

FINAL

SELECT BOARD MEETING

February 24, 2016

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

The meeting of the Select Board was called to order at 5:07 p.m. by Chair Peter Christie. Present were: Peter Christie, Chair; Athos Rassias, Vice Chair; Nancy Carter, Select Board Member; Bill Geraghty, Select Board Member; Joanna Whitcomb, Select Board Member; and Julia Griffin, Town Manager.

1. PUBLIC COMMENT

Chairman Christie asked for Public Comment. There were no comments from the public.

2. RECOMMENDATION TO AUTHORIZE TOWN MANAGER TO EXECUTE LEASE PURCHASE AGREEMENT FOR THE RECREATION DEPARTMENT COPIER.

Ms. Griffin stated that this is a standard agreement and is the typical way we procure leases on copiers.

Vice Chair Rassias MOVED to Authorize Town Manager to Execute Lease Purchase Agreement for the Recreation Department Copier. Select Board Member Whitcomb SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO AUTHORIZE TOWN MANAGER TO EXECUTE LEASE PURCHASE AGREEMENT FOR THE RECREATION DEPARTMENT.

**3. BANNER REQUEST:
a. Mud Ball 2016**

Ms. Griffin stated that the Board can accommodate this request.

Select Board Member Geraghty MOVED to Approve the Mud Ball 2016 Banner Request. Select Board Member Carter SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MUD BALL 2016 BANNER REQUEST.

3. 1st BUDGET HEARING:

Chair Christie of the Hanover Select Board opened the first budget hearing by providing some background information for the viewing audience. He reminded the audience that the Board adopted new budget guidelines this past fall and highlighted the budget objectives as follows: Our primary budget objective is to balance the needs/desires of our citizens with their willingness and ability to pay; We appreciate Town staff as professionals and valued partners and want to provide a climate and culture that will attract and retain the best; Before funding new initiatives, our goal is to maintain a high level of current services and to provide them cost-effectively; Our goal is to adequately fund long-term liabilities; The Select Board does not use operating reserves to manage the tax rate; The Town invests for the long-term; The Select Board believes that spending by the Town on new initiatives can generate significant value to the taxpayers; We recognize that all of the above objectives may not be achievable in any given year; and the Town will pass through State downshifting to the taxpayer. Chair Christie stated that he feels we have been able to achieve all of those objectives this year.

The budget process starts in November with the Budget Guidelines. We have used different matrices as guides in the past, including the Consumer Price Index and Municipal Price Index, but have not found these helpful for the past few years. Betsy McClain, Director of Administrative Services, now provides projections to the Board based on information about past performance, projections going forward, and known expenses. This information was evaluated along with new initiatives or projects we want to work on to arrive at a tax rate target not to exceed 2.5 percent. Once the target was set, Town staff worked to create a budget in support of it.

Chair Christie stated that tonight's Budget Hearing would begin with an overview by Betsy McClain and Julia Griffin, followed by discussions with several individual departments about their budgets. Individual departments have been asked to prepare for discussions by indicating successes over the past year, drivers of their budgets, and any concerns they may have.

Town Manager's Presentation of Proposed FY 2016-2017 Budget

Ms. Griffin stated that the proposed budget recommends a tax rate increase not to exceed 2.5 percent for the general fund, and recommends a fire fund tax rate increase which varies between fire districts. The recommended increases range from a low of 1.52 percent for Fire District One to a high of 2.27 percent for Fire District Two. This budget assumes a growth of \$20 million in assessed valuations. That amount added to the 2.5 percent tax rate target translates to a 3.6 percent increase in the tax levy. Capital expenditures throughout the budget are down by about forty percent throughout all departments except for the Water Reclamation Fund. Replacement of the grit system at the Water Reclamation Facility is approaching, but there aren't many other major capital expenditures this coming year.

Ms. Griffin noted that her transmittal letter to the Board dated February 16th highlights key activities about each department's proposed budget, however, she will not be going through these items as each department will have the opportunity to do so during their discussions. She did point out the "Wish List" of items in the letter, which includes items that were removed from

the proposed budget. The Board may wish to have a discussion about some or all of those items and exchange those items for other budgeted items. Also included in the letter is the Gross Appropriations Overview, a summary of the “ins-and-outs” of each of the funds.

Chair Christie pointed out that, as noted on page two of the letter, the State reneged on their earlier award of State Assistant Grants (SAG), which was to be used to offset principal and interest payments on our most recent wastewater bond. This has resulted in a loss of \$140,000 in projected annual offsetting revenue for our most recent plant upgrades. Ms. Griffin replied that there could potentially be some good news related to this. Hanover and other municipalities have testified before the House Finance Committee about the importance of this program and the frustration in having these grants defunded. She learned on Friday that the Department of Environmental Services (DES) has indicated two potential sources of these funds, which could cover the next two years. However, this isn't set in stone yet, so our proposed budget assumes we won't receive these funds.

Chair Christie also noted that, as indicated on page four of the letter, the tax levy would go up by \$232,851, and as indicated on page five, salaries and benefits will increase by \$257,247. He asked whether it was correct that these numbers indicate that the proposed budget increase is largely related to salary and benefit commitments. He noted that this also implies that non-personnel costs have come down. Ms. McClain confirmed this. [From minutes of February 25, 2016: *Chair Christie...clarified his statement from last evening about the budget being largely related to commitments made on salaries and benefits. The total levy increase to the General and Fire Fund is \$435,000. Of that amount, \$379,000, or about eighty-seven percent, is attributable to salaries, wages, and benefits, clearly indicating that is the main driver of the proposed budget.*]

Ms. Griffin reminded the Board that the Rates and Fees schedule is reviewed and updated in June, and the proposed budget is based on assumptions of what those rates and fees will be. She noted that the current tax rate of \$4.65 per \$1,000 of taxable net assessed valuation would increase to \$4.77 if the Board were to accept the budget as proposed. Ms. Griffin also stated that every one percent increase to the existing Town tax rate generates an additional \$93,171 in revenues, and every penny added to the existing Town tax rate generates an additional \$20,037 in revenues. She also pointed out that the proposed tax rates represent increases of 1.96 percent, 2.27 percent, and 1.52 percent for Fire Districts One, Two, and Three, respectively. This results in combined tax rates of \$6.33, \$6.12, and \$5.44, respectively.

