

**FINAL**

**BOARD OF SELECTMEN'S MEETING**

**February 25, 2014**

**5:00 P.M. – MUNICIPAL OFFICE BUILDING – HANOVER, NH**

The meeting of the Board of Selectmen was called to order at 5:00 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. REVIEW AND ADOPTION OF PROPOSED BUDGET GUIDELINES.**

Chairman Christie reported that the Board discussed the budget guidelines but did not adopt them at the time of the discussion back in October. Chairman Christie asked that the Board formally adopt them.

**Selectman Carter MOVED to Adopt the Proposed Budget Guidelines. Selectman Buckey SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADOPT THE PROPOSED BUDGET GUIDELINES.**

**3. 1<sup>st</sup> BUDGET HEARING:**

Chairman Christie stated that in the past the Board has gone through the budget book page by page but this year he has asked the Department Heads to address 4 specific areas with regard to their budgets: 1) what are the drivers of the budget; 2) what are the major changes to the budget; 3) what are they most proud of and; 4) what concerns they may have with regard to the budget.

Town Manager's Presentation of the Proposed FY 2014-2015 Budget

Ms. Griffin stated that for the 6<sup>th</sup> year they have provided a very lean budget. Ms. Griffin reported that the Department Heads provided budget proposals that were very flat and she reduced the General Fund budget by an additional \$225,000 to meet the tax rate target and the tax levy target established by the Board back in October. She noted that they also made cuts to the Fire, Ambulance, Wastewater and Water Fund budgets in order to minimize the increase in the Fire District tax rate, community contributions required to fund the Ambulance service, and the water and sewer rates.

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Ms. Griffin reported that the Consumer Price Index (CPI) was .8% in November, 2013 which is the month that they use to determine the rate increases (up to 1.3% for January of 2014). She noted that in addition to the stagnant revenue in interest income and building permits, along with a lower rate of increase in total assessed value and the sluggishness of the economic recovery they were in no position to propose any new initiatives or enhancements in current service. She stated that the proposed budget recommends an expenditure of \$23,521,996 which is a decrease of \$527,259 or 2.2% below the total appropriations approved for FY 2013-14. The overall decrease is the result of reduced capital reserve expenditures, offset by a minor increase in expenditure levels.

Ms. Griffin stated that of this total appropriation, \$824,235 represents capital reserve and other reserve fund purchases which are offset by the appropriation of revenue to finance the purchases from their respective purchases. As such, capital reserve purchases do not impact the tax rate. The total capital reserve expenditure recommendations represent a \$1,010,668 or 55.1% decrease below the FY 2013-14 budget.

Ms. Griffin reported that the actual expenditures for all funds net of capital projects funded from capital reserves and other reserve funds represent a total of \$22,697,761 or 2.2% above the FY 2013-14 budget. The General Fund recommends appropriations totaling \$13,293,297 which represents a decrease of \$71,142 or -0.5% below the appropriation for FY 2013-14. Taking into account the benefit of the growth in total assessed valuation (projected to be \$17 million) and netting out the General Fund's capital reserve expenditures totaling \$436,000 which are offset by the transfer in of revenue from various reserves, a General Fund tax rate increase of .9% is required to fund this budget taking the tax rate from the current \$4.44 to \$4.48.

Ms. Griffin stated that the Finance Committee likes to look at the Tax Levy which translates to a 1.54% increase in the Tax Levy and would require that they raise an additional \$78,474 in General Fund tax revenue.

Ms. Griffin stated that the Fire Fund proposed budget recommends Fire Fund expenditures of \$3,066,901, representing a decrease of \$151,963 or 4.7% below the current year appropriation. The decrease is mainly attributable to the elimination of expenditure for vehicle replacement, which represented a substantial expenditure in the FY 2013-14 budget. The proposed Fire District tax levy for FY 2014-15 is projected to be \$2,775,478 up from the current year's levy of \$2,732,085. With projected growth in the Town's net assessed valuation, if the projected tax levy was recovered through one tax rate across all Town properties, there will be a 0.67% tax rate increase to fund the proposed Fire Fund budget.

Ms. Griffin stated that because the total valuation and the rate of each total across the 3 Fire District differs due to the different rates of increase of total assessed revaluation, the actual Fire District tax rate does not increase at all from the current \$1.49 in Fire District #1; it increases .83% to \$1.22 in District #2; and an increase by 1.67% to \$.61 in District #3.

Ms. Griffin reported that the proposed budget for the Ambulance Fund recommends expenditures of \$793,719, which amounts to a decrease of \$46,612, or 5.5% below the FY 2013-14 budget. The decrease is due to a return to more normal capital equipment expenditure levels, having replaced three AED's in the current budget which are not being replaced this year.

Ms. Griffin reported that the per capita community contributions from the Towns of Hanover, Lyme and Norwich help to offset Hanover Ambulance Service operating costs not covered by patient billings. The per capita rate is proposed to increase from \$25.99 to \$27.10 or a 4.3% increase.

Ms. Griffin reported that the recommended expenditures in the Water Reclamation Fund are \$2,661,073 which represents an increase of \$54,385 or 2.1%. The increase is solely attributable to several small capital projects which are all fully offset by a transfer from the Water Reclamation Capital Reserve Fund.

Ms. Griffin reported that the recommended expenditures in the Water Utility Fund are \$1,900,857 which represents a decrease of \$218,471, or 10.3%.

