

FINAL

BOARD OF SELECTMEN'S MEETING

February 25, 2008

7:00 P.M. – MUNICIPAL OFFICE BUILDING – HANOVER NH

The meeting of the Board of Selectmen was called to order at 7:00 p.m. by Chairman Brian Walsh. Present were: Brian Walsh, Chairman; Katherine Connolly, Vice Chairman; Peter Christie, Selectman; Bill Baschnagel, Selectman; Athos Rassias, Selectman; and Julia Griffin, Town Manager.

1. PUBLIC COMMENT.

Chairman Walsh asked for any public comments. There were no comments from the public.

2. 1st BUDGET HEARING:

- Town Manager's Presentation of Proposed FY 2008-2009 Budget
- Parking
- Police
- Water Reclamation – Sewer Fund

Chairman Walsh invited Ms. Griffin to present the Town Manager's report.

Ms. Griffin gave an overview of the Board's review of the 5 year projections last fall. Based on those discussions, they arrived at a tax increase of just over 1%. Ms. Griffin reported that they were able to package the budget utilizing funds available in the budget to reach the goals of the Board without needing an additional tax increase. Ms. Griffin noted that if they removed the amount of money needed to be collected to repair Reservoir Road over 2 years, the actual increase would be around 5%. Ms. Griffin also pointed out that there were items in the budget that opened up more expenditure capacity such as the police facility bond which expired and the growth in the tax base enabled them to contain the costs while maintaining existing services.

GENERAL FUND

Ms. Griffin provided the Board with the highlights of this budget. There were several price pressures in certain areas of expenditures such as oil, paving materials, etc. There are concerns about what will happen to the overall Hanover tax rate when the school bond hits. The on-going uncertainty over financial fix for the NH Retirement System. Employers will most likely be asked to contribute more. There are concerns over the Grafton County Jail proposal and the operating expenses that will be forthcoming. Ms. Griffin stated that they took a very conservative approach to this year's budget proposal.

Ms. Griffin reported that there were a number of areas of expenditures that need to be absorbed. They anticipated \$218,000 in additional negotiated merit and wage scale increases. The Town received a guaranteed maximum rate for Health Insurance of 11.3% but Ms. McClain was able to estimate the benefit requirements for each person to reduce the increase by 4.4%. They

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increased the overlay by \$30,000 to \$70,000. Mr. Ryan is concerned with the instability of the real estate market and would like to ensure they are covered for the abatement reserve. Ms. Griffin noted that they budgeted an additional \$30,000 in legal fees. Fiscal year 2008-2009 marks the last year for the 3 year undesignated fund replenishment plan. No undesignated fund balance is being used to help balance the budget this year. There is an increase in expense of \$45,000 for fuel oil and gasoline which is above the initial \$35,000 to handle fuel price increases. Ms. Griffin reported that they have returned to fully funding the vehicle reserve contribution which was another goal set by the Board.

Ms. Griffin reported that there were no proposed staff additions except a part-time grounds maintenance person for Public Works.

Betsy McClain, Finance Director, addressed a question that was brought up previously by Chairman Walsh about where the tax rate would have been if the money had not been spent on storm repairs. Ms. McClain provided the Board with an overview of the tax impacts of the June 2005 storm. Ms. McClain provided the schedule reflecting a trajectory of municipal tax rates without the impact of the June 2005 storm. As noted on the schedule (during tax year 2006) 18 cents (per \$1,000) to the tax rate was storm related with the current rate of 20 cents (per \$1,000) and the proposed budget reflects 3 cents (per \$1,000) which is storm related. The 5% comes in when the impact of the storm repair is taken out of the equation. Ms. McClain also provided the Board with a list of options for reducing expenditures and thus the corresponding percentage decrease.

Chairman Walsh asked about what the CPI rate was for the years that the repairs were being done. Selectman Christie noted that the percentage was left the way it was in order to replenish the funds for the paving program because historically, the Town had been underfunding this item. Ms. McClain stated that she did not compare the percentage increase to the tax rate benchmark which would have been the November/December CPI.

