

BOARD OF SELECTMEN'S MEETING

ORIGINAL

FEBRUARY 25, 2004

7:30 PM – MUNICIPAL OFFICE BUILDING – HANOVER, NH

The meeting of the Board of Selectmen was called to order at 7:02 pm by the Chairman, Brian Walsh. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice-Chairman; William "Bill" Baschnagel; Peter Christie; Judson "Jay" Pierson; Julia Griffin, Town Manager; and members of the public.

1. PUBLIC COMMENT

There was no public comment.

2. FY 2004-2005 2ND BUDGET HEARING**Board of Selectmen**

Town Manager Griffin began by commenting on the CATV Support/Franchise Fees line item, stating that if the Town secured a franchise agreement with Hanover Broadband LLC (HBN) this \$54,000 expenditure figure would increase. However, the funding received from HBN would remain in the Town's hand rather than be directed to CATV-6, as was the current arrangement. Selectman Walsh asked to have the status of both franchise fees put on The List. He said that he was "absolutely ripped" to hear about the actions of the CATV-6 Board of Directors to decide to not televise the Hanover Selectboard meetings live. He said that he would like to discuss whether all of that franchise fee should go to CATV-6 or whether it should be sent on a month-to-month basis. Selectman Baschnagel asked of the mechanism that controlled the relationship between the Town and CATV-6. Ms. Griffin said that she had never seen a formal agreement but that one must exist. She said that since Willy Black retired from the Selectboard, the Town had been without a Selectmen's representative to the CATV-6 Board. She said that it was within the purview of the community to decide how to utilize franchise fees collected. Selectman Walsh asked staff to research what if any continuing legal obligation the Town had with respect to CATV-6. Selectman Pierson asked if other towns were forwarding franchise fees to CATV-6. Ms. Griffin said that she assumed they did but that she did not know for sure. Selectman Connolly added that Vermont Law was very different with respect to the cable franchising process. Ms. Griffin agreed stating that it could be that CATV-6 funds for Vermont communities came directly from the State.

Ms. Griffin advised that the Town was renegotiating its franchise agreement with Adelphia. Betsy McClain, Director of Administrative Services, said that it was unfortunate that Adelphia priced a lot of their traditional video packages to entice people to purchase their cable modem product. She said that the FCC had specifically ruled that

cable modem services were not subject to franchise. So in effect, the basic service was going up, but the premium digital services were being packaged with the cable modem service. She suggested that 5% was the maximum that could be charged as a franchise fee and that the Town's franchise fees will increase as Adelphia's revenue from video broadcasting services increase. Ms. Griffin added that the Town would have a lot more flexibility in its dealings with the HBN.

Town Manager Griffin advised that the \$20,000 expenditure proposed for Professional Services included \$2,500 to fund an anticipated increase in the annual audit fee due to GASB 34 issues. Ms. McClain said that an additional \$5,000 was proposed in her department budget to pay a consultant to assist her in this effort. Ms. McClain explained that GASB 34 was a new accounting pronouncement that government entities were subject to. The thrust behind it was that towns would report town infrastructure on their balance sheet. She said that the Town should have adopted the GASB 34 standard in the last fiscal year ending June 30, 2003. Selectman Walsh asked that the combined \$7,500 of funding related to GASB 34 be put on The List.

Selectman Baschnagel asked about the expenditure proposed for Operational Equipment. Ms. Griffin advised that the \$800 requested would cover the cost of chair rentals and the sound system equipment rental for Town Meeting.

Town Manager

Ms. Griffin advised that there was no significant change to her budget. She said that the 37.8% increase to Supplies and Materials would cover the postage for the Town Meeting Task Force survey.

Human Resources

Selectman Walsh advised that this budget proposed a decrease of \$31,886, or 19.8% from FY 03/04. Ms. Griffin explained that the past notion of including funding in this budget to cover compensation adjustments above the typical one step increase for all departments had proved to be unnecessary. She said that the \$2,000 proposed expenditure for Non-Personnel Costs would cover drug and alcohol testing, polygraph exams, and psychological evaluations for new police hires and others as applicable. The \$1,000 increase expenditure to Purchased Services reflected the additional advertising costs the Town incurred for advertising position vacancies. The 17.2% increase expenditure to Auto/Conferences would enable staff to attend various meetings and workshops.