Ms. Griffin stated that the Parking Fund budget anticipates expenses and revenues of \$1,806,150, which is a decrease of \$93,454 or 4.9% below the current year appropriations. The decrease reflects reduced staffing costs resulting from the elimination of one full-time position and the replacement of two prior full-time positions with a mix of part-time positions, along with a reduced level of capital expense. No reinstatement of the Downtown Parking District tax is recommended.

Chairman Christie stated that the budget guidelines recommend that the Board present budgets that have a tax rate increase equal to the CPI. He explained that they have done this historically: not because the CPI reflects the cost inflator of the Town, but in order to keep the tax rate increases in line with the taxpayer's other expenses. He noted that with the low CPI and the relatively low growth in assessed values, they have asked the Department Heads to come forth with a budget of slightly below a 1% increase. Chairman Christie stated that the departments have done an exceptional job in doing this as they had to absorb \$217,000 of increased salaries and benefits based on the union contracts.

Chairman Christie noted that they have followed this approach for several years, and he noted that they have consequently underfunded the paving budget and the capital reserves. He is going to be questioning whether they should exceed the guidelines to better fund the paving budget and the capital reserve. He is also going to question using the undesignated fund balance noting that if the fund is above 10%, the money is available to be spent; if it is 5% to 10% it can be used on one-time expenses.

Chairman Christie referred to a list of underfunded capital reserve funds and noted that it comes to around \$225,000 and then other items that were not included in the budget as

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they tried to reach the goal of 1%. He noted that one item of particular interest to him was the commitment to boost paving. Chairman Christie pointed out that \$87,000 equals an additional 1% increase on the tax rate.

Selectman Geraghty clarified with Ms. Griffin that by policy they look at November for CPI but if they had used the December or January rate the difference would have given them another \$43,000 in additional expenditure capacity and would have helped fund some items on the unfunded list or they could have added to contributions.

Chairman Christie noted that the tax rate increase is now at 1% but he feels that an increase of 2% to 3% would be reasonable. Vice Chairman Rassias agreed, and it depends on what the Town values with regard to the Capital Reserve Funds. Chairman Christie stated that having 1% as the target encouraged a frugal budget.

Ms. Griffin noted that last Friday night there was a bad storm and the public works employees worked for 36 hours straight. She stated that she heard from 6 neighbors who expressed their frustration with the amount of snow in the area. This demonstrated to her the expected level of service from the community.

#### Etna Library

Barbara Prince, Librarian, was present to speak to the Board. Ms. Prince reported that the Etna Library Trustees and staff are proud of an accessible new building addition that provides space for reading, working and meeting as well as additional bookshelf. They are proud of their new reading garden in loving memory of Nan and Alan King; their craft programs; their local history programs; volunteers who build bookshelves, move books out of the library and back during renovations, that work at the library on Saturdays and run the annual Thanksgiving pie sale.

Ms. Prince stated that there are no significant changes in the proposed budget. She noted that they were due for a new laptop computer but they chose not to include that in the budget.

Ms. Prince stated that the drivers in the budget would be the cost of books. They do receive generous donations so the main expenses are balanced out.

Chairman Christie stated that before the renovations they referred to the Etna Library as the diamond in the rough but now it is just a diamond. Ms. Prince reported that people are really enjoying the renovations and the parking area is so much safer. She noted that there have been donations of furniture, and they will have Adirondack chairs in the back in the garden. Ms. Griffin noted that the Open House took place on a snowy cold day and there were kids skating at the rink, and it's what they hoped to achieve with the project.

Ms. Prince noted that she has a Letter to the Editor in the Valley News today thanking the many donors, the Town of Hanover taxpayers, volunteers and especially the buildings

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department who handled the interior of the building and the public works department that paved and maintained the parking lot and sidewalks.

Chairman Christie asked about the patron count which has been increasing but noted that the circulation has changed a lot since 2004. Ms. Griffin noted that the Howe Library was under construction in 2004 so patrons were using the Etna Library more often.

Chairman Christie noted that the circulation trend is down but the patron numbers are up. Ms. Prince stated she thinks that the children who come in for Pre-School story time don't check out as many books. She is not sure why, but she feels that they had more children's books being checked out in years past. Adults take out 1 or 2 books at a time whereas pre-school parents would take out multiple books at a time, and she thinks that this may not be happening as often.

Selectman Geraghty noted that the circulation for The Howe is also down. He assumes that e-books available may be part of the reason.

The Board thanked Ms. Prince for her presentation.

#### Assessing

Mike Ryan, Assessor, was present to speak to the Board.

Mr. Ryan stated that the primary driver of his budget is personnel costs which make up 90% of the budget, and the secondary driver would be interdepartmental charges. He stated that they are looking at upgrading the Assessing software this year.

Mr. Ryan stated that the Town just completed their 3<sup>rd</sup> revaluation in 10 years: one each in 2003, 2008 and 2013. Mr. Ryan stated that it is his opinion that the information on file is reasonable and accurate, and he recommends that the Town move toward a more cost effective and common assessing practice of having another reval in 10 years and in the interim 5 years do a statistical update for the next scheduled revaluation in 2018. The goal is the same as a reval, but a physical inspection is not done. Mr. Ryan stated that this is an established practice and would cut their 10 year costs for a revaluation by 1/3<sup>rd</sup>. It would cost around \$20,000 to \$25,000 for the statistical reval and then the data collection would cost between \$70,000 and \$80,000. Mr. Ryan stated that they could save \$50,000 over a 10 year period.

