

HOPKINTON BUDGET COMMITTEE

WEDNESDAY, JANUARY 18, 2012 - approved

HOPKINTON TOWN HALL

Members present: Janet Krzyzaniak, Chair; Michael Montore, David Lancaster, Karen Irwin, Lance Whitehead, Tim Carney, Tom O'Donnell, HVP Representative; Mark Hemmerlein, CVP Representative; Liz Durant, School Board Representative; Jim O'Brien, Selectmen Representative

Members absent: David Luneau, School Board Representative; Tom Congoran, Selectmen Representative

1. Janet Krzyzaniak called the Budget Committee meeting to order at 5:30 p.m. First on the agenda was the review of the January 11, 2012 minutes. David Luneau had emailed Denise Damour his recommended corrections to the minutes. There were no other corrections to be made. Denise will make the corrections and re-submit the minutes to Janet Krzyzaniak. Michael Montore made the motion to accept the minutes as corrected. David Lancaster seconded the motion. All members were in favor.

2. Hopkinton Village Precinct - Tom O'Donnell

Tom O' Donnell presented the HVP to the Budget Committee.

Water Administration:	\$5,600
Water Service:	\$44,600
Principal payments on bonds and notes:	\$5,210
Interest on Precinct debt incurred for waterworks	
Purposes:	\$1,500
General Expenses total:	\$56,910

The HVP is proposing the following:

To see if the Precinct will vote to raise and appropriate the sum of \$23,470 for the general expenses of the Precinct, to the funding of which \$8,929 of available fund balance and \$14,541 will be raised by Precinct taxes.

Tom O'Donnell spoke about the Old Fire House which is located in the center of Hopkinton Village. This Fire House is home to approximately \$100,000 worth of antique Fire Fighter equipment. Tom tells the committee that the

floor of this building is unsafe and that it needs to be jacked-up. He is concerned for the equipment that is being stored in this building. Janet Krzyzaniak asked if the antique fire equipment was insured. Also it appears that the Fire House building itself is not insured. Tom O'Donnell's reply was unsure. Tom O'Donnell will talk with the Precinct commissioners about this issue. David Lancaster recommended that the HVP have a Capital Reserve Fund for repair and maintenance. Tim Carney questioned the amount of \$1200 for water at the Fire House. He felt this was a large amount for a building that is not used. Tom O'Donnell will look into this and will get back to the Budget Committee with an answer. Karen Irwin inquired on Line 4194- General Government Buildings \$5,000. Karen would like to know what repairs the Precinct was planning on doing with this amount of money. Tom will get this answer as well.

3. **Contoocook Village Precinct - Mark Hemmerlein**

Proposed Total Income for FY12 -	\$529,318.10
Proposed Expenses for FY12 -	
Executive	\$50,000.00
Financial Admin	\$7,300.00
Legal Fees	\$800.00
Personnel Admin	\$3,500.00
Insurance	\$4,800.00
Advertising Expense	\$500.00
General Government	\$950.00
Street Lights	\$23,700.00
Water Services (delivery and dam)	\$30,550.00
Water Treatment (water plant)	\$46,900.00
Capital Outlay	\$168,318.10
Total Operating Budget	\$337,318.10
Capital Reserve Fund Deposits	\$200,000.00
 Total Expense	 \$537,318.10

With this proposed FY12 budget the tax rate would be \$.83. This is an increase of \$.06 from the FY11 budget. Please note that there are 600 homes that support the CVP budget. The Precinct Commissioners voted in a new water rate structure. There will be a significant increase in the sale of water for FY12.

Mark Hemmerlein told the Budget Committee that this precinct is starting studies for construction of a new water plant in 4 to 5 years. The approximate cost for this plant is 2 to 3 million dollars. The building will remain but the operating treatment plant itself will be replaced. Karen Irwin inquired about the \$246,000 that was spent by the CVP. What was this money used for? Mark Hemmerlein responded that this money went towards:

- *new meters for the precinct

- *replacing pits at the fairgrounds (the Fair Association paid for 1 pit and the precinct paid for the other)

- *engineering services

Jim O'Brien questioned Mark Hemmerlein about the meters. The cost of the meters is reflected in the expense side of the FY12 budget and then the home owner will have a \$50.00 "meter service charge" on their water bill as well. So the home owner will be charged twice for their water meter. Mark Hemmerlein stated that this is correct. 2/3 of the meter installation is complete. The big meters (school, business, etc.) are done. Janet Krzyzaniak asked about the street lighting, wondering if the light bulbs are energy efficient. Mark told the committee that the bulbs are Sodium Vapor Bulbs.

