

## **APPROVED**

### **MINUTES OF THE BOARD OF SELECTMEN January 30, 1995**

The meeting of the Hanover Board of Selectmen was called to order at 7:31 p.m. in the Mayor room of Howe library. Members present: Marilyn W. Black, Chair; Jack H. Nelson, Vice Chair; Katherine S. Connolly; Dorothy Behlen Heinrichs; and Dorothy King. Also attending: Clifford R. Vermilya, Town Manager; and members of the public and press.

This session was viewed over CATV6 with Christopher Michaud as the videographer.

#### **PUBLIC COMMENTS**

There were no public comments.

#### **SHORT PRESENTATION BY TOM HAMPTON, CONSUMER PAYMENT TRUST RE: TAX PAYMENT PLAN**

Mr. Hampton proposed an electronic alternative system of paying taxes to the Hanover tax base. This would be in twelve equal installment payments rather than twice a year. The financial benefits would be to make collections quicker, cash flows smoother and more convenient. They would work together with Hanover's accounts receivable system and bank. The public would benefit by monthly budgeting and using fewer checks. This would be a prototype for the Consumer Payment Trust. By prototyping a tax payment system in this area, Mr. Hampton could then spread it throughout the NorthEast to gain a transaction base. Mr. Hampton and the Town of Hanover would work together to come up with this prototype which could be of benefit to Hanover by having an alternative system of tax payment to offer to the taxpayer.

It was explained that Hanover looked into a credit card system and found it wouldn't work due to the law that states the town is not able to take less than the full payment of taxes. The taxpayer will have to bear the fee structure and not the town. One of the legal issues that will need to be worked out is the fact that the taxes can only be assessed two times a year. Mr. Hampton feels a way to do this is by pre-payment with funding the transaction payment out of the interest that would be accrued by collecting the payment earlier. The cost to the taxpayer is not yet determined but would be nominal plus the people choosing to use this service would not be subsidized by the people not using it. Mrs. Connolly said she would be willing to work with Mr. Gilbar, the town's Finance Director, and Mr. Hampton to see if it could be worked out.

## **VALLEYNET DEMONSTRATION**

Mr. Goudy presented a demonstration of ValleyNet. The Town of Hanover is now hooked up to ValleyNet and Mrs. McGonigle and her staff at the Howe Library have been doing the imputing for Hanover's Home Page. Montshire Museum is sponsoring ValleyNet. ValleyNet came about through working with local schools and businesses over the last couple of years to bring modern electronic communications to the Upper Valley. ValleyNet is geared for non-profit organizations, schools, small business, and government. ValleyNet offers e-mail just like America on line who has a charge for every minute in use while ValleyNet e-mail has a flat rate monthly fee. ValleyNet is a linkage to the Upper Valley region for all kinds of information and is a non-profit corporation set up to support itself through a break even fee structure.

Electronic mail and the world wide web (a system of computers all around the world linked together with a common kind of language) was demonstrated. Textural and graphical information are both offered. Within hours of legislation being approved it can be tracked through ValleyNet on a program called Thomas. If anyone wants to correspond with the House of Representatives they can do so through the House of Congress e-mail. You can go from a broad topic of information deeper and deeper into more detailed areas and levels of information on almost any topic you would be interested in. A new program is being developed called electronic neighborhood. Through this program neighborhood or school projects or programs can exchange and collaborate with each other. ValleyNet is one of the sites in the world wide web. Current events for the Upper Valley, meeting schedules, exhibits, school programs, college class schedules, public meeting notices, voter registration enrollment lists, property assessment lists, etc can be accessed through ValleyNet. This information is updated electronically through Howe library. ValleyNet has the availability to scan in pictures. People all over the world can access this information. The cost is \$35.00 for initial hookup. A PC or MacIntosh computer with at least 8 megabytes of ram and a modem will be needed to support ValleyNet and about \$80 of software, Dian software and Mac PCP, with all other software contributed to the subscriber by ValleyNet. \$50 a month gives commercial servicers unlimited access. It would be better to refrain from using ValleyNet from 7:00 - 9:00 p.m. due to everyone checking their e-mail after work. The Town of Hanover is grateful to Marlene McGonigle and her staff for all the hard work put into entering the data in the system for Hanover's Home Page. At the present time there are about 200 subscribers to ValleyNet. A resident asked if ValleyNet could tell the growth of family income in the past year. Mr. Goudy mentioned since he is referring to two state regions, he doesn't know where that information would be found or if it could be found in the system but he did say the census information is in it. Mr. Goudy mentioned 15,000 people in the Upper Valley have e-mail accounts but are not all connected to ValleyNet. A member of the public asked if they would be monitoring these people. Mr. Goudy said they would log users to the point of knowing how many were on line at a time and how long and frequent they were using the system to know if new phone lines would be needed.

