

**Hopkinton Budget Committee
Public Hearing
Hopkinton Middle/High School
February 3, 2010
Draft Minutes**

Present: Patrice Gerseny – Chair; Danny Coen; Cameron Ford; Karen Irwin; David Lancaster; George Langwasser – Selectmen; Bob Carpenter – Contoocook Village Precinct; Tom O'Donnell – Hopkinton Village Precinct; David Luneau – School Board

Absent: None

The Public Hearing began at 6:35 pm.

Chair Gerseny welcomed everyone and began the power point presentation. The power point presentation consisted of only those Warrant Articles that deal with money. Chair Gerseny asked that attendees hold their comments until after each presentation.

Hopkinton Village Precinct Warrant Articles were presented and explained by Chair Gerseny.
Public Comment – None

Contoocook Village Precinct Warrant Articles were presented and explained by Chair Gerseny.
Public Comment

Richard Brandt asked if Article 8 concerning street lights meant that changes in the street lighting may be implemented.

Bob Carpenter stated that the amount \$22,000 is just to pay the street lighting bill. The Precinct is looking at upgrades with Public Service Co. There are currently 3 types in use throughout the Precinct. The goal is to have only 1 type.

Richard Brandt asked how they would pick one over the other. He personally prefers less bright lighting.

Bob Carpenter they will look at the type of light given off.

Diane LaChance asked what the tax impact was in '09 since '10 is estimated to be \$0.76.

Bob Carpenter stated it was \$1.09 per thousand assessed value for the Precinct property owners.

Merle Dustin asked what the impact is for property owners who have their own well and septic.

Bob Carpenter explained that there is no effect.

Town of Hopkinton Warrant Articles were presented. Chair Gerseny allowed Public Comment after Articles.

Article 3 \$350,000 – Chair Gerseny explained the Article with its total cost. The estimated tax impact will be \$0.08 per thousand assessed value in 2011. No repayment scheduled for 2010.

Public Comment

Arnold Coda asked if the water migration was guaranteed and if the well will take care of the contamination and if the answer is no or don't know then what will happen.

George Langwasser responded saying that there is no guarantee. The town will do test wells first. If the well doesn't work then it will be serious trouble. Engineering cannot guarantee a sure fix. Currently the town is supplying bottled water for drinking and bath.

Arnold Coda asked if Selectmen have considered other options.

George Langwasser stated that they have 3 options: 1] extend the Contoocook Village Precinct water lines from the village – cost prohibitive; 2] Deer Meadow has its own well they could attach to; 3] build a well. The Selectmen have been corresponding with DES since 2008.

Scott Flood, from the floor, also responded saying the state within the last year or so changed the standard for 1,4-Dioxane and the state has no way to filter it out of the water.

Mike Charron asked if there was any statistical support that the problem can be resolved and for how long.

Scott Flood, from the floor, answered from the floor that the flow of the underwater hydrology had been studied and determined the best location for the well, but they just don't know.

George Langwasser stated that the State has experts and they can't tell you how to fix the problem because it is so new. The test wells are on a high area. The previous wells done by the town were on the owners' property.

Jim Brizard asked if there could be more development on the lots in the affected area.

George Langwasser stated the town will try to limit development.

Scott Flood, from the floor, explained that Hopkinton was on its own and the current situation equates to MTBE of a few years ago.

Richard Brandt commented that Nobis Engineering was in on the cap on the landfill.

George Langwasser identified that Nobis Engineering assisted when the state said to cap it.

Richard Brandt asked if there was a narrative of this process.

George Langwasser stated that there is no narrative and Nobis tests periodically and reports to the state.

Chair Gerseny asked when the Town would be holding a Bond Hearing.

Neal Cass, Town Administrator, responded with February 16th.

Merle Dustin commented that she has been a well owner for 21 years and that there are no guarantees.

Jim Brizard asked what will not be done in town while the Town employees are working on this.

Danny Coen said they do not know.

Scott Flood, from the floor, stated that Herme assured the Selectmen there would be moderate impact.

George Langwasser explained the cost savings by building the well through the town.

Danny Coen asked if this project was put out to bid.

George Langwasser responded with a no.

Article 4 \$1,041,158 – General Government Functions – The Operating Budget. Chair Gerseny explained the difference between the Selectmen proposal and the Budget Committee proposal that being the Budget Committee would like to see the Town employees get a raise of approximately 2.5% or \$59,696 which they added to Personnel Administration and removed \$50,000 from elsewhere in the budget.