Ms. Griffin let the audience know that the Board updated its Undesignated Fund Balance Policy this past fall at her request. The update increased the balances to ten-to fifteen percent, up from five-to ten percent. A balance in the ten-to fifteen percent range makes her much more confident in being able to cover major repairs should there be an event that damages our infrastructure. She noted that the balance would be 11.3 percent if the Board were to agree to spend \$111,000 from that balance to replace the lockers at the Police Department and do a one-year boost in our equipment reserve contribution to replace the 50-year old snow blower at Public Works. She suspects that we will be able to contribute significantly to the Undesignated Fund Balance this year due to the mild winter and related savings.

John Ruth of the Hanover Finance Committee pointed out that while salaries and benefits represent a large portion of what is driving the General Fund budget, the total tax levy includes increases in both the General and Fire Funds, indicating that the increased tax levy is driven by much more than just salaries and benefits.

Police Department

Chair Christie invited the Police Department to speak to the Board.

Police Chief Charlie Dennis introduced himself, Lieutenant Patrick O'Neill of the Parking Division, Lieutenant Brad Sargent, Administrative Assistant Elizabeth Rathburn, and Communications Coordinator Doug Hackett to the Board.

Chief Dennis stated that the primary driver of the proposed budget is related to salaries and benefits, partially from annual merit increases, implementation of the Condrey Class and Compensation Study, and offering competitive wages in order to attract qualified candidates for Police Officers. They are currently trying to fill four Patrol positions, which represent twenty-five percent of the Patrol division. These vacancies are due to retirements. They have been able to use part-time officers to fill in while these positions remain vacant, many of which are retired Hanover Police Officers. They have partnered with policeapp.com to assist in the recruitment of applicants and track those applicants from their initial application through each phase of the background check and hiring process. They are also offering a hiring bonus to certified officers both in and out-of-state and have recently hired a third female officer, who is NH certified. There are also a NH certified candidate and an out-of-state candidate currently in the background process. The hiring process has been slow and challenging, which is reflective of a nationwide problem.

The fleet of marked cruisers were replaced as part of the current budget, and the proposed budget includes replacement of the three unmarked cruisers which are on a six-year replacement schedule. Due to mileage, they have been able to utilize these vehicles for an extra year.

Another driver of the budget is replacement of the police simulcast system, which would be funded partly through capital reserves (\$80,000) and, hopefully, the remainder through a matching grant. They intend to apply for full funding for the system, but if they don't receive full funding, they are likely to receive fifty percent. The current system is seventeen years old. The new system is important for two reasons, the first being that it would provide much better coverage while reducing a number of officer safety issues. He used an example of an officer located on Trescott Road, who is unable to reach an officer in the downtown area with the current system. Instead, they must rely on a dispatcher to relay a message. In addition, the Hanover Police Department shares the system with officers in both Lyme and Orford, who can never hear when a Hanover officer is talking, and vice-versa. This often results in officers speaking over each other without intent. The second reason a new system is important is that the technology for the current system is no longer being supported by the manufacturer, and they must therefore rely on a limited number of available used parts to maintain the system.

Chief Dennis explained that major changes to the budget include a reduction in the Special Services line item resulting from re-evaluation of the way requests for officers for outside details are handled. The Police Department has worked closely and communicated with entities requesting and requiring police presence, primarily Dartmouth College and Hanover High School, but also for larger events such as the CHaD Half Marathon. They now evaluate appropriate staffing levels for specific events based on public safety and call volumes.

An increase in the Clothing Allowance line item is a result of the need for uniforms for anticipated new officers, as well as for equipment for those officers.

Chief Dennis stated that he has a lengthy list of accomplishments the Police Department is most proud of. He is extremely proud of all Police Department staff for their dedication to serving their community. Both patrol and dispatch staff have had to step up to cover multiple vacancies, shifts, and details. They have seen a reduction in the number of alcohol-related cases that need addressing, seemingly related to changes made by Dartmouth College. The number of participants in the court diversion program decreased from ninety in 2014 to fifty-five in 2015. They have started sending false ID and acts prohibited cases to diversion. Six of the fifty-five cases last year were non-alcohol related. The regional partnership with Valley Court Diversion has transitioned as planned and is going well.

The Police Department continues to work with Dartmouth College as they address issues through their "Moving Dartmouth Forward" initiatives and are getting close to becoming a "You Have Options"-Certified agency. The program centers on the response to sexual assaults and as a victim center and offender-focused program. One of the final items needed in creating this program is a soft-interview room for victims, and construction of this is currently underway.

They have been collaborating with other Town departments and the Town Manager on public safety projects, one of which is the construction of a fence in front of Collis. The new fence creates a barrier between the sidewalk and the road, and diverts pedestrians to proper crosswalks or controlled intersections, and they have prioritized crosswalks that needed upgrades such as lighting and pavement markings. They have been able to accomplish these projects in collaboration with the Public Works Department. Chief Dennis stated that Peter Kulbacki, Michael Chase, and their crews have been awesome to work with. He shared some statistics with the Board about the reduction of jaywalking in that area since installation of the fence. Counts were taken during the same periods of time before and after installation of the fence, and the number of jaywalkers has been reduced by over ninety-nine percent. He shared letters from residents of Hanover and employees of Dartmouth College about their fears of pedestrian behavior and their thanks for the efforts to reduce dangerous pedestrian maneuvers. Chief Dennis knows that the idea of installing the fence was not well-received by everyone, but the statistics have proven its success in improving pedestrian safety in that area. He added that an extra walk signal was installed for pedestrians crossing to and from the Collis corner and the Green so pedestrians do not have to wait as long to cross. The extra walk signal is activated while traffic is traveling through the Wheelock intersection.

Another project the Police Department has done in collaboration with Public Works is the installation of speed feedback signs, which were placed on Hanover Center Road in the fall of 2015. This was in response to neighborhood concerns and data collected on speeding vehicles in

the area. Residents have been appreciative of these efforts and state that drivers seem to be paying more attention to their speed in that area.