## **PRESENTATION OF TOWN MANAGER'S PROPOSED 1995-96 BUDGET**

Valley News had an article in today's paper referring to the submitted budget as though it were the final budget. Mr. Vermilya said the budget this year is more readable, clearer, and pages are numbered correctly. This was due to Mike Gilbar's hard work. He did all the computer work from two different programs, the figures from one and the data from another, and merged them into one. The totals represent seven different funds. Six of those funds are approved in town meeting, the Housing Fund is not since it is adopted by the Board of Selectmen when they sit as a Housing Authority. Three of the funds are tax supported, the General Fund, Fire Fund, and Sidewalk Fund with the primary source of revenue being real estate taxes. Three of them, the Sewer, Ambulance, and Parking Funds are not primarily supported by taxes. The Finance Committee in their letter received in November states: "the Town of Hanover 1995/96 gross expenditures of taxable funds exclusive of any special budget items be allowed to be increased 3% over the 94/95 approved budget". Mr. Vermilya said the submitted budget as presented does not meet that guideline. The gross expenditures of the tax supported funds in the submitted budget recommend an increase of 6.7%. However, he goes on to say much of that total is balanced by income other than taxes. For many years the town has had an equipment reserve whereby every year a set amount of money is put in. In the years when the town had to buy a significantly larger amount of large equipment the money was there and the amount of the tax rate was leveled by the amount put into the fund every year that the taxpayers would pay. This year is one of the years the money has to be increased because of the expenditures from the Equipment Reserve Fund. Instead of the \$78,000 that was spent in 94/95, the town is recommending \$172,000. The purpose of the Equipment Reserve Fund is to give the town the capability to allow a varying amount of expense for major equipment without affecting the tax rate so even though it is a part of the gross expenditures it is not one that the taxpaying citizen would feel. The following four items are included:

1. The budget includes a shift of \$20,000 in expenses from the Parking Fund to the General Fund.
2. The Equipment Reserve Fund includes an increase of \$112,500 for trucks and other equipment in excess of 94/95.
3. There is a \$29,000 increased expenditure in recycling which is balanced by income by the sale of recycling products. The town was not paying for this before because it was a part of the Twin State program. After the budget was approved last year other arrangements had to be made in July which included a contract with North East Waste who is the towns collector of recyclables. They handle the recyclables and take them to market and sell them and return to the town income from the sale of those recyclables. In the past for a full year the town would have paid around \$45,000 for capita fees for the membership by the state program and not have received any

income. This year the town is paying an additional \$30,000 to North East Waste for their collection, processing of the recyclables. The town received \$20,000 income making it a net expense of \$10,000.

4. The recommendation to special services is an increase of a little over \$30,000 which is being paid by the people requesting the service. Example, when the police department works for a contractor or utility company directing traffic, for construction sites, the college for football games, etc., payment is received for the officers time as well as an allowance for administration, bookkeeping, and fringe benefits.

Those four items added together come up to a total of \$183,868. The summary of the budget indicates the recommended General Fund increase is \$351,527. By subtracting \$183,000 from that which is funded from other sources than taxes, the net increase in the General Fund will be \$108,459 or 3%. Mr. Vermilya contends that the General Fund part of the budget meets the guidelines that were recommended by the Finance Committee.

