

BOARD OF SELECTMEN'S MEETING

February 25, 2002

7:00 PM – MUNICIPAL OFFICE BUILDING – HANOVER, NH

The meeting of the Board of Selectmen was called to order at 7:00 pm by the Chairman, Brian Walsh. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice-Chairman; William Baschnagel, Judson Pierson; Julia Griffin, Town Manager; and members of the public.

1. PUBLIC COMMENT

There was no public comment.

2. PRESENTATION OF FY 2002-2003 PROPOSED BUDGET

Julia Griffin advised the Board of the proposed budget for fiscal year 2002-2003, which recommended expenditures totaling \$13.6 million. This was an increase of just over \$1 million or 8.0% from the fiscal year 2001-2002 budget. Ms. Griffin pointed out that the net of the capital expenditures was offset or matched by revenue brought into the budget from the various Equipment Reserve Funds.

Ms. Griffin said the General Fund recommended appropriations of \$8,191,368 an increase of \$190,091 or 2.4% over the appropriation for fiscal year 2001-2002. The overall General Fund tax rate increase was 3%, which was the target the Board of Selectmen asked the staff to focus on in general terms.

Ms. Griffin added that the only departments funded by non-General Fund dollars were the Parking Division of the Police Department, the Fire Department, the Ambulance Service and the Wastewater Treatment Plant Operation.

Budget Challenges

1. The largest challenge by far and for the second consecutive year was the health insurance premium increase of 27.3% which was split into three components: 13% reflected the rate of national medical inflation, 6% was due to national prescription drug price increases and 8.3% was based on the Town of Hanover's employees utilization of medical services over the last 18 months. The Town had its second consecutive year of fairly high utilization of medical services which led to the 8.3% being as high as it is. Ms. Griffin was discouraged by the increases in prescription drugs and national medical inflation and said that until there was a renewed focus in Washington on the rate of medical inflation and the rising costs of healthcare, these numbers would continue to be high. Ms. Griffin was concerned the Town would face the same premium increases the following year but that the Town was working with its broker to review alternative health insurance programs.

2. Ms. Griffin advised of a leveling off in several of the revenue categories, most significantly in the motor vehicle registration revenue. The Town had enjoyed considerable growth in this category over the last four years. Ms. Griffin attributed this growth to the 0.0% financing opportunities. Ms. Griffin said she and Betsy McClain, Director of Administrative Services opted to keep the motor vehicle registration figure fairly flat in the proposed budget, as they were not convinced that growth trend could continue.
3. Ms. Griffin said the rising cost of recycling was another challenge. This was in part a direct result of a lack of competition amongst waste haulers in the Upper Valley area but was also a function of the recycling market. The Town had to swallow a \$37,000 premium increase for Northeast Waste to continue to collect brown and green glass, as there is no market for them. Ms. Griffin said the Town was beginning to talk with the Town of Hartford and the City of Lebanon about the possibility of creating a glass crushing operation that would enable the Town to avoid the premium by taking Hanover's crushed glass and using it in some of the Public Works projects, primarily paving. Ms. Griffin said the proposed budget included the \$37,000 premium but she hoped the Town could successfully negotiate a better solution with Northeast Waste.
4. Ms. Griffin advised of 3 key capital projects proposed in the budget including a final contribution to the reconstruction of North College Street, a final contribution to the reconstruction and re-signalization of the Park and Wheelock intersection, and the reconstruction a third of four bridges on Ruddsboro Road.
5. Ms. Griffin said the proposed budget also included increased funding for the transition to the new paving program presented to the Selectmen in the spring of 2001. This would require that the Town spend more on paving for the next two budgets than it did in the past but that over the long haul the Town would be saving a substantial amount of money by implementing this paving program.

General Fund Key Initiatives

1. For the second consecutive year the Town was looking at relying on under \$50,000 from the undesignated fund balance. The Town was getting to a disciplined point where it was not using the undesignated fund balance to offset the tax rate but instead was controlling operating expenses. Ms. Griffin said one of the commitments staff tried to adhere to was to get the undesignated fund balance into the 5% to 10% range.
2. Ms. Griffin said the proposed budget included the 27.3% health insurance premium increase but also factored in a number of modifications to the Town's health insurance offerings to help reduce the overall cost impact to the General Fund.

3. Ms. Griffin advised of the valuation update to be implemented in 2003-2004 and spoke of the need to set aside more money in a reserve as overlay for abatements. Ms. Griffin said the Town would need to set aside \$50,000 to \$75,000 in the following year's budget in preparation for the update.
4. The proposed budget included funding for no more than a \$1.5 million bond for the Community/Senior Center project. A bond the Town was retiring on the Public Works garage offset the \$1.5 million bond for this project.
5. A \$32,445 subsidy for Advanced Transit was shifted from the General Fund to the Parking Fund. Ms. Griffin said the Parking Fund was in pretty good shape, due to the increase in fines and meter fees that were implemented prior to opening the parking garage.
6. The proposed budget provided for the replacement of four police cruisers, the detectives' vehicle, the Chief's vehicle and the four-wheel drive Explorer as recommended by the Town's Fleet Maintenance Division. There was money in the Police Equipment Reserve for the replacement of all of these vehicles.
7. The proposed budget provided \$11,000 from the General Fund for a study of the many "dead spots" in the Town's radio communication system where effective radio communications with police and fire is not available. A consultant would help the Town to establish where the problem areas were and submit a proposal of the cost associated with correcting the problem.

