

DRAFT

Hanover Finance Committee

March 27, 2015

Black Community Center

Hanover, NH

Members present: H. Postupack (Chair), M. Gerling, D. Press, L. Wheelan (school board representative), K. Fenner

Members absent: J. Buckey (select board representative), J. Ruth

The meeting was called to order at 4:40pm by the 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 March 9, 2015
Correction was made to add motion to accept minutes from the January 26th meeting. A motion to approve the minutes as amended was made by L. Wheelan . Seconded by K. Fenner. Approved.
4. Review of HFC Position Statement for Hanover Town Budget
There was a discussion of the Budget and the process. It was mentioned that the CPI factor was .5% for the current budget year process. It was noted that each 1% in the budget represents approximately \$90,000 of spending. The internal guidance that was given by the Select Board was for the tax rate to increase by 2.5% it actually is going up by 2.35%. It was mentioned that the Finance Committee has for the past few years encouraged that TOTAL spending increase by the rate of CPI although the Select Board has always focused on the Tax Rate not the Tax Levy. It was noted that there is little change in the Grand List being projected therefore there is little difference between comparing Tax Rate and Tax Levy for this coming year.

In general, committee members felt that proposed budget has not managed costs as tightly as they could have.

It was noted that over the past ten years although population has been flat, town budget has increased at twice the rate of CPI.

A motion was made to reject the proposed Town budget given the proposed increase in spending of 3.08% versus the applicable .5% in CPI. (Note: this led to increase in tax rate of +2.5%). The Committee noted that the 10 year trend in spending has been more than double the rate of CPI. Over the ten period (FY2006-2016), spending has

increased 59% versus a CPI increase 24%. The committee believes that this consistent increase over CPI spending is unsupportable especially given the 5.7% increase in the school budget tax rate this budget year. (NOTE actual figures need to be verified) Motion made by H. Postupack, seconded by D. Press. Approved

There was a discussion regarding the process that the committee should follow in presenting its position as well the statement that the committee should prepare. It was decided that the statement should contain the following:

Paragraph 1:

A discussion of the long term (10 year) spending and CPI trends

Paragraph 2:

A discussion regarding the high increase in school spending this year and why it is important to manage town spending levels given increases in school spending. We should note that if the proposed Town budget is approved coupled with the approved school budget the rate of tax increase this year will be

Paragraph 3:

Recommend that the town approve a budget is \$232,000 less which would represent an increase in spending equal to the CPI increase

Heidi will draft the committee's statement.

5. Next Meeting Date

April 22, 2015 at 5pm The Black Center

6. Adjournment

Motion to adjourn by K. Fenner, seconded by D. Press. Approved. The HFC adjourned at 5:45PM.

Submitted

Michael Gerling, Secretary

Submitted 3/27/2015