charging groups for providing alcohol for minors. Dartmouth is also enforcing their policies.

Chairman Christie noted that this was wonderful news and the result of hard work on behalf of the Town staff and the College.

Selectman Buckey asked about the increase in Administrative activity totals. Ms. Griffin stated that this was in part due to the Lower Grafton County Prosecutorial Association (LGCPA) funding. The LGCPA used part of their Undesignated Fund Balance last year but that money is not available in this year's budget.

Chairman Christie noted that theft is way up in 2012 compared to any other year. Captain Moran noted that there were a lot of computer thefts and substantial fraud in 2012; sexual assaults have increased and he predicts that this number may continue to go up. Captain Moran stated that not every sexual assault is being reported to the police but with the sharing of information the College will provide information about assaults with redacted names. The Police Department is getting a more accurate picture as to what is going on and he has already had quite a few reported this year. Captain Moran noted that even if a victim doesn't want to report the assault to the police, they can report it to the College and they will deal with the offenders under the Code of Conduct.

Vice Chairman Rassias asked why victims wouldn't want to come forward. Captain Moran stated that in his time investigating sexual assaults, each victim has their own reasons for not wanting to come forward. The Criminal Justice system puts an incredible burden on the victims of sex crimes. In some cases, it's one person's word against another person. There are facts that come out in an investigation that a victim does not wish to share with other and the vast majority of students that he deals with do not wish to pursue a prosecution.

Vice Chairman Rassias asked if someone could still work with Dartmouth if they didn't want to work with the police. Captain Moran stated that they can choose not to work with the police but unless there is a public safety threat, the Police Department will respect their wishes.

Chairman Christie thanked the Police Department on behalf of 379 people in 2012 for continuing to provide unlock services. Ms. Griffin noted that not every department continues to provide this service. Chairman Christie stated that that the public relations value is tremendous.

Vice Chairman Rassias asked about the Intoxication Protective Custody numbers have gone up. Captain Moran stated that not every protective custody is a person underage. Elizabeth Rathburn stated that there are more people over 21 years old being placed into Protective Custody than underage.

Vice Chairman Rassias noted the mileage going up and the fuel costs going down. Lt. Evans noted that the change partially reflects the gradual switchover from V8s to V6s. Chairman Christie noted that the mileage went up 4.6% and the fuel usage went down -4.2%.

Chairman Christie noted the call volume increase. Selectman Buckey noted that the call volumes have increased but the incidents are down. Mr. Hackett noted that with everyone having cell phones they receive multiple calls for the same incident.

Chairman Christie thanked Captain Moran, Lt. Evans and Doug Hackett for their presentation.

Parking

Lt. O'Neill introduced himself and noted that with the parking recommendations that were made by Andy Hill from Desman Associates, this created a much larger budget presentation. He will present a status quo budget and a budget including the recommendations. He noted that Janet Rebman, Van Chesnut and members of the Parking and Transportation Board were also present in the audience.

Lt. O'Neill noted the following for the Status Quo Budget:

- Customer on-line look-up and credit card payment for fines and permits
 - 85% of phone calls and foot traffic to the parking office are people paying for fines or garage leases with a credit card.
 - Approximately 60% of foot traffic to Town Hall are people asking for parking assistance.

- Replace the parking facility sweeper
- Contract winter maintenance for the Bank of America Deck (Bundle the contract to include the Deck and the Parking Garage)
- Parking Meter Maintenance (15 years old)
- Handheld ticket computers
- Increase part-time staff hours to improve coverage and scheduling

Lt. O'Neill noted the following initiatives for a budget to include the Parking Study Recommendations:

- Recommendations – Revenue
 - Increase meter rates
 - Increase parking fines
 - Sell Thompson Arena permits to HHS students
 - Sell parking garage day passes to employees
 - Transfer from reserve for smart meter purchase

Lt. O'Neill stated that the recommendation was to change the \$.25 meters to \$.75 and the \$.50 meters to \$1.00/hour. It was also recommended to add \$5.00 to each of the parking fines.