Mr. Ryan stated that there are no major changes in the budget; the decrease is due to not having to fund a revaluation this year. He stated that the capital reserves are down substantially until they decide how they are going to go forward. He stated that there is an increase due to the purchase of \$5,000 for upgraded software.

Mr. Ryan stated that he is proud of the fact that they successfully completed the 2013 revaluation. Ms. Griffin asked how many appeals had been filed. Mr. Ryan stated that there were 5 appeals filed so far but he noted that as they go through these cycles, the

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residents start to understand the process, and it becomes a more common practice versus the exception.

Mr. Ryan stated that the assessor's database is on-line and more people are discovering it. They are going to make every effort to get the tax maps on-line by June.

Mr. Ryan stated his concerns with regard to the budget surround the fact that there are no major projects on the horizon. Ms. Griffin noted that they are estimating about \$17 million in total assessed valuation. Mr. Ryan felt that this estimate was going to be tight noting that the College has done a lot of projects but not a lot of taxable projects.

The Board thanked Mr. Ryan for his presentation.

### MIS

Corey Stevens, IT Director, was present to speak to the Board. Mr. Stevens reported that the major drivers in his budget are the needs and requests of the other departments. As far as major changes, there aren't a lot. Mr. Stevens noted that one change was the reduced cost in internet bandwidth which is due to the availability of new fiber through the FastRoads network which resulted in cutting the cost in half while getting 2.5 times the bandwidth. As more departments rely on this, they will need at least that level of bandwidth going forward.

Mr. Stevens stated that because they spend their time trying to keep the equipment running, it was hard to come up with a list of accomplishments. He is proud that they have been able to keep things running without having much in terms of changes to their budget. He is hoping to move the Town users over to Outlook Exchange for e-mail.

Ms. Griffin asked for Mr. Stevens to clarify. Mr. Stevens stated that for example, when scheduling a meeting involving 10 Department Heads, they would all have shared calendars and through the exchange program they would be able to see who's available instead of sending multiple e-mails back and forth. There would also be shared contact lists. Employees would have access to their e-mail anywhere and noted that there are a lot of other features that would move them forward.

Mr. Stevens stated that the only worry he has with regard to his budget is the demand placed on his department noting that at times they are stretched pretty thin and at some point they may need to look at how they address that going forward. They have 1.6 employees and they are just getting by for now with the help of some outside resources.

Selectman Buckey asked about FastRoads. Mr. Stevens stated that this is a private company that installed fiber. Ms. Griffin stated that they installed fiber from Orford to Keene with the last mile in Enfield and Rindge. She noted that she is the Board Chair for this organization and they piggybacked on the system at UNH which was funded 2/3<sup>rd</sup>s through ARRA funds and 1/3 local match. Ms. Griffin reported that there are now 144 strands of fiber from Orford all the way down to Keene; 4 internet service providers are

now providing service on this backbone and there is competition which is a good thing so now they have access to much less expensive bandwidth. The Town's internet costs were cut in half as a result. Selectman Buckey wanted to make sure that this was stable over time and not dependent on another program. Ms. Griffin stated that it needs to expand to become self sufficient which is the next step.

#### Human Resources

David Stewart, Director of Human Services, was present to speak to the Board. Mr. Stewart stated that his narrative was not in the budget books, but he would provide them to the Board at this time. He noted that over the course of 2013 the Town experienced an unprecedented level of vacancies. This was due to a number of factors including untimely deaths which required a significant effort from both the HR Department and the departments involved. This has had an impact on the overall budget due to significant costs in advertising and background checks, especially police and personnel working with children.

Selectman Geraghty asked about the costs associated with background checks. Mr. Stewart stated that it varies, but it can be over \$200 per employee and there are costs associated with the State Police background, drug testing, and enhanced record checks, but he felt that they have done a good job in keeping up with demand.

Mr. Stewart reported that they had two significant wellness events that were successful over the past year. They had a wellness fair encouraging employees to sign up for flu shots and an employee appreciation wellness fair. He noted that these are more than just feel good events as they are critical to helping prevent expensive health care costs. He reported that they had a successful open enrollment this year and with the new requirements, there are additional notification requirements that apply to employers of the Town's size and those requirements are only going to increase. The requirements will increase not only from the Federal government regulations, but the insurance companies are also shifting responsibility for dissemination of that information to the employers. His office has been successful in mediating grievances with the Unions, and they have been able to cultivate a respectful climate.

Mr. Stewart stated that he doesn't have a lot of concern with regard to the budget going forward. He felt that over time they will incur additional expenses associated with the Affordable Care Act requirements.

Chairman Christie noted that the HR Department's budget is almost entirely related to personnel costs. There was a reduction for the classification and compensation project not being included as it was in the current year's budget; everything else is level funded.

Selectman Geraghty stated that the cost of doing business continues to go up as the background check costs are going up and with increased turnover it is hard to keep a level funded budget.

## Parking

Lt. O'Neill was present to speak to the Board. Selectman Geraghty noted that there has been a lot of change in Parking this year in both staffing and equipment. Lt. O'Neill stated that they have experienced probably the most changes in the past year over his 25 years in Parking.

