2019 TOWN MEETING
TOWN OF HANOVER, NEW HAMPSHIRE
Tuesday, May 14, 2019
HANOVER HIGH SCHOOL AUDITORIUM

The annual Town Meeting of Hanover, New Hampshire convened on May 14, 2019 at 7:00 a.m. by Town Moderator Jeremy Eggleton at the Hanover High School Gymnasium. Moderator Eggleton explained that the polls would be open from 7:00 a.m. to 7:00 p.m. for the purpose of voting for candidates for Town Meeting and all other articles requiring vote by official ballot as set forth in Articles One through Three of the Town Meeting Warrant.

ARTICLE ONE: To vote (by nonpartisan ballot) for the following Town Officers:

One Selectboard Member to serve for a term of three (3) years;
Athos Rassias 326

One Etna Library Trustee to serve for a term of three (3) years;
Kathleen Chaimberg 201

One Town Clerk to serve for a term of three (3) years;
Betsy McClain 334

One Trustee of Trust Funds to serve for a term of three (3) years.
Sally Jane Boyle 323

ARTICLE TWO (to vote by ballot): To see if the Town will vote to amend the Hanover Zoning Ordinance as proposed by the Hanover Planning Board in Amendment No. 1:

The following question is on the official ballot:
"Are you in favor of the adoption of Amendment No. 1 as proposed by the Planning Board for the Hanover Zoning Ordinance as follows?"

Amendment No. 1 would:

a) add a definition for “persons with disabilities”;
b) amend the definition of affordable senior housing to include “persons with disabilities” in addition to “persons who are at least 62 years of age” as the income eligible population who may inhabit affordable senior housing;
c) modify the definition of senior housing development to include inhabitants who are “at least” 62 years of age, instead of 62 years of age or older; and
d) add a new paragraph c to Section 520.3 that enables the use of affordability standards established by US HUD, NH Housing Finance Authority, or US Department of Agriculture Rural Development, instead of solely the affordability standards set forth in the Zoning Ordinance currently to determine eligibility for occupancy of affordable senior housing.

At a public hearing held on March 5, 2019, the Hanover Planning Board voted to recommend that Town Meeting approve this zoning amendment.

RESULTS: YES 342 NO 13 ARTICLE PASSED
ARTICLE THREE (submitted by petition) (to vote by ballot): To see if the Town will vote to amend the Hanover Zoning Ordinance as proposed by petition in Amendment No.2:

The following question is on the official ballot:

“Are you in favor of the adoption of Amendment No. 2 as proposed by petition for the Hanover Zoning Ordinance as follows?”

Amendment No. 2 would amend the Zoning Map to include the existing duplex at #59 and #61 Lyme Road, Tax Map 46, Lot 11, (currently in the SR-3 zoning district) in the RO zoning district.

At a public hearing held on March 5, 2019, the Hanover Planning Board voted to recommend that Town Meeting disapprove this zoning amendment.

RESULTS: YES 108 NO 244 ARTICLE FAILED

BUSINESS MEETING

Town Moderator Eggleton called the Business Meeting to order at 7:10 PM and reviewed the rules of Town Meeting, which are summarized on page 18 of the Town Report.

Selectboard Member, Nancy CARTER led the pledge of allegiance.

Eggleton introduced State Senator Martha Hennessey, Representative Polly Campion, Representative Mary Jane Mulligan and Representative Garret Muscatel. The Moderator then introduced Selectboard Members Peter Christie, Athos Rassias, Nancy Carter, Joanna Whitcomb, and Bill Geraghty.

Town Manager, Julia Griffin introduce Town Staff Barbara Prince the Etna Librarian, Fire Chief Martin McMillan, Director of Public Works Peter Kulbacki, Director of Parks and Recreation John Sherman, Director of Assessing Dave McMullen, Director & Zoning Administrator Robert Houseman, Director of Administrative Services and Town Clerk Betsy McClain, Director of Howe Library Rubi Simon, Police Chief Charlie Dennis, Police Captain Mark Bodanza, Human Resources Director David Stewart, IT Director Corey Stevens, and Doris Yates the Community Nurse.

Doris Yates addressed the Floor advising that she has been Hanover’s Community Nurse for nearly a year and a half. She described her duties and the population with which she works. Yates expressed that her services are free to Hanover Town Residents, and she encouraged anyone who would like to know more about the Hanover Community Nursing Program to contact her.

Moderator Eggleton advised that procedures state that each warrant should be read aloud twice. He moved to read each warrant article once, the motion was seconded, and the Floor voted unanimously in Favor of the motion.
ARTICLE FOUR: To choose the following Town Officers to be elected by a majority vote:

- Two members of the Advisory Board of Assessors, each for a term of three (3) years;
- Three Fence Viewers, each for a term of one (1) year;
- One Pine Park Commissioner for a term of three (3) years;
- Two Surveyors of Wood and Timber, each for a term of one (1) year;
- Such other Officers as the Town may judge necessary for managing its affairs.