Fire and Ambulance Fund Highlights

Ms. Griffin said she was pleased, as a Water Company Board member that the PUC approved the water rate increase to help fund the principle and interest payments on the Town's low interest loans for the improvements made to the system. The downside was a 24.89% increase in the water rates that presented a challenge for the Fire Fund with regard to its hydrant rental charges. Health insurance premium increases were another challenge for the Fire Fund. Ms. Griffin said \$11,000 was added to both the Fire and Ambulance Funds to help fund the radio communication study. The proposed budget recommended increasing the annual contribution to the Fire Fund Equipment Reserve from \$70,000 to \$90,000 to begin reserving for replacement of the self-contained breathing apparatuses. Money had also been included in the proposed budget to replace carpeting at the fire station and a pick up truck based on the equipment reserve schedule.

Wastewater Treatment Plant Fund Highlights

Wastewater Treatment Plant highlights included a significant investment into the equipment at the plant in the coming fiscal year. Ms. Griffin said this would be discussed in more detail when the Selectmen review the Wastewater Treatment Plant Fund budget on Wednesday, March 6, 2002.

Parking Fund Highlights

Parking Fund highlights included the transfer of the General Fund subsidy of \$32,445 to Advanced Transit from the Selectmen's budget to the Parking Fund. The Parking Fund was in very good shape.

Seventy-five percent of the Parking Sergeant's salary was shifted to the Parking Fund as it better reflects the actual allocation of the current Sergeant's time. Money was also provided to improve the meter heads at a cost of \$6,000.

Ms. Griffin advised that she had just received written notification from Dartmouth College that the Town might lose Thompson Arena parking. Money used to fully fund the downtown shuttle and 10 minute turnarounds from Thompson Arena, the rental payment made to Dartmouth, the revenue received from the Coop and high school students for use of their portions of those spaces was left in the budget.

Public Comments or Questions

Kari Asmus from Etna questioned what the undesignated fund balance was, how it differed from the rest of the funds as a surplus and what was the mechanism by which the Town was able to roll it over from year to year. Julia Griffin said every year, if the Town was lucky, it generated a surplus that was identified by the auditors once the tax rate was set. That surplus is then added into the undesignated fund balance. Ms. Griffin said the recommendation of municipal finance experts and the bond rating agencies is that for a community to be healthy and prudent financially it should have an undesignated fund balance of 5% to 10% of the total budgeting expenditures. In prior years the Town used funds from the undesignated fund balance to help balance the budget and take some pressure off having to raise taxes locally. Ms. Griffin said as of fiscal year 2001, the undesignated fund balance for the General Fund was at \$706,003, which was 5% of the Town's total assets and 10% of the total budget. Ms. Griffin advised that those numbers were not audited and that the final numbers from the auditors would come down somewhat.

Julia Griffin said State law did not require the Town to appropriate funds into the undesignated fund or out of it in a special warrant article as is done with other funds. Ms. Griffin said the Operating Budget included a section that indicated how much of the undesignated fund was proposed to be used to help balance the budget.

Kari Asmus questioned when it was more appropriate to be in the 5% as opposed to the 10% range. Julia Griffin said her personal perspective was that the closer you could get to 10% the better. Ms. Griffin said the downside of having a fund balance that is too healthy is that it becomes very easy to get into the habit of using a lot of fund balance every year to balance a budget rather than tightening operating expenses.

3. 1ST BUDGET HEARING:

Brian Walsh advised the public of the Selectmen's format to review the budget on a line-by-line basis. Members of leadership of the Town might speak with regard to certain sections. Mr. Walsh said some budget items discussed are "put on the list" to be further discussed in perhaps greater detail on Wednesday, March 13, 2002 when the entire budget is under review.

TOWN MANAGER

Julia Griffin said there was a relatively insignificant change in the Town Manager's Budget overall.

BOARD OF SELECTMEN

Julia Griffin advised that the Selectmen's budget decreased significantly as the Advanced Transit subsidy of \$32,445 was shifted to the Parking Fund. Ms. Griffin said line item 01-110-890, Cultural Exchange Programs included \$2000 each for Joigny and Nihonmatsu, Sister/Friendship Cities programs. Ms. Griffin said both Joigny and Nihonmatsu stood alone for three years and have now graduated to the status of being included in the proposed budget based on the assumption that the community was relatively comfortable with funding these programs.

Judson Pierson asked of funds for CATV services. Julia Griffin advised that CATV services were paid through a subsidy through the Town's franchise fee that was assessed on the bills. Brian Walsh asked to have the Town and CATV discuss audio equipment at another time as Mr. Walsh had received numerous complaints that the Selectmen could not be heard via the televised coverage. Dennis Kelemen of CATV explained that the problem was with the microphone connected to the camera, as it was fairly inadequate in picking up audience audio. Mr. Kelemen suggested a microphone be made available for the audience.

Brian Walsh advised of Marilyn Black's inquiry of how much of the Advanced Transit payment would remain in the Selectmen's budget. Julia Griffin said the entire payment would be transferred.