Lt. O'Neill provided the Board with the following information regarding the drivers of the budget, the Parking Division's accomplishments and concerns:

- Drivers on the Expenditure Side
  - Equipment: We are proposing to replace the remaining 215 old style on-street parking meters to smart meters at a cost of \$172,755. There is another \$18,000 committed to providing electric car charging stations in the parking garage.
  - Personnel: After the elimination of the full-time parking clerk's position and the reduction of two other full-time positions to a mix of part-time positions, salaries and benefits are reduced by over \$113,000.
  - Public Transportation: Advance Transit requests small increases in their regular service budget, but it's worth mentioning that \$10,000 has been added to the proposed budget to help fund green route expansion and another \$10,000 to fund potential rideshare initiatives as encouraged by our parking consultant last year.
  - Fees: \$41,000 in fees is budgeted for processing credit card transactions for several types of parking services rendered. This is up from \$15,000 last year and is partially offset by \$15,000 to \$18,000 in convenience fees we anticipate collecting at parking meters. Also included in the category is \$30,000 in new connectivity charges that make meter data accessible in order to track usage, malfunctions, payments, and for reporting and programming purposes.
  - Reserves: A \$30,000 draw from equipment reserves – the only one in this budget - will fund expansion joint maintenance.
  - Other Drivers without comment: Charges from other town departments, repairs and maintenance and the annual parking garage bond payment.
  
- Drivers on the Revenue Side
  - Metered Parking: In this budget after meter rate increases, collections are anticipated to increase from \$440,000 to \$670,000.
  - Parking Fines: – In this budget fines are anticipated to decrease from \$400,000 to \$370,000 due to an expected shift of employees from short-term parking areas to long-term permit areas. In addition, my staff reports that they're encountering fewer expired meters, likely from the added option of credit cards, which has made it easier to pay.
  - Parking Garage Short-term parking and all Permit Sales: These are expected to remain stable in the coming year.



- What accomplishment(s) are you most proud of in 2013?
  - The introduction of credit cards into the metered parking system.
  - Adding 36 long-term employee parking spaces on Hovey and Sanborn Lanes.
  - Working with Betsy McClain and her staff in moving parking office functions to the front of Town Hall.
  
- What worries you most about the proposed budget?
  - With so much change over the last few months, new meters, new rates, introducing employee parking initiatives, projecting anticipated meter and fine revenue was a bit of a stressful endeavor. I'm looking forward to future budgets so that I can add actual historical data to my toolbox when projecting these revenue lines.
  - I also feel that after the rate increase dust settles, that should it result in excess revenue in future years, that we should increase our contributions to reserve to help fund improvements, repairs and equipment replacements that will be necessary 5 to 10 years down the road.

Selectman Geraghty asked about the car charging stations within the parking facility. Lt. O'Neill stated that they have received a large number of requests in the past year. Selectman Geraghty asked if the people asking for this service are citizens of Hanover or visitors. Lt. O'Neill felt that they were visitors for the most part. Selectman Geraghty asked if the Town would be charging for this service. Lt. O'Neill stated that they will be researching this further, and that the charging stations would be placed in the parking garage and part of the question is how many to deploy. Lt. O'Neill stated that they spoke with an electrician to determine the cost (\$18,000) and they learned that there are stringent rules versus just plugging in a vehicle to an outlet.

Selectman Carter felt that this would be part of a larger conversation but they would need to determine where they would be placed and their availability.

Selectman Geraghty asked about the bond scheduled for 01/2029 and whether the Town could choose to pay this off early to save money. Ms. McClain stated that this has been refinanced twice due to bond covenants, but they are not able to pay it off early.

Selectman Carter asked if they can charge different meter rates for different locations in Town. Lt. O'Neill stated that this is in place now and that the revenue projections include the differences between the meters and their locations. Selectman Carter stated that she assumes that revenues from meters will be up next year and fines would be down. Lt. O'Neill felt that they are already experiencing this.

Ms. Griffin noted that they increased their sales of Hovey Lane permits. Lt. O'Neill reported that in January last year they sold 76 Hovey Lane permits and this January they sold 119. He noted that they did start selling \$2 permits for the parking garage as well.

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Selectman Buckey stated that he was impressed with the smoothness of the transfer to the new meters. Ms. Griffin noted that the only problem was the height of the meters which was quickly corrected.

Vice Chairman Rassias asked about the cost of the new meters and whether they could have made the price increase change on the old meters. Lt. O'Neill stated that they could have but since the meters were 15 years old, they needed to be replaced. Vice Chairman Rassias wanted to justify why they are spending this huge amount of money and whether they really need them and whether they need them going forward. Lt. O'Neill stated that the biggest reason is to have credit card capable meters and the ability to program the meters and receive great data especially when people come in to complain about a ticket, he can see how many coins they used or the amount they put on their credit card. Ms. McClain stated that had these equipment changes not been made, the front office staff couldn't have absorbed the parking clerk position.

Vice Chairman Rassias asked Ms. McClain to provide the viewing audience with some background regarding the labor changes in the Town office. Ms. McClain stated that there was a full time parking operations clerk that would handle all walk up traffic in addition to other duties. She noted that they decided to merge the duties with the front office clerks which was possible with the implementation of the new equipment updating directly to the ticketing database and the ability for people to pay tickets on-line.

Chairman Christie noted that they started this process with a study a few years ago and these changes were made as a result and they were able to make progress on almost all of the objectives. Ms. Griffin stated that last objective is to fund a regional rideshare program and they are budgeting some money to help support Advance Transit's movement toward this effort.

#### Police

Detective Captain/Acting Chief Frank Moran and Lt. Michael Evans were present to speak to the Board. Doug Hackett, Communications Coordinator, was also remotely present through *Facetime*.