Selectboard Member Whitcomb MOVED the nominations of the following persons for the following offices:

Two members of the Advisory Board of Assessors, each for a term of three (3) years:
  Mac Gardner
  Jay Pierson
Three Fence Viewers, each for a term of one (1) year:
  Robert Grabill, Matt Marshall, Sarah Packman
One Pine Park Commissioner for a term of three (3) years:
  Rob Houseman
Two Surveyors of Wood and Timber, each for a term of one (1) year:
  Bob Keene
  John Richardson

No nominations for other Officers.

The motion was SECONDED by the Floor. The motion PASSED and Article Four was ADOPTED.

ARTICLE FIVE: To see if the Town will vote to raise and appropriate $40,610 for deposit into the Land and Capital Improvements Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. The amount appropriated is the equivalent of 50% of the total collected in Land Use Change Tax in the fiscal year 2017-2018.

Selectboard Member Whitcomb MOVED to raise and appropriate $40,610 for deposit into the Land and Capital Improvements Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. The amount appropriated is the equivalent of 50% of the total collected in Land Use Change Tax in the fiscal year 2017-2018.

Selectboard Member Whitcomb explained that page 29 of the green section of the Town Report explained this Article.

The motion was SECONDED from the Floor.

Moderator Eggleton called for comment and no comment was made.

The motion PASSED and Article Five was ADOPTED.
ARTICLE SIX: To see if the Town will vote to raise and appropriate $40,610 for deposit into the Conservation Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. The amount appropriated is the equivalent of 50% of the total collected in Land Use Change Tax in the fiscal year 2017-2018.

Selectboard Member Whitcomb MOVED to raise and appropriate $40,610 for deposit into the Conservation Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. The amount appropriated is the equivalent of 50% of the total collected in Land Use Change Tax in the fiscal year 2017-2018. Whitcomb moved. The motion was SECONDED from the Floor.

Moderator Eggleton called for comments and no comment was made.

The motion PASSED and Article Six was ADOPTED.

ARTICLE SEVEN To see if the Town will vote to raise and appropriate $34,265 for deposit into the Municipal Transportation Improvement Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. This amount is equivalent to the total Transportation Fee surcharge for each motor vehicle registered in the Town of Hanover ($5.00 per vehicle) during fiscal year 2017-2018.

Selectboard Member Whitcomb MOVED to raise and appropriate $34,265 for deposit into the Municipal Transportation Improvement Fund, and to fund this appropriation by authorizing the withdrawal of this amount from the Undesignated Fund Balance. This amount is equivalent to the total Transportation Fee surcharge for each motor vehicle registered in the Town of Hanover ($5.00 per vehicle) during fiscal year 2017-2018. The motion was SECONDED from the Floor.

Moderator Eggleton called for comment. No comment was given.

The motion PASSED and Article Seven was ADOPTED.

ARTICLE EIGHT: To see if the Town will vote to raise and appropriate the sum of $1,757,743 and authorize payment into existing capital reserve funds in the following amounts for the purposes for which such funds were established:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulance Equipment Capital Reserve Fund</td>
<td>$62,567</td>
</tr>
<tr>
<td>Bridge Replacement and Renovation Fund</td>
<td>$103,271</td>
</tr>
<tr>
<td>Building Maintenance and Improvement Fund</td>
<td>$146,737</td>
</tr>
<tr>
<td>Dispatch Equipment and Dispatch Center Enhancements Fund</td>
<td>$89,197</td>
</tr>
<tr>
<td>Fire Department Vehicle and Equipment Fund</td>
<td>$88,510</td>
</tr>
<tr>
<td>Highway Construction and Maintenance Fund</td>
<td>$384,508</td>
</tr>
<tr>
<td>Fund</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Parking Operations Vehicles and Parking Facility Improvements Capital Reserve Fund</td>
<td>$174,955</td>
</tr>
<tr>
<td>Police Vehicles and Equipment Capital Reserve Fund</td>
<td>$88,766</td>
</tr>
<tr>
<td>Property Revaluation Capital Reserve Fund</td>
<td>$10,000</td>
</tr>
<tr>
<td>Road Construction and Improvements Capital Reserve Fund</td>
<td>$68,825</td>
</tr>
<tr>
<td>Sewer Equipment and Facilities Improvements Capital Reserve Fund</td>
<td>$363,757</td>
</tr>
<tr>
<td>Water Treatment and Distribution Equipment and System Capital Reserve Fund</td>
<td>$176,650</td>
</tr>
</tbody>
</table>

Selectboard Member Carter moved to raise and appropriate the sum of $1,757,743 and authorize payment into existing capital reserve funds in the following amounts for the purposes for which such funds were established:

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Selectboard Member Carter advised that page 29 of the green section of the Town Report provided details for this proposal.  
The motion was SECONDED from the Floor.
Moderator Eggleton called for comment. Kevin Knuuti from Etna questioned the percentage the Town of Hanover was paying towards dispatching costs that were provided to cover other towns. Griffin advised that 34% is funded by the Town of Hanover.