- Recommendations – Expenditures
 - Increase PT employee enforcement hours coverage from 5 p.m. to 8 p.m.
 - Purchase smart meters
 - Add smart meters to capital reserve equipment replacement fund
 - Potential to eliminate Advance Transit Downtown Shuttle funding

Lt. O'Neill noted that the Parking Division currently enforces 9 a.m. to 5 p.m. Monday through Saturday and the increase in hours is part of the Parking Study recommendations. The cost of the smart meters is a \$500,000 expenditure. Ms. Griffin noted that the smart meters take credit cards. Lt. O'Neill stated that they would need to do a lot of research to find the right company because there are a lot of meters to choose from.

- Reserve and Undesignated Funds
 - Parking Fund Reserves
 - Purpose designated equipment replacement and repairs
 - Projected balance on 06/30/2014
 - Status quo Budget \$514,393
 - W/Parking Study changes \$365,928

Lt. O'Neill stated that if they go with the Status quo budget they are looking at a balance of \$514,393 but if they pulled more funds out to go with the Parking Study recommendations it would bring the reserve down to \$365,928.

- Undesignated Parking Fund Balance
 - Holds unbudgeted revenue & unexpended appropriations
 - Two sections w/balance as of 06/30/2013
 - Contingency Fund \$62,299
 - Funds undesignated parking system

Lt. O'Neill reported that they expect a \$19,000 increase in the metered parking without implementing any of the recommended changes. Lt. O'Neill stated that with making some changes to personnel there would be a reduction of \$17,000 in costs. Lt. O'Neill stated that allowing people to pay on-line should result in a \$7,000 increase.

Selectman Geraghty asked about the credit card company charges. Lt. O'Neill stated that the charges were just reduced to under 2% and \$.10 per transaction. Selectman Buckey stated that people paying cash would be subsidizing those who use credit cards and suggested that one option would be for the Town could add the fee to those who used credit cards.

Ms. McClain stated that this has been a topic of conversation for a long time because people want to be able to use their credit cards. She noted that the clerk's job is made easier with credit card payments and this is 2% on very low amounts. Ms. Griffin stated that they have considered whether they are creating an incentive to allow for credit cards to be used by not having an additional charge.

Vice Chairman Rassias asked if the Town gets a higher payment rate with credit cards. Lt. O'Neill stated that people are paying in a more timely fashion when they can pay with a credit card to avoid late fees.

Selectman Carter asked about smart meters. She noted that there is technology out there that would allow the Parking Office to monitor the parking from their desk. She asked about the Pay and Display systems and wondered if they should aggressively pursue this technology instead of the smart meters.

Lt. O'Neill stated that the \$500,000 in the recommendations is from the company that provides the current pay and display equipment which do not accept credit cards. The quoted system does accept credit cards. This is one kind of technology that they will be looking at and Lt. O'Neill felt that they should look at the technology available and the costs.

Chairman Christie felt that the Board should think this through with regard to the budget. He noted that with the Status quo budget, revenues are going up \$60,000 and expenditures are going up \$40,000. Chairman Christie stated that the Board's decision should be to decide whether to adopt the study recommendations but not implement them. If they should implement them over the year's time, they would have the ability to rather than wait another cycle and a Town Meeting. He doesn't see a down side in this and the upside is that they could choose to move more quickly on the recommendations.

Ms. Griffin noted that Bill Baschnagel sent the Board information on behalf of the Parking & Transportation Board (PTB) that they have some issues with regard to the recommendations.

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The PTB wants to make sure that the Board continue with a public process involving the Hanover Chamber, downtown businesses, the School District, and Dartmouth College. Ms. Griffin reported that the Town can't do anything if they don't have the appropriation authority in the budget moving forward. This gives the Town the ability to move forward if the Board and the Community decides that the changes are worth implementing.

Chairman Christie would recommend budgeting based on the recommendations with the understanding that they would not implement them without additional work. Selectman Carter wanted to make sure that this is clear to the residents at Town Meeting.

Iain Simm, Planning Board Representative for the Downtown Parking subcommittee, noted that one recommendation from the consultant that they look at the carpool program. There were statistics from the parking study that 1,700 people are driving to town in their own vehicles looking for parking; 82% are driving their own vehicles; 38% of the respondents to the survey received a citation. There is value in getting the cars off the roads. He felt that as a Town, they are being faced with a lot of additional traffic with the new developments in West Lebanon and Lebanon.

Bill Baschnagel stated that the PTB is happy to help with getting information out to the business people and residents prior to Town Meeting.