HUMAN RESOURCES

Julia Griffin said the only significant change in the Human Resources budget was the \$30,000 expenditure listed in line item 01-645-219, Compensation Adjustment. Ms. Griffin said in prior years the Town budgeted salaries in the Operating Budgets based on anticipated salary levels. This meant that the Town might over budget some salaries, as step increases were not implemented until half way through the year. Ms. Griffin explained that in an effort to tighten up line item budgeting and help keep pressure off the tax rate, Betsy McClain thought the Town should budget in a more targeted fashion for

when employees would get their step increases. It was then decided to budget \$30,000 in the Human Resources Department for those instances during the year when department heads recommend more than a single step increase for exemplary performance.

Brian Walsh advised of Marilyn Black's comments that the United Way participation by Town employees was disappointing. Julia Griffin advised that there were a number of employees who were actively sponsoring other charitable programs in town but that the United Way participation had increased significantly. Judson Pierson questioned Hanover's 25% participation compared to that of other local businesses. Julia Griffin suspected the Town's participation level was average and added that the Town had more than tripled the amount of dollars contributed to the United Way over a three year period.

Judson Pierson questioned if the increase of 12 employees from 1999 to 2001 in the Public Works Department was a result of the Town acquiring the Water Company. Julia Griffin affirmed and added that the current budget included one additional Public Works Department employee. Ms. Griffin said the salary costs of Water Company employees who became Town employees were billed to the Water Company.

Judson Pierson questioned the 46 worker compensation injury reports listed. Julia Griffin said many of the reports generated from the Public Works Department and were for the most part minor injuries. Ms. Griffin did not think the increase from 38 reports in 2000 to the 46 reported in 2001 was significant. Ms. Griffin said the Town insists that reports are filed regardless of how minor an injury may be, as the Town did not want to be fined for lack of reporting for any reason in the future. Brian Walsh questioned if the 10 worker compensation claims paid was an average figure for a town of Hanover's size. Ms. Griffin said that even though Hanover was small in size it was a full service town with a large number of employees who provided wastewater treatment, EMT's, paramedics, full fire and full police. Ms. Griffin said the Town spent very little time managing worker compensation cases internally and that Primex, formerly Compensation Funds of New Hampshire, had informed her that the Town had extremely good worker compensation experience; meaning the severity of the Town's claims were very low.

Judson Pierson asked of the 74.8% increase in the number of employees participating in wellness/health programs. Julia Griffin said the New Hampshire Municipal Association Health Trust had added several new wellness programs in the last year and a half and offered money back for participation.

Judson Pierson noted that every Town department belonged to some outside organization that required paying dues and other related fees. Mr. Pierson questioned if the Town could review these outside sources to be sure some benefit was gained and if the Town staff was actively participating. Julia Griffin said typically all of the department heads were active members of their respective professional associations. Ms. Griffin had personally seen the most benefit in the written and on line materials made available to her through these memberships. The Town rule had been to allow department heads to attend the annual conferences of their respective associations every other year. William

Baschnagel questioned if it was possible to bring statistics of the various groups together for review. Ms. Griffin affirmed.

PARKS AND RECREATION

Brian Walsh asked to discuss the number of people the Parks and Recreation Department served. Mr. Walsh quoted figures from the fiscal year 2001 budget of 1,344 youth athletics participants, 290 adult athletics participants, 684 youth non-athletics participants and 160 adult non-athletic participants. Mr. Walsh said these figures roughly represented 40% of the town population not including the College. Julia Griffin pointed out that these numbers could be duplicate numbers as some children play sports more than one season of the year. Mr. Walsh said these figures also did not include other important events the Parks and Recreation Department hosted such as the 4th of July Parade or the Pond Party. Mr. Walsh acknowledged that the Parks and Recreation Department does a great job reaching lots and lots of people.

Julia Griffin said the goal of the Recreation Department was to try to match increases in revenue to increases in expenses. The youth program goal was not to generate dollar for dollar. The proposed budget increase was only \$462 more than last year's budget but did not include the Operating Costs for the new Community/Senior Center. Ms. Griffin said in a year's time a proposal would be before the Selectmen for the building and the department itself but she hoped to have rough estimates available by the end of March.

The budget proposed one additional clerical staff person for the new community center for the front counter to help to oversee the front door access to the building. Ms. Griffin hoped that additional revenue could be generated due to the additional space to offer additional programming to offset the additional cost.

Judson Pierson was glad to see that the budget included expenditures for the playing fields. Mr. Pierson questioned what was the theory behind not increasing the fees to cover the overhead. Hank Tenney, Director of Parks and Recreation advised that the Recreation Board felt that as they were offering the Town the opportunity to have a recreation program the Town could cover the operating costs through registration fees. They did not want to put themselves in a situation where they were putting themselves out of business by increasing costs of registrations to where people could not afford them. Mr. Tenney said the fees had increased as the years went on to be sure everything was covered in the budget excluding the administrative costs.

William Baschnagel questioned how Hanover stood up to fee structures of the surrounding towns. Mr. Tenney said the Upper Valley Recreation Association gave the local towns the opportunity to cooperate with each other to make sure they are in sink with fee rates and offering activities.

Katherine Connolly questioned the 122.2% increase listed under line item 01-264-300, Professional Services of Special Programs. Hank Tenney said it was very difficult to

find people who were willing to volunteer their time without being compensated for it. Mr. Tenney said they were also getting into specialized sports such as football or lacrosse where they had to hire certified officials to referee and organize it.