Kari Asmus from Etna asked for the Selectboard to address which items were being funded by the capital reserves fund. Selectboard Member Christie advised that capital reserve saving is a driver of the budget and that money going into the budget is taxable but that money going out is not. He advised that hard work this year and use of some undesignated fund balance resulted in the capital reserve funds being 90% funded. CHRISTIE commented that Asmus is from the Finance Committee and thanked her for her commitment.

Moderator Eggleton called for additional comments. No comments were given.

**The motion PASSED and Article Eight was ADOPTED.**

**ARTICLE NINE:** To see if the Town will vote to raise and appropriate $1,314,060 for the purposes listed below, and to authorize funding these amounts by withdrawal from the listed capital reserve funds in the following amounts:

<table>
<thead>
<tr>
<th>Capital Reserve Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulance Equipment Capital Reserve Fund</td>
<td>$270,000</td>
</tr>
<tr>
<td>Ambulance replacement (Rescue 1) and related equipment</td>
<td></td>
</tr>
<tr>
<td>Building Maintenance and Improvement Capital Reserve Fund</td>
<td>$42,000</td>
</tr>
<tr>
<td>Police Department HVAC replacement equipment</td>
<td></td>
</tr>
<tr>
<td>Fire Department Vehicle and Equipment Capital Reserve Fund</td>
<td>$67,000</td>
</tr>
<tr>
<td>Thermal imaging camera; SCBA equipment replacement</td>
<td></td>
</tr>
<tr>
<td>Highway Construction and Maintenance Equipment Capital Reserve Fund</td>
<td>$344,900</td>
</tr>
<tr>
<td>Five truck replacements; compressor</td>
<td></td>
</tr>
<tr>
<td>Police Vehicles and Equipment Capital Reserve Fund</td>
<td>$201,660</td>
</tr>
<tr>
<td>Cruiser fleet replacement</td>
<td></td>
</tr>
<tr>
<td>Road Construction and Improvements Capital Reserve Fund</td>
<td>$25,000</td>
</tr>
<tr>
<td>Traffic signal cabinet replacement</td>
<td></td>
</tr>
<tr>
<td>Sewer Equipment and Facilities Improvements Capital Reserve Fund</td>
<td>$273,000</td>
</tr>
<tr>
<td>Truck replacements; aeration blower replacement</td>
<td></td>
</tr>
<tr>
<td>Water Treatment and Distribution Equipment and System Capital Reserve Fund</td>
<td>$90,500</td>
</tr>
<tr>
<td>Meter reading heads; pressure reducing valve</td>
<td></td>
</tr>
</tbody>
</table>
This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until these specified purchases are complete or June 30, 2024, whichever occurs sooner.

Selectboard Member Carter MOVED to raise and appropriate $1,314,060 for the purposes listed below, and to authorize funding these amounts by withdrawal from the listed capital reserve funds in the following amounts:

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<td>$90,500</td>
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</tbody>
</table>

This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until these specified purchases are complete or June 30, 2024, whichever occurs sooner. The motion was SEONDED from the Floor.

Moderator Eggleton called for comment. Dave Chioffi asked as they get new police vehicles would the old be sold, and if so, would the money go into the budget. Griffin replied that the money goes into the police vehicles capital reserves fund.

Moderator Eggleton called for additional comment. No additional comment was given.

The motion PASSED and Article Nine was ADOPTED.
ARTICLE TEN: To see if the Town will vote to raise and appropriate $32,000 for funding for two pedestrian crossings and to fund this appropriation by authorizing the withdrawal of this sum from the Municipal Transportation Improvement Fund. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until these improvements are complete or June 30, 2024, whichever occurs sooner.

Selectboard Member Geraghty MOVED to raise and appropriate $32,000 for funding for two pedestrian crossings and to fund this appropriation by authorizing the withdrawal of this sum from the Municipal Transportation Improvement Fund. This will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until these improvements are complete or June 30, 2024, whichever occurs sooner. The motion was seconded from the Floor.

Selectboard Member Geraghty explained that the Town has a priority list of pedestrian crossings and that they have not yet designated which two will be paid for with this funding.

Moderator Eggleton called for comments. No comments were given.

The motion PASSED and Article Ten was ADOPTED.

ARTICLE ELEVEN: To see if the Town will vote to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the American Federation of State, County and Municipal Employees Council 93, Local 1348 (Public Works Department employees) on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2020</td>
<td>$49,272</td>
</tr>
<tr>
<td>2020-2021</td>
<td>$50,750</td>
</tr>
</tbody>
</table>

And further to raise and appropriate the sum of $49,272 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement.