Selectman Geraghty asked about the process and whether they could put a placeholder on this prior to Town Meeting depending on meeting schedules. Mr. Baschnagel wanted to make sure that Town Meeting understands what they are voting on; there is an initiative underway and the vote will allow for the Town to make it possible to improve the situation.

Chairman Christie would like to add the issue of timing and presentation to Town Meeting to the list for further review; that this would allow the Town to receive funding for the recommendations but they would not necessarily implement them. Ms. McClain stated that the Town needs to be careful about the ins and outs of the capital reserve fund; to the extent that Town Meeting votes to put the greater amounts into the reserve, the Town must do that. She also noted that there is a \$40,000 difference between the two budgets. Chairman Christie pointed out that the Finance Committee felt that funding the \$40,000 might be aggressive in the first year.

Selectman Carter had questions about the parking spaces for students; whether there are enough incentives to ask the students to walk 10 to 12 minutes to school and whether there are enough metered spaces for visitors to park. Ms. Griffin stated that all of these issues would be worked out during the implementation discussions.

Fire

Ms. Griffin stated that the budget that is being proposed includes \$60,000 worth of cuts in addition to adjustments to the hydrant maintenance cost allocation to start bringing those charges to the Water Fund. This year they will not have access to the Undesignated Fund Balance because it is below 10%.

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Chief Bradley introduced himself, Captain Bert Hennessey, Captain Michael Hinsley, Captain Jeremy Thibeault, and Captain Michael Gilbert. He noted that each Captain has a specific area of responsibility within the Department. Captain Hennessey handles the fire alarm communication system as well as radio systems in the vehicles. Captain Hinsley is the designated emergency medical services officer; Captain Thibeault is the training officer and has greatly enhanced the training for staff; and Captain Gilbert is the maintenance officer working closely with fleet to maintain their vehicles, apparatus as well as managing the two fire stations. Ms. Griffin noted that Don Foster is present and oversees the Fire Department fleet.

Chief Bradley stated that during the budget process they came up with a budget that is very basic and resulted in a lot of cuts. The largest item in the budget is the replacement of a fire truck which would be purchased out of the equipment reserve.

Chairman Christie noted that the Town did a reassessment to correct water charges for the hydrants and discovered that they were overcharging the Fire Fund by \$115,000. Ms. Griffin stated that this wasn't an error but a new way to account for hydrant costs. The Public Utilities Commission (PUC) determined the rates for the private water company and they used their own rubric to allocate the costs. When they stripped away the Water Fund as a private utility and converted it to a municipal entity, Peter Kulbacki (Public Works Director) did an actual calculation to determine the cost to maintain the hydrants, allocating a portion of the water system to the hydrants. He determined that the actual cost to maintain the hydrants is \$472,716/year where the Public Utilities Commission calculated this at \$588,459/year.

Ms. Griffin stated that in putting this budget together, they didn't completely strip away the \$115,000 from the Fire Hydrant Rental but instead reduced it by \$75,000 and asked the Fire Department to come up with similar deductions in operating expenses. When they reduce the allocation of costs to the Fire Fund, they reduce the revenue to the Water Fund. Ms. Griffin stated that this means that the Town either needs to raise water rates or use Undesignated Fund Balance so they decided to try to cover this over 2 years instead of all at once.

Selectman Buckey noted that the cost for the Fire Department is actually revenue for the Water Fund. Ms. Griffin noted that they came up with this option but they could choose another option. Ms. McClain stated that it is quite unusual for Fire Departments to pay for hydrants. Ms. Griffin stated that in other towns; hydrants were part of the water company and weren't charged to the Fire Department.

Vice Chairman Rassias clarified with Ms. Griffin that everyone in Fire District 1 is on the hydrant system and they pay on the District Tax and the Water Fund. Ms. Griffin stated that a fire taxpayer pays based on the assessed valuation of the property. The water rate payers pay based on their water utilization. There would be an overall shift from a real estate based cost to a water utilization based cost by shifting this to the water utility.

Chairman Christie stated that he would like to put this on the list for further consideration. He would like to transfer the entire amount of the fund now (\$472,716) to be used to offset the tax rate and then they can look at the reserve to determine how to ease that pain over time.

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Chairman Christie wanted to isolate this issue to the Water Fund and figure out how to keep the rates fair; he does not want to do this over multiple years.

