

## HANOVER FINANCE COMMITTEE

### Position Statement on the Proposed Town of Hanover Bond and FY2023 Budget

The Hanover Finance Committee (HFC) is an appointed Town committee of Hanover residents<sup>1</sup> charged with reviewing financial matters of the Town and offering guidance on those matters to the Hanover Selectboard, the Hanover School Board, Town officials and residents. As part of its deliberations on the proposed Town budget, members of HFC reviewed projected revenue and expenditure data, attended public budget meetings of the Town, and discussed the details of the budget with Hanover Selectboard members and Town administrators.

**During a public meeting on March 24, 2022, the Hanover Finance Committee voted unanimously to support both the proposed one-year contract with the Public Works employees, and also the proposed Town budget, representing a 3.6% (or 19 cents) increase in the combined Town General Fund and “blended” Fire Fund tax rates which currently stand at \$5.31 per \$1,000 of taxable assessed property value prior to this increase. After subtracting all revenues, the amount to be levied to taxpayers is \$14,812,614.**

The Finance Committee supports the contract with the Public Works employees (Police and Fire contracts pending at the time of writing) – factoring in a 3% cost of living adjustment plus 2% “step” increases for most employees. Hanover is fortunate to have a dedicated and conscientious work force, both union and non-union alike, in the face of a challenging regional labor market in which certified and experienced personnel are in short supply.

For a second straight year, the Selectboard budget proposes use of one-time monies from the Undesignated Fund Balance to support on-going operational expenses and to temper what would otherwise be a 5.6% tax rate increase. Nonetheless, the HFC supports the proposal owing to: 1) a Fund Balance, even after this drawdown, that will still be above the high end of the 10-15% target range; 2) the prospect of Federal funds that may replenish the Fund; and 3) further Fund relief from unwanted – but very likely – savings that accrue from job vacancies, reflecting hiring challenges.

Long-term fiscal and operating challenges, such as employee recruitment and retention, are being conscientiously addressed by Town government and administration. We commend them for this effort. This work also includes affordable housing, renewable energy and conservation efforts, sustainability planning, and infrastructure upgrades. Essential to the vitality and resiliency of our community, these efforts will entail substantial investment and we urge the Selectboard and administrators to carefully plot the multi-year fiscal trajectory to keep it manageable to taxpayers. Relatedly, we recommend the Selectboard revisit and consider updating the parameters for elderly tax exemption, last revised in 2008.

In the near-term, fiscal pressures include an anticipated step-up in NH State Retirement System costs, a possible revenue hit from a mid-year hiatus in rooms and meals taxes, high and volatile fuel costs and overall soaring inflation. These suggest the need for careful fiscal management in the coming months. The Selectboard’s involvement in reviewing and potential revising fiscal outlays will be even more important in this highly uncertain environment.

The Finance Committee appreciates the opportunity to have been a part of the budget review process and thanks the Selectboard and Town administration for their hard work on the budget. The HFC is especially grateful for the longstanding service of Town Manager Julia Griffin, whose exemplary leadership and boundless good cheer will be sorely missed.

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<sup>1</sup> Members this year have been Kari Asmus, Carey Callaghan, Mac Gardner, Jeffrey N. Ives, Herschel Nachlis, William V. Geraghty (Hanover Selectboard member), and Kimberly Hartmann (Hanover School Board member).



Kari Asmus chairs a covid-careful mid-October 2021 HFC outdoor meeting, with reindeer blanket.



October 2021: HFC members Bill Geraghty, Herschel Nachlis and Jeff Ives at a meeting “under the lights”.