Selectboard Member Geraghty MOVED vote to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the American Federation of State, County and Municipal Employees Council 93, Local 1348 (Public Works Department employees) on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

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And further to raise and appropriate the sum of $49,272 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels
in accordance with the most recent collective bargaining agreement. The motion was SECONDED from the Floor.

Moderator Eggleton called for comment. Selectboard Member Geraghty advised that pages 30 and 31 of the green section of the Town Report covered Articles Eleven, Twelve and Thirteen. He stated that Town Management as well as the Town legal team worked with the Union to create this benefit plan with Health Care costs being a driving factor. No additional comments were made.

The motion PASSED and Article Eleven was ADOPTED.

**ARTICLE TWELVE:** To see if the Town will vote to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the American Federation of State, County and Municipal Employees Council 93, Local 3657 (Police Department employees) on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2020</td>
<td>$40,272</td>
</tr>
<tr>
<td>2020-2021</td>
<td>$41,480</td>
</tr>
</tbody>
</table>

And further to raise and appropriate the sum of $40,272 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement.

Selectboard Member Geraghty MOVED to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the American Federation of State, County and Municipal Employees Council 93, Local 3657 (Police Department employees) on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

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And further to raise and appropriate the sum of $40,272 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement. The motion was SECONDED from the Floor.

Moderator Eggleton called for comment. Selectboard Member Geraghty advised that his comment from Article Eleven was true of Article Twelve. No other comments were made.

The motion PASSED and Article Twelve was ADOPTED.
**ARTICLE THIRTEEN:** To see if the Town will vote to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the International Association of Fire Fighters, Local 3288 on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-2020</td>
<td>$28,395</td>
</tr>
<tr>
<td>2020-2021</td>
<td>$29,247</td>
</tr>
</tbody>
</table>

And further to raise and appropriate the sum of $28,395 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement.

Selectboard Member Geraghty MOVED moved to approve the cost items included in the collective bargaining agreement reached between the Selectboard and the International Association of Fire Fighters, Local 3288 on April 1, 2019, which calls for the following increases in salaries and benefits at the current staffing level:

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</table>

And further to raise and appropriate the sum of $28,395 for the 2019-2020 fiscal year, such sum representing additional costs attributable to the increase in the salaries and benefits required by the proposed agreement over those that would be paid at current staffing levels in accordance with the most recent collective bargaining agreement. The motion was SEONDED from the Floor.

Moderator Eggleton called for comment and Selectboard Member Geraghty advised that the same comments for Articles Eleven and Twelves were true for Article Thirteen. No other comments were made.

The motion PASSED and Article Thirteen was ADOPTED.

**ARTICLE FOURTEEN:** To see if the Town will vote to raise and appropriate $26,607,662 to pay the operating expenses of the Town for the 2019-2020 fiscal year, for the purposes set forth in the Town budget. This sum does not include the funds voted in any of the preceding or succeeding articles.

Selectboard Member Christie MOVED vote to raise and appropriate $26,607,662 to pay the operating expenses of the Town for the 2019-2020 fiscal year, for the purposes set forth in the Town budget. This sum does not include the funds voted in any of the preceding or succeeding articles. The motion was SEONDED from the Floor.

Moderator Eggleton called for comment.
Selectboard Member Christie made the following comments.

“I will be trying something different this year. During our budget hearings the Department heads are asked:

What they are most proud of in their budget and What keeps them up at night? I will use that format tonight.

Most proud of:

There are many things that I could talk about here: The DPW construction of the new sidewalk and bike lane on Lebanon Street Progress with Twin Pines to replace the senior housing on 44 Lebanon Street The reorganization of our Parks and recreation Department HPD having established itself as a leader in the area of sexual assault prevention and response Rubi Simons and her Howe Library staff pushing the envelope to evolve the library away from its traditional reference functions to technology support for patrons

But rather I want to focus on the progress we have made in meeting our Ready for 100 commitment. You will remember that at last year’s Town Meeting we overwhelmingly voted in favor of adopting the Ready for 100 goals of using only renewably generated electricity by 2030 and the elimination of fossil fuel for heating and transportation by 2050. Progress since that vote has been amazing and a real testimonial to what can happen when there is a shared vision and highly committed staff and volunteers working together.

So, what have we done?

On the facility front: Solar panels are being installed on the roof of Town Hall and the Water Reclamation Facility as we meet. All of Town Hall is now served by a networked air source heat pump system while the building’s older oil furnace remains simply as back-up. Requested in this Budget are funds to finish tightening up the envelope of the Fire Department’s main station and replacing the roof, which will then enable the installation of solar on that roof in 2020. Funding is also requested to replace the Community Center’s oil furnace with a central air source heat pump system and for initial installation of some air source heat pumps in the Police Department. The Town is also working on the potential installation of solar panels on the Community Center roof and the Public Works Salt Shed. Next up will be improvements in the Howe Library and the Public Works facility.

