

**TOWN OF HOPKINTON**  
**Budget Committee Meeting Minutes**  
**Wednesday, November 8, 2017**  
**\*DRAFT\***

**BUDGET COMMITTEE MEMBERS IN ATTENDANCE**

Janet Krzyzaniak, Don Houston, Ken Traum, Rich Houston, Deb Norris, Amy Bogart, Ginni Haines, Mark Zankel, Matt Cairns and John Wuellenweber.

**OTHERS ATTENDING:** Joanie McIntire of J. Hampe Associates and Mary Cowan of Cowan and Zellers Real Estate and several people from the public.

**CALL TO ORDER**

Chair Janet Krzyzaniak called the Budget Committee Meeting to order at 5:35 pm, at the Town Hall. Ms. Krzyzaniak noted the Facilities meeting scheduled to be held this evening at 7:00PM at the High School has been cancelled.

**JOANIE MCINTIRE AND MARY COWAN, REALTORS**

Ms. Krzyzaniak welcomed Ms. McIntire and Ms. Cowan and thanked them for agreeing to come to the meeting to answer questions regarding the real estate market for the Town of Hopkinton and the surrounding towns.

Ms. Cowan explained there was a great boom in 2005 and it has continuously slowed down after that. We have been in recovery mode since 2011-2012.

She presented documentation from the NH Association of Realtors. It reflects statistics by County or by State (NH).

The Merrimack County data reflects the lowest median sales were 2011-2012 and we have been slowly climbing since then. Merrimack County generally is following the State's trends.

She noted she compared Hopkinton with Bow, regarding data on single family homes, condos and land from 2006 – 2017. She compared units sold with average sales price vs. the tax rate. In 2016, Hopkinton rated the 8<sup>th</sup> highest tax rate in the State. In the past, it has been as high as 3<sup>rd</sup> place, so we are headed in the right direction. She did not have the complete data for the year ending 2017. She stated the Hopkinton tax rate for 2016 was \$33.55 and for 2017 it is at \$34.29.

Since 2014, the sales are up, but the sale prices are down. She noted the biggest hike in the tax rate was 2013-2014, from \$28.74 to \$32.56. She added her clients looking to purchase a home in town feel the tax rate is important. Chair Janet Krzyzaniak thanked Mary Cowan for her research and the documentation for the Committee to review.

At 5:45PM, Ms. McIntire presented information to the Committee members. She stated in real estate, you really can't make predictions. She added last year was her Real Estate office's worse year out of the last three. She noted for 2017, there are 40 new children in town, and that she personally brought in 21 of them. She had people move into town from NC, MA, and other towns within Merrimack County. She added people prefer Webster and other towns to Hopkinton because they can't afford the tax rate in Hopkinton.

As a listing agent, she says the people tell her they are moving out of Hopkinton because they can't afford the tax rate. Others prefer to be within walking distance of town.

Some buyers are looking for city services like water and sewer and others are looking for the good school system Hopkinton is noted for.

The older families are leaving Hopkinton because they can't afford the Hopkinton taxes.

She submitted a packet with data reflecting 2008 – 2017, for their review.

She added listings stay on the market longer in Hopkinton than they do in Bow. The average in the State is 72 days, the County 68 and Hopkinton 73. Bow's average was 60 days and now 50.

The average cost is higher in Hopkinton than in Bow. Bow currently has a tax rate issue in regards to the power plant, therefore, people are unsure of what is going to happen with the rate, so they are not buying in Bow and are headed to Hopkinton.

In response to Mark Zankel's inquiry, she responded with Hopkinton's inventory, it is harder to sell homes priced over \$350,000. Under \$300,000 seems to sell okay, but there is not much inventory in the under \$300,000 range. The expensive homes are sitting longer on the market.

Don Houston inquired about Hopkinton offering full day kindergarten, is that bringing more younger families to town. Ms. Cowan responded it is nice to offer full day kindergarten, that it is important to have full day kindergarten, but these families want homes priced under the \$300,000 range.

She added younger people are preferring Henniker over Hopkinton because they feel they get more money for their buck. They can get more house for the same money. It was noted Hopkinton is a single school district and Henniker is part of a several town district and they go to John Stark, which is a bigger school campus.

Henniker has a similar tax rate, but the average house is listed at \$262,000, vs. Hopkinton at \$286,000.

Ken Traum inquired about the statistics being average figures vs. median figures. Ms. McIntire responded she is talking trends vs. statistics tonight.

Ms. Cowan stated she met with the Committee back in 2014 and at that time, people didn't want to buy in Hopkinton because of the tax rate jump at that time. She added she predicts a lot of retiring people in Hopkinton will want to sell, and we need more young families to buy and move into town.

Ms. McIntire noted the newer trend is now to buy land vs. a house and build single family homes. Ms. Ginni Haines replied there is not much land available, as a lot of it is under conservation and can't be built on.

Ms. Cowan added builders can't get loans for developments, so land is not selling for subdivisions. The projects are too big and too costly to start from scratch. She added, people do want to be close to Contoocook Village and do not want the older homes with lead paint.

Mr. Traum asked if there were any drawbacks to being in Hopkinton. The response was only the tax rate. People like the convenience of being able to do everything in town.