No new positions are included in the budget. The Parts Stock Technician which the board approved in December and is presently filled will show up as a new position to be funded in the budget but is only a continuation since it began before the budget was started for 95/96. The budget includes the Howe automation project which the board of selectmen approved in September and the Howe Corporation Trustees approved in October. The budget shows \$53,000 with a reimbursement from the Howe Corporation of \$30,000 with the net impact on taxes to be \$23,000. The largest single increase in terms of categories in this budget is capital programs. Capital programs are recommended at a level of \$436,500 for 95/96 compared to \$332,000 last year or an increase of \$104,000. Those items were all included in the capital budget program approved by the selectmen in September. A new and more understandable formula has been applied to the system of the budget dealing with Administration to other funds. The Administration section dealing with expenditures for selectmen, town manager, personnel, finance administration, accounting, and administration services (which is the computer system), tax assessor, and tax officer has been taken out, totaled and those totals distributed by the percent each fund is of the total of all funds so that each fund will then pay its portion of all administrative expenses. Mr. Vermilya distributed a sheet showing the actual figures. It was felt the impact of one year was too great so it was split up into two, 50% phased in over two years. Fire and Ambulance will be charged a little less and the three others a little more with one, Sewer, a significant amount more. This was thought to be the best way to allocate those items that service all funds by dividing them and having a portion of them based on the total each of the funds is of the total appropriated. That change is incorporated in this budget.

The increase to the Fire Fund is a little over \$43,000. Over half of that, \$26,500, is for building maintenance. A little under \$7,000 in major repairs are recommended at the Main

Station and \$19,500 is recommended at the Etna Station with a new roof as well as the structure under the roof needing to be replaced. The Sidewalk Fund is up about \$7,000 with \$6,300 of that to start the scheduled maintenance on the street furniture on Main Street. Over the last four or five years the town has spent a lot of money reconstructing Main Street with sidewalks, curbs, and drainage. That process has included new benches, new street lights, new trash containers, new bike racks, etc. that have begun to show wear and in some cases are hazardous. A regular program for refurbishing these items is needed and it is estimated at \$6,300 to begin it. Also included in the Sidewalk Fund are three sidewalk construction projects. (1) The continuation of the downtown project which is on the East side of Main Street running from Lebanon to East South Street from the Post Office - new sidewalk, new curbs, new furniture, new trees. (2) The second half of Rope Ferry sidewalk and drainage which was started four years ago and (3) the resurfacing of the sidewalk on Reservoir Road.

In the non tax supported funds the Sewer Fund recommends an increase of \$40,000. Three fourths of that is the change in charges for administration (\$30,000 of the \$40,000 increase is allocated for that purpose). If passed as presented it will result in an increase in the sewer rental rate from \$27.50 to \$29.00 per cubic foot. This would be the first increase since April, 1992.

The recommended increase for the Ambulance Fund is \$14,296. It will not require any increase either in the community contribution or the service fees to patients because there is a significant surplus in that fund that can be used.

There is a recommended Parking Fund decrease of \$9,473. Some expense was shifted from the Parking Fund to the General Fund with the lease payment on the 120 lot to the Medical Center not budgeted. That recommendation will be changed if included. A recommended increase in the Housing Fund of \$12,200 due to (1) the senior center which needs papering and painting in the living room general use area along with carpeting and (2) an increase in charges to the Highway Fund based on highway employees removing snow and ice and doing repair work in older buildings based on time and materials spent in providing necessary maintenance.

These seven budgets recommend the total increase in expenditures of 5.8%. The recommended increase in taxation because of the elements mentioned before is 2% in the General Fund, 2% in the tax rate of .10 cents, a .04 cent increase on fire with the average fire rate being 2.2%. When put together, a recommended tax rate increase of 2.1% along with a recommended increase of .03 cents from .08 to .11 cents for the sidewalk district.

Mr. Colton questioned the Column on budgets. He said the figure down for selectmen is different than what is on page 16, the amount for town manager is the same, the one for personnel is the same, and the one for finance administration is different. Mr. Vermilya

stated the budget was based on current year figures since the new year's figures weren't compiled which put the chart at next to the last version, consequently, the changes weren't made when the final budget was drafted.

Mrs. Black asked if the Select Board wanted to go over line item by line item like they have in the past. It was agreed.

### **REVIEW OF THE REVENUE SECTION OF THE 1995-96 BUDGET**

Mr. Vermilya gave some general comments about revenue. The non-tax items in the General Fund are up by \$262,797 or 12%. The current levy is up by \$101,730 or 3%. The tax rate recommended in order to fund the levy is .10 or a 2% increase. The reason those figures are different, particularly in the current levy and the tax rate, is the projected increase in the total valuation which means there is a bigger base to spread it over and it makes a percent increase less than the total increase in the levy.