A lot is also going on outside the facility arena. We are working to finalize a Green Power Purchasing Co-op to enable Hanover residents and small businesses to purchase Green-E certified electricity at a community-wide level. A Tuck School student with extensive experience in the solar industry has worked with Sustainable Hanover and Town staff to develop a plan for installation of a 3 MW ground-mounted solar field at the Town’s Water Filtration Plant on Grasse Road. Staff is working with Clean Energy NH on legislation that would enable the Town to net meter more than the current 1 MW limitation.

Dartmouth remains a superb partner on renewable energy and sustainability. We meet monthly as a Town-Gown Energy Team, collaborate with the College on projects and find opportunities to work with students. This summer the Town will benefit from the work of Laura Hutchinson
who is a graduating senior at Dartmouth. Laura will work extensively on several aspects of a proposed community solar project. Her internship will be largely funded via the UNH Sustainability Internship program.

Hanover’s Sustainability team is very active in several in-state and national level organizations that support community sustainability efforts. Given all that we are doing, Hanover is frequently sought after by other New Hampshire communities looking for guidance as to how they can move forward.

As they say We are walking the talk -----big time.

Now let’s move on to the drivers in this year’s budget. I would like to discuss five major budget drivers namely:

Increasing nontax revenues, Union contracts, Capital reserve funds, Use of undesignated fund balances and

The Bressett fund.

Background

In November we reviewed a five-year projection of revenues and expenses as a guideline for setting this year’s tax rate target. With the consumer price index at around 2.7% and the municipal cost index at around 3.2%, we set a tax rate goal of 2% which was met in the final budget. Remember $100K is about 1% on the tax rate.

Non-Tax Revenues

We benefited this year with good news on all non-tax revenue fronts - these include: Interest income is forecasted at $318,000 up $178,000 from last year’s budget as short term interest rates are slowly rising. Building permit fees driven by projects at the college will go up significantly this year. We budgeted $529,000 up $154,000 from last year. We opted to not include the entire potential increases in these fees in order to not increase spending that could not be sustained when those fees return to more normal levels. Any overages will spill into Undesignated Fund Balance at the end of the year. NH Rooms and Meals Tax revenue is forecasted to hold steady at $591,000. Motor Vehicle registration revenues at $1,524,000 is up $ 55,000 from last year. It is very unusual for all of these non-tax items to go in our favor in the same year and that gave us some additional freedom to fund important projects within the 2% tax rate increase.

Contract Negotiations

The biggest driver in any budget, especially in a contract negotiation year, is always the salaries and benefits of town staff which represents about 70% of our total expenditures. Those contracts negotiations were completed successfully to the benefit of all parties and were discussed and voted on separately in earlier articles. Our continued joint focus on total compensation seems to work well.
Capital Reserves

Capital spending and the funding of capital reserves is always a big item. This year’s budget proposes $3.2 million in capital spending across all funds and appropriates $1.8 million into capital reserves. Those are big numbers. The taxable event in our system is when we put money into the reserve, taking money out of the reserve to actually buy something is not. In this system, if we can adequately fund the reserves, big swings in purchases year to year do not cause big swings in the tax rate. This year with the help of the finance committee we formally adopted a Capital Funding Policy that sets the goal of reserving for the first $500,000 of all capital purchases and recognizing that any amounts over $500,000 will need to be bonded or lease financed. We have been making steady progress in getting to 100% funding of these reserves but find it an elusive target as new items are continually being added and inflation is taken into account. Nothing is easy in the world of capital reserves.

Undesignated fund balances

The proper management of undesignated fund balances was also front and center in our budget deliberations. Undesignated fund balances are the accumulated budget surpluses over the years. They serve primarily as a rainy-day fund but are also available for high priority purchases that cannot be funded from that years expected revenues.

The target for the undesignated fund balance for the general fund (which is the largest) calls for a balance between 10 and 20 percent of the general fund annual budget. The Finance Committee urged that we try and get to the higher side of that range. This budget forecasts a level of 14.2%.

Undesignated Fund Balance use in this budget included:

$161,000 from the General Fund

$75,000 to help pay for the cost of building a five-car garage for the Police Department cruisers that will finally have a home inside from the elements and

$86,000 to help pay for the installation of heat pumps in the Community Center and

$120,000 transfer to Capital Reserves

$127,000 from the Fire Fund to pay for the Fire Station Roof Replacement

$110,000 from the Ambulance Fund:

$52,000 for the residual funding of Rescue 1

$57,000 for a power load stretcher and ambulance rescue tools

$18,000 from the Water Utility Fund:

$145,000 from the Water Reclamation Fund

A whopping $400,000 from the Parking Fund (I recommend that you never own a parking garage.)
We are fortunate to have these funds available, but we must continue to be disciplined in how we use them.

