

Hanover Finance Committee
Minutes
November 14, 2016
Location: Black Center, Room 215

Members present: Heidi Postupack, Chair; Bill Geraghty, Hanover Select Board member; Carey Callaghan, Hanover School Board member; Kari Asmus; and Nancy Marion. Absent: Daryl Press and John Ruth.
Minutes by Asmus.

Chair Postupack called the meeting to order at 5:03 p.m.

1. *Review/amendment of agenda*—none
2. *Public comments on items not on the agenda*—none
3. *Review/approve minutes of HFC meeting on Oct 10, 2016*

Marion moved approval of the minutes of Oct 10, 2016 as submitted; Geraghty seconded. The motion passed unanimously.

4. *Report – Municipal comparative analysis project – Discussion / action – Nancy Marion*

Nancy shared a hand out which reviewed the methodology and sources of information that she used for her recent project. This hand out is attached to the minutes of this meeting. She also credited Betsy McClain for her help in getting the data together. The focus of the work remains on the rate of change over time in the tax levy relative to comparison towns.

Looking at the data, it is apparent that Hanover did not cut back on spending during the recession as some communities did, but other communities are now bringing their spending back into line with previous levels. The most recent year shows a small uptick in Hanover spending relative to the comparison group, but it is too early to know whether that uptick is a trend or an anomaly.

In discussing what information would be most helpful in the presentation to the Select Board, it was decided that looking at the change in town levies (expenses minus revenues) was better than looking at the change in overall town budgets as the functions in town budgets may vary widely and may not even be supported by local property taxes but by user fees instead. For example, the Town of Lebanon has an airport in its budget that could disproportionately affect the town budget in a way that makes it unsuitable to compare the results to Hanover.

Beyond that guidance, the Committee left decisions regarding the presentation up to Nancy. It was tentatively decided that Daryl should present the analysis of Hanover's Median Family Income, but if not available, Kari would cover that and the analysis of the increase in property taxes on a median home from 1999 to 2014. Heidi would speak as Chair at the beginning and end.

5. *Review/discuss **Town of Hanover** business* – Bill Geraghty

Bill briefed the committee on upcoming meetings as they relate to the budget process. He noted that 9% of the Hanover property tax bill is attributable to the county, 61% to the schools, and 30% to the town.

Also the Town is continuing to consider building, with the help of donors, an additional facility for recreation programs. The question of whether to build an additional gym is part of the discussion as use of school gyms is somewhat limited. Carey volunteered to help arrange a meeting with Town and school administration to ensure that school facilities are used as fully as possible.

6. *Review/discuss updates on **Hanover and/or Dresden School District FY18 business and budget development** – Carey Callaghan*

Minutes of the most recent Dresden Budget Committee were distributed prior to the meeting. Carey briefed the committee on the process going forward.

Kari reported on a recent Hanover Budget Committee meeting that she attended. Because of fewer anticipated “extraordinary” Special Education expenses, and a decrease in the 6th grade tuition line item, the overall budget is nearly flat. The K-5 portion of the budget, however, is up. A mandatory increase in the state retirement system contribution is one factor, as are increased funding for field trips, an additional ed assistant, an incremental increase in Foreign Language staff, and costs associated with labor contracts.

Heidi reported on a forum she attended as a community leader to discuss attributes desired in a new Superintendent. Conversation focused on rigorous, interesting and challenging programs, arts, athletics, someone who would become part of community and bring financial rigor.

7. *Set/confirm agenda and time for HFC meetings*

Future meetings: December 12 at 5:00 p.m.; January 9 at 5:00 p.m.; and February 13 at 5:00 p.m.

8. *Adjournment*

Callaghan moved to adjourn; Geraghty seconded. Motion passed unanimously. Meeting adjourned at 6:33 p.m.

Note: Methodology presented by Nancy Marion at the November 14, 2016 meeting of the Hanover Finance Committee and attached to the minutes of that date.

Background Information for Figures

Comparison towns:

Comparison Group consists of ten New Hampshire towns chosen on the basis of median family income in 2014. These are the highest family-income towns in NH (excluding Hanover). The towns are Bedford, Stratham, Lyme, Windham, Rye, Hollis, Amherst, Hampton Falls, Brentwood and Madbury. Hanover’s median family income in 2014 puts it between Lyme and Windham.

Lebanon chosen because it is geographically contiguous to Hanover.

Durham chosen because it is a university town like Hanover.

Source: 2014 median family income data from the American Community Survey.

Municipal Tax Levy:

Levy computed as the total tax base (including utilities) multiplied by the municipal tax rate per \$1000 of the base. The tax base is converted to constant dollars using the Consumer Price Index for the Northeast region of the U.S. The levy is converted to a per capita basis by dividing by town population.

Data Sources:

Tax base and municipal tax rate data from the NH Revenue Administration.

(Tax base data without utilities unavailable for all years.)

Price deflator from the Bureau of Labor Statistics, U.S. Government.

(1982-1984=100)

Population data from the office of Energy and Planning, NH Government.

(NH law requires that the resident population include all institutional population.)

Town Appropriations

Town appropriations converted to constant \$ using the Consumer Price Index for the Northeast region.

Constant appropriations per capita are constant \$ appropriations divided by town population.

Data Sources:

Town appropriations for 2015 (FY2016) from NH Public Finance Consortium.

Town appropriations for 2010 (FY2011) from individual town offices.

Population data from Office of Energy and Planning, NH Government.

Price deflator from Bureau of Labor Statistics, U.S. Government.