

## DRAFT MINUTES

Hanover Finance Committee

January 14, 2013

Hanover Board Room

Members present: K. Fenner (chair), P. Christie, H. Postupack, K. Cotter

Members absent: D. Press, M. Gerling, J. Ruth

Also present: No public in attendance

The chair called the meeting to order at 4:34PM

### Agenda Items Discussed

1. Review/amendment of agenda

The Chair asked for comments on the agenda. There were none.

2. Public comments on items not on the agenda

There were no members of the public in attendance

3. Minutes of HFC meeting of December 10, 2012

Correction to the minutes: item 5, sentence 5 should read “Current enrollment projection is 426...”. A motion to approve as amended the minutes of December 10, 2012 by H. Postupack, seconded by K. Cotter. Approved.

4. HFC’s position on employment contracts

K. Fenner encouraged discussion with regard to all three contracts. Questions from the committee prompted K. Cotter to offer background and detail.

TEACHER CONTRACT: each cell in step & track chart is a different increase. 65% of current staff is paid at top step and will not receive step increases, 35% will receive step increases. With no change of base or step in 2 years, the Committee presumes that the Dresden premium has been reduced, although no proof of that is yet available. P. Christie mentioned the difficulty of conveying benefits like sabbatical, enhancement grants, private 403(b) in addition to public pension, when voters don’t have knowledge/understanding of these details. Total cost in year-one of new contract is \$185,000 for Dresden and \$43,000 for Hanover. Changes in proposed contract discussed: 403(b) match reduced from 4% to 3%. Early retirement eligibility moved from 15 years to 20 years, effective June 30, 2016 – the end of the new contract. After 2016 the savings will be about \$100k per year. Enrichment grants reduced from \$50k to \$25k per year.

SUPPORT STAFF CONTRACT: It was determined that ed assistants were

underpaid by about \$4 per hour as compared to their peers. Vacation time was increased commensurate with peers. This contract will add \$45,390 to year-one budget. SERVICE EMPLOYEE CONTRACT: 3-year contract will have a \$4,257 impact on year-one budget. A motion to support the FY14/15/16 contracts with Teachers, Support Staff, and Service Employees as presented was made by H. Postupack, seconded by K. Fenner, unanimously approved.

5. HFC's position on school budget

Last month, expectations were that the Hanover budget will increase 2.4%. HFC's guidance was to hold the K-1 operating expense for the FY2013-14 budget flat or modestly reduced, given the assumed slightly declining enrollment. The latest budget figures indicate that FY13-14 will decrease by 1.24%. A motion to support the Hanover school budget for FY13-14 as presented was made by H. Postupack, seconded by K. Fenner. Motion was approved by unanimous vote.

6. Selectmen's guidance on Town Budget

P. Christie shared details of draft budget, excluding state downshifting figures that will not be in-hand until Feb 2013. The Town has attempted to prepare a budget based on known employee costs and inflating other costs by MCI plus 1% against the tax levy, with a targeted increase of 3.93% before state downshifting. It is anticipated that the Town budget will not meet HFC guidance of 1.7%

7. Next Meeting Date

January 21, 2013 – Hanover

8. Adjournment

There was a motion by K. Cotter to adjourn, second by H. Postupack . The HFC adjourned at 5:30PM.

Submitted by

Heidi Postupack

1/22/2013