Chief Dennis stated that the Police Department is currently working on dealing with the storage of records. They have run out of room for storing records so have implemented a process for destroying old records based on the NH Retention Schedule as it relates to Police Records. It appears to have been several years since this was last done, as they have come across records from the 1950s.

They are also making interior changes to their building to achieve more effective utilization of space and are working on getting all sworn personnel trained in active shooter response and critical incident training. This includes training of staff to better understand and deal with mental illness and de-escalate related situations.

They are preparing for their fifth "Coffee with a Cop" event for March 3rd from 8-10 am in the Hayward Room at the Hanover Inn.

They've had the first of promotions in command staff in twelve years, promoting four new Sergeants and a Lieutenant in the past year.

Staff have been active in the Kids and Community program, connecting public safety, the Town Manager, and other department heads with Hanover High School Students and elementary school students.

Chief Dennis stated that he has no concerns about the proposed budget and thanked Town Manager Julia Griffin for her role in helping to provide a conservative budget which still allows them to provide quality law enforcement services to the community. He invited the Board to ask any questions they may have.

Ms. Griffin pointed out that the hiring bonus being offered by the Police Department is for certified police officers. Certified police officers have attended a twelve-week session at the NH Police Academy. We must pay officers their salary while attending these sessions, in addition to their tuition for the session and all ammunition for the firing range. These sessions only run three times a year, which can result in having an un-certified officer working for a long period of time, limiting what that officer can do until attending the Academy. It is much easier and less expensive for us to hire a Police Officer that is already certified. Certified Police Officers from other states have to attend a law package series through the NH Police Academy, which also happens over a course of twelve weeks, but the attendance is intermittent, meaning that we would not be without that officer for an extended period of time. After the course, there are a number of exams to take before the officer becomes certified in New Hampshire.

Select Board Member Carter asked Chief Dennis for confirmation that the hiring bonus being offered is not an additional expense, as it takes place of the cost of paying salary and tuition for an officer going through training. Chief Dennis explained that the funds used as a sign-on bonus are generated through the vacancy of the positions.

Select Board Member Carter also asked whether having vacancies for twenty-five percent of the Patrol Officer positions is causing us to pay a lot of overtime for other officers to fill in. He confirmed that overtime has increased because of this, however, they have been able to cover some of those shifts with officers that have retired but stayed on part-time, and this has helped significantly.

Select Board Member Carter asked if there was any charge for events for the presence of a police cruiser required during a police detail. Chief Dennis replied that they have implemented a “cruiser fee” of fifteen dollars per hour.

Vice Chair Rassias asked what kinds of vehicles are being looked at as replacements for the unmarked cruisers. The current vehicles are two hybrid Toyota Camrys and the other is a Honda Ridgeline. Chief Dennis would like to see the two Camrys replaced with utility vehicles, which would provide needed space for officers wearing bulky uniforms and protection, as well as for equipment. The Ridgeline would likely be replaced with something similar, as they occasionally need to haul trailers and other equipment such as the speed feedback signs and transport bicycles.

Select Board Member Carter asked for confirmation that they intend to replace the current two hybrid vehicles with gas-powered ones. Chief Dennis confirmed this but added that the Parking Division will likely see something different.

Ms. Griffin pointed out that the grant that we expect to receive for the simulcast radio system is a fifty-percent matching grant, meaning we would spend \$80,000 from the dispatch reserves and would receive the other \$80,000 as a grant. However, it is possible that Communications Coordinator Doug Hackett will be able to secure 100 percent funding for this, as he’s been known to get 100 percent funding in the past. However, we must appropriate \$80,000 for the system in case we are to receive only fifty-percent as a grant. We should know in the fall how much we are going to receive. Ms. Griffin added that Hanover has been very successful in getting grant funds administered by the State, thanks to Doug Hackett as well as our Administrative Services department staff because of their ability to provide important financial records and disclosures that show our ability to appropriately manage those funds. Select Board Member Carter asked if it makes a difference that we are helping some of our smaller communities. Doug Hackett said that it makes a major difference, and we have been able to get several grants because we are a regional communications center.

Parking

Chief Dennis started by presenting the drivers of the Parking budget. Projected revenues from parking fines are down by \$20,000, but he expects that there will be other revenue sources that more than compensate for it, namely metered and permit parking and facility fees. Parking meter collections are up by \$55,000, which relates to recent rate increases and increased use of credit cards at meters. Credit card use at meters tends to result in larger average purchases. The average purchase using coins in FY 15 was \$0.67, while the average purchase with a credit card was \$1.63.

There is also a \$10,000 increase in projected permit sales, specifically for lower Lebanon Street and Hovey Lane, where employees and Hanover High School students park.

The \$2.00 facility parking program for employees will increase facility fee revenue by another \$10,000.

On the expenditures side, there is a \$36,000 increase in full-time salaries, which is offset by both a \$30,000 reduction in part-time salaries and contribution from the Police Department budget for school crossing coverage. One part-time position was increased to full-time to enable that position to act as school crossing guard in addition to parking enforcement duties.

Public transportation costs reflect a two percent increase to Advance Transit, which covers fixed routes in the Upper Valley areas, the downtown and Dartmouth area for employee transportation to and from peripheral lots, plus funds for the rideshare program. The total for this line item is just over \$238,000.

The lot rental line item is up by \$13,000 over last year, which represents anticipated fees to the owner of a new sixteen-space metered parking lot located on Allen Street, which will be managed by the Town. That line item is expected to be offset by revenue collected for meter fees and parking fines.

Over \$74,000, up from \$62,000 last year, is budgeted for credit card processing fees. Credit cards are accepted for several types of parking fees. Credit card processing fees would be partially offset by \$28,000 in convenience fees they anticipate collecting. There has been a thirty-four percent increase in credit card transactions from last year.

There is a \$30,000 increase for contracted services, which represents consulting fees for creation of a Parking Master Plan.