Selectman Geraghty thanked Captain Moran and Lt. Evans and the rest of the staff for getting through this past year with the challenges of normal police work and operating without a full-time Police Chief. Captain Moran expressed his appreciation and noted that this would mean a lot to the officers.

Captain Moran stated that he wanted to give an overview of the past year and there are many things that they are proud of; some of which the Administration asked for and others that the officers have stepped up and initiated.

Captain Moran stated that staffing was difficult and last February they were down 6 positions; two people were being trained, an officer retired, a couple of officers had significant health issues and they were down a patrol position. Captain Moran stated that

this was tricky when they needed to maintain the schedule per union contract and services that the Town expects them to provide. Captain Moran reported that as he stated last year, they were going to do things somewhat by committee and teamwork and everyone pitched in; overwhelmingly they were successful. They were able to hire an officer although they were not able to get up to full staff. He noted that the hiring process is very involved and intrusive and that they usually have one out of every 5 potential candidates that make it through the process. Captain Moran stated that they have high standards and can't hire someone who is not fit for the position. His experience has been that they would get a candidate and then within a couple of weeks they would have to withdraw the conditional offer. He is pleased to report that they were able to hire Alex Tucker who is an excellent candidate that graduated from the Police Academy in December.

Captain Moran stated that they were also able to hire one person for the Communications Division. He stated that Brian Paine has been an excellent hire and is enthusiastic for the job. Dispatch is now at full staff and set for the time being. The Police Department is currently down one full-time patrol position in addition to the Chief's position, and he anticipates that there will be some further attrition.

Captain Moran reported that the 8 site fire radio system is something that Doug Hackett worked on and involved huge planning. He stated that this involved completing the application of the grant, contracting through Burlington Communications, selecting appropriate tower sites in the Upper Valley and calibrating the system to the microsecond. Ultimately, by October this \$500,000 grant funded project with a contribution of \$42,000 from the Town should be completed. Lt. Evans relayed that Doug Hackett advised that he is \$386 over budget for this project.

Captain Moran stated that they made some changes this year including a directive to provide more assistance with parking enforcement; not meter enforcement but zone violations. The Parking Division provides funding support to the Police Department's budget. He stated that they had an increase of 63% in parking tickets issued by the patrol division over the previous year.

Captain Moran stated that although they don't want the public to think that Hanover is a crime riddled area, because it's not, they felt that they should make a point to have timely press releases and be available to speak to the press. They have developed positive relationships with the media and it's been beneficial.

Captain Moran made an effort to recognize staff and patrol and also to handle disciplinary issues accordingly.

Captain Moran stated that there were some new initiatives in the past year. After the Newtown school shootings, they made an increased effort to ensure that officers were more familiar with the schools. They became an active presence at the schools with the goal being safety. Rick Paulsen and Matt Ufford created an Active Shooter Play Book which is the template used for an event and involves numerous resources.

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Captain Moran reported that the Department now participates in the DEA Drug Take Back providing a receptacle for people to drop off unused and unwanted medications. So far they have taken in around 200lbs of pills.

Captain Moran reported that last year they instituted an “on-call” schedule so administrators could step up their supervisory responsibilities to give guidance to the patrol division during off hour times and spread the responsibility between the Captain, Lieutenant, and Detective Bates.

Captain Moran reported that the Department recently purchased 5 Zoll AEDs which were recommended by Captain Hinsley. There were donations used to pay for this equipment including one from Richard Wallace’s family.

Captain Moran reported that they did reach an agreement with the Union to continue the contract for an additional year. This would allow time for the Classification and Compensation study to be completed and the hiring of a new Chief.

Captain Moran stated that one thing he is most pleased with is an upcoming change to the patrol schedule. For many years there has been a contract with a patrol schedule that was seniority based, the newest officers were stuck on the midnight shift for years, and this made recruitment nearly impossible. He noted that the Department also lost some employees because of this schedule and most recently there were officers expressing their need for relief. He was able to negotiate a new schedule which will go into effect in April. The long term veterans will still have some good things that come out of this new schedule. He feels that this will be a long term solution and they were able to reach this by agreement as there was an understanding that this was not good for the officers and the department. The new Chief should more easily be able to recruit and maintain good people.

Captain Moran reported that new passcode locks were installed at the Police Department.

Captain Moran reported that Lt. Evans took an active role in the portable sign trailer deployment. This sign provides information to the community about traffic information, law enforcement activity, warnings about pedestrian and bicycles, etc. These will be used continuously and ultimately the department will own one of these but presently the Department acts as custodian to this equipment.

Captain Moran reported that they were able to keep the budget in line at 1.1% with no major projects planned. This increase is driven by personnel costs.

Captain Moran asked the Board for any feedback about the past year that he can share with the officers.

Chairman Christie stated that he was impressed with the work that Richard Paulsen and Matt Ufford did with the Play Book. There was an incident at the school recently, and he felt that having this Play Book was important. Captain Moran stated that it forces them

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to think about what they would do in a specific crisis. With regard to the incident at the school recently, they had someone at each school within minutes, they had different duties assigned; while he was doing an arrest warrant, Jeff Fleury was doing some intelligence as to the whereabouts of the person and ultimately everyone understood the priorities. The incidents happening around the country further reinforces that they need to be quick to act. If they had to deploy the Play Book, this would have meant that the incident had escalated to a much worse situation.

Chairman Christie noted that he lives at the top of King Hill and he is amazed at how fast the officers are able to respond and assist with the new four-wheel drive vehicles. He noted that two years ago the officers would have been walking up that hill during a storm.