Bressett Fund

In 2016/17 Lou and Anne Bressett made a very generous gift to the Town of $4.2 m and established The Bressett Fund. We talked a little about this last year. The Fund is intended to be managed as an endowment and puts some restrictions on how the fund is used. While the Trust documents gives pretty much total discretion to the Select Board, State law stipulates that the Trustees of Trust funds have a fiduciary responsibility to oversee how the funds are invested, how much is distributed from the fund over time, and how the funds are spent. Last year was the first year that we used the gift and we focused on only new initiatives. After that experience we realized that limiting expenditures in that way was a slippery slope with negative unintended consequences in future years.

Working with Nick Harvey, who helped Lou and Anne in drafting the trust document - the Select Board and Trustees of Trust Funds (namely Paul Gardent, Jay Pierson and Sally Boyle) - Adopted a joint policy which made more sense in terms of the Bressett’s intent and the town’s needs. Bressett funds totaling $255,000 were used this year. $178,000 to fulfill second year commitments for Hanover’s Community Nurse, the Emerging Technologies Librarian at the Howe Library, and Hanover’s sustainability director.

New funding included:

$25,000 to the Hanover Improvement Society for their Storrs Pond community initiative - that 25k will be matched by the Byrnes Foundation and $12,000 for trail work at the Trescott Property. This fund is expected to support around $200,000 of spending each year and I think you will find us getting better and better in identifying projects that Lou and Anne would be proud of. Finding good ways to use these funds is the ultimate example of an upscale problem!

Let’s move on to what keeps me up at night: To tell you the truth, I sleep pretty well with the confidence that our staff and town will cope well with pretty much anything that the world throws at us - knock wood. I do worry about potential mandated changes in wastewater treatment specs as they could be very expensive. If the Feds mandate new guidelines for Phosphorous and Nitrogen levels the cost to the town could easily be in the $10 to $30 million range. That would translate into a potential 300% rate increase in our water fees. I also worry that while the municipalization of the water department has been successful in many ways we have not been able to build reserves to replace deteriorating water distribution lines. The Select Board has reviewed preliminary recommendations from a commissioned study of this issue and will be taking some action this year. Rates will be going up significantly, and we need to get it right in terms of who pays.

First and foremost, I worry about our ability to attract and keep volunteers to staff all of our boards and commissions. This town functions well due in a large extent to talented volunteers. I think that is part of the fun of being a small town, but it is also a challenge to attract new volunteers - especially volunteers with young families. I think that those who do server find it fun, rewarding, interesting and enjoy giving back to a community that they value.
Let’s wrap it up here. As I do every year, I want to thank Julia, Betsy, our Department Heads, our volunteers, and all of our Town staff who work every day to make Hanover the wonderful town that it is.”

Moderator Eggleton called for comments.

Kari Asmus made the following comments.

“Thank you, Mr. Moderator, for recognizing me. My name is Kari Asmus, and I am the Chair of the Hanover Finance Committee. For those who do not know: since about 1933, it has been the job of the Finance Committee to monitor the development of the town and school budgets and to opine on them, as well as other matters of financial significance.

Our membership is comprised of 5 at-large members, a member of the School Board and a member of the Selectboard. As such, we are the one entity in Hanover with an umbrella view of the financial workings of both the town and the schools.

And as you know, Mr. Moderator, us at-large members are jointly appointed by you and the School District Moderator. So, while we are meant to work with the school and Select boards, we are also meant to be independent of them.

We try to reflect the values of the community as a whole, and towards that goal, we warmly invite members of the public to attend our riveting meetings which are generally held the second Monday of every month. Or if someone here has something on their mind, they can grab one of us after the meeting tonight—and that would be myself, Bill Fischel, Jeff Ives, Mary Hakken-Phillips, Mike Gonnerman who will be stepping down at the end of June, or Carey Callaghan who has agreed to step up. Our school board member is Kim Hartmann and our Selectboard member is Bill Geraghty.

Now to the budget:

As part of our oversight, the Finance Committee started attending Town budget meetings in October and continued through to the last public hearing on February 27. At our March meeting we voted unanimously to recommend the approval of the budget as presented in this warrant article and all of the previous articles.

It is anticipated that the new budget will, on average, increase the tax rate by 10 or 11 cents per thousand of assessed value. For a home assessed at $575,000, this would mean an increase of about $60 per year.

Overall, we noted a thoughtful and rigorous process—and one in which near-term needs such as step and cost-of-living increases for employees, additional dispatch personnel and a garage for police cruisers were balanced with long-terms needs represented by funding “ideal” contribution levels for capital reserve accounts.

This balance was achieved with a tax rate increase of under 2%. In our opinion, the Selectboard balanced a sensitivity to the financial impact on taxpayers with providing for the needs of our town.

We do, however, have several words of caution—as is customary for us.
First, we note that the relatively low increase in the tax rate was made possible in part because of strong one-time revenues and from the use of the Undesignated Fund Balance for a recurring expense. We also note that long-term funding of Bressett Fund financed initiatives has yet to be defined. Therefore, the Finance Committee urges the Selectboard to closely monitor fee income, to develop on-going, non-taxpayer funding streams for the Bressett initiatives, and to ensure that ongoing expenses are funded with ongoing sources of revenue.