They anticipate a \$21,000 draw from reserves for replacement of the Parking Division's vehicle, and they intend to research electric vehicle options given the ability to charge in one of the Town's electric vehicle charging stations in the Parking Facility. They plan to contribute \$105,000 to reserves to for future equipment replacement and Parking Facility Maintenance.

\$20,000 has been added to the parking lot paving line item.

Chief Dennis noted that the accomplishments of the Parking Division they are most proud of are the installation of two dual-port electric vehicle charging stations in the Parking Facility in early 2015.

Chip and pin credit card terminals were installed at Town Hall to meet new security requirements, and these terminals have increased customer service and efficiency.

The stairwells in the Parking Facility received makeovers in the fall, including repairs to concrete stairs, application of waterproof coatings, handrail painting, and lighting upgrades to energy-efficient LEDs.

Chief Dennis thanked Lieutenant Patrick O'Neill of the Parking Division for the wonderful job he does, and said that they couldn't survive without him.

Chair Christie asked for more information about the Parking Master Plan. Chief Dennis stated that the budgeted \$30,000 is to bring a consultant in to look specifically at the downtown and campus areas and determine a direction for the future and how to get there. Lieutenant O'Neill pointed out that the need for a consultant stemmed from recent discussions related to parking payment credits. Chair Christie asked if this would include analysis of new parking garage potential. Ms. Griffin said it would, and added that we would likely use Desman Associates, who helped us with the most recent piece of our Parking Master Plan. The series of recommendations Desman provided proved to be very helpful as we implemented a new parking fee system, and the new \$2.00 all-day parking facility program for employees coming in after 10 am. This program has been very popular and is working as we hoped in getting meter-feeders out of the metered parking areas, opening up spaces for short-term visitors to Hanover.

Select Board Member Geraghty pointed out that the revenue from meter feeding violations has gone up, which he found disappointing given the opportunity for employees to park in the Parking Facility for \$2.00. He asked if there was any sense as to why this has happened. Ms. Griffin replied that enforcement for meter feeding violations has increased. Lieutenant O'Neill added that they were not previously enforcing this violation as they found that many downtown employees had no other options for parking. The creation of the \$2.00 Parking Facility option has reduced the need for employees to meter-feed, and therefore enforcement has been increased.

Vice Chair Rassias asked for more information about the credit card fees. Lieutenant O'Neill stated that there were some concerns when the Parking Division first started accepting credit cards at the parking meters, because actual transaction amounts tend to be low. In order to justify accepting credit cards, they had to recapture some of those fees, and the Board ultimately decided on twenty-cent convenience fee per transaction. As noted in the budget narrative, we are receiving about \$28,000 per year through convenience fees on credit cards used for single-space meters. It is difficult to pinpoint an average we actually pay to process a credit card transaction, as the fees can vary between different card issuers and their corresponding fees. We tend to pay anywhere between twenty and thirty-five cents per transaction. Vice Chair Rassias asked if those fees were offset by the increased revenues from credit card transactions. Lieutenant O'Neill confirmed, and added that fees were increased when new equipment was purchased, knowing that we would have to pay transaction fees, and credit card transactions have become increasingly popular. He added that credit card payments are also very popular for parking fines, representing over sixty percent of parking fine revenue. Ms. Griffin stated that parking fine revenue has decreased, likely because of the added option for paying a meter with a credit card. In addition, people tend to pay for a longer period of parking with a credit card than they would pay if using change. She also suspects that out-of-town visitors tend to purchase more time with their credit cards because the rates are so low compared to what they are used to.

Chief Dennis shared some statistics related to use of the electric vehicle charging stations in the Parking Facility. There have been 247 charging sessions in the last twelve months, generating \$525 in revenue. Select Board Member Whitcomb asked about the cost of using the charging stations and whether those revenues offset the cost of providing that power. Chief Dennis stated

that the charge for use of the charging station is \$1.00 per hour. It is unknown how much this is costing us in added electricity, however, the purchase of those stations cost about \$90,000 so we will be paying that off for a while. Lieutenant O'Neill added that users of the charging stations are paying for use of the Parking Facility on top of the charge for using the charging stations, and those are revenues from people who may not utilize the Parking Facility otherwise. Chair Christie thanked the Police and Parking Divisions for their contributions to the budget discussions.

Howe Library

Select Board member Carter noted that the Etna Library discussion would be held tomorrow evening and invited Howe Library Director Mary White to speak to the Board.

Ms. Griffin stated that this is Ms. White's last budget meeting with the Board, as she will be retiring at the end of the summer.

Ms. White introduced Joanne Blais, Head of Adult Services, to the Board. She distributed invitations to the Board for the Sixth Annual Howel Classic-Mini-Golf Extravaganza. This event is the Howe Library's only fundraising event of the year and will be held on Saturday and Sunday, March 19th and 20th. The event usually nets about \$30,000, and those funds are used to pay for all programs for all ages, purchase additional library materials and technology enhancements, fund Sunday hours, and much more.

Ms. White stated that the relationship between the Town and Howe Library is extremely important as 96.6 percent of the Town's budget for the library is related to salaries.

They are currently working on a strategic five-year plan for fiscal years 2017-2022, and she is hoping that most people have filled out their short survey. They have received almost 700 responses as of yesterday and are hoping for 1,000 responses by early March. Links to the survey have been sent out via email and is available on the Howe Library website. Paper copies are available at both the Howe and Etna libraries, and she asked for the public to take about ten minutes to complete the survey. She noted that there have been few complaints about parking at the library, and many people feel that parking is either satisfactory, very good, or excellent, and, not surprisingly, people are extremely satisfied with the staff for the extraordinary service they provide, and she is very proud of that. There have been some requests for slight expansion of hours, and they can examine that possibility once the survey has been closed and other priorities are considered. She shared some comments from respondents, one of whom stated was proud that their tax dollars support the Howe. Another comment received was that the Howe was one of the most user-friendly libraries they had ever used, and another stated that they were very grateful that they offered technology coaching.