Public Comment

Arnold Coda expressed disappointment with just copies of the power point presentation and would like to have the complete MS 7. Mr. Coda referred to upcoming Article 6 and asked if they could operate at a reduced cost.

George Langwasser explained the lean budget is to get more value and lessen the burden. The Selectmen will offer an amendment from the floor at the Annual Meeting in March to reinstate the Selectmen's proposed amount for the Article. All unspent money is returned to the town. In 2009 the amount returned was about \$200,000.

Chair Gerseny stated that the Selectmen presented a flat budget with amounts much the same as last year that usually there is fluctuation between budget lines and that did not occur.

Danny Coen said that the Budget Committee manipulated the Budget they did not make any cuts.

David Lancaster explained the \$10,000 removed from Building and Grounds for the maintenance of Georges Park whose costs keep increasing annually.

Arnold Coda stated that the Highway Department has run lean and work has been deferred.
Danny Coen explained that a few years ago they had an extra \$54,000 for extraordinary costs. The \$54,000 was absorbed in 2009 budget and the 2010.
Chair Gerseny explained that wages are all in Administration and the amounts for Highways & Streets were just the materials.
Karen Irwin commented that Herme had said that 1 project is roughly \$30,000.
Barry Needleman asked if the Budget Committee added amounts for raises in Article 9 for the Library employees.
Chair Gerseny stated that all raises were lumped into Personnel Administration
Diane LaChance asked if the Selectmen proposed a pay increase.
George Langwasser said they did not.
Diane LaChance asked what indicator was used to determine the percentage of increase.
Chair Gerseny said the Committee looked at the raise the School was offering.
David Lancaster said the 2.5% was comparable to the non-union raises proposed for the School.
Mike Charron commented that he was shocked that Article 3 did not go out to bid since he feels strongly that the bids would be comparable.
George Langwasser said that Steve Clough came up with the cost estimate for the state.
Mike Charron then responded by asking how the Selectmen could say they are saving money if there is nothing to compare the cost with.
Scott Flood, from the floor, stated that Steve Clough came up with actual costs, with the Town doing the work. By having the Town doing the work we don't have to worry about a contractor going out of business.
Arnold Coda commented that the Police Chief became PT but was paid his FT salary. He asked if the new Police Chief salary was in the budget.
George Langwasser said the new chief will be at the same salary as the current one. The PT Police Chief will leave June 30th and there will be some training overlap.
Rick Schaefer, Acting Fire Chief, said he was told to produce a \$0.00 budget. The Ambulance is 90% of the Fire Dept. budget. He went on to explain his budget calls and will need new digital pagers. There is no pay scale since 2003, no union, no Evergreen. He then asked why the need to reduce the town budget to fund raises and not touch the School District budget.
Chair Gerseny explained that it is a bottom line thing.
Scott Flood commented that priorities are mixed up when the residents agreed to buy Bohanan property development rights for what is now down to \$175,000 more or less. He asked why the Budget Committee didn't take the money out of Recreation instead of the core of the budget. He feels that 1.4% raises nationwide are considered good raises.
Cameron Ford agreed.
Danny Coen agreed that years ago the Highway Dept. was underfunded but the money was taken from there anyway.
Diane LaChance cannot support a budget with raises.
Rick Schaefer cautioned that the Fire Dept Vehicle and Equipment fund would cover about 1 engine.
Frank Davis asked the cost to replace a failed well.

The rest of the Articles were reviewed and there was no Public Comment.

School District Warrant Articles were presented. Chair Gerseny allowed Public Comment after Articles.

Article 4 \$16,103,592 The Operating Budget Chair Gerseny explained the ups and downs. The budget is up by \$450,000 which is Federal Grant money. This amount is also reflected in the Revenues. It is spent on specific projects which are not ongoing. Without the \$450,000 the Operating Budget is \$15,653,592 which is up \$24,661 or \$0.16& over the 2009-2010 budget.

Public Comment

Arnold Coda asked what the average teacher salary was this year, in '09 is was \$47,325.

Both **David Luneau** and **Steve Chamberlin**, Superintendent said that the salaries are the same this year as last year.

