

DRAFT

Hanover Finance Committee

September 09, 2013

Hanover Town Hall

Hanover, NH

Members present: K. Fenner, M. Gerling, H. Postupak (Chair), J. Buckey (select board representative)

Members absent: D. Press, J. Ruth, J. Roberts

Also present: Kevin Cotter (sitting in for J. Roberts – school board representative)

The meeting was called to order at 5:08 by Committee Chair H. Postupak

### **Agenda Items Discussed**

1. Review/amendment of agenda
  - The Chair asked for comments on the agenda. There were none.
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2. Public comments on items not on the agenda
  - There was no public in attendance or comments regarding the agenda.
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3. Minutes of HFC meeting of July 15, 2013
  - Minutes of July 15, 2013 were reviewed. A motion to approve as corrected was made by K. Fenner second by H. Postupak. Approved
4. Update on work of Hanover School Board and Budget Committee
  - H. Postupak reported on the Aug 21<sup>st</sup> Hanover Budget committee meeting which she attended. She discussed that the school board would potentially like to put forward a warrant to add a reserve fund that they will be able to put up to 2.5% of the annual budget in. It was noted by K. Cotter that the state legislature has just allowed this (RSA 198:5) to occur in addition to the previous designated reserves which have been used. It is the understanding that this undesignated reserve may only be held for a limited (one year?) period and then would have to be returned if not used. It was noted that the Board is still trying to determine how or if they want to use this undesignated reserve. It was discussed that every year there is a surplus year already. There were questions as to how this undesignated reserve would work, more research is needed and will be reported on in future meetings. It was recommended that a “local” policy regarding how any such undesignated reserve could be used.

It was decided that we will be prepared to create an opinion on this topic at our next finance committee meeting, pending more information and research.

Budget meetings on September 17 will be attended by Heidi and Kristi. Heidi will contact Daryl and John to see if they can attend.

**Hanover Budget guidelines:** at this point the Budget Committee has not developed a “corridor” of increase for the budget. It was noted that the fixed cost increases which have been identified would indicate that the increases in fixed costs would result in an approximately 3.4% increase.

It was moved by K. Fenner that Finance Committee ask the Budget Committee and the Board develop a budget increase corridor for the budget development process and charge the administration with developing a budget within this corridor guideline. Seconded by M. Gerling. Approved.

Current this year enrollment is 455-457 pupils. The budget was developed based on a 446-447 pupil estimate. It is estimated that we might add 15-20 pupils with full time Kindergarten next year for total enrollment of approximately 470.

There was a discussion of the unfunded pension liability issue.

The building project: A civil engineer has been hired and they will agree on a plan and then a roll out plan. It is currently thought that the floating bond will come in about \$200,000 annual payment for a total budget of approximately \$4 million. The first presentations are to be held at the September 18<sup>th</sup> Board meeting

5. Other items arising after the Posting of the agenda

None

6. Next Meeting Date

Next meeting is scheduled October 14, 2013 at 4:30PM in Hanover. We will ask Julia and Peter to attend to continue discuss the Hanover budget guidelines.

7. Adjournment

There was a motion by K. Fenner to adjourn. Second by M. Gerling. The HFC adjourned at 6:00PM.

Submitted

Michael Gerling, Secretary 09/09/2013