William Baschnagel questioned the 78.6% increase of line item 01-264-400, Property Services of Special Programs. Julia Griffin said \$1,000 of the \$2,500 proposed was requested by Chris Vitale for some of the special events that she holds including teen dances but that \$1,500 was for the skateboard park.

Brian Walsh advised of Marilyn Black's question of what amount was budgeted last year for the Gile Tract fields. Hank Tenney said \$7,000 from the Wish List was set aside for construction of the baseball field and to complete a project on the multipurpose fields. That \$7,000 was not used, as this work was not done before the snow fell. Julia Griffin advised of an additional \$34,000 proposed in the current budget for the Wish List.

William Baschnagel noted the 50% reduction shown for Special Events. Julia Griffin said the reduction was offset by the increased revenue in youth and adults programs. Ms. Griffin said the overall increase for the Recreation Department budget was only \$500 in terms of expenses and that revenues had increased as well so she did not tend to get too tied up with some of the line item details.

Brian Walsh asked that the Recreation Board review the fee structure in the fall prior to the budget process. Hank Tenney said the Recreation Board felt very strongly that they wanted to review those numbers if and when the new Community Center was built.

ASSESSING

Katherine Connolly questioned why line item 01-760-300, Revaluation Support was proposed at \$15,000. Julia Griffin said Mike Ryan, Director of Assessing had pointed out that this number could be reduced to \$10,000. Julia Griffin explained that these funds would create a reserve for future expenses associated with measure and list. Mike Ryan added that a valuation update was due every 5 years and that the State was going to strongly recommend that the Town get into a revaluation cycle including a full measure and list every 10 years. Katherine Connolly thought it was a good idea to reserve funds for this purpose but questioned how much needed to be reserved. Brian Walsh suggested that line item 01-760-300, Revaluation Support be added to the list for further discussion at the final budget hearing.

Brian Walsh advised of Marilyn Black's question of how much of the work had been completed. Mr. Ryan stated that the work would be 100% completed by the end of the current year's budget.

ADMINISTRATIVE SERVICES

Brian Walsh advised of Marilyn Black's question regarding line item 01-133-115, Elections-Part Time and line item 01-131-600, Supplies and Materials. Ms. Black questioned if there was enough money in the budget for the primary and possible special Town Meeting. Betsy McClain advised that Sallie Johnson, Tax Collector had been elected the Town Clerk at the last Town Meeting so the Town would no longer be paying express Town Clerk fees for each election as that was covered in Ms. Johnson's Tax Collector's salary. Betsy McClain added that the checklist software was changed which would create savings in supplies. Ms. McClain and Ms. Johnson felt comfortable that the amount proposed for this line item would be adequate.

Brian Walsh said Ms. Black also questioned line item 01-780-390, Records Preservation. Julia Griffin said based on the way the Town had become more proficient in utilizing what they have learned in the way of managing records, she and Betsy McClain anticipated that the Town would need less of Dartmouth's time. Betsy McClain added that the College had been awarded a state grant and now was providing workshops throughout the State using Hanover as their poster town. Betsy McClain added that the Town would need ongoing consultations as well. Julia Griffin pointed out that the Town had made progress as it used to spend \$14,750 per year on this line item and was now proposing only \$2,500.

Judson Pierson questioned the 4.0% increase to line item 01-092-210, Motor Vehicle Permits as being contrary to what Julia Griffin had stated previously. Julia Griffin said reviewing the Town's end of year total from FY 2002 was significant in that many of the new vehicles purchased in 2002 would continue to have fairly heavy registration fees for the next few years until their values decreased.

William Baschnagel questioned the property tax receivables listed as of June 30, 2002. Mr. Baschnagel noted that between 1999 and 2000 the receivables increased over \$2 million and continued to be at that level. Mr. Baschnagel was inclined to review receivables to find out what the Town was doing to manage that. Sallie Johnson said there were a couple of reasons for the increase including warrants going higher and the day of the week the due date falls on. Brian Walsh asked if July 30th or September 1st would not be a more meaningful day to use to measure these receivables. Betsy McClain said the information could be provided reflecting a much lower figure if a different date was used. Sallie Johnson said the Town was collecting the money. Katherine Connolly added that the Town's percentage of collection was in the high 90's.

MIS

Julia Griffin said in an effort to better track town wide MIS related costs a new expenditure area was implemented in this department. The notion was to combine all of these expenditures budgeted throughout the different town departments to see how much the Town was spending on related MIS activity.

William Baschnagel quoted the total expenditures to the department as being \$85,115 and total charges to other departments as being \$113,807. Mr. Baschnagel questioned if the \$85,115 was after netting out the \$113,807. Julia Griffin answered affirmatively. Mr. Baschnagel questioned why the \$85,115 was not charged out also. Julia Griffin said it could be charged out as overhead. The staff opted not to do that this year partly because they are dealing with General Fund departments and the goal in doing this, similar to fleet maintenance, was not to charge out for every single expense associated with MIS but simply to be able to track in one location what the related MIS expenses were. Ms. Griffin said it was not necessary to charge out to General Fund departments as that was an accounting activity that would not affect the bottom line. Mr. Baschnagel thought that might be a good way for department managers to review how they were spending what was their budget at any given point.

Brian Walsh advised of Marilyn Black's mention of line item 01-141-700, Operational Equipment and suggested Ms. Black was questioning what the \$30,000 listed would buy. Julia Griffin said that would purchase the replacement or upgrade of 17 computers and 2 servers. Corey Stevens, Director of MIS added that this would bring the Town up to date with the replacement schedule.