4. Review of all budgets -

- *Town FY12 Budget was approved by the Budget Committee at the January 4 meeting.

- * The Budget Committee needs more information from the HVP in order to make a decision on this budget. Tom O'Donnell will bring needed information to the January 25 Budget Committee meeting.

- *Hopkinton School District Budget - Liz Durant, School Board Member spoke to the Budget Committee concerning the Teacher negotiations. The School District has a preliminary agreement with the HEA. Next week this agreement will be presented to the membership and board. It is the School District's plan to bring the approved Teacher's Salary Agreement to the Budget Committee on Wednesday, January 25.

- *Contoocook Village Precinct budget - Karen Irwin recommended that the CVP take \$10,000 out of the un-obligated capital reserve and put it in proposed line item 4335-07 Water Treatment-Repairs and Maintenance instead of increasing taxes for this line item. Consequently, keeping the tax rate the same as FY11 (\$.77). This would make a statement to the public by keeping a flat tax, especially where the CVP is doubling the costs for the

meters. Mark Hemmerlein made the motion to accept the FY12 CVP proposed budget of \$537,318.10. Michael Montore seconded the motion. Karen Irwin made an amendment to this motion to reduce the proposed line item 4337-07 from \$18,000 to \$8,000. This subsequently will lower the income for local taxes thus bringing the tax rate to the FY11 level of \$.77. So the proposed budget would look like this:

*Total Income would be \$519,318.10

*Total Expenses would be \$527,318.10

Jim O'Brien seconded the motion for the amendment.

David Lancaster recommended funding the new water plant with a 20-25 year bond instead of trying to come up with 2-3 million dollars through a Capital Reserve Fund. He also recommended that engineering expense should be a warrant article once the CVP gets closer to the water plant project. Mark Hemmerlein reported that the \$15,000 that is in the proposed FY12 budget for engineering expense is to decide which way the water plant should be repaired: the pond or the well-field.

Liz Durant made the following suggestion to the Budget Committee concerning the CVP budget. What she understands from the Budget Committee is that they would prefer to keep the CVP FY12 tax rate flat. Consequently, recommending that the CVP reduce the Income Line 3379 - Local Taxes to \$109,000.00 (same amount as FY11) thus showing an Unreserved Budget Fund Balance of -\$18,000.00 thus showing true revenues and true expenses (instead of moving money around). At this point, Karen Irwin withdrew her motion and Jim O'Brien seconded the motion.

Janet Krzyzaniak called for a vote on Karen Irwin's withdrawn motion.

5 members were in favor

2 members were opposed

1 member abstained

The motion passed.

Then Janet Krzyzaniak called for the following vote, that the Budget Committee accept the proposed CVP budget as amended:

*Local Taxes reduced to \$109,000.00

*Unreserved Budget Fund Balance to -\$17,200.00

Tom O'Donnell yes

Micheal Montore yes

Lance Whitehead yes

Karen Irwin yes

David Lancaster yes
Tim Carney no
Jim O'Brien no
Mark Hemmerlein no

The proposed FY12 CVP budget passed as amended.

Jim O'Brien reported to the Budget Committee the 2011 Year End budget numbers for the Town of Hopkinton as of January 17, 2012

*Revenue is \$214,699 above the estimated amount.

*Expenses are \$137,984 below the budgeted amount. This is largely due to lack of snow at the end of the year.

Janet Krzyzaniak asked the Budget Committee where they would like to hold the Public Hearing that is to be on Wednesday, February 8, 2012 at 6:30 p.m. All agreed the meeting will be held at the Hopkinton Town Hall.

5. **Concern /questions by the audience:** There was no one in attendance.
6. **Adjournment:** Motion to adjourn the Budget Committee meeting was made by Karen Irwin and seconded by David Lancaster. All were in favor. Janet Krzyzaniak called the meeting to adjournment at 7:30 p.m.

Respectfully submitted,

Denise A. Damour