Selectman Pierson asked of the number of employees that took advantage of the health club memberships and if there was a way to measure their success. Barry Cox, Assistant to the Town Manager/Human Resources Director, suggested that 12 people participated but said that it would be difficult to measure their success. Ms. Griffin said that she was anticipating an increase in participation as the Health Trust was becoming much more

aggressive with their wellness offerings. She said that in mid-2003 the Health Trust discontinued a program that provided a direct payment for participation which resulted in a decline in participation.

Ms. Griffin noted that the 14.3% increase in job vacancies was directly related to the status of the economy. Mr. Walsh said of the total employee figures, the Town had been adding one employee every year on the average.

Parks and Recreation

Town Manager Griffin explained that the most significant recommendation for this department was the proposed additional part-time position to man the Richard W. Black Community & Senior Center in the evening hours and on the weekends. She explained that the Center had hosted 236 different events in 6 months, many of which occurred on the weekends, without an official person on hand to keep an eye on things. Hank Tenney, Director of Parks & Recreation, said that security was an issue. He said that many of the evening meetings were held on the second floor which left the rest of the building open and unsupervised. Often he would return to the building and find that it was left unlocked after the meetings had adjourned and the attendees had left. Ms. Griffin said revenue projections for FY 04/05 should more than cover the cost of hiring this additional person. The Board agreed to provide the \$11,069 funding requested for the part-time coverage.

Selectman Baschnagel questioned the 12% decrease in revenue projected for Adult Programs. Mr. Tenney said that many adult teams were dropping out of the programs. Ms. Griffin added that the adult programs were hampered by a lack of available field space due to an increase in Little League activities. Selectman Connolly asked if staff was too optimistic on the other revenue projections. Ms. Griffin said that the only obstacle to be factored out was the campaign-related activities that were held at the Center in November, December and January. She said that she suspected that if the Center were staffed evenings and weekends the utilization might increase.

Selectman Baschnagel asked if the Recreation Board had looked at a target for revenue versus total program expenses. Ms. Griffin said no, other than their efforts to have the adult programs pay for themselves. Mr. Tenney added that the youth activities were covered over 50%, depending on the program. The athletic programs were also covered over 50% of their expenses.

Selectman Walsh questioned whether the fees should be increased in the Adult Programs and/or Special Programs or whether their expenses should be decreased. He asked that the \$5,000 expenditure proposed for new equipment for the Adult Programs be put on The List. Mr. Tenney countered that the Special Programs included community-type events such as the Halloween Haunted House and Muster Day offered free admissions but incurred costs to the Town. Ms. Griffin added that teen dances were another example of events that did not raise the revenue to cover their expenditures. Ms. Griffin said that

she agreed with Mr. Tenney that unless the Town wanted to seek sponsors to hold these Special Programs they would have to fund them from within the General Fund. Mr. Walsh asked that the total expense for the Special Programs be put on The List.

Selectman Baschnagel asked about the \$2,694 expenditure that would be transferred to MIS. Ms. Griffin explained that \$1,746 represented the annual maintenance for the recently purchased RecTrac software. The remaining \$948 paid for the DSL connection to the Center. She said with HBN, a number of these computer connection expenses would go away.

Selectman Baschnagel questioned the 53.1% increase in Youth Programs, Supplies and Materials expenditure. Ms. Griffin explained that the increase was solely attributable to the Town's intention to expand its program offerings at the Center. Selectman Walsh asked that next year's budget proposal include a summary table that lists programs, revenues, expenses, and net totals.

Ms. Griffin pointed out the Charge from the Housing Fund for the Senior Center Coordinator and her activities. She said that some of the physical operating costs of the Senior Center were charged to the Housing Fund; the soft costs were absorbed into the General Fund.

Selectman Baschnagel asked why a revenue figure was not listed for the Friends of Recreation line item. Ms. McClain explained that the auditors had asked that the Town not budget for future donations for program support that had not yet been realized.

Ms. Griffin commended Mr. Tenney on his efforts to fundraise \$19,328 for a sound system, remote screen, and power point projector.

Selectman Walsh commented on the Recreation Department's enrollment numbers that were provided. He said it was very impressive that approximately 2,000 people were served by Mr. Tenney's 3-man department. Mr. Tenney added that nearly 2,500 people attended the Pond Party and that roughly 2,000 kids, making up 179 teams, participated in the basketball tournament. Selectman Pierson also commended Mr. Tenney on his efforts to organize the volunteer groups who assisted with all the activities. Mr. Tenney humbly stated that he was blessed to have the assistance of the Recreation Board members and his Assistant Director, Chris Vitale. He also acknowledged the Dartmouth College students who volunteer their time.