Selectman Christie felt that this issue was more of a function of how it should be presented and articulated and did not want to present the budget as a no increase budget. He would like to see it articulated that the Town would have been looking at a 5.3% increase but because of the reduction in the storm expense it is down to 0. Selectman Christie noted that the target was set at 1.05% net of the storm increases and staff came back with an increase of 0.0%. Ms. Griffin noted that other than the storm repairs (\$336,000), there was a slight increase in the tax base, the bond for the police department expired and the additional \$83,000 was plugged back into the building reserve.

Chairman Walsh would like to go for after this budget as a 5.3% increase which is better than the Board asked for in November. Selectman Christie stated that he would state that storm damage repairs are fully funded in the '07-'08 appropriation "freeing up" \$336,000 in FY '08-'09 which the Town did not spend. Vice Chairman Connolly noted that the capital reserve still needs to be dealt with. Selectman Christie gave an overview of the amounts that will be going into the capital reserve versus the amount that has been spent.

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Ms. Griffin noted that next year the money will not need to be spent on road repairs. Selectman Christie went over the breakdown of the items that opened up the expenditure capacity in FY '08-'09 budget and the items that will require increases and the difference comes to around 3.5%.

Ms. Griffin noted that the Fire Fund and Ambulance Fund are very conservative this year. The Fire Fund is slowly being weaned off the SAFER grant for the additional 4 firefighters. The Ambulance Fund saw no significant increase in expense. The cost allocation to the other communities (Norwich and Lyme) are about as high as they can go in terms of shifting firefighters salaries out of the Fire Fund and into the Ambulance Fund. The increases may push these Towns to seek services from other towns. Ms. Griffin noted that Hanover is one of the few communities in the State that have separate funds for Fire and Ambulance. Selectman Baschnagel stated that in looking at where the runs are generated from, about 75% of the calls are from the Town of Hanover. Ms. Griffin noted that Windsor is getting away from dispatching and the Town of Hartford may be looking at increasing their service area and Norwich may be considering dispatch services through Hartford dispatch.

Ms. Griffin reported that for the Water Reclamation Facility, discussions will continue with the proposed capital and improvement projects. There will be less of an increase this year compared to next year due to the size of the capital projects that are proposed to be undertaken this year.

PARKING FUND

Ms. Griffin reported that the Parking Fund is very stable and there will be a decrease in expenditure for this budget. Based on this proposal, there does not need to be a parking tax reinstated in FY '08-'09. The Selectman's Advisory Committee of the DMA will make a presentation to the Board on March 12th.

Chairman Walsh invited Lt. O'Neill to speak to the Board about the Parking Fund budget. Lt. O'Neill reported that the Parking Fund anticipates revenue and expenditures of \$1,479,000. There is a \$10,000 draw to from fund balance proposed to balance revenue and expenditures which is earmarked to fund any unscheduled capital maintenance in the facility. There is no parking district tax included in the budget. There are several decreases in the expenditure line items. There are notable expenditure increases in charges from Police and Public Works for their services to Parking. Electricity and Advance Transit shuttle charges are up for FY '09. Lt. O'Neill stated that for performance indicators for the parking facility, short term customer use for the facility is up.

Ms. Griffin noted that Van Chesnut could not attend this budget meeting but he provided the Board with an overview of information related to the increases for Advanced Transit.

Chairman Walsh would like to see how many spaces were available to the Town for parking before the facility was open. Approximately all the spaces made available for short term parking have been consumed by people closing parking lots which were previously available. Chairman Walsh would like to be able to answer residents' questions about why parking is short in Town

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now. Vice Chairman Connolly would also like a breakdown between leased spaces and metered spaces.

Selectman Christie asked about the \$10,000 draw and whether it was being taken from the Capital Reserve Fund. Ms. Griffin stated that this amount would be taken from the undesignated fund balance. The Parking Fund is currently at 10.76% in undesignated fund balance for the parking garage.

Vice Chairman Connolly asked about the status of using credit cards. Lt. O'Neill stated that in the past year's budget, they set aside \$23,000 to purchase three machines for the back parking lot. Lt. O'Neill stated he was uncomfortable in purchasing the machines because they had trouble with the two similar machines that were in lots 6 and 7. There is a reduction because those machines were not purchased. There would have been additional fees built in if they had purchased the machines because a percentage of each transaction goes to the credit card company.