Don Houston asked with the tax rate for 2017 set at \$34.29, and we are the #8 highest in the State; how much more can we raise the tax rate? Ms. Cowan responded you would need a crystal ball to answer that question. She does not know what the breaking point is. She added you do need to worry about when the bubble will burst.

Ms. McIntire noted the cost of homes in Boston, the seacoast towns, etc., are all very high and she asks how can the market sustain the high cost of homes and the taxes?

Mark Zankel left the meeting at 6:15PM.

Amy Bogart asked Ms. Cowan what was your feeling when you heard the school wants a new bond. She responded, she needed to look at the statistics and she has concerns.

Matt Cairns added the current enrollment (July 2017) is at 977, with a projection of 1,275 in ten years in 2027. (In 2007 it was 1,050 and 2027 at 1,275 for a comparison). Also, in 2010 there were 92 graduating students and in 2017, it was their lowest at 57.

A lot depends on whether the parents of school age children prefer a small one district school or a larger school accomodating several towns.

Don Houston inquired about special education costs and Hopkinton's programs. The response was it is an unfunded mandate and Hopkinton has a good program.

Ms. McIntire added some people like the idea of the middle and high school on one campus and others prefer separate campuses. Most people are attracted to the smaller schools.

The Committee members thanked Ms. McIntire and Ms. Cowan for coming in and they left the meeting at 6:30PM.

John Wuellenweber noted Bow's valuation of their town is approximately \$400,000 more than Hopkinton's. It was further noted Hopkinton's valuation for 2016 was \$613+ million and for 2017 it is at \$618+ million.

#### **APPROVAL OF OCTOBER 11, 2017, DRAFT MINUTES**

Ken Traum motioned to approve the October 11, 2017, Draft Minutes as written. Ms. Deb Norris seconded the motion. The motion passed unanimously.

## **PUBLIC COMMENT**

Mary Kusturin expressed her concerns. Her understanding is that families who have the money will come for the schools and families with lower incomes cannot afford to be here, due to the tax rate. She wanted to voice her opinion that her concern is we don't want people to have the mentality that we have economic segregation. She has a problem with counting on people moving here that can afford to come.

John Wuellenweber interjected that less than \$300,000 homes are affordable and people are buying them. Rich Houston added it is the homes priced at over \$400,000 that are not selling. Young families that can afford to buy are coming for the school system.

Ms. Kusturin noted the school budget is so high she does not want to become economically segregated. She added it is better to have schools with a lower tax rate and adjust the quality, so more families can come to our schools.

Arnold Coda expressed his concern with the number of existing homes and over the last five years, how many building permits have been issued for new homes.

Don Houston stated the Planning Director had recently told him the average is 12 per year. Mr. Coda stated the information should be put into the record. He added he doesn't think that we have much land to sell, as a lot of it is in conservation. He would like to know if a build out analysis has been done. If not, it should be done.

He would like to see the projection of how many houses can be built. He added it should be done in conjunction with the EDC (Economic Development Committee).

He is also interested in the student projection. Matt Cairns stated the projection was done on live births to his knowledge and the projection of an increase of 300 students by the year 2027 is approximately a 2% increase per year from 2017 – 2027.

Mr. Coda added there is a lot of real estate market information on line. He referred to city data.com. He read a quote someone had posted in August 2017, regarding buying a home in Hopkinton. He/she stated Hopkinton is an attractive town, but is not buying in town, because of the tax rate.

He further noted buying homes under \$300,000 you can afford the \$10,000 taxes, but buying over \$300,000 you cannot afford the taxes. He feels there is a problem, that the taxes are too high.

He further added he agrees with Mary Kusturin's concerns. It is not good to make it available to only people who can afford it; it is not good to have a segregated town.

He further inquired why we don't track our graduates and find out if they liked the school. He added currently we rank #2 in the State for the school system.

Mr. Coda thanked the Committee and the members thanked him for expressing his concerns.

## **FINANCIALS:**

### **TOWN**

Ken Traum presented the Town's financial reports through October 31, 2017. He explained that both the revenues and expenses are within budget, noting the revenues are up and they expect to have a \$100,000 surplus at year end, due to the motor vehicles registrations are running higher than anticipated. Also, Room & Meals and Flood Control funds will be forthcoming in late December, which are both large amounts we receive from the State. On the Expense side, he mentioned the Road Bond will be expended on culverts and roads by 2018, noting culverts are very costly. The operating budget they are doing very well and remain within the budget, adding he hopes we don't have any snow storms until next year. Mr. Traum inquired if anyone had any questions at this time and thanked the Committee. He further added the Select Board met with some of the Department Heads on 11/6 and will be meeting with the remainder of the Department Heads on Monday, 11/13<sup>th</sup>, to review their proposed 2018 budgets, along with discussion on the CIP (Capital Improvement Plan).

### **SCHOOL**

Matt Cairns submitted the School's financial reports as of September 30, 2017. He noted it was not on the agenda, so he did not have any updated information to offer at this time.

### **ANY OTHER BUSINESS TO COME BEFORE THE BOARD**

It was noted the next Budget Committee meeting will be held at 5:30PM at the Town Hall, on Wed. December 6 and again on Wed. December 13, 2017, for the Town to present their proposed budgets for 2018.

### **MOTION TO ADJOURN**

Mr. Traum motioned to adjourn at 7:00PM. Amy Bogart seconded the motion. The motion passed unanimously.

Respectfully submitted,

Deborah Gallant