Line item #091150 is a zero balance and should be dropped from the budget. Next year the resident tax line items will be dropped. It was asked what payments in lieu of taxes are received from. The response was, from the Housing Fund with a value of property owned by the Property Fund and a small amount from West Central Services for property they own. The projection for motor vehicle permits is \$50,000 more than a year ago. Based on the tracking done, it shows the biggest increase takes place from February - April. Vender permits are going down. The town only has one vender who bids for a three month spot. Mrs. Connolly asked how an estimate on building permits is reached. Mr. Vermilya stated based on the experience and what is known about the college's building plans. The \$60,000 figure assumes there will be no major building by the college. More is received in dog fines than in licenses because all the fine money comes to the town where all the amount received for dog licenses does not. Zoning permits go down and fees go up due to more cases going to the zoning board.

Recommendations discussed a few weeks ago with the library board shown on the bottom of page 9 are not reflected in the budget but would change the figures recommendations were adopted for the non-resident fees and charges for inter-library loan use for non-residents. Mrs. McGonigle feels more revenue would be generated from raising the non-resident fee to \$100 and setting inter-library loans for non-residents at \$10. A recommendation was made to increase the Dresden School fee and asked how the Select Board would go about doing this. Mr. Vermilya stated a letter would need to be written to the Dresden School Board requesting the increase we need to do this. It would depend on what kind of increase was requested whether they would have enough funds available to budget for the increase since they pay for all students. It might have to go before the School Board for discussion. Mr. Nelson recommended none of the revenue items be put on the list unless they find some that might be too high. When asked about institutional cards it was stated that it was the suggestion of the committee to not have them.

The recreation department determines summer playground recreation revenue will be down this year because they won't be able to use Ray School due to renovations being done there. A couple of rooms will be used in the Richmond School and it is expected that will depress the number of registrants reducing the amount of money. The playground is the largest single revenue generator in the youth program. The raise in the figure is for next year, not this year, because it is thought it will go back up since they will be able to use the Ray School again.

It was asked what counseling reimbursements are on Page 10. This is the money the school pays the town for running the Community Counselor's office which was agreed to be shared. Line 352 shows dog fines going up 366%. The town was low last year and now it is being corrected. The percentage was questioned on item 341. It was stated it can't be calculated because from 0 in the old budget to \$1,110 in the next budget the percentage cannot be calculated. It was asked how many years the same price has been on cemetery lots. Two or three years ago it was changed for non-residents but for residents it has been the same for a long time. It was asked if item 354 was completed. Mr. Vermilya said that amount was for start up but now it runs itself. It was decided to drop that item. Mr. Vermilya explained B and G recycling materials on page 11 was 0 the current year and is set for \$20,000 next year because of the change in processing.

When asked it was mentioned the commitment from the Improvement Society for reimbursing the gardeners is at year three and goes up to five years. Lines 410, 421, and 430 set for block grants, business profits, and taxes the Governor has pledged to not do anything with the revenue from them, but, when the state finds out what the total revenue will be there could be a change. If there is, this could be catastrophic, particularly to a small town since these are not etched in stone. Item 460, court rental operation, is the state wishing to rent the town's courtroom through July of 1996 because they don't expect to occupy the new courthouse until the summer of 1996. It was asked about the police facility and Mr. Vermilya said that was a \$50 a month payment by the parole office when they were having meetings between the parole officers and parolees which is no longer happening. Line 640 on page 12 for the sand and gravel reserve shows an estimated income of \$4,000 which, if the board should decide to recommend at the town meeting the use of sand and gravel reserve money totaling \$125,000 for renovations of the town garage, it will be eliminated. This money was paid by the federal government in 1984 when they took over the sand and gravel pit behind CRREL. It was then put into a trust fund. The income is the \$4,000. For that reason, Mr. Nelson would like to put it on the list.

It was asked to explain insurance dividends. There are two sources: (1) Workers Compensation and (2) Unemployment Compensation Fund. Compensations Fund of New Hampshire is the formal title where the town does both of its workers comp and unemployment comp insuring. This current year they have declared an extremely high dividend due to accumulated reserves they didn't need. Liability trust rates are charged across the board with no reflection of experience dividends which are based on experience.