Mr. Walsh said Ms. Black also questioned what the Town did with old computers. Mr. Stevens said that was dependent upon how old they were, where they came from and what they were used for. Mr. Stevens said many of the computers being replaced were worthless and were either given away or discarded. Mediocre computers were given to programs such as the Valley Net Swap Meet. Those computers with any kind of value were offered to employees for sale and the money was returned to the General Fund as revenue.

William Baschnagel questioned the 34.6% increase in line item 01-141-600, Supplies and Materials. Corey Stevens said some of the numbers for various line items were a conglomeration of numbers that came from other budgets. Mr. Stevens was hesitant to pare those down until he knew more about what kind of expenses would occur in those line items. William Baschnagel was uncomfortable with the \$2,700 increase not being critically reviewed. Julia Griffin said the idea was to give Mr. Stevens enough money to manage the utilization and the inventory and to determine what the Town actually needed to keep people adequately supplied with MIS related items. Judson Pierson added that if the \$6,491 listed for the year to date amount was annualized it would figure to be very close to the proposed \$10,899. Katherine Connolly thought it was a good idea and noted that if Corey Stevens did not use all the money it would drop back into the General Fund anyway.

HUMAN SERVICES

Julia Griffin advised that Human Services included the Health and Welfare budget which included funds provided to Social Service agencies, the Community Counselor's Budget,

funding for the health officer and health inspection program and a small section related to the Town's alcohol diversion program.

Brian Walsh advised of Marilyn Black's question regarding the alcohol counselor. Ms. Black wanted to know who set up the program, who evaluated the program, and were there tangible results. Dena Romero, the Community Counselor, said in terms of the Alcohol Diversion Program that was something she managed. Ms. Romero said the program was created as an educational alternative to the court system for young people who were arrested for possession of alcohol. Ms. Romero contracts out a certified substances abuse counselor to actually run the sessions. Ms. Romero said the number of people going through that program was a function of the number of under age people arrested by the Hanover Police Department who were found to be in possession of alcohol. The participants, primarily Dartmouth students, attended two sessions. Ms. Romero said it was difficult to evaluate the impact of the program as there was not any long-term follow up but that the participants were asked to complete an evaluation form upon completion of the program. Comments that have come back indicate that for most participants the program gives them something to think about particularly as they are asked to abstain from alcohol consumption for the 10 days between the first and second sessions.

Ms. Romero said in terms of the substance abuse counselor at the high school and Richmond School, the counselor spent 2 days at the high school and 1 day at the Richmond School. The Town of Hanover pays for 1 of the 3 days. Ms. Romero said if the counselor were asked he would say that he should be employed full-time as he is busy just about every hour of the day, primarily doing prevention work in groups. The counselor is a certified substance abuse counselor and has referred students to further treatment. Ms. Romero supervises this position and is working to provide better supervision. Ms. Romero believed if the students were asked about the programs offered (weekly support groups) they would say they are some of the most useful experiences of their high school careers. Ms. Romero continues to feel this is a good use of the Town's funds.

Katherine Connolly questioned what the rate of return was for the Alcohol Diversion Program. Ms. Romero advised that the candidates were allowed only one opportunity to take the program. Any future infractions of the law are taken to court. William Baschnagel questioned where the fees for the program came from. Ms. Romero said the participants paid for the program but that the Town tried to make the fees comparable to what would be assessed at court if found guilty of these offenses.

Judson Pierson noted a decreasing trend of clients served from the Performance Indicator. Ms. Romero said Hanover Police Department arrests had decreased due to a challenge of its arresting procedures by the ACLU. Ms. Romero spoke of her desire to find a better way to review or communicate to the Selectmen what services her office provided because client numbers did not really give the full story. One client could involve many, many hours of the counselor's time. Brian Walsh suggested Ms. Romero appear before

the Selectmen at their next non-public session to advise them of some of the work she does.

Katherine Connolly questioned line item 01-230-851, Emergency Regional Medical Care. Ms. Connolly questioned why the amounts were not consistent. Julia Griffin noted the figures listed as: FY 2001 \$82,908, FY 2002 \$56,908 and the proposed FY 2003 \$80,949. Ms. Griffin pointed out that line item 01-230-900, Transfer to/from Other Funds noted a transfer of \$57,000. Ms. Griffin said in recognition of the years when the Town carried of all of the benefits for three fire fighters this \$57,000 was transferred from the Health and Welfare account to the General Fund as a reimbursement.

Brian Walsh turned the Selectmen's attention to the Social Service Agency Funding Requests. Mr. Walsh advised the public that there were a number of agencies that requested funding of the Town to provide services to the Town's citizens. Julia Griffin said that for the first time it was decided to review the agencies' funding requests to determine what the Town should be paying as compared to the amount requested. Betsy McClain, Dena Romero and Ms. Griffin recommended social service agency funding for the proposed budget as follows:

Social Service Agency Funding Requests

	FUNDING REQUESTED	FUNDING PROPOSED
AGENCY		
ACORN	\$2,000	\$500
Grafton County Senior Citizens Council	\$8,200	\$4,700
Headrest	\$7,025	\$7,000
Listen	\$4,100	\$3,667
Visiting Nurse Alliance	\$13,000	\$13,000
WISE	\$5,560	\$5,560
Youth-in-Action	\$12,000	\$12,000
TOTAL	\$51,885	\$46,427

Special Warrant Articles

	FUNDING REQUESTED	FUNDING PROPOSED
AGENCY		
The Haven	\$0	\$0
The Family Place	\$2,000	\$1,700
West Central Behavioral Health	\$9,300	\$2,150
TOTAL	\$11,300	\$3850*

* \$3,850 is not in the proposed budget, as it stands alone as separate warrant articles.