Selectman Walsh asked to see \$10,000 to \$15,000 more revenue or \$10,000 to \$15,000 less in expenses in this budget. Mr. Tenney asked for consideration since many aspects of this budget were still considered "unknown territory". He said in his 30 years with the Town his Department had never overspent their budget and had always collected additional revenue than was projected.

Selectman Walsh thanked Mr. Tenney and the Recreation Board for doing great jobs.

Administrative Services

Ms. McClain advised of salary savings that were experienced by her Department due to the retirement of 2 long-term employees. She said that adjustments were also made to the Supplies and Materials expenditure which resulted in a 3.3% increase. The overall expenditures were reduced by just over 7%.

Selectman Baschnagel asked if the Town Clerk had budgeted enough funding to cover the part-time services of the Supervisors of the Checklist. Town Clerk, Sallie Johnson said yes. Ms. Griffin added that the funding proposed was based on discussions with the Town Moderator. She suggested that funding should be provided in FY 2006 to replace some of the voting booths. Marion Copenhaver, of 14 Woodcock Lane, questioned the long hours that the Ballot Clerks worked over the last election. Ms. Johnson acknowledged that the appointed Clerks worked 6-hour shifts but suggested that they would probably switch to 3- to 4-hour shifts in the future.

Selectman Walsh asked that the revenue projections for Motor Vehicle Permits, be put on The List. Ms. Griffin cautioned that a portion of that revenue was driven by leasing activity and low interest rates.

Selectman Pierson asked why the Receivables were substantially higher at the end of 2003 than at other times. Ms. Johnson said there was a higher total levy due to the revaluation, there was more to collect, and the due date was moved back.

Unallocated Costs

Town Manager Griffin explained that this portion of the budget covered all costs not allocated specifically to a department or fund. Selectman Walsh noted that the Shared Revenue Block Grant figures matched the Business Profits Tax figures every year. He asked if that followed a specific formula. Ms. Griffin said yes.

Selectman Christie asked why the revenue projection for the Rooms and Meals Tax was not higher, noting that the amount collected year-to-date equaled the projected revenue for the coming year. Ms. Griffin explained that the Town received one annual payment.

Selectman Walsh asked of the current balance in the Transportation Fund. Ms. McClain replied, \$65,563, adding that it would increase to \$84,953 in FY 2004 after various transfers are completed.

Selectman Walsh asked of the current balance of the Land & Capital Improvements Fund. Ms. McClain said that the balance would be \$214,984 after Town Meeting 2004, at which point \$25,000 would be drawn to pay for the Lyme Road improvements, leaving the balance at \$190,000.

Selectman Connolly asked if \$80,000 would cover the Town's legal activities. Ms. Griffin said that she sensed that it would be sufficient. She noted that this proposed expenditure represented a \$10,000 from the year prior. She said that she did have the ability to limit staff's use of legal services when needed.

Selectman Walsh said that it was impressive that in 4 years the Town's benefits package had doubled. He asked that after the Pre-Town Meeting public hearing that the Board take some time to get more educated on that situation.

Human Services

Town Manager Griffin pointed out that the Substance Abuse Diversion revenues had increased 119.9% due to a change in State law to include Alcohol by Consumption as a violation offense. She said the program was reaching twice as many kids as it did a year prior but that this activity was taking up a lot of space at the Richard W. Black Community & Senior Center. She said that the workload associated with the program had reached the point where the Police Chief's Secretary had been asked assist with the scheduling duties. A second counselor was also hired to address the increased participation. Dena Romero, the Community Counselor, suggested that the issue was not an increase in consumption by under aged people but a change in the law to arrest individuals for having consumed alcohol. She said a typical year would be about 35 to 40 people attending the diversion program. From July to December, 96 had gone through. Selectman Walsh said that the key aspect, in terms of the budget, was that the people participating in the program were paying full boat for the cost of the program. Ms. Romero explained that the intent of the program was to provide an option that was monetarily equal to that which one would face if sent to Court, while at the same time provide an opportunity for these kids to see their relationship with alcohol. She said that college students made up the majority of the program participants.

