

Hanover Finance Committee (HFC)

Minutes

June 19, 2023

Location: Howe Library, Murray Room, 13 South St., Hanover NH, 5:00 p.m.

Attendees: Kari Asmus (Chair), Greg Snyder, Kimberly Hartmann (School Board Member rotating off), Antonia Barry (School Board Member rotating on), Herschel Nachlis, and Richard Greger (as a member of the public).

- 1) The meeting was called to order at 5:00 p.m.
- 2) Public Comment – none.
- 3) Review and Reordering of Agenda
- 4) Update on Committee Membership

Kim Hartmann is rotating off, and Antonia (Toni) Barry is rotating on, as the Committee's School Board Member. The Committee expressed deep gratitude for Hartmann's service, and excitement for Barry's service.

- 5) Update re: FY22 Audit—Ellen Bullion, Hanover Director of Finance

Bullion provided extensive updates on this process, and her and the Town's extensive efforts to move things in the right direction. The FY22 Audit is not yet done, and efforts to clarify, update, and clean up the Town's records and recordkeeping on a range of issues continue, including: Covid funding, inter-account issues, capital assets funds, 21 audit vs 22 opening balance matching issues, unrecorded transactions, and Oak Hill-related transfers.

Questions were raised by the Committee about the timeliness of the audit, which is over 6 months late due to legacy issues on the Town's side related to turnover and recordkeeping and then the bandwidth needs of the budgeting season. Efforts to remedy all of these issues remain difficult, as prior documentation on which to build is sparse, and remedying the situation is analogous to a road trip with no map.

The Committee also wondered if there are regular accounting practices and policies in place presently, and/or will be once the present situation and Audit are cleared up, and/or might be borrowed from other local, state, or national organizations.

Questions arose about if other items not yet discovered have been missed that may further complicate these processes (others of which have been large, such as a \$900,000 insurance reimbursement fund issue). The prospect of volunteer help, or NHMA help, was also raised.

The Committee expressed concern about the Audit process continuing on for additional time, given the Town's suggestion in January that it would be completed in a few weeks. It was presently shared that the Audit would be done by the end of August.

The recent issue of some incorrect tax bills appears to have been a one-time small-scale coding and systems error that has been remedied.

6) Trust Funds and Pooled Cash Disbursements

7) Update re: FY21 Bridge Bond

The Committee asked for greater clarity and transparency on debt service issues. A \$950,000 full draw on this bond was possible, but only \$319,000 was drawn before the ability to utilize the full amount expired in December. Interest rates are now higher.

8) Proposed HFC Activities and Research Projects for 2023-24

a) Monitor and opine re: Town and School budgets

b) Review and offer feedback re: School budget and Annual Meeting materials

c) Review and offer feedback re: Town budget and Annual Meeting materials

i) Preliminary suggestions include focusing on 4-5 items; providing additional materials in user-friendly ways on the Town web site; providing additional materials regarding particular central fund balances, including undesignated funds; providing clear materials on debt service obligations and plans.

d) Review and summarize comparison of Town, School and NH Municipal Association/NH School Board Association suggested financial policies

i) 5-6 policies exist and may be useful for the Town web site to post.

9) Approval of Minutes

a) Regular committee meeting of April 17, 2023

i) Snyder moves; Nachlis seconds; unanimously approved.

b) Selectboard/Committee meeting of March 28, 2023

i) Snyder moves; Nachlis seconds; unanimously approved.

10) Report of Chair

a) Next meeting: July 10, 2021, 5 PM—Reorganizational Meeting, date to be confirmed

11) Report of School Board Member – Hartmann is recognized for her exemplary service, and commends Barry to the Committee.

12) Adjournment at 6:30 p.m.