

Hanover Finance Committee

October 7, 2013

Hanover Town Hall

Hanover, NH

Members present: K. Fenner, M. Gerling, H. Postupack (Chair), J. Buckey (Selectboard representative), D. Press, J. Ruth, J. Roberts

Members absent: none

Also present: Julia Griffin, Betsy McLain

The meeting was called to order at 4:33 by Committee Chair H. Postupack

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 was no public in attendance or comments regarding the agenda.

3. Minutes of HFC meeting of September 9, 2013

Minutes of September 9, 2013 were reviewed. A motion to approve as corrected (spelling change of Postupack) was made by M. Gerling second by D. Press. Approved

4. Discussion on developing next year's Hanover town budget and guidelines

J. Griffin distributed slightly modified updated guidelines which the board will discuss this evening and October 21st. It is hoped that the Selectboard will set a tax rate target at their October 21st meeting to align with negotiations with the various unions. It is expected that the service employees will begin soon after October 21st. The fire and police will probably not start until after the first of the year (awaiting a class and compensation study which will be completed right after the first of the year). There was a discussion regarding how we stack up in terms of department size and services offered. This will not be part of the study.

Overall goal that the Board attempts to target tax rate increase and it was questioned whether we should be looking at total expenditure increase. The question of how do we measure sustainability? Should it be based on tax rate increases that include grand list increases or should it be based on TOTAL expenditures? There was a lengthy discussion as to the proper approach to be taken. There was a request that perhaps we should do a comparison of "similar towns" and how do we stack up against them.

B. McClain will pull 30 towns' data for the last 10 years — RAW figures for total appropriation, tax rate, population and total tax levy for both the

school districts and town. It is recognized that there are potentially many issues associated with the raw figures and comparability of these figures.

It was emphasized that there needs to be good communication between the finance committee and the Selectboard to ensure that the finance committee comments and beliefs are reflected in the Selectboard deliberations. It was decided that the committee will discuss how to best communicate the committee's deliberations.

It was noted that a Selectboard subcommittee has been formed to develop recommendations for reserve fund balances. It was noted that the plan is to coordinate discussions with the finance committee on this topic.

Guideline #9 regarding downshifting from the State. It was noted that the finance committee and the Selectboard are of different opinions on this topic. The finance committee believes that the town should absorb the downshifting. The Selectboard believes that downshifting should be passed through to the town taxpayers.

K. Fenner noted that last year the finance committee disagreed with the Selectboard in three basic areas: A.) Tax Levy vs Tax Rate; B.) Downshifting; C.) Policy and use of Reserves. There was a discussion regarding how we should best communicate our concerns to Selectboard.

The chair appointed a subcommittee to create a draft proposal for the finance committee to adopt which will address the select board guidelines that are being developed and any amendments that the finance committee is proposing to these guidelines and a budget guideline for the upcoming budget development process. D. Press and J. Ruth were appointed to a subcommittee to report to the full committee that will meet at 5:30 on October 16th. The meeting will be posted and location determined by H. Postupack.

5. Update on work of Hanover School Board and Budget Committee

H. Postupack reported that she attended the Hanover Budget Committee meeting and reported that the school board is recommending a corridor be established for budget increase but excluding expenditures for all-day kindergarten and language programs. It was noted that the finance committee believes that any corridor guideline that is developed should include these programs.

Building Project: The next meeting to discuss the Building Project is scheduled for October 16, 2013, when the architects will present some preliminary findings.

K. Fenner made motion that the school board consider not setting aside any additional reserves that they could have based on the new state reserve regulations based on all of the other projects being considered. There was no second.

D. Press made a motion that the upcoming budget come within or very close to the proposed corridor 3-3.5% increase for Ray School operating budget which WILL include all expenditures other than the proposed building and renovation project. Seconded by K. Fenner Approved: 5 For 0 Against 1 Abstained

6. Other items arising after the posting of the agenda

None

7. Next Meeting Date

Next meeting is scheduled for October 16, 2013 at 5:30 at a place to be determined and posted by the chair.

8. Adjournment

There was a motion by D. Press to adjourn. Second by J. Ruth. The HFC adjourned at 6:15PM.

Submitted

Michael Gerling, Secretary

Submitted 10/9/2013