Chairman Walsh has received complaints about tickets being issued late at night. He would like to see additional advertising that if people park in the parking facility, they are not going to get ticketed or towed.

Chairman Walsh noted that there was \$191,000 set aside to Advance Transit and would like to see this funded out of meter revenues and fines but he would like to see the totality of the operating budgets of Advance Transit and compare relationships with Dartmouth, the Hospital, etc.

Selectman Rassias asked about the rentals line item for Dartmouth College. Ms. Griffin noted that the College leases back from the Town a guaranteed number of spaces each year. This was part of the funding formula developed within the Town for the parking facility and Dartmouth College owns the building located at 7 Lebanon Street is required to have a certain number of parking spaces and they lease spaces at the Parking Facility from the Town.

Selectman Baschnagel and the Board reviewed the information provided by Van Chesnut. The ridership is growing and the Lebanon City Council did approve the \$185,000 charge in their budget. Chairman Walsh would like to see the figures for ridership over a 10 year span.

POLICE

Chairman Walsh invited Chief Nicholas Giaccone to introduce himself and make his budget presentation. Chief Giaccone stated that this is the year to roll over the fleet which is a major purchase out of the reserve to replace cruisers. Normally, they replace the cruisers every 3 years and the administrative car, detectives' car and the SUV are normally replaced on a 6 year basis. The SUV will be kept an extra year, maybe longer. Chief Giaccone reported that it was requested that the department evaluate the possibility of replacing the administrative car and the detectives' car with hybrids. Initially, the cost of the hybrid vehicle is above what is normally spent on the vehicles and whether the increase in cost would be offset by a decrease in gas has

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yet to be determined. There is an additional cost of putting all of the police equipment in the vehicle.

Chairman Walsh would like to see a process whereby when alternatives are being looked at from a functional point of view, cost point of view, from a carbon footprint point of view, and from a gas consumption point of view over time, then those alternatives are to be brought to the Board of Selectmen to counsel on these decisions. Ms. Griffin noted that there is a big difference in looking at this for the admin and detectives' cars versus the police road cruiser.

Chief Giaccone noted that the way the industry rates police service vehicles is different than the average public person. Vice Chairman Connolly asked about keeping the cruisers longer than 3 years. Chief Giaccone noted that there were problems with this including expiring warranties and problems with maintenance issues.

Ms. Griffin noted that there will be a report this spring relative to vehicle replacement and schedules. Selectman Baschnagel noted that the manufacturers are bringing the hybrid technology to the smaller vehicles and are not putting it into the trucks and SUVs.

Selectman Rassias asked about the average miles for the cruisers. Chief Giaccone reported that at the time that they turn in the vehicles, there are around 100,000 miles on the cruisers. In the replacement there are additional costs including mobile data systems and video systems. Chairman Walsh asked if this other equipment needs to be replaced every 3 years with the car. Chief Giaccone reported that the mobile data needs to be replaced every 3 years. The video equipment uses tapes and they are experiencing problems with the old technology.

Selectman Christie asked about staffing. Chief Giaccone reported that the department has extreme difficulty with hiring police officers. Retention of younger officers is a problem. Chief Giaccone noted that a neighboring department is in the process of trying to hire one of the newer Hanover Police Officers and the difference in pay is an issue. Chief Giaccone suggested that a contract may be needed in the future if the department becomes a training ground.

Chief Giaccone noted that technically the department is at full manpower although due to illness and deployment, they have been down in numbers. Ms. Griffin asked about the last time they were full staff. Chief Giaccone stated that they were full staff for about 12 to 14 months since September 11th. When up to full staff they try to circulate an officer through detectives and dedicate one officer to traffic control.

Selectman Baschnagel asked whether the department will be coming to the Board looking to change the layout of the progression of step increases. Ms. Griffin noted that this is being looked at through the Union negotiations.

Selectman Baschnagel asked about Valley Court Diversion. Chief Giaccone noted that Valley Court Diversion will be taking over the Administrative functions of Diversion in place of the volunteer that the PD had taking on these duties. The project is basically cost neutral.