Also, as in previous years, we remain concerned in regards to the pace of healthcare and retirement cost increases and the impact they could have on future tax rates. We understand that these items are cost drivers in communities across the state, and there is not an easy solution. That said, we strongly encourage the Selectboard and administration to continue efforts to minimize these increases whenever possible.

Finally, throughout this year’s budget season, the Finance Committee noted with concern the impact of tax increases on property owners whose share of the tax burden grew due to the 2018 town-wide revaluation. In many cases the new valuations are not well understood, and questions remain regarding the methodology used to determine assessments. The Committee supports the creation of a task force or some other mechanism that involves both community members and town officials to ensure that the questions are answered.

In closing, it has been an honor to work on behalf of the people of Hanover this past year, and we would like to thank the Selectboard, the Town Manager and the Finance Director for their diligence and openness. We have appreciated being invited to the table—and I mean that literally as well as figuratively—at each of the meetings we attended.”

Jeffery Ives from Etna questioned the comments made about the room and meal tax and asked if the reason the revenues were so low was due to three restaurants closing. Griffin replied that the closings did not impact the money the Town receives. She advised that the State receives all of the rooms and meals tax and distributes the money around the State based on population. Griffin stated that the State has not been giving the Town the portion they should be receiving and are keeping more for State use.

Peter Murdza advised that he has concerns about the assessment methodology used in the property assessment reevaluation done this year. He stated the residents need to understand this. He advised that there are deadlines for abatements to be completed as well as the September 1st deadline when State tax rates are set. He urged that a committee or forum needs to be assembled to address this matter.

Selectboard Member Christie addressed the room thanking Murdza and others who have addressed their concerns on this matter is such a positive way. He went on to state:

“Let’s talk a bit about revaluations.

The purpose of our assessing and revaluation process is to achieve relative tax fairness between property owners by periodically bring all properties to full market value. It is very important that citizens have confidence in our assessment process, so they feel that everyone is paying their fair share of taxes - no more and no less.
New Hampshire requires that every ten years towns are required to do what is called a full “measure and list” revaluation. This involves the town inspecting every home and updating the property cards in addition to looking at sales data from the past few years.

Five years into the ten-year cycle, towns are required to also do what is called a “statistical” revaluation which is what we did in 2018. A statistical revaluation does not require a house visit and primarily looks at sales data over the past few years and what that sales data indicates about changes in market value.

To make matters even more interesting there have been significant market changes in the past five years. Since 2013 the average selling price of a single-family home in Hanover has increased 28% to $736,000. That compares to a 6% decrease in the previous 5 years leading up to 2008. So, the potential for shock with the new assessments was there.

Some have respectfully argued that the 2018 revaluation process was flawed and needs to be reviewed.

It is important to remember that revaluations do not change how much the town raises in taxes, only the relative amount paid by each property owner. The town raises in taxes only that amount voted on at Town Meeting.

One of the reasons that some have raised their concern is that the revaluation process in 2018 did not follow our desired timeline.

Normally we would have completed the revaluation process by the spring of 2018 and a notice would have been sent to all taxpayers informing them of the new valuation. That gives anyone who feels that their new assessment overstates the market value of their home an opportunity to meet with Dave before the December tax bills go out. If errors are found during what I will call this “Informal Process”, Dave can administratively adjust the records as needed before the tax bills are issued. If the taxpayer agrees with the changes, all is well with the world. If not, the taxpayer can still file a formal abatement request.

Unfortunately, due to a change in software and data conversion issues, we were unable to meet that timeline and the new assessments did not go out until just a few days before the tax bills were issued. Not good. This had two negative consequences. First it gave no time for citizens who had a significant increase to plan for that increase and secondly it did not leave any time for the informal review process mentioned above. Once tax bills are issued the only way to make changes is through the formal abatement process.

Recognizing this the town tried to make the formal abatement process easier and encouraged anyone who felt that their revaluation was wrong to just fill out the basic data on the abatement form. That triggered a visit by Dave McMullen our Director of Assessing and any resulting corrections that would normally have been caught in the informal process.

Because of the lack of the informal process this cycle and significant increases in some property values we saw an increase in formal abatement requests. About 400 abatement requests were submitted.
We estimate that about 100 of those would have been adequately addressed if the informal process had been available. That would still leave about 300 abatement requests that would not have been satisfied, which is 9% of the total 3400 properties on the tax role. While that percentage would be normal in many towns, it is higher than what we have historically experienced in Hanover.

Once an abatement request is filed it triggers a visit by Dave and a review by our Board of Assessors. That board is chaired by Joe Roberto with members Jay Pierson, Mac Gardner, and Joanna Whitcomb as the Select Board liaison. I am the alternate liaison to this Board. Given the importance of this process and the questions raised, both Joanna and I have tried to be at all abatement hearings.