Selectman Carter wanted to express to the officers how pleased she is that they have taken it upon themselves to come to grips with the politics of the shift schedule. She knows that this affects the morale of the junior officers and even the senior officers can see how this impacts their fellow officers. She felt that this change was a gift to the new Chief whoever that may be.

Selectman Buckey asked about how things are going with the alcohol issues, the students and the College. Captain Moran stated that a few years ago when they started working with the College, he recalled that Chairman Christie stated that there are some problems that you solve and others that you manage. He feels that the College has taken ownership of the problems and students are recognizing their obligation to the College and the Police Department's enforcement of the codes so that behind the policy there is action if necessary. He stated that the numbers have decreased. This decrease can be indicative of everything from less drinking to other resources coming into play to intercepting or dealing with the problems before the police have to get involved. Captain Moran noted that they are running 3 man patrol shifts, sometimes 2 so dealing with these cases takes up resources. He feels that Dartmouth has done a good job in taking this seriously, and they are working well together.

Selectman Geraghty stated that his general observation is that the Police Department has two main audiences including the college/college students and the general public and he stated that the noise level is down. He's not hearing a lot of noise about the Police, and he feels that this takes some subtleties. He felt that Captain Moran should look back over the past year and take credit for this accomplishment.

Chairman Christie thanked Lt. Evans and Captain Moran for their presentation and stated that it was very impressive.

Selectman Geraghty also wanted to note the list of all of the Towns that the dispatch center handles and that there are more discussions about regionalization. Ms. Griffin stated that there are on-going conversations about Hanover taking on Hartford and Norwich and it is likely that within the next fiscal year the Board may see a proposal which has potential to improve operations and save costs.

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Howe Library

Mary White, Library Director, was present to speak to the Board. She provided the Board with a copy of the 2013 Annual Report for the Howe Library Corporation. She reported that the Corporation contributes 25% of their funding which is \$100,000 from the annual appeal, \$30,000 raised from The Howel Classic event and investment funds from the endowment.

Ms. White stated that because the Corporation contributes 25% toward their funding, the Town's budget for the Library consists of mostly staff salaries. Ms. White stated that 96.6% of the Town's portion of the budget is for salaries. She noted that there are no major increases or decreases.

Ms. White stated that their accomplishments are directly related to their vigilant staff who pick up on safety issues as they arise. They have a beautifully maintained building crediting Wayne for keeping it clean each night. She stated that they are also proud of the fact that they received the Chamber of Commerce's Innovator of the Year Award along with the Norwich Public Library.

Ms. White indicated that she has no particular concerns about the budget. She is proud of their budget and while all employees are getting a 1% COLA and a 2% merit increase, their budget is being reduced by 1.4% which is due to a decrease in IT back-charged costs.

Ms. White reported that 13 members of the staff are part-timers that receive no benefits; 7 are part-timers that receive pro-rated benefits; and 7 are full-time employees receiving benefits.

Chairman Christie asked if there were any highlights with regard to the statistics. Ms. White stated that the number of visitors has decreased but they did not have electronic people counters in the past so they are now able to get a more accurate count.

Selectman Geraghty asked about the circulation numbers. Ms. White stated that this started in 2010-11 and they think it may be because of the new automated system which wasn't counting things correctly. It is clear that circulation is going down and it does include the borrowing of e-books noting that a lot of libraries are experiencing this. Ms. White stated that the library is still busy. Selectman Geraghty asked if the e-books count when borrowed through the New Hampshire Library system. Ms. White stated that it does count for The Howe as it requires that the individual use their Howe Library card.

Selectman Buckey noted that the use of meetings rooms has gone up. Ms. White stated that they have seen an increase and they have discussed creating future study rooms noting that the rooms are used by all sorts of non-profit organizations.

The Board thanked Ms. White for her presentation.

### Social Services

Chairman Christie noted that the social service agencies made presentations at the last meeting. He would like the Board to consider the Mascoma Valley Health Initiative (MVHI) separately and add the \$2,500 funding request to whatever the appropriate budget is in lieu of needing to come to Town Meeting.

Ms. McClain stated that Jen Gantrish who handles case management has been doing a great job and has been coordinating a lot of different people and agencies to provide better service to our residents in need.

### Planning and Zoning

Judy Brotman, Zoning Administrator; Vicki Smith, Senior Planner; and Beth Rivard, Administrative Assistant, were present to speak to the Board. Mrs. Brotman stated that the drivers of the budget are primarily related to personnel and salary costs. The major changes in the budget are based on using actual revenue numbers generated from the past couple of years. This is based on project fee based revenue and does not rely on projections of major commercial or institutional projects that have not yet been permitted. She noted that the problem they ran into in years past was relying on revenue which was projected but not realized.

Mrs. Brotman stated that their department is responsive to citizen feedback, and they have updated the website to include application forms. They started hosting neighborhood planning meetings and holding year round ordinance revision meetings. They routinely conduct research on property history; meet with property owners, realtors, attorneys, prospective buyers and anyone else that might be interested in a particular property which takes a huge amount of time. The other program expenses include the Upper Valley Lake Sunapee Regional Planning Commission membership which provides value to more than just members of the Planning Department.

Mrs. Brotman stated that the Professional Development line item includes mileage for regular inspections noting that all employees use their own vehicles for inspections and site visits.