Ms. White stated that they will have four focus groups in March, a staff and board retreat in April, and in late spring and summer will write up a complete document of the strategic plan, which will be finished before she retires. When she arrived in July 2007, the Howe had just completed its strategic plan, and she stated that it was the greatest gift she ever received, as it is a key document in letting the director know what the Town's agenda is related to the Library. She

stated that part of a Librarian's job is to be proactive, rather than reactive, in planning for the future, and they will pay very close attention to the community's input while trying to stay one step ahead of their desires and needs.

She stated that accomplishments include their new website, funded by the Howe Corporation; migrating to the open source evergreen system, which saves the town and taxpayers \$20,000 a year; over \$100,000 in enhancements over the years; a new teen librarian, which has resulted in vast improvements in teen behavior in the library; the Howel Classic, which raises additional funds; Sunday hours thanks to a generous gift to the Corporation; and the migration of some staff from part-to full-time. She sees this as a major accomplishment, as one is not eligible for retirement benefits in the NH municipal government unless they are full time. She feels that we have a responsibility to help the younger generation think about that now.

There are no significant changes in the proposed budget. There is a slight increase in the substitutes line item. This would provide for desk assistants at all three public service desks, which are needed mainly because many of the benefits eligible staff at the library have been there for a long time and have accumulated much vacation time, and they need people to cover for them while they are on vacation.

They are moving some small core costs from the Howe Corporation to the Town, such as software for museum bookings and meeting room bookings.

They have also doubled their bandwidth in the past year with help from the IT Department. It makes sense to move this expense to the Town as it is everyday operations for a busy public library and isn't much money.

Spanish story time for children is very popular, so they have increased this from once to twice a week, and will soon be doing Spanish story time three times a week.

The literacy committee had two book drives this year for area nonprofits and collected more than 700 books at one and over 1,500 at the other. These are excellent, quality, exciting books for children, and they are very grateful for the generosity of the community.

Ms. Blais noted that there have been many changes at the Howe Library since she first started, including technological advancements and a major change in the gender ratio of staff, which was all female when she started. She thanked the Board and Town for providing the means to have such a great place to work. She wished Ms. White well on behalf of the Howe Library staff.

Chair Christie noted that there is no budgeted increase related to non-resident fees, and this does not fit with the Board's desire to increase fees consistently. Ms. White responded that a five percent increase to the current fees isn't much, so they tend to increase fees by five percent or five dollars every other year, whichever makes most sense. Chair Christie stated that he would be interested in seeing the history of those fees, so Ms. White will provide that information soon.

Select Board Member Carter asked about the increase in the substitutes line item related to the need for coverage while staff is on vacation. She asked whether there was a limit on the number

of hours that may be accumulated and if there was a “use it or lose it” policy. Ms. Griffin stated that there is a limit, but it is extremely generous, and employees do lose that time if they don’t use it.

Chair Christie thanked Ms. White and Ms. Blais for their discussion.

Assessing

Ms. Griffin advised the Board that Town Assessor Mike Ryan is also retiring this year.

Select Board Member Whitcomb invited Mr. Ryan to speak to the Board.

Mr. Ryan stated that, unless we are in a revaluation year, the salary line item tends to be the main driver of the budget. This is not a revaluation year, but the next one will be in 2018. At that time, a statistical update will also be done with a full revaluation to be done in 2023. The proposed salary line item has been reduced, as he will be retiring this year and his replacement will very likely be starting at a lower pay rate.

\$500 has been added to the Professional Development line item to provide educational credits for the new Assessor if needed.

The Charges to Parking line item has been eliminated. Previously, one day a week, or seven hours, were charged to Parking to cover costs for the Assessing Clerk’s time spent to assist in payment processing and other assistance.

The Charges from MIS line item has increased to provide for replacement of two computers, one for the public and one for the Assessing Clerk.

They will also be making the first of three installments for the statistical update, which is budgeted for \$30,000.

Mr. Ryan stated that he has a reasonable expectation for there to be new assessed property valuations of \$20 million.

He thanked the Board for their services.

Chair Christie asked Mr. Ryan what he plans to do during retirement. Mr. Ryan plans to possibly work part-time in the Rhode Island area.

MIS

IT Director Corey Stevens stated that the MIS budget is driven by the wants and needs of various other departments.

There have not been many notables in the last couple of years as far as increases or decreases in the budget, but there are a couple of them this year, one of them in software maintenance and

upgrades, reflecting a considerable increase. This is related to three things, one being the hopes of investing in a town-wide software system to assist in areas that we have been lacking in, such as reporting and statistics. Another piece of this is the SCADA update for the Water Department, as their software licensing must be updated at the same time as hardware upgrades and various controls. In addition, our office apps have not been upgraded in several years and we are therefore two versions behind. It seems to make sense to move to Office 365 online to get up-to-date.

The computer upgrades and replacements line item tends to go up and down depending on the number of machines being replaced in any given year.

We are now getting conduit licensing fees, which increase revenues.

Ms. Griffin asked Mr. Stevens what worries him. He replied that he is worried about keeping up with growing demands and needs with a small staff.

Vice Chair Rassias noted that the Office 365 expense seemed like a lot, though he is not very familiar with such programs. He asked if other alternatives have been considered, and assumed that the desire to use Office 365 has to do with security features. Mr. Stevens stated that we have been using Office locally for about fifteen years, and we used to budget yearly to accumulate enough for new licenses after about four years. Investments in those licenses tend to range between \$30,000 and \$40,000. Office 365 would give us the ability to stay current and up-to-date, and the opportunity to work from anywhere, as documents could be stored and accessed from the cloud.

Vice Chair Rassias also asked about computer replacement and the average cost of an individual computer. Mr. Stevens replied that we spend slightly less than \$800 per desktop, depending on how much memory is put into it, however this line item also includes costs for laptops or tablets, and decent tablets cost more.

Ms. Griffin noted that the Town's computers are on a four-year replacement schedule, but we aren't replacing the same number of computers every year, and therefore this line item tends to go up and down from year to year. Select Board Member Whitcomb asked if four years was standard for municipalities and that it seemed like a long time. Mr. Stevens replied that he purchases a three-year warranty with each computer, so when the warranty runs out, it is time to replace the computer anyway.