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Ms. Griffin reported that Doug Hackett, Dispatch Coordinator, alerted her that the Town of Cornish Fire/Rescue has approached Hanover to explore the possibility of the Town dispatching for them. If the Dispatch Center were to see an increase in revenue, Coordinator Hackett would like to put the funds toward the overtime budget.

Doug Hackett, Dispatch Coordinator, reported that this started when the Town of Windsor decided that they were going to cease operating a regional dispatch center as of June 30th. The Town chose to contract with the Town of Hartford for their dispatching which left a number of outside towns without dispatching services. Cornish Fire approached Coordinator Hackett about dispatching since the Hanover Dispatch Center already handles Plainfield and Meriden. Cornish Fire/Rescue generates about 200 calls a year. One issue is that the current radio system would not reach down there but the State of NH will fund, through the fire radio program started a few years ago, the addition of new radios at no charge to the dispatch center. This will help provide better radio coverage for Plainfield and Meriden than they currently have. This will generate a \$10,000/year fee which is not currently included in this year's budget. One of the issues in dispatch is the overtime budget trying to cover the shifts that they currently have. In this fiscal year, they are almost 82% spent in the overtime budget. In the budget hearing, Coordinator Hackett asked for an increase and received part of what he asked for. He is hoping that with the additional \$10,000 in revenue, \$5,000 could be used for overtime.

Ms. Griffin reported that the Norwich Fire Department has approached dispatch along with Norwich police which would trigger the need for another full time dispatcher. She is not interested in taking business from the Hartford dispatch center.

Selectman Baschnagel asked how many people work on each of the shifts. Coordinator Hackett advised that the midnight shift is the only shift that has one person although there is some overlap. Selectman Baschnagel felt that very soon the dispatch center is going to be at capacity.

Coordinator Hackett noted that there have been continual discussions about having a Regional Dispatch Center incorporating the surrounding dispatch centers. Chairman Walsh would like to see some alternatives and look at whether to get bigger or tie together with other surrounding communities in May or June. Coordinator Hackett has been reluctant to consider the Norwich Police Department because it would be much harder to absorb due to the volume.

Selectman Baschnagel asked about the prospect of fiber. Ms. Griffin noted that they are still involved in the lawsuit. Chairman Walsh outlined that this lawsuit is affecting everything from phone lines to emergency services. Ms. Griffin stated that this has been a frustrating and expensive delay. The estimation of the costs incurred have been added as information to the Court. The phone system hasn't been activated so the projection for potential savings has not been achieved and the price discount has been lost (\$6,000).

Selectman Baschnagel asked about the cost for computer upgrades. Coordinator Hackett explained that it is not just computers. There are 3 computers that run the radio software in 3 positions. They have been run for 5 years solid and he would like to replace the computers and pointed out that some of the video cards are not supported with the software upgrades. The radio

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software will not run on a Windows XP system. Coordinator Hackett reported that a complete upgrade of the radio software at this point would be a proactive approach. He does not want to have a failure mid-year. Ms. Griffin noted that this is being proposed to be funded with \$20,000 out of the reserve. They did not want to add it to the operating budget as an expense. Coordinator Hackett noted that this upgrade does increase the lifetime of the radio system.

Chairman Walsh proposed that instead of having the Humane Society as a special warrant article asking for \$2,500, have half of that money set aside in the police department budget in addition to the \$600.00 that is currently in the budget. Chairman Walsh isn't sure that this should be part of the social services budget.

Chief Giaccone noted that the \$600.00 currently in the police department budget came after eliminating the Animal Control position and this money goes to pay for the cost of a stray that is unclaimed is ultimately euthanized. The Humane Society provides the Town with a service that the police department cannot perform and they take animals any time and the money pays for the unusual circumstances. Ms. Griffin noted that these amounts the Town pays to the Humane Society can be linked to ensure that the Town can continue to have the ability to take the animals to the shelter as they do now. Chief Giaccone noted that they would need to work out a contract on this. The contract reflects their costs and the budget is in anticipation based on past usage.

Chairman Walsh noted that it is not his intent to change the valuable relationship between the PD and the Humane Society. He would rather deal with this issue in the police department portion of the budget versus the social services portion.