TOTAL SOCIAL SERVICE FUNDING	\$63,185	\$50,277
% Increase from Prior Year	30.14%	3.55%

Brian Walsh read a statement submitted by Marilyn Black regarding her concern for changing funding amounts on non-profit requests when they are submitted by petition. Ms. Black would prefer that the Selectmen review the analysis and make the decisions. Ms. Black said by nickel and diming these agencies it could result in these agencies not being able to perform their services. Ms. Black said to cut \$13,000 from the proposed budget funding for these social service agencies appeared to be very self-serving and narrow-minded. Ms. Black felt it was important for Hanover citizens to share their resources with Upper Valley communities not to only fund that small percentage of cost associated with Hanover residents. Ms. Black questioned the impacts on others in need if Hanover cut their expenditures to these agencies. Ms. Black said the funding requested was but a drop in the bucket to a town budget of almost \$13 million. Ms. Black pointed out that the Town supported Youth-in-Action which in turn provided volunteers that served in most of the other agencies that requested funding. Ms. Black questioned if the Town would be limiting the growth experience of their youth by cutting back on agencies they served. Ms. Black said the \$13,000 might buy 12 computers but it could also put many meals on wheels food on needy tables or save one AIDS patient, offer a winter coat to a cold child or help someone with mental illness resume a productive life. Ms. Black believed the Town needed to support those services whose assistance makes it possible for many Hanover residents to grow old and well in their Hanover homes. Ms. Black requested that line item 01-230-890, Vendor Payments be put on the list for further discussion and policy debate.

ACORN

Brian Walsh advised that \$1,500 of ACORN's \$2,000 request was intended for education relative to AIDS awareness. Mr. Walsh said the staff's feeling was that the education portion was being done as part of the school program in Hanover schools. Dena Romero felt very strongly about the direct services provided by ACORN. Ms. Romero said that for confidentiality reasons the number of persons afflicted with AIDS in Hanover was not provided. Ms. Romero asked that ACORN not lose out on the \$500 proposed by staff. Mr. Walsh questioned if ACORN was aware or had commented on the Town's proposed funding. Julia Griffin said all of the agencies had been advised of the staff's proposal but that she had not heard from ACORN.

Ron Michaud from West Central Behavioral Health pointed out that St. Thomas Church was greatly involved with the development of ACORN. Mr. Michaud said when the AIDS quilt came to Hanover it was viewed by 8,700 people and was in Mr. Michaud's opinion one of the most important events that happened in the Upper Valley in the 12 years Mr. Michaud has been a resident of the area. Mr. Michaud said ACORN served children and adults and suggested the Town should judge this funding requests in more broad terms than only to consider what the school department was doing. Mr. Michaud

said ACORN was the only agency that served AIDS in this area and that they provide a very valuable service.

Mr. Walsh suggested Dena Romero contact ACORN to ask if they would like to file a response to the Town's proposal.

Grafton County Senior Citizens Council

Carol Dustin from the Grafton County Senior Citizens Council asked that the decision to cut their funding from \$8,200 to \$4,700 be reconsidered. Ms. Dustin said the Council provided very simple services directed toward maintaining independence of older people including home delivered meals, transportation to medical appointments, noon time luncheons at the senior center, social services, adult daycare, etc. Ms. Dustin said the Council served 209 Hanover residents the previous year at a cost of approximately \$38,000. Ms. Dustin said State and Federal funds covered half of their costs. The Council was required to raise the other half locally. Ms. Dustin said United Way and participant contributions helped but that the Council really needed the Town's help to keep these services available to Hanover residents.

Dena Romero said this was one of the proposed changes she did not agree with. Ms. Romero said the meals on wheels program was absolutely critical not just for people who are physically unable to prepare a meal for themselves but for the sake of having someone coming by to see if that person was well. Ms. Romero reiterated that the services provided by the Council were very important in that they enabled the older Hanover residents to be able to remain in their homes. Ms. Romero asked that the Selectmen reconsider the Council's funding request.

Julia Griffin stated that the staff proposal for these funding requests was merely an attempt to work with the numbers data to place some sort of connection between numbers and requests. Brian Walsh asked if that was fundamentally on a per capita served basis. Betsy McClain said the goal was to try to equate the services and the numbers that were provided by the various agencies with the Town's contribution not to pass judgment on the value of the service. Ms. McClain said the numbers provided were calculated in several different ways as noted on page 136. Ms. McClain said ultimately the number that rendered the highest when looking at the local government support from the agency financials and then calculating on a per capita basis was proposed.

Carol Dustin added that some communities contributed differently than by annual appropriations. The Town of Canaan leases and maintains a building to the Grafton County Senior Citizens Council for \$1.00 per year. The City of Lebanon abates their taxes, which is worth \$30,000 to \$40,000 per year. Ms. Dustin said those figures would not be factored into any calculations provided to Hanover.

Headrest

Marcel DuClos, Executive Director of Headrest, said he graciously welcomed and appreciated the Town's contributions and looked forward to working with Dena Romero.