At the abatement hearings the Board of Assessors reviews Dave’s final recommendation and any information provided by the property owner either in writing or in person at the hearing. The Board of Assessors sets the final valuation. If the taxpayer is still not satisfied, they have the option to appeal the ruling through the courts.

So where are we today and where do we go from here?

First and foremost, the Select Board is 100% committed to achieving our goal of relative fairness and is ready to commit any resources necessary to accomplish that objective.

We are about a third of the way through the hearings. Once the hearings are complete – the Board will step back along with other interested citizens and reflect on what we have learned and recommend to Julia and the full Select Board any necessary next steps.

Options range from doing nothing to doing a full 'measure and list' revaluation before the mandated one in 2023.

We are somewhat comforted that when the State recently did their audit, they determined that we were at 97% of market value which is very respectable.

I hope I have conveyed how important the Select Board thinks this issue is and that we are approaching it with an open mind and with our only goal being to get it right. As I said in my introduction, it is very important that citizens have confidence in our assessment process, so they feel that everyone is paying their fair share of taxes.”

Jeff Acker of Greensboro Road questioned if the abatements are approved would the budget still be accurate and would the increase in the tax rate not be affected? Selectboard Member Christie advised that the amount raised in taxes will not change. He advised that there is an overlay account that holds funds in anticipation of potential abatements.

The motion PASSED and Article Fourteen was ADOPTED.

ARTICLE FIFTEEN: To see if the town will vote to authorize the Selectboard to enter into electric power purchase agreements with solar installers, who will install, own and maintain one or more solar systems on Town owned buildings or land, and to grant leases and easements for access to the locations of these systems as required. The town will then purchase green power
generated by the solar arrays located on Town property and will have the option to purchase any solar arrays located on Town property in the future.

Griffin advised that they have the potential to install a 3 megawatts installation of solar panels near water filtration facility. By approving Article Fifteen they would engage with a management company to run the array and once the tax credits have been exhausted the company would allow the Town the option to purchase the equipment. This is less costly for the Town than purchasing and managing the installation themselves.

Joan Collison asked if a mission trip could be arranged for Griffin so that she could learn about renewable energy and provide her learned knowledge to the Town. Griffin commented that she will be traveling to Germany and has arranged an ecological tour of Denmark the week prior to tour their facilities. She stated that there will be 40 spots available to attend this tour.

Selectboard Member Rassias MOVED vote to authorize the Selectboard to enter into electric power purchase agreements with solar installers, who will install, own and maintain one or more solar systems on Town owned buildings or land, and to grant leases and easements for access to the locations of these systems as required. The town will then purchase green power generated by the solar arrays located on Town property and will have the option to purchase any solar arrays located on Town property in the future. The motion was SECONDED from the Floor.

Moderator Eggleton called for comment and no comment was provided.

The motion PASSED and Article Fifteen was ADOPTED.

ARTICLE SIXTEEN: To see if the Town will vote to adopt the provisions of RSA 72:62, an exemption from the assessed value for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61. Such solar property tax exemption shall be in the amount equal to 100% of the assessed value of qualifying equipment as defined in RSA 72:61 and as may be amended, but not until such equipment is demonstrated to add to the value of real property based on the determination of the Town Assessor.

Selectboard Member Rassias MOVED to adopt the provisions of RSA 72:62, an exemption from the assessed value for property tax purposes, for persons owning real property which is equipped with a solar energy system as defined in RSA 72:61. Such solar property tax exemption shall be in the amount equal to 100% of the assessed value of qualifying equipment as defined in RSA 72:61 and as may be amended, but not until such equipment is demonstrated to add to the value of real property based on the determination of the Town Assessor. The motion was SECONDED from the Floor.

Moderator Eggleton called for comment. Heidi Trumarco from Sustainable Hanover detailed how this Article gives a tax exemption for solar energy installations that add value to the home, and how the tax credits would be given based on the language of the Article. No additional comments were made.

The motion PASSED and Article Sixteen was ADOPTED.
ARTICLE SEVENTEEN: To transact any other business that may legally be brought before this Town Meeting.

Moderator Eggleton asked if the Town had additional business to discuss.

Marjorie Rogalski commented that she believes the Town is doing a wonderful job but advised concern over cyber security given recent ransomware attacks. Griffin advised that Corey Stevens from IT focuses on providing a robust firewall to protect the Town’s webpage and IT. She advised that a large part in security is education to staff regarding suspicious e-mails. She stated that insurance cannot be purchased for this purpose yet, but that the liability insurance carriers are working with municipalities surrounding possible ransomware attacks.

Moderator Eggleton moved to adjourn the meeting at 8:47 PM. The motion was seconded by the Floor. The motion passed.

Respectfully Submitted,

[Signature]

Elizabeth A. McClain
Town Clerk

Minutes prepared by Sara Jane Murphy