Selectman Baschnagel asked of the \$47,000 transaction proposed as Subvention from Other Funds in the Health and Social Services section of this budget. Ms. Griffin said this represented an offset to the Emergency Regional Medical Care line item from the Fire Fund's Undesignated Fund Balance, recognizing that the Town bears a larger burden of costs associated with maintaining paramedics and firefighters than its counterparts does.

Selectman Walsh asked staff to walk the Board through the Medicaid Disallowables. Ms. McClain said that she had heard from the Emergency Medical Services (EMS) staff that a couple of the senior housing or assisted living complexes had increased dramatically the number of Medicare patients that the Town picks up. She said that the Town's new billing system enabled staff to track this activity and visualize the revenues lost. In total staff was projecting that the Town would lose \$70,482. Mr. Walsh summed this up by equating the lost revenue to a 1.5% increase on the General Fund tax rate that insurance, whether government or private, is not covering on behalf of their clients. Ms. Griffin said staff was tracking from what town the disallowable patients

originated. She said the next step would be to approach the various towns from which they originate and ask that they cover those costs.

Social Service Agency Requests:

The requests were as follows:

	<u>Requested</u>	<u>Proposed</u>
ACORN:	\$ 2,000	\$ 2,000
The Family Place:	\$ 2,000	\$ 2,000
Grafton County Senior Citizens Council:	\$ 9,000	\$ 9,000
Headrest:	\$ 7,000	\$ 7,000
Listen:	\$ 2,700	\$ 2,700
Visiting Nurse Alliance:	\$17,320	\$17,320
WISE:	\$ 5,560	\$ 5,560
Youth-In-Action:	\$12,000	\$12,000
Special Warrant Article		
West Central Behavioral Services:	\$ 9,300	\$ 9,300

Roberta Berner, the Executive Director of the Grafton County Senior Citizens Council, Marion Copenhaver, the Vice President, and Jill Fahey, the Director of the Upper Valley Senior Center offered to answer questions regarding their funding request. Selectman Walsh asked of the number of Hanover residents the Council served and of the rationale behind the \$800 increase in the funding requested over last year's numbers. Ms. Berner reported that the Council served 178 Hanover residents last year by way of home delivered meals, bus rides, and adult day care at a cost of over \$46,000. She said the funding increase was due to the fact that Hanover's funding had remained the same over the last four years while the Council struggled with the same health services funding cuts the Town did. Mr. Walsh asked how Hanover's funding compared to that of other towns. Ms. Berner reported that Hanover's funding was on the higher end but added that other towns provided services in ways other than annual allocations. Town Manager Griffin added that the Council received funding in FY 2003 from the City of Lebanon totaling \$31,010, from Haverhill totaling \$10,000, from Littleton totaling \$23,900, and from Canaan totaling \$4,450.

Karen Keene, Vice President of Development at the Visiting Nursing Alliance reported that the VNA provided services to 86 towns spanning from an area just north of Bradford, Vermont, to the Massachusetts border. She said that since of the VNA's came together under one umbrella in the mid 1990's, the Alliance has worked to straighten out the town funding request situation by bringing parity among the municipal appropriations by linking the appropriation request to Town Census figures. She said that the VNA figured that they averaged between \$3.00 and \$3.50 per capita. She said in Hanover's case the Alliance does not acknowledge the full 10,000 plus per the 2000 Census, its rate is based on the non-student population of the Town, which calculates out to a funding request of \$17,320. She said the Alliance served 168 Hanover residents with home care which was

an increase of more than 30 people from the year prior. Ten families benefited from Hospice. Flu clinics and blood pressure and foot clinics were also utilized by close to 200 people. They also saw 6 children in their Maternal Child Health Program over a total of 66 visits. She added that the Alliance was experiencing the same plunge in health insurance reimbursements, totaling close to 15% the last two years. She said in order to attract and retain the nurses and other professional individuals their wages were being increased to be at market levels. Selectman Walsh pointed out that the Town provided an even \$3,100 for many years prior to increasing its funding to \$13,000 in FY 2003 when the State and Federal government began reducing its funding. Ms. Keene said that the change in reimbursements was experienced in the late 1990's. Town Manager Griffin advised that in 2003 Ms. Romero and the VNA staff worked to find a more accurate rendition of the value of services provided. She said the VNA would argue that the \$10,000 funding increase in 2003 was not enough but that it was closer to what they needed. She said that the VNA's strategy was to increase that number each year to be closer in line with their expenses incurred serving Hanover residents. She said in comparison with other communities Hanover was clearly not funding as much as others. She said for the record that previously there was much more communication between the VNA staff and Ms. Romero than there was currently. She said Ms. Romero would like to know when Hanover's residents need this assistance as there are some services that can be provided by the Town. Mr. Walsh recapped that there were a whole set of costs that the Town was being asked to pick up because the State and Federal government were choosing not to pick them up. He said he felt very strongly for the services the VNA provided, as home health care was absolutely critical. He said it was not a question of support for the services but the structure of how the Town funds it.