Selectman Baschnagel asked about the drop in Adult Diversion intake numbers. Chief Giaccone advised that there have been internal debates about the drop-off of the numbers in the last few months of 2007 but since the beginning of the year there has been a normal pick up in the number of cases. He doesn't think that there has been a decrease in the amount of drinking but perhaps students have been more careful in avoiding getting in trouble with the police.

Vice Chairman Connolly asked about the decrease in amounts for the court fines. Chief Giaccone stated that this is based on actuals and so far, year-to-date, they will not be keeping up with the projections.

Selectman Baschnagel asked about the patrol officer overtime. Chief Giaccone advised that a lot of the increase was due to being down 2 or 3 positions with military deployment or sickness. It was originally \$60,000 in his request and it was cut back by \$2,000 to \$58,000. Ms. Griffin noted that with the overtime budget, if he is down by a few officers, overtime may go up but it can be made up in full time salaries that are not being used. Chief Giaccone noted that the Department has 2 very good part time police officers which may take up some of the work.

Chairman Walsh asked about any known trends with regard to the statistics. Chief Giaccone noted that they are usually dealing with low numbers. Accident fatalities should have been 0. The number of sexual assaults has increased greatly and 99.9% of them involve an alcohol component so they take up a great deal of investigations time.

WATER RECLAMATION FACILITY

Chairman Walsh asked about the lists of projects totaling over \$7 million and asked which portion is part of this year's budget. Ms. McClain stated the plan as proposed is to apply and receive a \$6 million SRF (State Revolving Fund) loan which would be brought before Town Meeting in May to try to get authority to bond \$6 million worth of the projects. The debt service for this note would not kick in until the note is closed, similar to a construction loan. The earliest that the Town would begin to see debt service payments is 2011. Because they are only proposing to bond \$6 million, there is a proposal to transfer to reserve \$567,080.

Ms. Griffin noted that the information on the projects that was reviewed by the Board last May would be provided to the Board again with the projects in the order that it is suggested that they be handled. This information that was compiled distinguishes between projects which include the replacement of equipment and those projects that deal with capacity. Ms. Griffin noted that the Board made it clear that sustainability was a priority with this project and they will need to work with consultants to work on the timing sequence of these projects. Selectman Christie clarified that this would be done with the rates that are currently being charged.

Vice Chairman Connolly asked about the current \$250,000 per year that they are paying on. Ms. McClain noted that the total projected debt service would be about \$750,000. Ms. McClain noted that the money would be bonded for a shorter period of time (15 years).

Chairman Walsh wants to consider how to put the information together. The Board discussed some options for this and Ms. Griffin will put together a mock up of a presentation for the Town Report and prior to Town Meeting so that the Board could give staff some feedback and this may make the Board more comfortable in talking with residents about it.

Chairman Walsh expressed concern that the approval of the proposed budget might be at risk because of an inability to adequately explain the proposed projects. Selectman Baschnagel felt that the best approach would be to address the operations requirement and then address the capital requirement. Ms. Griffin felt that it would be helpful to show the Board what staff can come up with for a presentation of the proposed pieces of the project, financing proposal and a timeline. Chairman Walsh would like to see one or two public hearings on this prior to Town Meeting.

Selectman Rassias asked about the methane recapture and whether it is viable. Mr. Kulbacki explained that the pipes are corroded and it was being used until about 5 or 6 years ago. It generated plenty of methane. Selectman Rassias asked whether there would be a savings if they used it. Mr. Kulbacki stated that they would realize a savings in heating oil which would realize a savings of \$30,000. Ms. Griffin noted that \$67,000 is spent on heat for the treatment plant including \$48,000 for digester heat.

Selectman Baschnagel asked about what is driving the supplies number up in the proposed budget. Kevin Maclean explained that this was directly related to the increase in the raw costs for materials. Mr. Kulbacki noted that the polymer increase is a significant increase. Mr.

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Maclean noted that the industrial pretreatment program was a large expense that was added which would be used to keep tabs on the contributors to the system. Mr. Kulbacki advised that there will be a proposal for an updated sewer use ordinance in the future.

Chairman Walsh questioned the sewer user fees and saw that they fell by over \$390,000. Ms. McClain noted that the flow data was incorrect in the past for buildings that were not yet completed so the 2009 projected revenues are based on the flow data from last year with a very conservative increase.