Selectman Carter asked if the Fire Department will have more money to offset their expenditures. Ms. Griffin stated that the recommendation was to reduce the charge to the Fire Fund by the full \$115,000; it would appear that the Fire Department would have another \$40,000 to spend on their operational costs but Peter Kulbacki would rather use the \$40,000 to offset the tax rate increase projected for the Fire Fund.

Chairman Christie stated that he is not expecting a lot of questions on this budget because it is fairly straightforward.

Selectman Carter noted the reductions in training and operational equipment that were made to reach the target and asked whether the Department feels that they will be able to train the new Firefighters to the same extent as the rest of the team. Captain Thibeault explained that the reduction affects the technical rescue goal which was for water rescue but now this will have to be pushed back another year.

Ms. McClain asked Captain Thibeault to provide some background regarding grant funding that may help with the underfunded technical rescue. Captain Thibeault reported that the State of NH received a grant in the amount of \$4.3 million which was given to the Fire Academy for Technical Rescue Training. Hanover received \$50,000 of this money toward their training this summer. Captain Thibeault noted that the Professional Development line item is \$10,000 each year so this grant covers 5 years worth of the annual budget for annual training.

Chief Bradley reported that Captain Gilbert, Don Foster and a representative from each shift comprised a committee to look at replacing Engine 3. This will be going out for bid in the near future assuming that Town Meeting approves the appropriation.

Don Foster, Fleet Manager, noted that there is also a 1982 Tanker that has been kept in the fleet. Mr. Foster stated that his intent was to eliminate one piece of apparatus by purchasing a tanker/pumper. He noted that that Tanker is badly deteriorated and they brought it to Valley Fire where they determined that it is unreliable. The Tanker and the Engine should be taken out of service and be replaced by the new engine. Mr. Foster stated that this will be more cost effective.

Ms. Griffin stated that the Town has been very disciplined in their reserve for this equipment and the recommendation is that it is now time for replacement. Mr. Foster noted that the has a life cycle analysis for the equipment and although they only have documented 11 years of history with this vehicle, the Town has put \$7,000 worth of work in the apparatus that is being replaced.

Chairman Christie has a lot of confidence in the Town with the replacement schedule. Chief Bradley originally thought about keeping Engine 3 as a reserve unit but when Mr. Foster did the cost analysis with the life cycle, he was convinced it was time.

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Captain Gilbert also stated that there have been regionalization discussions toward sharing a reserve pumper with other departments and the Town can get points with ISO if they are able to do this.

Selectman Geraghty asked how many fire trucks the Town owns. Captain Gilbert stated that between both stations there are 4 Engines, 1 Tower, Rescue, Ambulance, Chief's car and a pickup truck. Selectman Geraghty encouraged continued conversation about sharing major equipment with other departments and regionalization.

Capital Reserve Fund – Fire/Ambulance Fund

Ms. Griffin reported that the fund goes into the red by \$46,000 in 2020 if they don't find a way to increase their capital reserve contribution. She stated that they only need to increase it by \$5,000 to \$7,000. Chairman Christie noted that there are 2 major expenditures in 2020. Ms. Griffin stated that if they buy the Ambulance and the Rescue at the same time they get a better price.

Chief Bradley noted that for the Fire Equipment Fund, a Tower replacement costs around \$1 million and that is with "bare bones" equipment.

Ambulance

Chairman Christie reported that a good example of the delayed pain from using Undesignated Fund Balance is shown when looking at the Ambulance Fund; they used \$192,000 to offset on-going expenses. Ms. McClain stated that \$42,000 was used for the Fire voter system in a grant match. Chairman Christie stated that \$150,000 was used to support on-going expenses and now they need to deal with that.

Chairman Christie stated that because of this issue, he is going to recommend that instead of using \$240,000 in the General Fund Undesignated Fund Balance, they should cut that in half to \$120,000 because he doesn't want to see this come back as a problem next year.

Chairman Christie noted that the Supplies and Materials line item is dramatically decreased. Ms. Griffin confirmed that this was due to cuts made to the budget; all non-essential things were cut.

Chairman Christie asked about the trends in the Fire Call history. Chief Bradley noted that the total fire runs for the year so far are consistent with the past years' data.