Judson Pierson questioned the decrease in funding to Headrest from \$11,025 to \$7,025 in recent years. Julia Griffin said the decrease was largely attributable to the lack of availability of shelter beds but added that the Town still very much utilized Headrest's hotline and referral crisis counseling services. Marcel DuClos said Headrest's 8 shelter beds were often occupied by very disturbed and very disoriented people. Mr. DuClos said when Headrest reviewed their records they did show that for a period of time they did not have available beds when Hanover called asking for them so it was difficult to make an argument in opposition to the funding reduction. Mr. DuClos agreed that the number of clients served was perhaps not a good way to statistically measure their worth.

Listen

Marilyn Bourne, Executive Director of Listen said she was pleased when she received the letter from the Town advising of the proposed contribution. Ms. Bourne understood the rationale for not appropriating the \$1,000 to for Listen's housing project. Ms. Bourne thought it was very generous of the Town to take that off the top and fund Listen the amount funded the previous year.

Dena Romero said she had questioned how this housing service and funding for it would differ for what towns were already required to provide to those individuals that meet the town's guidelines for housing assistance. Ms. Romero spoke in support of the other services provided by Listen including the thrift store and budget counseling.

Visiting Nurse Alliance of Vermont and New Hampshire

Pat Whitney, Development Director for the Visiting Nurse Alliance of Vermont and New Hampshire advised that the visiting nurses provided home health care, hospice and other family health services to the residents of Hanover and 85 other towns in the two states. The VNA was very thankful to the Town for raising their appropriations to \$13,000. Ms. Whitney said the VNA made 4,191 visits to Hanover residents the previous year to provide their services.

Julia Griffin said Dena Romero had pushed the issue that the Town was not paying adequately for the services the Town was receiving. Dena Romero added that the VNA was a service that made an enormous difference and in some cases between being able to stay at home and being institutionalized

Brian Walsh hoped that each of the agencies that were 501C.3 organizations received measurably more funding from individual contributions in Hanover than what staff was proposing for the budget. Mr. Walsh thought the giving public should be made aware of

the 4,100 VNA visits. Mr. Walsh suggested the residents, as individuals, should be supporting these efforts.

WISE

Dena Romero said WISE was another agency that the Town really needed to support due to family violence, which was an issue everywhere. Ms. Romero said WISE was similar to maintaining an emergency room; they must be able to respond 24 hours a day. Ms. Romero was glad WISE had requested funds and that the Town had matched their request.

Youth-in-Action

Kathy Geraghty, Director of Youth-in-Action, said they were very pleased to receive the Town's letter stating that the Town was proposing funding in the amount they requested. She reiterated how happy they were with their relationship with the Town of Hanover and the support the Town had given them since they became incorporated. Ms. Geraghty appreciated Marilyn Black's comments on the importance of enabling Hanover's students to work with these other agencies to become aware of the value of service in their lives.

The Haven

Brian Walsh said the Haven, who had requested funding two years previously, was not represented at the meeting. Mr. Walsh believed the Haven had made progress with their new structure.

The Family Place

Betsy McClain advised that Elaine Guenet, Director of the Family Place, had wanted the Family Place to be represented at the current meeting but said that their staff was attending two other town budget hearings the same evening.

West Central Behavioral Health

Ron Michaud, from West Central Behavioral Health, said Jess Turner, the Executive Director and Hanover resident was not able to attend the meeting but would have like to have represented West Central to the Selectmen.

Mr. Michaud said West Central was a community mental health center designated and identified by the State to cover Sullivan County and southern Grafton County. West Central has a budget of approximately \$11 million per year. Mr. Michaud said West Central had never before approached the local communities they served for funding but were compelled to do that this year to maintain their strong commitment to serve the under insured and the uninsured.

Mr. Michaud said West Central made over 1,400 visits to Hanover at a cost of \$20,000 in the last year. West Central was requesting funding in the amount of \$9,300 to counter that \$20,000. Mr. Michaud said Hanover had a significant population that received West Central's services in the form of therapy, medication, case management and emergency services. Mr. Michaud advised of the dramatic shift in mental health from institutionalizing people to providing services and allowing individuals to stay at home.

Mr. Michaud said West Central was nationally and internationally known, especially with respect to their Recovery Program, which deals with not just custodial health for people with severe illness but helps them to get back into the mainstream and be productive citizens. Mr. Michaud said the only other local agency that would duplicate West Central's efforts would be Dartmouth Hitchcock Psychiatric Associates who have a waiting list of 6 months or more. West Central offers immediate responses when necessary and sees clients within a week or two for continued services.

Mr. Michaud said West Central hoped the Selectmen would back the \$9,300 funding request submitted to be proposed on a town warrant for the residents to decide.

Brian Walsh asked where the deficit was made up previously that allowed West Central not to have to ask towns for financial assistance. Mr. Michaud said they had borrowed money and run a deficit the 3 out of the last 5 years. Mr. Michaud said community mental health centers nationwide were in trouble due to increasing costs not being matched by reimbursements rate increases from private insurances, Medicaid and Medicare. West Central is primarily funded through Medicaid money. There is no State funding. Mr. Michaud said West Central had done their part to cut staff through attrition and were involved in a much more aggressive fundraising effort to meet a challenge grant received from the Byrne Foundation for \$7,500.