Chair Christie asked whether funds are put into reserves for the replacement of computer hardware. Ms. Griffin stated that we do not.

The Board thanked Mr. Stevens for his discussion.

Human Resources

Vice Chair Rassias invited Human Resources Director David Stewart to speak to the Board.

Mr. Stewart stated that the proposed Human Resources budget takes a conservative approach related to expenditures. They are not proposing any increases in non-salary related items, and are actually reducing the Professional Development line item slightly.

Budget drivers include personnel costs, which include a merit step increase as well as a 1.5 percent wage scale adjustment that all Town employees will receive.

The advertising component of the Purchased Services line item has been eliminated and is now shifted to the corresponding departments. The remainder of the Purchased Services line item covers items such as employment physicals, testing, criminal record background checks, drug and alcohol testing where applicable, and employee training.

Accomplishments in the past year include hiring of a new Parks and Recreation Director, and they are currently working on launching searches for several other director positions.

They have been able to transition employees to more cost-effective health insurance programs as of July 1st, implemented terms of new collective bargaining agreements with the Fire and Public Works Unions, and have recently secured a tentative agreement with our Police union for a one-year contract.

The Human Resources department has also completed work on the first comprehensive update on the personnel policy since 2001, which will be presented to the Board hopefully within the next month.

Select Board Member Carter asked for clarification whether the costs for advertising open positions has already been transferred to the corresponding departments, or whether they plan on doing so at the start of fiscal year 2017. Mr. Stewart replied that they have already transitioned the cost and it has been working well.

Select Board member Geraghty asked if there were reports available related to our employee turnover. Mr. Stewart stated that we do not have that ability, but would like to be able to have access to that type of data on a regular basis. Generally, turnover has been relatively low, and we have been lucky to retain quality employees for lengthy periods of time. While they currently do not have any software to assist in generating these types of reports, they could manually enter data into spreadsheets to create one. Select Board member Geraghty clarified that he does not need to see a special report.

Planning & Zoning

Ms. Griffin stated that significant changes in the Planning and Zoning budget include two things relative to personnel in addition to recruitment of the new Planning and Zoning Director. She hopes to have a new director on board by May or June. Having this position vacant for the past three years has worked out well, because building permit revenues have been reduced significantly during that period. This is in large part due to Dartmouth College having put a hold on campus construction once President Kim arrived. As the College moves into another major capital campaign with a significant amount of planning-related work and the Planning and

Zoning office tries to catch up on postponed projects such as the Master Plan, it is time to fill this vacancy.

The Master Plan is critical as we are about four years behind in doing the ten-year update to the plan.

They have been working on a comprehensive overhaul of the Zoning Ordinance, which must be accepted at Town Meeting, however, both the Master Plan and Zoning Ordinance are somewhat old-fashioned, and a new Director could potentially help us to approach these differently, and that would be a major undertaking that requires effective leadership.

In addition, we eliminated the part-time Assistant Building Inspector position, and opted to replace that with upgrading the Deputy Fire Chief position held by Jeryl Frankenfield, who passed away in September, to a full-time Deputy Fire Chief. This position is now filled by Michael Hinsley. In addition to his Deputy Fire Chief duties, Mr. Hinsley is our Fire Code Safety Officer and helps assist Ryan Borkowski in building inspections. In recognition of the amount of time Mr. Hinsley spends in doing traditional building inspections, half of his salary is paid through Planning and Zoning.

Another change in personnel relates to the Senior Planner position held by Vicki Smith, was increased from a part-time to full-time position to include retirement system contributions coming from the Unallocated Funds budget.

Ms. Griffin stated that she has reduced the supplemental Administrative Assistant position in Planning and Zoning from a 15-hour position down to 5 hours, which they hope to use for hiring someone to take minutes for the Planning Board. Though the Planning and Zoning department would like some supplemental administrative hours in the office, Ms. Griffin has decided to wait on this, both to see what the new director brings and in part because the MUNIS software that Ms. McClain will later be speaking about would likely streamline the administrative process for Planning and Zoning.

Ms. Griffin noted that there is an item of \$10,000 on the "Wish List" for a series of trail-related projects they are hoping the Town can fund. The Conservation Commission has worked with Vicki Smith to come up with the list of their wishes.

Ms. Brotman stated that Planning and Zoning staff feel that it is very important to have some additional budgeting for an Administrative Assistant in the office, as there are many things they cannot get done with their current staffing level. She stated that she was very pleased to have the Senior Planner position upgraded to full-time, and feels that is a big step.

Ms. Brotman added that the Supplies and Materials line item includes funds for providing appropriate clothing and safety equipment for the Building Inspector. She feels it is important that the Building Inspector be identifiable at a property as being a Town official and have proper safety equipment. In addition, this line item would provide for a cell phone with greater capability, as he currently has only a personal cell phone that they are unable to reach him on once he leaves the building.

Ms. Griffin noted that projected building permit revenue, zoning permit revenues, and planning board fees have increased based on actuals, though those numbers are still conservative. Chair Christie and Ms. Griffin invited Ed Chamberlain, Chair of the Conservation Commission, to speak to the Board about the Commission's "Wish List" item of \$10,000.

Chair Christie disclosed that he is very much in favor of funding this item.

Mr. Chamberlain stated that the Conservation Commission took a brave step in requesting these funds with the encouragement of Chair Christie. One major project they are working on is Hayes Farm Park, which they have worked with the Town and Etna Library to make the area park-like, which was overgrown with invasives. They have an ongoing program in place to remove invasives but have found that using just volunteers makes the project very slow. They have hired a contractor to do some work.

He added that they have partnered with the Upper Valley Trails Alliance to make improvements to the Moose Mountain Ridge Trail so that it is protected and accessible. This trail would link the Appalachian Trail to the Northern Rail Trail as well as to a network of trails that lead to the Quabbin Reservoir in Massachusetts. They also need to do some work at the field across from Kendal to make it more accessible to Kendal residents.

The Conservation Commission manages almost 1,200 acres of protected land in Hanover and eighty-five miles of trails maintained mostly by volunteers. Their focus is primarily on protecting trails.