Kathy Geraghty, Director of Youth in Action, said that she was thrilled with the new Community Center, as it increased their contact with different age groups. She said that she had programs occurring simultaneously with Ms. Romero's and hoped the Youth-In-Action programs would cut down the number of young people needing Ms. Romero's assistance. She said that her organization worked to train young people to be volunteers for the future. She said that in terms of other towns, they were working to increase the support from across the river. Selectman Walsh asked how many kids were served. Ms. Geraghty said that 238 were in the program, who in turn provided volunteer services to senior citizens and other community agencies that provide various services to their citizens. She estimated that roughly two-thirds of the kids participating resided in Hanover and Etna. Mr. Walsh asked of the success of the Youth-In-Action's fundraising efforts. Ms. Geraghty explained that Youth in Action sent out a fundraising letters and applied for various grants but added that it was difficult to express in the grant format that they provided volunteers to other groups. Kari Asmus asked of their operating budget. Ms. Geraghty said it was roughly \$30,000.

Ms. Griffin advised that this would be the third and final year that West Central Behavioral Health's funding request would appear as a Warrant Article. Ron Michaud, Director of Community Relations and Development, advised of a needs assessment that was conducted recently by the Upper Valley United Way. He said that mental health

emerged for first time as a high priority issue, as did substance abuse. He said that teens also emerged as a priority. He said that the range of issues that applied to West Central such as outpatient mental health counseling was extremely high, as was many other health issues that West Central addresses. Mr. Walsh remarked that many of the health issues listed in the Assessment were the same issues that the State of New Hampshire has proactively chosen not to fund over the past 5 years. He said that decisions made in Concord, relative to the State budget, were being directly reflected in the Needs Assessment. Mr. Michaud agreed that the State was renegeing on its responsibilities as was the federal government via Medicaid and Medicare.

Mr. Walsh thanked everyone for attending.

MIS

Town Manager Griffin advised of staff's desire to hire Gerry Macy, once retired from the Hanover Police Department, to continue his efforts as Radio Technician, Traffic Signal Technician, and perform other troubleshooting tasks for Corey Stevens, the MIS Director. This would enable Mr. Stevens to take over the managing duties for the Town's website. If approved Mr. Macy would work 3 days a week. Ms. Griffin said this was the biggest part-time position proposed in the coming year in terms of hours and expenses. Another significant expense to the proposed MIS budget was the \$15,000 Microsoft Office license upgrade. A third significant expenditure was the replacement of 24 computers, including 11 to the Police Department, as well as other equipment purchases.

Mr. Stevens advised that the Town had 120 computers, including 17 public access machines at the Howe Library. He reported that the Town's computers were on a 4-year replacement schedule. He said that all of the computers he purchased had 3-year warranties. He said in considering a 5-year replacement schedule it was found that the Town would only experience a 5% savings which would equate to only a few computers. This savings would be eaten up by user dissatisfaction and the purchase of replacement parts for items no longer under warranty. Ms. Griffin commended Mr. Stevens on his aggressive management of his department funding that keeps the Town from spending frivolously. Selectman Christie advised of a policy change at Fluent to switch to 4- or 5-year replacement schedules. He said that Fluent had also moved away from participating in 3-year lease programs. Selectman Baschnagel said Create was doing the same. He questioned the \$15,000 expenditure to renew the Town's Microsoft license. He said that Create had stopped paying for this a couple years ago when it was realized that they would not need to upgrade in a few years. They were willing to pay the penalty when an upgrade was needed. Mr. Baschnagel encouraged Mr. Stevens to consider doing the same. Mr. Stevens said that he had run the numbers in years past and found that there was no cost benefit to waiting. The Town would have to pay 3 or 4 more times the rate of the 2-year license program to upgrade its computers every four years without incurring this fee. He added that generally after 5 years, Microsoft stops supporting their products and the newer improved products will not run on the older machines. Selectman Walsh

asked that Mr. Stevens meet with Selectmen Baschnagel and Christie to discuss this further in April or May.