Mrs. Brotman stated that in 2013, they are proud that they were able to maintain the expected service levels without a Planning and Zoning Director (other than Ms. Griffin). She noted that they absorbed two programs; neighborhood planning parties and the Rental Housing Ordinance for which Ms. Rivard created a database with some tracking. She stated that they received grants which helped with a parking lot out on Goose Pond Road for a nature trail and a Plan NH grant which helped with a charrette for the West Wheelock area.

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Mrs. Brotman stated that they upgraded and improved the web based information and with the Board of Selectmen's approval did a major revision to the fee schedule to reflect staff costs associated with the services provided.

Mrs. Brotman stated that her concerns with regard to the budget surround the increased demand and expectations, increased work load, inspections, project review, material retrieval, and the possibility that part-timers would be eliminated. Mrs. Brotman stated that all of their part-time staff help is needed to keep the work flowing and the public expects to have a quick turnaround for their requests. Mrs. Brotman stated that without their Assistant Building Inspector, residential project inspections would fall way behind. Mrs. Brotman noted that their archiving clerk keeps their materials from overwhelming their department. She also sends out required hearing notices; in the past year she sent over 600 direct mail notifications for the Planning Board's neighborhood parties.

Ms. Griffin reported that the Town of Durham was taken to court over their Rental Housing Ordinance and in the suit that was filed they cited Hanover's version as the ordinance that they should have had in place.

Chairman Christie asked for the number of rented units registered with the Ordinance now in effect. Ms. Rivard reported that they have had 875 units register. Ms. Griffin reported that there are a handful of cases that they have had to follow up on, and the Town has been pretty successful with the ordinance in place.

Selectman Geraghty stated that this sounds like it has worked according to plan. Mrs. Brotman stated that immediately after this went into effect, there was a complaint that the Town had to address. There have been a couple of complaints since then, and she feels that it has worked fairly well. Chairman Christie asked about how many rental housing registrations they were anticipating. Ms. Brotman stated that they felt there would be around 500. Vice Chairman Rassias clarified that a fee was not charged for registering the units. Ms. Griffin noted that this was additional work that staff completed without additional revenue.

Selectman Carter asked if there were efficiencies that could be realized with regard to processing requests. Mrs. Brotman stated that in speaking to the Assistant Building Inspector they discussed the fact that they need to do a lot of inspections even if it is a small permit but the process is streamlined from where it was 10 years ago. She stated that they have done a lot of work on the process itself but she hasn't thought about how this might change going forward. Ms. Rivard stated that they have looked at computer tracking and different options but never found one that they liked. Ms. Griffin stated that they are focusing this year on records management for Planning and Zoning because by law they need to keep almost everything in paper copy.

Ms. Griffin reported that they have developed a cold storage facility at the Water Company and are working toward digitizing the documents and placing the storage of the hard copies offsite. Selectman Carter asked if the State would allow digitizing. Ms.



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Smith noted that if the documents were digitized and available on-line then customers could retrieve that information on-line and would save staff an incredible amount of time.

Chairman Christie noted that for this budget the major driver was the fact that they had to absorb \$130,000 less in permitting fees and this is a very large number.

#### Administrative Services/Unallocated

Ms. McClain stated that there are significant non-tax revenue lines that help fund governmental services. As non-tax revenue goes down, taxes need to be increased and in the unallocated budget, they are still dealing with the loss of State Revenue sharing. In the upcoming year, there is a return of the growth allocation formula for Rooms and Meals Tax which gave a \$40,000 boost of money coming from the State.

Ms. McClain stated that in the Administrative Services budget the largest non-tax revenue line item is motor vehicle registration renewals which has remained stagnant but appears to be rebounding slowly. She noted that short term interest income has dropped off from \$350,000 several years ago to \$35,000 and this low level will be difficult to achieve. The drivers in addition to the personnel costs are revenue line items that are not producing.

Ms. McClain stated that they have incorporated the Parking Clerk function with the Town Hall front office staff and 20% of the 2 full time positions will be paid by the Parking Fund which will provide some relief to the tax rate.

Ms. McClain reported that the elimination of a .6 FTE (full time equivalent) position is a by-product of people doing more governmental business on-line. To meet with the demand of customers they have transitioned over to an on-line bill payment option which has allowed this reduction in staff as of July 1, 2014.

Ms. McClain reported that there is a new line item in overtime for administrative services as they have 2 busy elections coming up in the fall and anticipate that this will create some need for overtime. She stated that they need qualified and experienced people to help voters/residents.

Ms. McClain reported that there is an increase in the Property & Liability premium from \$77,000 to \$90,000 and noted that there had been a premium holiday in the last fiscal year which was a one-time reduction.

Ms. McClain appreciated the opportunity to provide feedback as to what they are most proud of and she noted that they have received good feedback for the availability of on-line services. They have a lot of people that are travelling or away and they can now get their tax bills on-line. The changes to parking operations provide great efficiencies and are much more convenient for their customers.

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Ms. McClain also noted that she is very proud of her staff. When they talk about reducing positions, it creates understandable anxiety. She reported that her staff has been open and receptive to the reasons why this is happening and understand that this is what is best for the Town.

Ms. McClain stated that her concerns surround being able to staff the peak times during the year. She is also concerned about the unallocated side of the budget and what will come from the State. She is also concerned about the internal challenges they will face when they revise their benefits offerings. There is going to be a tough upcoming union negotiation cycle as they look at what can be possible in this new environment.