Chair Christie added that the need for trail maintenance is ongoing. Contributions are leveraged many times over by volunteers with their enthusiasm and participation.

Kari Asmus of the Hanover Finance Committee asked whether the \$10,000 request is for one year or would be a recurring yearly request. Chair Christie stated that the request is part of this proposed budget only, though he would advocate for it to be an ongoing funded item.

Ms. Griffin added that she is on the Executive Committee of the Public Health Council for the Upper Valley, which recently assisted DHMC and APD in conducting a community needs assessment. She was surprised to see from the assessment that of all of the recreation needs identified by participants, forty-three percent of respondents said that we should be providing more trail maintenance, support, and development. This survey was taken by 1,800 people throughout the Upper Valley, and not just by "health-nuts." This reminded her that much trail maintenance is done by volunteers, many of which are aging. In her ideal world, we would step up and make a commitment to do some substantive trail work every summer. She clarified that currently the request is only for this year's budget but would be in addition to the \$5,000 in the proposed budget for the Conservation Commission for the contract with the Upper Valley Trails Alliance.

Ms. Asmus inquired whether work to be performed using the requested funds would be coordinated by volunteers or whether we would be using those funds to pay a "core" group to perform the work. Ms. Griffin stated that the work would likely be done by both.

Ms. Asmus also asked whether the requested funds are intended for Town trails or private trails, or both. Mr. Chamberlain explained that the funds would be used for Town trails, as they do not feel it would be appropriate to use Town funds for private trails. There are some private trails needing work, but the Conservation Commission has applied for a grant for those.

Social Services

Ms. Griffin stated that there are two social services agencies, CASA and the American Red Cross, that have asked for funding but do not fit our criteria as social service agencies.

She stated that the Health and Social Services budget also provides for general assistance and funds our on-call part time Case Manager, Deputy Health Officer, and Restaurant Inspections. The funds for restaurant inspections are supplemental to State inspections, as we are lucky if they perform inspections once a year. There is a small amount funded for the Mascoma Valley Health Initiative and community contributions to our ambulance service.

Chair Christie stated that what we want to evaluate is whether the two agencies that do not fit our criteria as social services agencies should be considered for funding by being put on the “Wish List.”

Select Board Member Geraghty stated that it appears the American Red Cross does fit the necessary criteria. Ms. Griffin stated that our sense is that the services provided by the American Red Cross don't fit the necessary criteria as we don't see the clients they serve as welfare clients, nor are they an organization we would call on for assistance if an event such as a fire or flood were to happen in our community. They are much more heavily-involved in some of the outlying communities. She feels that the level of funding requested is a lot considering the extent to which they have not been active in providing those services to Hanover.

Ms. McClain added that as far as emergency planning and shelter, several local partners have stepped up, such as the College, to provide shelter space and resources. Select Board Member Geraghty clarified that the American Red Cross uses Dartmouth College students as part of their statistics, though the College has stepped up to provide those resources to its students when needed.

Ms. Griffin clarified that she does not want to downplay the role of the American Red Cross in emergency response, but has a difficult time seeing them fit into our criteria to provide welfare assistance.

CASA, Court Appointed Special Advocates, provides support in legal cases involving children. This is not a service that the Town would otherwise need to provide, and therefore does not fit into our criteria to fund as a social service agency. We did provide \$500 a year for a number of years before the policy was created for determining what qualifies as a social services agency. They just do not fit the criteria.

Chair Christie asked if there were any requests to place those two funding requests on the “Wish List.” There were no requests.

Administrative Services and Unallocated Funds

Betsy McClain, explained that that the Unallocated budget items are largely fringe benefits and certain costs that cannot easily or discretely be allocated to someone else's managerial responsibility. The Unallocated portion of the budget is where we budget for tax revenues and non-tax revenues. To the extent that those non-tax revenues remain or become robust puts less pressure on what we need to raise for taxes. For example motor vehicle registration fees are forecasted to increase our non-tax General Fund revenues by \$65,000, and this is based on actual experience and rebounding of the economy. The other Non-Tax Revenue line item of short-term interest income has been budgeted at only \$35,000 the last couple of years, and we have been unable to meet that amount during those years. She believes we may reach that target this year, and the number may begin to creep back up.

Unallocated items also include State revenue sharing. The block grant is still unavailable, but the Room and Meals tax distribution growth formula was reinstated a couple of years ago. These revenues were distributed to us in 2015, but they have since suspended the growth formula again. This is reflected in the contraction of the line item for State Revenue Sharing from year-to-year.

Ms. McClain stated that the Undesignated Fund Balance is not used to smooth out the tax rate in Hanover as it is in many other communities, as we have a very specific policy against doing so. They are proposing this year to use an amount of \$65,000 from that balance to boost the Highway Equipment Capital Reserve Fund, as well as \$51,000 for replacement of the Police Department lockers.

The existing Union contracts call for a 1.5 percent Cost of Living Adjustment, and many of the employees will also be eligible for a two percent step increase, which make salaries go up overall around 3.5 percent. However, we are moving to a new health care driver, which is the base care plan for which we determine how many dollars an employee gets to "spend". We are moving from a point-of-service plan to a managed care plan, which will save us significantly. Though we are facing an eight percent increase in the cost of our health care plans, we will see a reduction of about three percent in overall health care costs because of the change in drivers.

There has been a correction in retirement contributions, which has gone down slightly as a result. This is because of certain payments to new hires that are not eligible for retirement contributions. We are also paying less in retirement contributions as we are paying less for special details for officers.

We have switched our workers comp and general liability insurance carrier as of July 1st, and it is a much more cost efficient model, though we have had a mild winter and therefore lower demand on the liability side. The experience on the worker's comp side has improved and we have seen savings there as well.

The biggest driver in the budget is the \$50,000 request in the Administrative budget for an administrative system which will impact many departments. She invited David Stewart and Corey Stevens to join in on the discussion about this request.