Ms. Griffin reiterated that approximately \$4,000 of the remote expenses from Valley Net listed in the Professional Services line item would disappear if HBN was successful. Selectman Baschnagel asked that staff reassess this department's proposal in aggregate and look to shave \$5,000 from it.

Selectman Walsh questioned the decrease expenditure in the GIS line item. Ms. Griffin explained that the Town had only spent \$5,000 of the \$20,000 budgeted in FY 2004. She further explained that \$5,500 of the \$10,500 proposed for FY 2005 would be utilized and charged out to the Wastewater Treatment Plant. The remaining \$5,000 would stay in the General Fund. Mr. Stevens suggested that when the map work currently being developed was completed, this expenditure should decrease to \$3,500, which would cover upgrading the existing mapping as they evolve.

Assessing

Mike Ryan, Director of Assessing, explained that the 82.4% expenditure increase to Charges from MIS, was entirely related to a software upgrade. \$3,700 would cover the yearly maintenance fee for the Appraisal Vision software; \$2,500 would be half the necessary funding to pay for a software upgrade. Mr. Ryan explained that the database provider, Oracle, would no longer support the older software version.

Ms. Griffin highlighted the \$10,000 reserve proposed for Revaluation Support that would help to pay for the next revaluation, scheduled for 2008. She said that the FY 06 and 07 budgets would propose reserving \$15,000 each year in addition. In FY 08 only \$5,000 would be needed. Selectman Pierson asked if there were other items that the Town should be reserving funding that it currently was not. Ms. Griffin said that the Public Works Department would like the Town to reserve for their paving program. She said that staff often cuts paving funds to try to balance the budget. These cuts are never made up. She cautioned that unless the Warrant language was very specific about which roads would be paved with the reserve funding, an opportunity could arise for an individual to make a motion from the floor at Town Meeting to change the paving schedule. Ms. McClain added that a building maintenance reserve had been suggested also.

Selectman Walsh asked that the Assessing Revaluation reserve funding be put on The List.

Selectman Walsh congratulated Mr. Ryan on the revaluation that had occurred and the number of abatements requests. He recalled that a year prior the Board was really concerned about the impact of a revaluation. Mr. Ryan humbly commended the efforts of Daryl Zampieri, who assisted part-time with the necessary measuring, and Sue Romano, the Financial & Information Analyst, who performed all of the computer work.

Undesignated Fund Balance Utilization

Selectman Christie expressed concern for the current practice to tap into the General Fund's Undesignated Fund Balance to fund items other than one-time expenses, especially when the Fund balance is not in excess of 10%. He said that the suggested guidelines are to have the Fund balance within 5% to 10%. He argued that the Town should build on-going expenses into the tax rate or not fund them at all. He said the Town had gone from having an 11% Fund balance to 8%, at the end of this year, and to 6% at the end of next year if the proposed budget is accepted utilizing over \$185,000 from the Undesignated Fund Balance. He asked that this be put on The List and that staff prepare an analysis of the amount that can be legitimately justified as one-time expenses. Selectman Baschnagel said the Town could tap into the Fund Balance if the amount being utilized equaled that which was saved every year. Ms. Griffin noted that \$89,337 was added to the audited undesignated fund balance figure from June 30, 2002 to June 30, 2003.

Selectman Walsh spoke favorably of Mr. Christie's proposed policy and asked the other Board members for other comments. Selectman Connolly asked what the percentage would be if the Town did not use \$185,000 from the Undesignated Fund Balance or if only half of that amount were used. Selectman Baschnagel said the Town would either have to cut 2% from the budget or raise the tax rate by 2%. Ms. McClain said if the \$185,000 were not utilized the Fund balance would be 7.75%. Mr. Baschnagel commented on the budget surplus that was experienced almost annually within the operating budget. He suggested that the surplus amount should be fair game for use in the next year's budget. Mr. Christie argued that the surplus money would kick in if the Fund balance was above 10%. Mr. Pierson questioned how the Town could budget anticipating a surplus.

Mr. Christie explained that his proposed policy would be to look at the \$185,000 and, to the extent that the Town could not justify one-time expenses, the tax rate would either have to be raised or expenses cut to fund them.

Mr. Walsh suggested that staff identify the legitimate one-time expenses against the \$185,000. The number remaining would be revisited on Monday, March 1st. He then asked that the proposed budget for FY 2006 include a tax rate target and an explicit policy relative to use of the Undesignated Fund Balance. Mr. Walsh asked that staff only look at the General Fund Undesignated Fund Balance in the proposed budget and be explicit across funds next year.

Mr. Christie said this issue was discussed by the Finance Committee in their review of the Town's budget. He said they reached consensus in support of his proposed policy to utilize undesignated fund balance only for those items that are one-time in nature and should not be built into the tax rate.

3. RECOMMENDATION TO ADOPT ABATEMENTS AS PROPOSED BY THE ADVISORY BOARD OF ASSESSORS

Town Manager Griffin advised of recommendations that the Advisory Board of Assessors had forwarded to the Selectboard stemming from their February 5th Appeals Hearings. Mike Ryan, Director of Assessing, reported that 20 appeals had been filed and that presumably more would be filed before the March 1st deadline. He said that the applicants had been notified of the Board of Assessor's recommendations and of the presentation that would be given to the Selectboard at the current meeting.

It was noted that Hanover had approximately 3,100 taxable properties. Selectman Connolly recalled that 165 appeals were filed after the last revaluation. Mr. Ryan said that in 1990, 2,500 were filed in the City of Concord following its revaluation.

Selectman Connolly MOVED to approve the recommendations of the Board of Assessors of hearings held on February 5, 2004. Selectman Pierson SECONDED.

It was noted that Selectman Pierson, John Hochreiter, Paul Young, and Xenia Heaton were seated for the February 5th hearings.

Selectman Pierson spoke favorably of the changes to the abatement process that were instituted as apart of the Abatement Communication Improvement Program staff drafted last fall. He said that the appeal hearings were very short due to Mr. Ryan's handling of the cases.

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE RECOMMENDATIONS OF THE BOARD OF ASSESSORS OF HEARINGS HELD ON FEBRUARY 5, 2004.

4. ADMINISTRATIVE REPORTS

Ms. Griffin did not have anything further to report.

5. SELECTMEN'S REPORTS

Katherine Connolly

Ms. Connolly reported on Planning Board's review of the zoning amendments proposals. Ms. Griffin spoke of the efforts of a newly created Institutional zoning working group who assisted in the process.

Peter Christie

Mr. Christie reported that the Finance Committee voted in support of the Ray School Budget and in opposition to the Dresden School Budget, as they did not follow

Committee's guidelines. The Committee was also in opposition to the teachers' contract as they felt that the 1% increase over CPI was too generous.

Mr. Christie reported briefly on the Affordable Housing Commission's proposed zoning amendment relative to Grasse Road and of the Commission's efforts to work in concert with the College to develop the land in question to provide some affordable units.

Bill Baschnagel

Mr. Baschnagel reported that he had communicated Mr. Walsh's recommendation to the Conservation Commission relative to the Upper Valley Trails Alliance funding request. He said that he had asked that the Commission provide input to the Board on the issue prior to the Selectmen's March 3, 2004 meeting.

Jay Pierson

Mr. Pierson did not have anything further to report.

Brian Walsh

Mr. Walsh did not have anything further to report.

6. OTHER BUSINESS

There was no other business discussed.

7. ADJOURNMENT

It was MOVED by Selectman Connolly and SECONDED by Selectman Baschnagel to adjourn the meeting. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:25 PM.

SUMMARY

- 1. Selectman Connolly MOVED to approve the recommendations of the Board of Assessors of hearings held on February 5, 2004. Selectman Pierson SECONDED. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE RECOMMENDATIONS OF THE BOARD OF ASSESSORS OF HEARINGS HELD ON FEBRUARY 5, 2004.**
- 2. It was MOVED by Selectman Connolly and SECONDED by Selectman Baschnagel to adjourn the meeting. THE SELECTMEN VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:25 PM.**

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "P. Christie". The signature is stylized with a large initial "P" and a long horizontal stroke at the end.

Peter Christie, Secretary

These minutes were transcribed by Beth Rivard.