Chairman Christie asked about the unintentional alarms and how the Town charges for those. Captain Gilbert reported that for false alarms the 1st alarm is free; 2nd alarm costs \$100; 3rd is \$200; 4th is \$300 but those are system malfunctions caused by workers or cooking, etc. He noted that they used to bill \$500 for malicious false alarms but because those are usually attributed to an individual instead of a property, those are now accounted for as a criminal offense through the Police Department. Captain Gilbert noted that malicious false alarms have decreased in number since they started having the police deal with them.

Ms. Griffin stated that she is continually looking to allocate more staff costs to the Ambulance Fund from the Fire Fund. This is due to the number of Ambulance calls that make up the total calls for service. Ms. Griffin stated that the Town bills ambulance users and they also bill the Towns of Hanover, Lyme and Norwich for this service.

Ms. Griffin stated that they are trying to manage the rate of increase for the per capita charge to Hanover, Lyme and Norwich so that they don't price themselves out of business. There is a 12.4% increase in the per capita charge which is largely due to the Retirement System contribution increases for the Firefighters. They had anticipated a 10% increase back in the fall so they were able to alert the communities.

Selectman Carter asked about the cost allocation in personnel for the Administrative Assistant and clarified that they aren't changing a job description or function. Ms. Griffin stated that this is to allocate the amount of time that Judy Stevens (Administrative Assistant) spends supporting Comstar with ambulance related billing issues.

Selectman Carter noted that the budget calls for the replacement of 3 Frontline AEDs at \$75,000 and she wondered if the Fire Department, Police Department and others in the community know where the AEDs are located throughout the Town. Captain Hinsley stated that Hanover, Lyme and Norwich have an aggressive AED program and there are 120 different AEDs publicly housed and purchased through grant funds; they are located in cruisers, ambulances, libraries, churches, restaurants and the College. Captain Hinsley reported that all of the AEDs are registered through 911 as required by State statute so if someone calls 911 they can learn where the closest AED is located. Captain Hinsley stated that the 3 defibrillator units that are being proposed are more complicated than the AEDs. Selectman Carter asked where these would be located. Captain Hinsley stated that they would be placed in the Engine, Rescue and Ambulance.

Captain Gilbert noted that with the use of AEDs, there have been a huge amount of saves. Captain Hinsley stated that the most saves are being done by police that have access to them in the cruisers. Selectman Geraghty would like to see the statistics on the AED saves.

Selectman Buckey asked how the Town would price themselves out of the market. Captain Hinsley stated that as costs go up, communities may look at hiring private agencies or creating their own ambulance service. As they shift the costs, the loss of a single community will have a significant impact on the Ambulance Fund. Ms. McClain stated that if either Lyme or Norwich decides not to continue servicing with Hanover, the Town won't see a corresponding reduction in cost. Chairman Christie noted that there is \$135,000 in revenue on an \$840,000 budget.

Chairman Christie noted that they were looking at using some of the Ambulance Fund Undesignated Reserve Balance to bring it down to the 10% level. Ms. Griffin stated that they did this to try to take the burden off the contributing communities without violating the 10% rule.

Chief Bradley referred to the chart showing the Ambulance Runs by Town and felt that the response call data is driven by the population of the Towns that they serve. Chairman Christie thanked the Fire Department for their presentation.

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Chairman Christie felt that they should not use the full \$240,000 in Undesignated Reserve Balance. He is going to recommend using \$120,000 and take it down over 2 years. Ms. McClain noted that using the full \$240,000 would bring the tax rate to a 2.16% increase and using half of this would bring the tax rate to 3.5%.

Selectman Geraghty would encourage using the Reserve Fund for one time expenditures but not to regulate operating expenses. Chairman Christie noted that he doesn't see a lot of one time expenditures in this budget.

Chairman Christie asked for a recap of the items on the list for review.

Ms. McClain listed the following:

- Reinstate \$55,000 to the fully funded paving program;
- Fundraise for the RWB gym floor;
- Further discussion of the Parking Fund to include the timing for community participation and presentations to ensure a process is in place;
- The Water Fund and hydrant costs – reducing the high costs down to \$472,000 and using the fund balance from the Water Fund to offset the pressure on the water rates;
- Verona sidewalk and where this project stood in relation to other items on the project list.