The share of dividends will not be as large this year as it has been in the past. Line 760 for General Fund surplus is just a subtraction of the total estimated expenses to revenues. It is up this year due to the insurance dividend not budgeted for last year. The town tries to keep a fund balance in the neighborhood of \$300,000 which they are allowed to adjust with the state at tax rate setting time in September or October. In case of a disaster this money could be requested to be used from the state. Line 243 on page 9 is a payment that was in the past, the mortgage payment on the building. The final payment was made last year. The estimate for next year is the portion of the automation equipment (the Howe Corporation will pay 60%, the town 40%). It will be budgeted to fixed charges at 100% but the town will receive 60% back from the Howe Corporation. The town does the financing for the Howe Corporation because they can do it at a better rate than they can.

### **ADMINISTRATIVE REPORT**

The court has dismissed the appeal of the Occom Pond residents to the Dragon case. The Dragon case was approved by the Planning Board to move the Dragon building and it was appealed by the Occom Pond Neighborhood Preservation Society. The judge has dismissed that because the appeal was done primate.

Hanover Terrace Health Care and First Health Care Corporation for Hanover Terrace and the Greens was due to go to trial today. On Friday the applicant withdrew. This was a tax appeal from four and five years ago. They claimed their assessment was so high it increased their taxes by \$26,000 a year. The town was asked on several occasions to negotiate and the town took the position not to on Don Monro's recommendation.

The towns attorneys Larry Gardner and Adele Fulton along with Don Monro have done an extraordinary job with tax cases and their hard work has paid off.

### **SELECTMEN'S REPORTS**

#### **Mrs. King's Report:**

Mrs. King and Mrs. Connolly will be going to the Claremont meeting regarding the Montrealer.

Mrs. King met with the Joigny/Hanover group who are trying to get students to go to Joigny.

#### **Mr. Nelson's Report:**

Mr. Nelson will be sitting on the Planning Board for the Center of Jewish Life tomorrow night.



Mr. Nelson went to his first directors meeting of the Hanover Waterworks Company. The water company inquired of the State of New Hampshire Transportation whether they are replacing the water line on West Wheelock Street and if it can be put into rebuilding West Wheelock Street. Its presumed because it's a private water company there are not funds available. It was asked and responded to positively that if it were a public water company would funds be available. Mr. Vermilya said if it were a municipal water company funds would be available. It was suggested to find out what the final number is for replacing that water line and if its big enough, to talk with Dartmouth College and see if there is merit in making the Hanover Water Co. public.

**Mrs. Connolly's Report:**

The Planning Board will be meeting in the Mayor Room at the Howe Library.

The Center for Jewish Life will be at 8:00 pm.

There will be another hearing at 7:30 with Granite State Electric and Nynex.

At 7:00 pm in the Claremont City Council Room there will be a meeting on the outcome of the Amtrac Montrealer.

**Mrs. Heinrichs Report:**

The Hanover Winter Games were postponed to this coming Saturday, February 4th, at Occom Pond. The ice castle will be built on Friday night, weather permitting.

**Mrs. Black's Report:**

A meeting was held today of representatives and chairmen of all commissions and boards of which about 21 people attended. Walter Mitchell and Tim Bates came from Laconia and spoke on the right-to-know law. Mrs. Black cited things the Select Board have been doing improperly. The minutes of non-public sessions must put down specifically what has been talked about but a vote can be taken to keep the minutes confidential. All minutes of public meetings must be available within 144 hours of the meeting. Also, two or more Board members may not be chatting in the parking lot after meetings about town business, only in an open meeting. The law has been changed so decisions can be made in non-public sessions.

**OTHER BUSINESS**

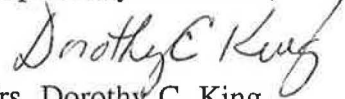
A young man by the name of Gerald with terminal cancer who lives in Newport, New Hampshire is trying to collect the most business cards for the Guinness book of world records. The Select Board would appreciate any donations to this cause.

Page 10  
Board of Selectmen  
1/30/95

**ADJOURNMENT**

Mrs. Heinrichs moved to adjourn. Mrs. Connolly seconded it and all were in favor. The meeting adjourned at 9:25 p.m.

Respectfully submitted,



Mrs. Dorothy C. King  
Clerk

Taken and Transcribed by:  
Kay L. Yost

SUMMARY

1. Mrs. Heinrichs MOVED to adjourn. Mrs. Connolly SECONDED it and ALL WERE IN FAVOR. The meeting ADJOURNED at 10:10 p.m.