

HOPKINTON BUDGET COMMITTEE

AND PUBLIC HEARING

THURSDAY NOVEMBER 1, 2012 minutes

HOPKINTON TOWN HALL

Members present: Janet Krzyzaniak, Chair; David O'Keeffe, Karen Irwin, Terry Quinn, Ken Traum, CVP Representative; George Langwasser, Selectmen Representative; Tom O'Donnell, HVP Representative; David Luneau, School Board Representative; Michael Montore

Members absent: Lance Whitehead, Tom Congoran

1. Janet Krzyzaniak called the Budget Committee Public Hearing to order at 6:30 p.m. She welcomed all present to the Budget Committee meeting especially the students from the Hopkinton Middle High School Civics Class.
2. Presentation by the Selectmen for the purpose of raising and appropriating funds to build a new highway garage.

George Langwasser presented a Power Point presentation covering the fire at the highway garage, what was damaged, how it transpired and the direction town is heading in order to replace this building and equipment. It was determined that both trucks and the entire building were a total loss. Both trucks were covered under insurance. The insurance on the trucks covered their replacement value. The town had to come up with \$70,000 more to purchase a new truck. The other truck was to be traded. The insurance company covered the truck for its trade in value.

The building was covered by LGC-PLT a "Risk Pool," which is not insurance. The Risk Pool is the key item. LGC appraised the building in 2010 for \$1,007,000. The Risk Pool evaluated the loss and to build a building of "like kind" would cost \$660,000. This would rebuild the garage just as it was with up to date codes. Not happy with this amount, the town hired a 3rd party independent adjuster. When LGC was confronted they claimed that their assessor over assessed the property. The LGC did agree to the \$737,676 even though the town feels the amount is still too low. Town Counsel is reviewing legal issues and is still in negotiations. The selectmen have chosen to move-on with the garage. They met before a Superior Court Judge on

October 22, 2012 and requested to hold a special town meeting to propose the new construction for the town highway garage at the cost of \$1,300,000. The judge granted their request. A special town meeting will be held on November 27, 2012, 6:30 p.m. at the Hopkinton Middle High School.

The selectmen propose to have the crumbled pad of the garage removed and to pour a new pad facing south. This will be a change of direction from the old pad. Having the building facing south will take advantage of the sun for heat and light. Thus, hoping to save money in both areas. The new floor will have radiant heat. The garage will be a 1 story building with a shed roof so designed that it can be added onto in the future if need be. It will contain 7 bays, room to store all the equipment (even what is currently being stored in the barn at the Slusser Center.) This building will be fully insulated, have a complete sprinkler system, office; break room, storage and restroom facilities. This new building will be up to code.

Jewett Construction will be the contractors. The plan is to have site work begin on December 3, 2012. By January 18, 2013 the footings and foundation complete. By January 21, 2013 the new building (metal) will arrive. It will take one week for the walls to be assembled. One week for the roof to be assembled. Then once the building is closed in the cement floors will be poured.

The Warrant Article (see attachment) must pass by 2/3 ballot votes (required). The polls must stay open for 1 hour.

There are 2 scenarios:

- 1.) To borrow \$1,300,000 (not more than this) or
- 2.) To borrow \$562,324 the difference between \$1,300,000 and the \$737,676 from the "Risk Pool"

Assume for the purpose of discussion a 10 year bond at 2.7% interest rate with no pre-payment penalty. The selectmen have looked at other alternatives to obtain money for this project. One was to dip into the Surplus Account. Unfortunately, dipping into this account would not leave enough money that is required in this account by the state.

This ended Mr. Langwasser's presentation to the Budget Committee.

3. Public hearing to hear comments about the warrant article for the Special Town Meeting to raise funds and issue bonds/notes for the construction of the new highway garage.

Dick Drescher: Why can't the town use the sand shed. There is plenty of room for 3 trucks.

Neal Cass: There is no electricity in the sheds to plug the trucks into for cold winter nights. It would be cost prohibitive to put electricity to the sheds. Also the crew needs a place to warm up and have coffee during the winter evenings.

Dick Drescher: Has anyone asked HMC about space for the crew to warm up and have coffee?

George Langwasser: No, but we can look into this idea.

David Luneau: Does the \$737,676 stay on the table during arbitration?

George Langwasser: We are not certain that this figure could not be lowered by the arbitrator.

Neal Cass: It would cost the town \$40,000 to go through arbitration.

Karen Irwin: Do you know what the LGC record is when entering arbitration?

George Langwasser: We don't know. The problem is the town is dealing with a "Risk Pool" and the town is "boxed in." The selectmen are concerned with the meaning of the wordage of the contract with LGC.

Michael Montore: Will the new building be insured or "Risk Pool"?

George Langwasser: The contract with LGC continues until June 30,2013. At that time new things will happen.

Karen Irwin: Is there a time frame for arbitration?

George Langwasser: No

Karen Irwin: Did you get an estimate to build the exact same building?

George Langwasser: LGC chose a contractor that the town did not know and came up with some figures.

Karen Irwin: Did this warrant article get passed by the DRA?

George Langwasser: Yes, though the amount can be lowered.

David O'Keefe: What is the sequence if we agree on the \$737,767? Will the decision be made before the town meeting?

George Langwasser: Yes. A motion will be made to reduce the warrant article by \$737,767. There will a very firm price of the building by town meeting.

David Salzburg: Is the "Risk Pool" regulated by the NH Department of Insurance?

George Langwasser: No, it is in the domain of the Secretary of State.

David Salzburg: Has anyone checked in with the Secretary of State? This can't be the first time an issue like this has come up.

George Langwasser: No

David Salzburg: Would it make sense to consolidate debt at this meeting?

George Langwasser: No this meeting is strictly for the raising of money for the highway garage.

David O'Keefe: How much of the town property is covered under the "Risk Pool"?

Neal Cass: Across the state, Highway garages particularly are mostly covered by "Risk Pool". I looked into the rest of the town buildings and feel the town is adequately covered.

Civic Students: What if the town does not approve the amount for the highway garage?

George Langwasser: The selectmen would have to start all over again and the town would be in danger of losing the \$737, 767.

Civic Students: How many people are employed in the Public Works department?

Neil Cass: 10 at this time. The town is storing equipment in the Warner State Sheds, in the Contoocook Fire Station and in a trailer on the site of the highway garage.

David Salzburg: Have you looked at what \$737,767 can build?

George Langwasser: Probably a wooden building with only 4 bays. The selectmen will know more after a meeting on November 2, 2012.

4. To discuss and vote on this article:

Janet Krzyzaniak closed discussion and thanked all that asked questions. She also thanked George Langwasser for an excellent presentation with a well presented and researched plan. The plan is for a 21st century building and not looking backward.

Terry Quinn made the motion to recommend the Selectmen's warrant for the Special Town meeting as presented. Ken Traum seconded the motion. Janet Krzyzaniak, Chairperson called for a vote. All were in favor, a unanimous vote of 9 yes, 0 no

5. Adjournment is in order.

Michael Montore made the motion for adjournment. Karen Irwin seconded the motion. All were in favor. The Budget Committee adjourned at 7:50 PM.

Respectfully submitted,

Denise A. Damour