

Selectboard
March 1, 2023
FINAL

SELECTBOARD MEETING
March 1, 2023
5 P.M. - MUNICIPAL OFFICE BUILDING - HANOVER, NH

The meeting of the Selectboard was called to order at 5p.m. by Chair Peter Christie. Also present were: Vice Chair Rassias, Bill Geraghty, Selectboard Member, Joanna Whitcomb, Selectboard Member, Nancy Carter, Selectboard Member, Alex Torpey, Town Manager
Absent: None

*No audio was broadcast for the first couple of minutes of the meeting.

1. Department Budget Presentations

• Human Resources

Dee Mauer presented this item.

- Year in review
 - Statistics
 - Selectboard Member Geraghty asked about the number of workers compensation claims. The number seems high, but there was no breakdown of minor cuts/scrapes vs major injuries with time off required. Those statistics can be researched.
- Budget
 - New position
 - Equipment

Selectboard Member Whitcomb suggested to research hiring a company to scan and digitize the paper records. Mr. Torpey added that it is a larger process which will likely take several years to complete. Selectboard Member Carter asked some details about the nurse position, which was answered.

- Goals
 - Compensation study
 - Benefit package review
 - Personnel policy update
 - Edit language in all CBAs
 - Expand wellness and training programs

Public Comment:

Kari Asmus, Chair of Finance Committee asked about a couple of specific line items which were addressed.

• Town Clerk

Mr. Torpey presented this item.

- Statistics
- Budget
 - Compensation of all officials
 - Full-time salary for full-time Town Clerk
 - Election expenses
 - Discuss potential new voting machines in the coming years

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- Goals
 - Successful Elections 2023-2024
 - Full-time Clerk
 - Monthly meetings for election officials
 - Recruit volunteers
 - Keep up to date with state regulations

Selectboard Member Carter explained a new voting process regarding driving/walking/where to go to vote moving forward. There will be a trial day on Tuesday March 7th.

Selectboard Member Geraghty asked if the state regulates what type of voting machine to use. Mr. Torpey responded they do approve machines for use and since ours are old, we may want to think ahead for when we need to upgrade. The board discussed who is or is not compensated as part of the election process and how to address this item at Town Meeting.

Public Comment:

Kari Asmus asked some clarifying questions about the salary line, who is paid out of it and which volunteers are getting some payment and which get none and how that's determined.

Kim Hartman, School Board and Finance committee presented some details about payment for school board related election officers.

Carey Callahan, Finance Committee asked about the separation of duties regarding Town Clerk and how that will work prior to having this position filled as a full-time position. Mr. Torpey agreed that the details will need to be worked out in relation to oversight and responsibilities.

• Town Manager

Mr. Torpey presented this item.

- Staffing
- Year in review- top priorities
 - Human resources
 - Staffing/turnover
 - Staff compensation catch up
 - Workplace policies
 - Housing
 - Lack of affordable housing
 - Master plan/ proposed zoning changes
 - Rental housing inspection program
 - Public engagement
 - Podcasts
 - New website
 - Email newsletter
 - Finances
 - New staff coming in and cross training upcoming
 - New accounts to add to proposed budget
 - Economic revitalization

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- Special projects instead of using UFB
- Public communication, engagement
- Goals
 - Finance-Budget for this year and next
 - HR- implement compensation study
 - Build stakeholder engagement
 - Set goals with Sustainable Hanover
 - Revitalize downtown post COVID
 - Collaborate with college president
 - Regional collaborations for services
 - Programs and policies for all departments

Public Comment:

Carey Callahan asked about the proposed funding for special projects and whether Bressett fund can be utilized. Kari Asmus brought the 2003 Annual Report which is when central business districting began. This allows for funds to be raised and perhaps that is an option we can use for some of these business -related projects and funds. Mr. Torpey relayed where the current conversations are and there are several options still to discuss.

Ms. Asmus would prefer to use the UFB for one-time purchases rather than raise tax dollars for that especially this year with the anticipated higher tax rate.

She asked some specifics about why some budgets are under certain departments or not.

• Finance Department

Ellen Bullion, Finance Director presented this item.

- Staffing
- Year in review- transition
- Budget
- Goals
 - Budget and department processes
 - Monthly reporting to departments
 - Training
 - Time tracking efficiencies
 - Document processes

• General Administration and Social Services

- Workers compensation
- Retirement
- Ambulance fees

Carey Callahan asked a clarifying question which was answered.

Kari Asmus asked a question which will be researched to find the answer.

• Social Services

The board discussed at a previous meeting that the different groups will be offered a meeting to come to and promote their services later in March or April rather than during the budget meetings this year.

