

Hanover Finance Committee

Minutes

March 29, 2023

Location: Howe Library, Murray Room

Attendees: Kari Asmus (Chair), Bill Geraghty (Selectboard Member), Kimberly Hartmann (School Board Representative), Herschel Nachlis, Greg Snyder

1)Call to Order at 5:02 pm

2)Public Comment – no public comment

3)Review of Agenda

4)Discussion of Provisions of Tentative Agreements with Bargaining Units and Other Employees

The committee reviewed and discussed the public document providing details of the Agreements, including Cost of living increase 5%, Existing steps 2% (Fire3 steps), Lump sum bonus 1-2%, and others resulting in ~\$975,000 increase for the General Fund. The purpose of the increase is to make employee positions more competitive with non profit and profit organizations and mitigate recruiting problems. It was noted that staffing remains flat in the budget proposal except for two new positions for a police dispatcher and town clerk.

Herschel Nachlis moved to support the three tentative agreements. Kimberly Hartmann seconded. The motion was unanimously approved.

5)Discussion of Town Budget Proposal

The committee discussed the budget proposal approved by the Hanover Selectboard with the aid of reviewing schedules outlining budget provisions prepared by Chair, Kari Asmus. The discussion focused on FY24 Additional Costs and FY24 Tailwinds that are key drivers in the year on year budget changes. A concern was raised about the accuracy of the cost basis for future capital purchases as the bases were set some five years ago in many cases, particularly for highway purchases. Appropriations and revenues by fund were reviewed and their respective effect on the tax rates. Discussion attention was given to how operating expenses (OE) were kept flat for FY24, where decreases occurred, economies applied and the impact of inflation being absorbed. It was noted that a detailed line item review was done by every department ensuring that proposals were appropriate with historical actual expenses. Undesignated Fund Balance (UFB) usage was highlighted in Fire and Ambulance Funds and how its usage can be reduced for recurring expenses. These items will be further reviewed by the Selectboard to ensure accuracy when presented at Town Meeting.

Concerns about the budget development process were raised in terms of timeliness, responsiveness and accuracy of town staff regarding requested budget information. It was noted that transitions are difficult, but positive trends from town staff have been observed now that the new Finance Director is onboard. Selectboard Member, Bill Geraghty thanked Kari Asmus for her diligence and significant contributions within the budget process.

Greg Snyder moved to support the Selectboard budget proposal. Kimberly Hartmann seconded. The motion was unanimously approved.

6)Adjourned at 6:45pm.