Mr. Michaud advised of appropriations other local communities were considering including \$7,000 on the town warrant from Enfield and Charlestown, \$6,000 on the town warrant for Newport, \$3,000 from Canaan and consideration of \$25,000 from the City of Lebanon.

Brian Walsh questioned the connection between West Central and DHMC. Mr. Michaud advised of the Hitchcock Alliance that was an umbrella type association, which included the VNA and West Central Behavioral Health among other organizations. Mr. Michaud said the alliance was connected to marketing and efforts to lower the cost of malpractice insurance. It was a way to help these organizations get the word out about health care.

Brian Walsh said some of this felt like it was downshifting costs from the State level to the towns. Mr. Michaud agreed. Mr. Michaud said the demand for money at the State level was enormous and that the issue was that there would be no money at the State level until an income tax was assessed in New Hampshire.

Dena Romero said that Ron Michaud's coming forward really raised the question for the staff when reviewing the funding requests with regard to those services the Town would have to provide should they not be offered elsewhere. Ms. Romero said the chronically mentally ill population really had large needs for service.

Brian Walsh asked the staff to review the \$2150 recommendation against the \$9300 and the handout provided by Mr. Michaud.

Dena Romero expressed concern that the figure on the warrant should be something that the Hanover voters would approve. Ron Michaud said West Central's position was that they would prefer to take the risk of listing the \$9,300 recognizing that they could possibly get nothing.

Public Comment or Questions

Kari Asmus of Etna, questioned if the social service issue could be renamed to something other than Vendor Payments. Brian Walsh suggested it be changed to Social Service Agency Funding.

Caroline Tischbein from Etna asked how a request for funding became a line item in the budget. Julia Griffin said agencies needed to make requests for funding every year. The three-year criteria was that for the first three years of an agency's request, rather than include that request in the budget, it is put on the warrant as a special warrant article. Ms. Griffin said those discussions were less likely to happen when the proposal was imbedded in the Town budget as many town residents did not review line items. Brian Walsh added that when an agency had been voted funding by the Town meeting on an individual basis for three years it was presumed that the voters would approve supporting that but not at whatever level.

Mr. Walsh added that he wanted to keep it visible to the public that the State of New Hampshire was downshifting its responsibilities on towns. Julia Griffin said this downshifting occurred at the County level as well.

4. ADMINISTRATIVE REPORTS

Julia Griffin briefly noted her family's experience in the Town's basketball tournament. Ms. Griffin spoke of the volunteer efforts on hand and the success of the tournament.

5. SELECTMEN'S REPORTS

Ms. Connolly

Katherine Connolly advised of the Planning Board's review of a few site plans but said the Board was still in the midst of reviewing more zoning amendment proposals. Ms. Connolly said it appeared as though Hanover was going to increase its restaurant quota as

it was rumored that a Mexican restaurant would take the place of the former Dartmouth Coop and that one of the site plan reviews held involved a deli/retail business in the Hanover Park Building.

Mr. Baschnagel

William Baschnagel advised of two Dartmouth College cases brought before the Planning Board. The first involved a rather complex land swap with Tau Corporation to obtain a little room for the new Kemeny Center. The second involved Dartmouth rebuilding a brand new fraternity house to replace an existing one on the same property noted in the land deal on North Main Street.

Mr. Baschnagel said the Conservation Commission continued to plug along with a varied series of property deals.

Mr. Baschnagel said the Advanced Transit was doing fantastic due to Dartmouth's commitment to pay the fares for all their employees and students. Mr. Baschnagel said rider fair on the commuter routes was up 40% from the previous year.

Mr. Pierson

Judson Pierson did not have anything to report.

Mr. Walsh

Brian Walsh said the Howe Library Trustees meeting discussed the budget and that there seemed to be an understanding of the Town's budget situation this year.

Mr. Walsh said the Finance Committee met with Julia Griffin and Betsy McClain earlier in the day. Mr. Walsh said the Committee asked good questions of the proposed budget but did not take a position to approve or dispute yet.

6. APPROVAL OF MINUTES: FEBRUARY 11, 2002

Katherine Connolly MADE THE MOTION to approve the minutes from the Board of Selectmen's meeting of February 11, 2002 as amended. William Baschnagel SECONDED THE MOTION. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES FROM THE BOARD OF SELECTMEN'S MEETING OF FEBRUARY 11, 2002 AS AMENDED.

7. OLD BUSINESS

There was no old business.

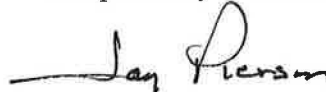
8. ADJOURNMENT

William Baschnagel MADE THE MOTION to adjourn the meeting at 10:10 pm. Katherine Connolly SECONDED THE MOTION. THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:10 PM.

SUMMARY

- 1. Katherine Connolly MADE THE MOTION to approve the minutes from the Board of Selectmen's meeting of February 11, 2002 as amended. William Baschnagel SECONDED THE MOTION. THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MINUTES FROM THE BOARD OF SELECTMEN'S MEETING OF FEBRUARY 11, 2002 AS AMENDED.**
- 2. William Baschnagel MADE THE MOTION to adjourn the meeting at 10:10 pm. Katherine Connolly SECONDED THE MOTION. THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 10:10 PM.**

Respectfully submitted,



Jay Pierson, Secretary

These minutes were transcribed by Beth Rivard.