Chairman Christie also has a concern about opening “Pandora’s Box” with regard to sidewalks because they have not been able to find a way to budget for them; the costs of sidewalk maintenance, etc. He is worried about setting precedence and maintenance costs.

Selectman Carter agreed with Selectman Geraghty’s previous concerns about making sure deferred maintenance doesn’t cost more later on.

Chairman Christie has concerns that they may be getting ahead of themselves in trying to prepare something with regard to the Parking Study recommendations before this Town Meeting. Ms. Griffin stated that it is possible that Town Meeting may not have a concern about an increase in the Parking Fund. They are looking to create the authority on the revenue and expense side to allow the Town to move forward. This doesn’t have a tax rate impact until they implement a fee structure or a system.

Selectman Buckey suggested looking at maximizing convenience while minimizing credit card fees. Chairman Christie felt that this would be part of the implementation discussions.

Selectman Carter wanted to make sure that the Town does a good job in communicating with the residents.

Chairman Christie felt it would be helpful if they had an idea as to how soon they really could implement changes. The conversations would take place and they could implement them in the FY2015 budget.

4. Banner Requests:

- Howe Library – Sunday Hours
- Upper Valley Summer Games – Special Olympics

Ms. Griffin stated that they can accommodate the Banner Request for the Howe Library. The Upper Valley Special Olympics request is during a time that has already been booked but staff will work with them to find a way to accommodate them.

Selectman Buckey MOVED to Accept the Banner Requests for the Howe Library and Special Olympics with the Advice of Staff Regarding Scheduling. Selectman Geraghty SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE BANNER REQUESTS FOR THE HOWE LIBRARY AND SPECIAL OLYMPICS WITH THE ADVICE OF STAFF REGARDING SCHEDULING.

5. APPROVAL OF MINUTES:

- February 4, 2013

Elizabeth Rathburn noted a change to the Minutes to indicate that Chairman Christie called the meeting to order on February 4th.

Selectman Carter MOVED to Approve the Minutes of February 4, 2013, As Amended. Selectman Geraghty SECONDED the Motion.

THE BOARD VOTED 4 IN FAVOR, 0 OPPOSED, 1 ABSTAINED. (Selectman Buckey abstained from the vote).

6. ADMINISTRATIVE REPORTS.

There were no Administrative Reports.

7. SELECTMEN'S REPORTS.

Jay Buckey

Selectman Buckey reported that he was pleased that Chief Giaccone received the emergency care that he needed and that his prognosis is good.

Nancy Carter

Selectman Carter had nothing new to report.

Bill Geraghty

Selectman Geraghty had nothing new to report.

Athos Rassias

Vice Chairman Rassias had nothing new to report.

Peter Christie

Chairman Christie reported that there was a briefing with the Finance Committee and they went over the budget in some detail. The Committee will be kept informed during the budget process and there should be a representative present at each of the budget hearings.

Chairman Christie stated that one member of the Committee did support not using the full \$240,000 from the Undesignated Fund Balance.

8. OTHER BUSINESS.

There was no Other Business reported.

9. ADJOURNMENT.

Selectman Buckey MOVED to Adjourn the Meeting. Selectman Geraghty SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:35 P.M.

Respectfully Submitted,

Nancy A. Carter, Secretary

Minutes prepared by Elizabeth S. Rathburn.

SUMMARY

- 1. Vice Chairman Rassias MOVED to Accept the Donation Received for the Use of the Fire Station in the Amount of \$150.00. Selectman Buckey SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE DONATION RECEIVED FOR THE USE OF THE FIRE STATION IN THE AMOUNT OF \$150.00.

- 2. Selectman Buckey MOVED to Accept the Banner Requests for the Howe Library and Special Olympics with the Advice of Staff Regarding Scheduling. Selectman Geraghty SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE BANNER REQUESTS FOR THE HOWE LIBRARY AND SPECIAL OLYMPICS WITH THE ADVICE OF STAFF REGARDING SCHEDULING.

- 3. Selectman Carter MOVED to Approve the Minutes of February 4, 2013, As Amended. Selectman Geraghty SECONDED the Motion.**

THE BOARD VOTED 4 IN FAVOR, 0 OPPOSED, 1 ABSTAINED. (Selectman Buckey abstained from the vote).

- 4. Selectman Buckey MOVED to Adjourn the Meeting. Selectman Geraghty SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:35 P.M.