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Ms. Griffin reported that there are no significant changes to this budget. She reported that in about 2 months she will bring forward the Cable Franchise Agreement which is due to expire this fall. She noted that they are at the maximum in terms of what the State will allow the Town to receive as a cable franchise fee which is used to support CATV and subsidizes the General Fund budget. She reported that the Town Manager's budget and the Board of Selectmen's budget is status quo as proposed.

Ms. Griffin stated that she is proud of her staff. She is very near to having a Fire Chief announcement and the Police Chief interviews will be held on Friday and then they will turn their attention to hiring a Planning and Zoning Director. She noted that she has had to act as the Interim Fire Chief, Interim Planning & Zoning Director, Health Officer, and Emergency Management Director but couldn't do this successfully without the staff in those departments doing all of the work.

Selectman Geraghty wanted to add an item to the list for further discussion; recognizing all of the hard work that staff have had to take on, it is usually the training budget that gets cut and he would like to see the cost pertaining to training and whether a couple thousand dollars would make the difference. Ms. McClain stated that she could provide a history of the training line items per department.

#### **4. ACCEPTANCE OF DONATIONS**

Ms. Griffin reported that there is a donation from the First Baptist Church for the maintenance of the Town cemeteries in the amount of \$163.40 which requires Board approval.

**Selectman Geraghty MOVED to Accept the Donation from the First Baptist Church in the Amount of \$163.40 for the Maintenance of the Town Cemeteries. Selectman Buckey SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE DONATION FROM THE FIRST BAPTIST CHURCH IN THE AMOUNT OF \$163.40 FOR THE MAINTENANCE OF THE TOWN CEMETERIES.**

**5. Banner Requests:**

- Howe Library – Summer Sunday Hours
- Upper Valley Summer Games – Special Olympics
- Dartmouth College – Digital Arts Program

**Vice Chairman Rassias MOVED to Accept the Banner Requests from the Howe Library, Upper Valley Summer Games and Dartmouth College. Selectman Geraghty SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE BANNER REQUESTS FROM THE HOWE LIBRARY, UPPER VALLEY SUMMER GAMES AND DARTMOUTH COLLEGE.**

**6. MINUTES:**

- February 3, 2014

**Selectman Buckey MOVED to Approve the Minutes of February, 3, 2014. Selectman Geraghty SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF FEBRUARY 3, 2014.**

**7. ADMINSTRATIVE REPORTS.**

Ms. Griffin reported that 100 tons of salt were delivered yesterday which was a relief as they were running short. Ms. McClain noted that Mike Chase would like to build a new salt shed as part of the CIP.

Ms. Griffin reported that 7 candidates are being interviewed for Police Chief next Friday and they have 2 very strong candidates for the Fire Chief position and she hopes to make an announcement soon.

Ms. Griffin reported that total compensation statements will be going out to all employees soon. She noted that this is a big job for the HR Department and is a great snapshot for each employee to understand the value of all of the benefits that they receive.

**8. SELECTMEN'S REPORTS.**

**Jay Buckey**

Selectman Buckey had nothing new to report.

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**Nancy Carter**

Selectman Carter had nothing new to report.

**Peter Christie**

Chairman Christie had nothing new to report.

**Athos Rassias**

Vice Chairman Rassias reported that the Hanover Bike & Pedestrian Committee met on February 6<sup>th</sup> and shared issues with regard to the Bike & Pedestrian Master Plan. The Committee plans to attend the meeting tomorrow night as well. Vice Chairman Rassias noted that there are a lot of suggestions coming from the committee with regard to funding moving forward. He noted that there is a Sidewalk Policy in draft form that is very in-depth.

Ms. Griffin noted that the Bike & Pedestrian Committee would be coming to speak to the Board tomorrow night. Chairman Christie asked whether the Committee would be looking to increase the already proposed budget. Ms. Griffin stated that they are interested in asking the Board to consider using Parking Funds to fund some of their initiatives. Chairman Christie had concerns about time constraints during the budget discussions.

**9. OTHER BUSINESS.**

Chairman Christie noted that there were no other business matters reported.

**10. ADJOURNMENT.**

**Selectman Buckey MOVED to Adjourn the Meeting. Vice Chairman Rassias SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 7:40 P.M.**

Respectfully Submitted,

Nancy Carter, Secretary

*Minutes prepared by Elizabeth S. Rathburn.*

**SUMMARY**

1. **Selectman Carter MOVED to Adopt the Proposed Budget Guidelines. Selectman Buckey SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADOPT THE PROPOSED BUDGET GUIDELINES.**

2. **Selectman Geraghty MOVED to Accept the Donation from the First Baptist Church in the Amount of \$163.40 for the Maintenance of the Town Cemeteries. Selectman Buckey SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE DONATION FROM THE FIRST BAPTIST CHURCH IN THE AMOUNT OF \$163.40 FOR THE MAINTENANCE OF THE TOWN CEMETERIES.**

3. **Vice Chairman Rassias MOVED to Accept the Banner Requests from the Howe Library, Upper Valley Summer Games and Dartmouth College. Selectman Geraghty SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ACCEPT THE BANNER REQUESTS FROM THE HOWE LIBRARY, UPPER VALLEY SUMMER GAMES AND DARTMOUTH COLLEGE.**

4. **Selectman Buckey MOVED to Approve the Minutes of February, 3, 2014. Selectman Geraghty SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF FEBRUARY 3, 2014.**

5. **Selectman Buckey MOVED to Adjourn the Meeting. Vice Chairman Rassias SECONDED the Motion.**

**THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 7:40 P.M.**