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Mr. Torpey presented this item.

Looking ahead the plan is to have some staff oversight over these agencies in terms of budget management. Last year's requests and this year's proposed funding was presented on a slide. (\$6000 increase)

The board discussed the process of applying for these funds, the requirements and criteria for these groups to qualify and board member opinions regarding having town staff involved with the management of the budget of these groups.

The board took a 20-minute break at this time.

- Recap and Highlights of Department Presentations

None

- Overview of 2023-2024 Budget and Tax Impact, Future Forecast, and Goals

Mr. Torpey reviewed the overview of the 23-24 budget, the key budget factors and goals and next steps in this process. Some slides with budget figures were available and shown but are still preliminary.

He gave detailed descriptions of

- General fund one time and recurring adjustments by specific line items requested/ required.
- Fire fund appropriations
- Key cost drivers of the budget: *staffing
 - Key Challenges to the budget
 - Inflation and rising costs
 - Labor shortages
 - Under budget programs: employee compensation/ retirement
 - Incoming debt service for repairs, upgrades
 - Revenue issues/ rates, fees
 - Revisit fund balance policy and management
 - Five-year history not yet available
 - Focused on confirming 2022 numbers are accurate
 - Confident the 500,000 will reduce parking fund deficit from \$816,000 to \$316,000
 - Review of undesignated fund balance policy
 - Review and evaluation of various trust funds
 - Termination Benefits Fund: Discussion of how much is in the account and what the restrictions are for using it
 - Kari Asmus gave information about the answers to these questions

Board members had a discussion about how to use fund balances and for which purposes in the upcoming budget. Also some discussion about a \$3.1M budget and whether that's the correct number to use to start from.

Mr. Torpey continued reviewing the slides for the key challenges to the budget.

- Post COVID-19 issues

Ms. Bullion reviewed the status of the 2021-2022 audit. There are three outstanding issues the auditors are asking for before it will be complete.

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Mr. Torpey noted we are entering a budget multi-year catch-up period which will likely take 3-5 years. He reviewed options for how to pay for future expenses which was discussed at a Selectboard meeting in January.

- Cut costs/eliminate services
- Raise non-tax revenue
- Borrow money
- Raise taxes on existing taxpayers
- Create new taxpayers
 - Mr. Torpey expounded on how this option works and how it can benefit Hanover
 - Options for types of housing development in Hanover
 - There are goals in the new master plan to help guide the vision of development in Hanover

Mr. Torpey reviewed the key budget takeaways for 23-24

- Tax rate increase not to exceed 6.8%
- Most departments are level-funding most operations
- Housing and related issues are having a major impact on the budget
- Major costs on the horizon
- Need a plan for new revenue
- Plan for next year: more integrated/goal oriented budgeting process

• Review of Final Feedback/Questions and Next Steps

Board member comments:

Chair Christie: three things to do before March 20:

- Discuss the use of ARPA vs undesignated fund balance
- Develop a list of non-recurring expenses that are in this budget
- Find out how much undesignated fund balance we have used to date and try to project what will be used in FY23 (June 30th)

Public Comment:

Kari Asmus brought up the proposal to use \$500,000 of undesignated funds for operating expenses in FY24. The Finance Committee would be interested in information about that as well as the money budgeted for new programs.

Kim Hartman clarified that the schools are not having trouble hiring teachers, but rather more specific roles such as special education assistants.

She suggested an option to cut costs is to partner with service organizations such as Emersion Montessori which has helped towns with after school care.

School board will be deliberating tomorrow on the school portions of the budget.

She noted the Governor just put out a plan which may allot funds to the school budget dropping the proposed 6.9% tax rate increase down by half. There is still a legislative process that has to complete before that information will be known.

Carey Callahan appreciated Mr. Torpey's plan to look beyond this fiscal year budget to upcoming future needs. He observed a partnership with Lebanon regarding waste water could assist with future Hanover growth. He commented that one of the tasks given by the auditors is more a book-keeping item and in terms of priority can be the lowest.

The board thanked all of the staff, public and Finance Committee members for their work and feedback this week.

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2. Adjournment

The board did not need to attend a non-public session.

**Vice Chair Rassias MOVED to adjourn at 8:32pm. Selectboard Member Whitcomb SECONDED the Motion.
All in favor**

Respectfully Submitted,

Joanna Whitcomb, Secretary

SUMMARY

Item 2

The board did not need to attend a non-public session.

**Vice Chair Rassias MOVED to adjourn at 8:32pm. Selectboard Member Whitcomb SECONDED the Motion.
All in favor**