- 3. BANNER REQUESTS:**
 - American Red Cross – Blood Drives

Vice Chairman Connolly MOVED to approve the Banner Request of the American Red Cross. Selectman Rassias SECONDED the motion.

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE BANNER REQUEST OF THE AMERICAN RED CROSS.

- 4. APPROVAL OF MINUTES:**
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Chairman Walsh moved on to the approval of the Minutes. Vice Chairman Connolly and Selectman Christie forwarded some minor changes were recommended.

Selectman Baschnagel noted that he spoke with a person from a construction company who is in the business of building jails and they have a list price of \$70,000 per bed which was in large contrast from the proposed Grafton County Jail. Ms. Griffin noted that the procedure of the vote of the Jail is being called into question.

Selectman Baschnagel MOVED to approve the Minutes of February 11, 2008 with the recommended corrections. Vice Chairman Connolly SECONDED the motion.

THE BOARD VOTED IN FAVOR TO APPROVE THE MINUTES OF FEBRUARY 11, 2008, 4 IN FAVOR, 0 OPPOSED AND 1 ABSTAINED. SELECTMAN RASSIAS ABSTAINED FROM THE VOTE.

- 5. ADMINISTRATIVE REPORTS.**

Ms. Griffin noted that there is movement in the Legislature around pieces of labor legislation and she wanted to make sure the Board is in agreement that she will continue to urge the delegation to vote against the items and she will send an e-mail to the Board members to confirm this.

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Ms. Griffin reported that The Technology Advisory Board which is administered by the Department of Resources and Economic Development, received an appropriation to do a broadband study in the State and have contracted with a consulting firm to prepare the assessment. There are some listening sessions being held around the State to get public input. There will be a listening session next Monday at 4:00 in the Lebanon City Council Chambers just prior to the NHMA dinner.

6. SELECTMEN'S REPORTS.

Peter Christie

Selectman Christie reported that the Finance Committee met today. He noted that they were appreciative of the budget package that they received and he did not sense any concerns about the budget as presented.

Kate Connolly

Vice Chairman Connolly reported that the Planning Board had a discussion about zoning and the first public hearing will be held tomorrow night for the batch of proposed zoning amendments. There was also a meeting about the proposal for the Rivercrest area but neither Vice Chairman Connolly nor Selectman Baschnagel attended so they were unable to report on the outcome of those discussions.

Bill Baschnagel

Selectman Baschnagel reported that the Conservation Commission is teaming up with the Lebanon Conservation Commission to talk to the State about having a wildlife corridor study to compliment the Route 120 study.

Selectman Baschnagel reported that the TMA will be holding a public education session on March 13 at the Howe Library to discuss parking and traffic solutions.

Athos Rassias

Selectman Rassias had nothing new to report.

Brian Walsh

Chairman Walsh had nothing to report.

7. OTHER BUSINESS.

There was no Other Business.

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8. ADJOURNMENT.

Selectman Baschnagel MOVED to adjourn the meeting. Vice Chairman Connolly SECONDED the motion.

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:35 P.M.

Respectfully Submitted,

Athos Rassias, Secretary

Minutes prepared by Elizabeth S. Rathburn.

SUMMARY

- 1. Vice Chairman Connolly MOVED to approve the Banner Request of the American Red Cross. Selectman Rassias SECONDED the motion.**

THE BOARD VOTED UNANIMOUSLY TO APPROVE THE BANNER REQUEST OF THE AMERICAN RED CROSS.

- 2. Selectman Baschnagel MOVED to approve the Minutes of February 11, 2008 with the recommended corrections. Vice Chairman Connolly SECONDED the motion.**

THE BOARD VOTED IN FAVOR TO APPROVE THE MINUTES OF FEBRUARY 11, 2008, 4 IN FAVOR, 0 OPPOSED AND 1 ABSTAINED. SELECTMAN RASSIAS ABSTAINED FROM THE VOTE.

- 3. Selectman Baschnagel MOVED to adjourn the meeting. Vice Chairman Connolly SECONDED the motion.**

THE BOARD VOTED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:35 P.M.