Ms. McClain made it clear to the Board and to the public that they are looking at an overall investment of about \$200,000 for this administrative management system. The amount being requested for the upcoming budget would provide for the first year of a lease-purchase of this software package. The one they are currently exploring is MUNIS, and they have been here for a demo, but we have not signed a contract and would be looking at other competitors. In terms of modules, they are looking at a work orders, fleet, and facilities management piece that would integrate with a fixed assets module. This sort of information is currently managed in other paid-for software, but they would like to be able to integrate this information into the general ledger. Other modules would be for permit and code enforcement, as some staff have expressed that there could be great efficiencies recognized by online access and reduction of paperwork. The accounting piece would include new general ledger and budgeting software, payables, and fixed assets module. A new module to us would be related to project and grant accounting, which is now done in a very manual process. Also included would be a new payroll and employee module, which would allow employee self-service through an online portal for submitting personnel-related forms. The payroll side would include electronic time-keeping. Human resources management and analytics and reporting modules would bring key details from various systems. Forms processing and workflow would be another module. Currently, they are still very much paper-driven with everything. With the new software, we will be able to digitize, organize, and catalog these documents, which will help streamline the process. In terms of payback, she sees a reduction in consumable costs such as paper, but most importantly we will have the opportunity to really examine some of our core administrative processes and rebuild those. A new system would provide us with the framework to be able to reexamine our processes.

Ms. McClain added that the school district also uses some MUNIS modules, and looking forward, we could potentially partner with them in licensing the software, which would save money. She noted that this is quite a long time away, but this would be a good first step in getting to that point.

Mr. Stewart stated that we face challenges when it comes to data management now, as we rely on a lot of manual data processing. New software could streamline data collection and reporting much more efficiently. In addition, it would help streamline our collection of job applications and subsequent steps in the hiring process as it would be more automated.

Another important component for HR would be the integration of personnel information in the system with payroll. Currently, there are many steps that must be duplicated between departments in order for all departments to have the same information. A new system such as MUNIS would cut down the labor spent on entering this sort of information.

Chair Christie asked if there were any modules in the MUNIS system that they would not be using. Ms. McClain stated that we would not be investing front office functions in the tax collection, motor vehicle registration, or utility billing modules. The software we are currently using works well. We also have not looked at the Public Safety modules, but we would likely be able to integrate the Police Department's desired "Cop Logic" software with the MUNIS software.

Select Board Member Carter asked if the security of potential new software has been explored, as these would be storing extremely large amounts of information. Mr. Stevens stated that MUNIS has been around for a while and is confident that they would provide important security measures. Ms. McClain added that this would certainly be taken into consideration during proposals.

Ms. Griffin stated that she desires for the Town and School district to ultimately become one entity with one HR Director, one Finance Director, etc. Services are duplicated now with these being separate entities. She has approached the school district about this, but they are not interested.

Select Board Member Carter stated that seems like an ideal situation to her as well.

Select Board Member Geraghty asked about the budget for parts for the voting machine. This is an old technology—why are we budgeting for parts on an old machine rather than buying a new one—is this a State issue? Ms. McClain confirmed it is a State issue and decision.

Heidi Postupack of the Hanover Finance Committee asked about new software and whether we would be hosting on our own service or if it is cloud-based, and if it is cloud-based, does the Town have liability insurance to cover a breach? Ms. McClain stated that it would be cloud-based, and our insurance carrier would require that we purchase additional coverage. We do not know what that insurance coverage would cost.

Town Manager and Select Board

Ms. Griffin stated that there are no proposed changes in the Town Manager and Select Board budgets other than the salary increase for Administrative Assistant Betsy Smith.

5. APPROVAL OF MINUTES: a. February 8, 2016

Chair Christie stated that approval of minutes will be postponed until tomorrow's meeting.

6. ADMINISTRATIVE REPORTS.

There were no administrative reports.

7. SELECT BOARD REPORTS.

There were no Select Board Member reports.

8. OTHER BUSINESS.

Chair Christie MOVED to Follow the Request for a Non-Public Session to Discuss Items Pursuant to RSA 91-A:3, II (a) and (e).

SELECTMAN GERAGHTY VOTED YES; VICE CHAIRMAN RASSIAS VOTED YES; CHAIRMAN CHRISTIE VOTED YES; SELECTMAN CARTER VOTED YES; SELECTMAN WHITCOMB VOTED YES. THE BOARD WENT INTO NON-PUBLIC SESSION AT 8:19 P.M.

Vice Chair Rassias MOVED to Exit the Non-Public Session at 8:58 p.m. Select Board Member Carter SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO EXIT THE NON-PUBLIC SESSION.

8. ADJOURNMENT.

Vice Chair Rassias MOVED to Adjourn the Meeting at 8:58 p.m. Select Board Member Carter SECONDED the Motion.

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING.

Respectfully Submitted,

Joanna Whitcomb, Secretary

Minutes prepared by Adriane Coutermarsh.

SUMMARY

- 1. Vice Chair Rassias MOVED to Authorize Town Manager to Execute Lease Purchase Agreement for the Recreation Department Copier. Select Board Member Whitcomb SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO AUTHORIZE TOWN MANAGER TO EXECUTE LEASE PURCHASE AGREEMENT FOR THE RECREATION DEPARTMENT.

2. **Select Board Member Geraghty MOVED to Approve the Mud Ball 2016 Banner Request. Select Board Member Carter SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE MUD BALL 2016 BANNER REQUEST.

3. **Chair Christie MOVED to Follow the Request for a Non-Public Session to Discuss Items Pursuant to RSA 91-A:3, II (a) and (e).**

SELECTMAN GERAGHTY VOTED YES; VICE CHAIRMAN RASSIAS VOTED YES; CHAIRMAN CHRISTIE VOTED YES; SELECTMAN CARTER VOTED YES; SELECTMAN WHITCOMB VOTED YES. THE BOARD WENT INTO NON-PUBLIC SESSION AT 8:19 P.M.

4. **Vice Chair Rassias MOVED to Exit the Non-Public Session at 8:58 p.m. Select Board Member Carter SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO EXIT THE NON-PUBLIC SESSION.

5. **Vice Chair Rassias MOVED to Adjourn the Meeting at 8:58 p.m. Select Board Member Carter SECONDED the Motion.**

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING.