

**FINAL**

**BOARD OF SELECTMEN'S MEETING**

**FEBRUARY 1, 1999**

**7:30 P.M. - MUNICIPAL OFFICE BUILDING - HANOVER, NH**

The meeting of the Board of Selectmen was called to order at 7:30 p.m. by the Chairman, Marilyn W. Black. Present were: Marilyn W. Black, Chairman; Brian Walsh, Vice Chairman; Katherine S. Connolly; John Manchester; John Colligan; Julia Griffin, Town Manager; and members of the public.

Ms. Black announced that this meeting was being taped by CATV 6 and that hearing enhancement equipment was available for anyone who wished to use it.

**1. PUBLIC COMMENT.**

A video promoting the Pond Party which is to be held February 13th was viewed and also broadcast over CATV 6.

Bill Young thanked the Selectmen for inviting him to the Selectmen's meeting. He stated that the Pond Party, sponsored by Hanover Parks and Recreation and the Dartmouth Winter Carnival Committee, will be held February 13th at Occom Pond. He indicated that ice harvesting will begin shortly and invited volunteer participation for this purpose as well as packing snow for snow sculptures and other activities. If there is inclement weather, the Pond Party will be rescheduled for Sunday, February 14th. Mr. Young wished to thank the Town of Hanover for its support. He also thanked the Hanover Improvement Society for keeping the pond clear and the hospital for its help in developing the video.

Regarding the parking structure, Steve Crory discussed the idea of moving much of the long-term parking in Town into one or two floors of the parking structure. He feels this would allow shoppers and people coming into town a better opportunity for parking, and feels the business district would accept greater growth with the availability of more parking.

Ms. Black explained that there is a group working on this already, and suggested that Mr. Crory might be able to join that group. Ms. Griffin added that Michael Gilbar and Sgt. O'Neill have completed the first draft of a report in this regard. This draft was reviewed at the last meeting of the Parking and Transportation Board so that members of that Board have the opportunity to provide feedback to Mr. Gilbar and Sgt. O'Neill to allow them to update the report. The report will then be distributed to the Board of Selectmen in conjunction with their review of the Parking Fund budget.

Ms. Griffin informed the Board that one issue that is being looked at very carefully is what mix of long-term leased parking spaces should be located in the new parking structure as opposed to short-term spaces. Financial impacts of the decision regarding long-term versus short-term spaces are being looked at in terms of operation projections of the parking structure, as well as tools available for directing as much of the parking as possible out of on-street parking spaces and surface lots and into the parking

structure. Ideally, a situation would be created that would open up as many of the close parking spaces in downtown for short-term parkers as possible. When the final draft of the report is available, Ms. Griffin will provide a copy to Mr. Crory to review.

**2. DISCUSSION OF REQUEST FOR FINANCIAL SUPPORT OF REPORT ON ECONOMIC AND FISCAL IMPACTS OF STATEWIDE PROPERTY TAX.**

Ms. Griffin stated that a request had been received from Jeb Bradley in the State Legislature for Hanover to participate in the funding of the Report on Economic and Fiscal Impacts of Statewide Property Tax. She indicated that Representative Bradley had sent an executive summary for her review, and that she had also received a full report from Lisa Shapiro who was hired to assess the economic and fiscal impacts of a uniform statewide property tax. The amount of \$2,500 is being requested as Hanover's share to fund the study.

Mr. Manchester wondered if it would be wise to spend \$2,500 on the report which deals with a statewide property tax when it is not known what kind of tax there will ultimately be. A cost of \$2,500 for each study for income tax, gross receipts, tax, etc. could result in a large amount of money being spent.

Ms. Connolly pointed out that the report is a fairly thorough summary that has given Hanover a fair warning of what can be expected with a statewide property tax, and she stated that she would be willing to contribute to the report.

Ms. Griffin indicated that the study contains a list of sponsors, but she does not know how much each sponsor contributed to the actual study.

Mr. Colligan stated that he does not feel the Town of Hanover needs to contribute to this study. He quoted from an article in the Manchester Union Leader which characterized the towns funding the study as property rich towns and school districts, and he would prefer that Hanover not be part of that group. When the Board of Selectmen discussed this issue during its November 9th meeting, it was suggested that a representative of the group conducting the study come to the Board in a public meeting to explain the report as members of the Board had expressed concerns that the study was not a broad enough scope. At that meeting, Mr. Colligan and Mr. Walsh had indicated that the impact of a state-wide property tax would probably result in more than a 30% increase to Hanover taxpayers; what is seen in the report now is a 40% increase based on a solution that has 100% from property tax.

Ms. Black stated that she has mixed feelings on funding the report; she indicated that she would be glad to pay the price of one copy of the report, but did not want to see Hanover in a list of schools in rich communities that paid for the report. She would rather be open to all of the proposals suggested and not endorse one position or another. Ms. Black indicated that she had received calls from two of Hanover's legislative delegates asking Hanover to not endorse the study.

**Ms. Black MADE THE MOTION that the Board of Selectmen not support the Report on Economic and Fiscal Impacts of Statewide Property Tax, and to not make any**

**contribution to its financing. Mr. Manchester SECONDED THE MOTION and the Board of Selectmen VOTED FOUR IN FAVOR, ONE (MS. CONNOLLY) OPPOSED TO NOT SUPPORT THE REPORT ON ECONOMIC AND FISCAL IMPACTS OF STATEWIDE PROPERTY TAX, AND TO NOT MAKE ANY CONTRIBUTION TO ITS FINANCING. THE MOTION CARRIED.**

Ms. Griffin will send a letter to Representative Bradley informing him of the Selectmen's decision not to fund the report.

Ms. Black noted that if all of the communities were asked to contribute to the financing of the report she would be happy to participate, but she does not want Hanover to be singled out as one of the so-called "rich communities".

Ms. Connolly referred to the list and stated that she does not see the characterization as "rich communities" as correct. She pointed out that some of the communities are wealthy, but many are not.

Mr. Colligan stated that the argument for a property tax as the sole solution, according to the sponsor, would result in 76% of the towns seeing a reduction in their property taxes; Hanover is in the 24% that would not see a reduction.

### **3. UPDATE ON EDUCATION FUNDING SYMPOSIUM.**

Ms. Black stated that she and Mr. Colligan had attended a symposium in Concord sponsored by the New Hampshire Municipal Association to hear eight presentations from eight sponsors of bills regarding education funding. She briefly summarized some of those proposals which included a statewide property tax, a combination of income tax and property tax, a homestead act, income tax proposals, a consumption tax or value added tax for services, and a one percent tax on consumption of all goods and services with some exemptions.

Mr. Colligan indicated that a statewide property tax proposal would result in a roughly 40% increase in a Hanover property tax bill if the solution were 100% funded by property tax. In a scenario that includes a combination of income tax and property tax, based on the sponsor's calculations Hanover would see approximately a 35% increase in taxes. The income tax proposal would call for a 4% income tax; the difference in the two income tax proposals presented were differences in exemptions and credits.

Mr. Colligan stated that the Speaker of the House had made an amendment to Representative Hess' bill which is a property tax bill. In all of the scenarios, Hanover would be a donor town. However, in the Speaker's proposal Hanover would be contributing approximately \$2,600,000, which means about a 25% increase in Hanover property taxes to stay level and have enough to send to Concord for redistribution.

Ms. Black pointed out that the Speaker's property tax bill does not raise enough; additional money will be raised as a tax on all utilities. The proposal also takes money from the tobacco settlement, money from the surplus and adds what the 44 donor towns will contribute.

Ms. Griffin asked what the total amount would be that this bill was designed to raise. Mr. Colligan answered that the proposal uses an adequacy number of \$3,700. He added that Hanover is currently spending close to \$10,000 per pupil. Mr. Colligan stated that Hanover receives virtually no money for special education because it is an unfunded mandate from Washington. Funding for special education is supposed to be at 40%; nationally, funding is less than 8% and in Hanover it is less than 1%.

Ms. Black noted that Representative Jacobson is very strong on catastrophic aid, and suggested that everyone in New Hampshire call Charlie Bass and others in Washington to let them know their feelings. She stated that Representative Jacobson's bill had an adequacy level of \$5,000; other proposals ranged from \$2,600 excluding art, music, physical education, library and special ed up to Representative Below's bill proposing \$4,500 for elementary and \$5,500 for high school. She stated that she would like to know where teachers and educators in the state stand on the adequacy of education.

Mr. Walsh indicated that New Hampshire Public Radio has a web site where an individual can plug their numbers in and get a range of what the various proposals will cost. He pointed out that Hanover does not have any control or influence on how this issue will be decided; the four legislators that Hanover has constitute only one percent.

Ms. Black indicated that in nearly all of the scenarios building aid and special ed catastrophic aid are not affected; they will still be funded under the pool of money that is supposedly there. She added that the Finance Committee has to vote on this issue by February 11th; by February 18th the House has to approve the measure and send it to the Senate; and by March 15th the Senate has to have passed whatever bill comes before it so that the committee of the two houses can work together for the April 1st deadline.

Mr. Colligan stated that in addition to talking to Hanover's representatives, he feels there continues to be the need for the public to examine not only what the Selectmen do in terms of the Town budget but to take into account deliberations of the school budget. He pointed out that 70% of a Hanover property tax bill comes from funding of the schools. He hopes that one of the things that comes out of this school funding issue is that people will pay more attention to where resources are going and will offer more public input into all decisions.

Ms. Black stated that the Speaker's proposed bill is very close to Act 60 in Vermont. She feels that penalizing communities with good property values will discourage economic development in the state. She added that if the whole process is to make education stronger in New Hampshire by killing the growth of economic prosperity in the state, it would seem that the process is working at odds with its purpose.

Mr. Colligan added that the bills are using an analysis extrapolating current economic activity. For example, the Below bill has a very impressive study which suggests that between 1996 and 2000 personal income will increase 30%.

Ms. Griffin suggested that it would be helpful for the Valley News to feature a summary of the legislation being considered by the Finance Committee, and to also post this

information at various locations in Town so that people can do the calculations and communicate their concerns to their legislators.

Mr. Colligan credited the New Hampshire Municipal Association with providing an informative day. The NHMA has consistently said that there should be an active dialogue with the State representatives, and Mr. Colligan indicated that there are many towns having town forum meetings weekly with their representatives. He agrees that there needs to be some active dialogue if for no other reason than for people to become educated on what is happening.

Mr. Walsh pointed out that active dialogue is difficult. He added that in Hanover's best interest, active dialogue is pushing hard for a sales tax or consumption tax, however, he believes that this is not the right solution because it is a regressive tax. He added that he will not push for a sales or consumption tax as he feels it is not an equitable tax across the state, but as a member of the Town of Hanover and a taxpayer that is what he thinks he should be pushing for.

Ms. Black indicated that a statewide property tax is the plan that is currently getting great press and generating a lot of interest. Mr. Colligan added that it is seen as the easiest plan because the infrastructure is already there.

Ms. Black suggested that the Valley News print the web site where people could do calculations using the different proposals. The web site is [www.nhpr.org](http://www.nhpr.org).

Ms. Connolly asked whether it would be a good idea to have a discussion with Hanover's legislators in the very near future. Ms. Black answered that she feels the legislators are pretty well informed. Ms. Griffin indicated that it is important for the legislators to hear from the Board as to how it feels about the various proposals.

#### **4. ADMINISTRATIVE REPORTS.**

Ms. Griffin introduced George Zoukee from the New Hampshire Municipal Bond Bank. She noted that the Board had raised concerns with what happens to Hanover in terms of sharing the wealth of interest rates go below 4.75% and the Bond Bank exercises its call.

Mr. Walsh wished to take time to thank Ms. Griffin, Mr. Gilbar and everyone else who had put a great of effort into the creation of plans for the parking structure, as well as everyone who had the patience to attend the Town Meeting last year. The Town of Hanover, through the Bond Bank, has issued 5.1 million dollars in bonds for the parking facility, something the Town of Hanover has been working on for a very long time. Since Town Meeting, there has been much work with the Planning Board and the ZBA, as well as design and bids and a development agreement with the College. He feels this is a very important step in solving a very big problem for the Town of Hanover. Proforma for the parking facility was based on floating 30 year bonds at 5.25%; this is 1/2 percent under that, resulting in a savings of \$20,000 to \$22,000 a year in interest costs.

Ms. Griffin stated that she had met with the site superintendent and asbestos demolition will begin shortly. The layout of the construction trailers on site is in the process of being finalized, and a public information notice will be generated to be sure people know the rules of the road in terms of maneuvering around that site over the next few months.

Mr. Walsh wished to apologize to a number of people who will be inconvenienced during construction including those people who have been parking on the site and the immediate neighbors. Completion is targeted for the summer of 2000. In the end, Mr. Walsh feels that the facility will be a major asset to the Town in terms of parking, visually and physically. There still needs to be a public hearing on the easements that have to be done; this will probably take place before Town Meeting. Ms. Griffin explained that several easements from the College to the Town need to be drafted, as well as easements from the Town to the College. There will be a notice for a public hearing when the documents have been reviewed by the attorneys for both parties.

Ms. Black wished to thank the Hanover Improvement Society for their most generous contribution to the project. They doubled their contribution at the end and contributed \$200,000.

Mr. Zoukee gave a brief review of the sale of the bonds. He explained that Nashua went into the bond market first and sold at phenomenal rates, but that Hanover did a little better than Nashua. He indicated that a 10 year call is standard; the Bond Bank can call bonds after 10 years, and the Town can call them after 20 years. It would be very unlikely for the Bond Bank to call the bonds because of lower interest rates; there have been six refundings in the Bond Bank's history. Mr. Zoukee added that Hanover and the Hanover School District shared in several of those refundings. The Bond Bank has returned 75% of the savings to the participants, keeping 25% as part of the cost of doing refunding and to be sure the Bond Bank can still exist in the future because its operations are not covered in full by the fees charged.

Mr. Colligan asked if Mr. Zoukee had any information as to impacts on Tax Increment Financing Districts (TIFDs) with respect to the Claremont situation. Mr. Zoukee answered that there have been no discussions about this issue, but added that up until now the Claremont situation has not affected non-school bonds. Mr. Colligan stated that he would appreciate any information Mr. Zoukee might have regarding the impact on municipal tax rates. He added that this is an issue that Hanover should be discussing with its four representatives. With reference to the new parking garage, Mr. Colligan pointed out that Hanover has created a TIFD and has said to its taxpayers that there will be no impact on the general taxpayer. In a scenario where the municipal and school portions of the tax rate have to be reformulated, the taxpayer needs to understand that it is out of the Town's control. He feels that the Town should be very loud and clear to its representatives that it does not wish to see that happen.

Ms. Griffin explained that this has already been communicated to Representative Nordgren. There are a number of communities that are already working with the legislative delegations to craft language that would be added as a supplement to whatever bill ultimately gets voted in that would protect the school portion of the tax

rate that has been subsidized for TIFDs.

Ms. Griffin stated that it is fortunate the Municipal Association raised the issue to the Town's attention in its Legislative Newsletter as it had not occurred to her that the mechanics of a TIFD could be impacted if the school portion of the tax rate is lower at local level to offset an increase in the statewide property tax.

Continuing with her administrative report, Ms. Griffin indicated that there is now a tentative bottom line for the budget which was finalized recently. She is planning to provide the Board with a wish list of items which are not going to be able to be funded. She will also provide the Board with a list of items that are funded which would be nice to have but are not essential.

Ms. Griffin added that she is also busy beginning IAFF interest based negotiations.

Ms. Griffin indicated that the long-range forecast for February is that it will be one of the worst Februarys in terms of polar sub-zero temperatures on record in New Hampshire. More sand and salt were delivered recently in anticipation of problems with freezing events.

Ms. Black asked what shape the Public Works budget was in. Ms. Griffin answered that the Public Works budget is fine in terms of percentage of snow budget used. The budget was in very good shape until the first round of storms, and then caught up very quickly in terms of what would normally be expended by this time of year in sand and salt.

## **5. SELECTMEN'S REPORTS.**

### **Mr. Colligan**

Mr. Colligan had nothing further to report.

### **Mr. Manchester**

Mr. Manchester reported that the Howe Library will be meeting Thursday, February 4th at 3:30. He also reported that the Planning Board had a site visit on Whittemore Hall and that there will be a Planning Board meeting on February 2nd. The Planning Board had asked if the Selectmen would consider coming up with a conflict of interest policy. Ms. Griffin answered that Walter Mitchell is currently in the process of developing a conflict of interest policy. Regarding the issue of spouses of Dartmouth College employees stepping down on a conflicting case, Ms. Griffin indicated that Walter Mitchell's opinion is that the need to step down is when the spouse is employed by the entity or department that would benefit from the project. He has used as the basis for his opinion the rules of the road for jurors to be dismissed from trials.

Mr. Walsh indicated that the policy and set of guidelines needs to be brought in front of the Selectmen and acted upon. There is also the opportunity for individuals who are on boards to ask specific questions of the Town attorney whether there is a conflict in a particular case.

Mr. Colligan pointed out that one of the things the Selectmen have been trying to do more of is to diversify the make-up of Boards through the appointment process. He also pointed out that one of the Board goals this year was to develop policy guidelines or manuals for all Town boards which includes a conflict of interest policy as well as other issues. He added that the Conservation Commission has done a great deal of work on its by-laws.

Ms. Griffin stated that several Planning Board members over the course of the last three to four months have discussed specific conflict of interest questions with the Town attorney.

**Ms. Connolly**

Ms. Connolly reported that the Planning Board has been having discussions on zoning amendments, and also has done work on the land use chapter of the Master Plan. The next meeting of the Planning Board will deal with a case involving Kendal and their desire to build two more units and the disposition of an already existing unit. Dartmouth College will also be heard regarding Whittemore Hall. She added that the Planning Board's agenda also includes three applications for waiver of site plan review.

Mr. Colligan asked how many zoning amendments are on the list, and what is the best way for the public to get information on them. Ms. Connolly answered that she believes there a maximum of five zoning amendments, and that there will be two hearings on this matter. Ms. Griffin pointed out that copies of the latest updated list of zoning amendments is available through the Planning and Zoning Department. Ms. Connolly indicated that State statute requires only one public hearing, but the Planning Board has historically held two public hearings.

**Mr. Walsh**

Mr. Walsh reported that a meeting of the Joint Facilities Study Committee will be held February 2nd at 7:00 p.m. at the Hanover High School library. On February 4th the League of Women Voters will be holding a forum on the Town, and a week later on the schools. On February 10th at 7:30 p.m. in Etna there will be a continuing meeting of the group that is working on the future of Etna. Mr. Walsh also added that the Community

Substance Abuse Advisory Committee had met and is making good progress on a forum for late March or early April.

**Ms. Black**

Ms. Black reported that the Recycling Committee and Senior Citizens Advisory



Committee had met recently; however, she was in Concord and unable to attend the meetings. She feels that the Municipal Association has done a marvelous job in trying to keep municipalities informed on school funding issues, and suggested that everyone read their Legislative Bulletins each week. Mr. Walsh asked if the bulletin was available at the Howe Library to general citizens. Ms. Griffin answered that it is not available at the Howe Library, but Ms. Black will contact the library to see if they can do a link.

**6. APPROVAL OF MINUTES - JANUARY 18, 1999.**

**Mr. Walsh MADE THE MOTION to approve the minutes of the Board of Selectmen's Meeting of January 18, 1999, as corrected. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF THE BOARD OF SELECTMEN'S MEETING OF JANUARY 18, 1999, AS CORRECTED.**

**Mr. Walsh MADE THE MOTION to adjourn the meeting. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO ADJOURN THE MEETING.**

**Mr. Walsh MADE THE MOTION to go to non-public session to discuss a matter which may affect the reputation of an individual. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO GO TO NON-PUBLIC SESSION TO DISCUSS A MATTER WHICH MAY AFFECT THE REPUTATION OF AN INDIVIDUAL.**

**SUMMARY**

- 1. Ms. Black MADE THE MOTION that the Board of Selectmen not support the Report on Economic and Fiscal Impacts of Statewide Property Tax, and to not make any contribution to its financing. Mr. Manchester SECONDED THE MOTION and the Board of Selectmen VOTED FOUR IN FAVOR, ONE (MS. CONNOLLY) OPPOSED TO NOT SUPPORT THE REPORT ON ECONOMIC AND FISCAL IMPACTS OF STATEWIDE PROPERTY TAX, AND TO NOT MAKE ANY CONTRIBUTION TO ITS FINANCING. THE MOTION CARRIED.**
- 2. Mr. Walsh MADE THE MOTION to approve the minutes of the Board of Selectmen's Meeting of January 18, 1999, as corrected. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO APPROVE THE MINUTES OF THE BOARD OF SELECTMEN'S MEETING OF JANUARY 18, 1999, AS CORRECTED.**
- 3. Mr. Walsh MADE THE MOTION to adjourn the meeting. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO ADJOURN THE MEETING.**
- 4. Mr. Walsh MADE THE MOTION to go to non-public session to discuss a matter which may affect the reputation of an individual. Ms. Connolly SECONDED THE MOTION and the Board of Selectmen VOTED UNANIMOUSLY TO GO TO NON-PUBLIC SESSION TO DISCUSS A MATTER WHICH MAY AFFECT THE REPUTATION OF AN INDIVIDUAL.**

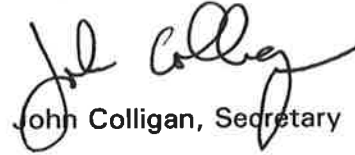
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The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Colligan". The signature is fluid and cursive, with the first name "John" and last name "Colligan" clearly distinguishable.

John Colligan, Secretary

These minutes were taken and transcribed by Nancy Richards.