Arnold Coda asked if the state unemployment was taken into account. He cited the statistics for unemployment in: Merrimack County in Dec. '08 was 4.1%, Jan. '09 was 5.3%, Dec. '09 was 6.0%; Hopkinton in Dec. '08 was 3.0%, Dec. '09 was 4.9%; and current property liens at \$1,366,757. He stated that a lot of people cannot make ends meet and would like the School District to be flat in all respects. He asked if the School has a projected surplus amount.

David Luneau said the School Board anticipates a gross amount of \$460,000 less the \$125,000 addressed in later Articles for a net amount of about \$340,000.

Rob Nadeau commented that unemployment numbers at 4% in an economists mind is full employment.

Marilyn Bresaw stated that the percentages quoted only count those that collect unemployment. Not the underemployed and those whose unemployment benefits have run out.

Diane LaChance asked what substantiated the pay increase.

Scott Flood feels the national unemployment numbers can apply.

Rob Nadeau disagreed.

Jim Hersey feels the School Board can get money for a raise out of the budget.

Danny Coen commented that he had asked both the Town and the School Board 3 questions which are: 1) Have you reduced the workforce? 2) Have you cut benefits? 3) have you cut pay? The response from both Town and School was no they haven't.

Article 5 HESS Contract \$2,259 Chair Gerseny explained that HESS members fall under Evergreen and the step raises are included in the Operating Budget.

Public Comment

Diane LaChance asked what statistics were used to determine a raise.

David Luneau advised that she couldn't ask a teacher about a contract.

Jim Brizard stated that the two parties in the contract negotiations were the teachers and the School Board and the School Board is your [the Towns] representative.

Danny Coen asked what is included if the contracts pass.

David Luneau said the contract include COLAs [cost of living adjustments] , but there is a savings on the health benefits. The HEA savings is about\$70,000 and the HESS savings is about \$8,000.

Nini Allen asked about the cost for the next year with Evergreen.

David Luneau said if the HEA contract passes the Evergreen for 2012-2013 would be over \$45,000.

Steve Chamberlin said he compared the regional teacher salaries in same size schools to remain competitive.

Scott Flood is concerned for the capacity of the town and how much we can get out of the town property owners. He does not have a sense that the Town and School Board have looked internally to reallocate funds.

David Luneau said the School Board is trying to slow the increase.

Mike Charron asked about setting the going rate for teachers and that he understood the decrease in benefits.

Steve Chamberlin stated that no School District in the region had a \$0.00 salary increase the past year.

Diane LaChance said she was glad for the benefits reduction and that it had been proposed a few years ago.

Arnold Coda asked if the proposed contract had teacher contributions towards benefits at the same 8.13% depending on the plan selected.

David Luneau agreed the percentage was the same as in the past. He also stated that research shows small firms with 3 – 199 workers only 14% pay 0%.

Article 9 \$25,000 Chair Gerseny explained this request for a new Capital Reserve account for the purpose of purchasing replacement vehicles.

Public Comment

Arnold Coda asked how many vehicles did the School District own.

David Luneau advised the School District have 3 vehicles - 2 buses and 1 van.

Scott Flood asked how it has been funded in the past.

David Luneau said they are hoping to average a balance of \$200,000.

Steve Chamberlin said the District has leased vehicles in the past.

Article 10 \$25,000 Chair Gerseny explained this request for a new Capital Reserve account for the purpose of balancing health insurance costs spikes.

Public Comment

Jim Hersey agreed that this is a way to handle the swings but it still takes away from the budget surplus. He cautioned that the School Board needs to be upfront at the School Meeting and the Budget Committee need to determine the priorities.

Arnold Coda asked if this Article passed would it have to be added to in future years.

David Luneau said the School Board is looking at adding to it in 2011-2012 for a balance of about \$60,000, probably looking at adding \$25,000 for 4 years.

Diane LaChance said she does not see Articles 9 and 10 as an emergency. She feels the residents should be the overseers rather than the School Board.

Michelle Clark, SAU Business Administrator, said that having this fund will allow for flexibility when a vehicle dies. It will allow them to purchase and or repair a vehicle.

Without Article 9 they would have to have a Special Meeting.

Scott Flood asked if there was a Contingency Fund to cover this expense.

David Luneau agreed that the Contingency Fund could be used and that last year the fund was used to cover fuel costs.

Respectfully Submitted,

Beth Clark
Secretary