



Town of Hopkinton

Budget Committee

330 Main Street, Hopkinton NH 03229-2627 - (603) 746-3170 – www.hopkinton-nh.gov

BUDGET COMMITTEE PUBLIC MEETING MINUTES Wednesday, December 13, 2023 DRAFT

CALL TO ORDER:

Budget Committee Chair Jonathan Cohen called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, December 13, 2023, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

Budget Committee

Members Present: Jonathan Cohen, Christa Scura, Debbie Norris (via Zoom), Mark Zankel, Rich Houston, Steve Reddy, Rob Nadeau, Ken Traum, Don Houston, and Victoria Bram

Staff Present: Neal Cass-Town Administrator

Ms. Scura moved to allow Ms. Norris to participate in the meeting remotely. Mr. Reddy seconded the motion.

Roll call vote:	Jonathan Cohen	Yes	Christa Scura	Yes
	Debbie Norris	Yes	Mark Zankel	Yes
	Rich Houston	Yes	Steve Reddy	Yes
	Ken Traum	Yes	Don Houston	Yes
	Rob Nadeau	Yes	Victoria Bram	Yes

Motion passed 10-0

APPROVAL OF PUBLIC MEETING MINUTES

Mr. Traum moved to approve the public meeting minutes of November 8, 2023. Mr. Reddy seconded the motion.

Roll call vote:	Jonathan Cohen	Yes	Christa Scura	Yes
	Debbie Norris	Yes	Mark Zankel	Yes
	Rich Houston	Yes	Steve Reddy	Yes
	Ken Traum	Yes	Don Houston	Yes
	Rob Nadeau	Abstain	Victoria Bram	Yes

Motion passed 9-0-1

DISCUSSION OF NHMA PRESENTATION

The Budget Committee discussed the presentation that took place at the last meeting. The following comments were made:

- Questions should be asked in relation to the budget.
- Mr. Nadeau noted that he will give as much information as possible and when discussing personnel, it should be in relation to what the job description is, not the job performance of the person filling the position.

- Questions can be asked about FTEs.
- Mr. Cohen noted that the Budget Committee and the governing boards all serve the constituents and anything that helps them understand is a good thing.
- Mr. D. Houston said that the presentation included kudos to the things that are already happening in Hopkinton, and we are doing well compared to many towns.
- Mr. Cohen said that it is clear that the governing boards are doing a good job-sharing information.
- The role of the Budget Committee is a check and balance to the governing boards, said Mr. R. Houston.
- Ms. Scura noted that she asks questions to be educated and to understand the requests and she will phrase her questions in relation to the budget.

PRESENTATION OF THE SELECT BOARD PROPOSED TOWN BUDGET

Mr. Traum presented the 2024 Select Board proposed budget. He noted that the budget is a plan for spending and the 2024 plan is part of the larger plan which included what has happened already and what is planned to happen in the future.

He continued by noting projects that have been done in 2023.

- Houston barn new foundation and roof.
- Farrington Corner Road culverts replaced and road repaved.
- Riverway Park has more parking now and work has been done to make a better community space.
- Renovations are being done to the Town Hall by town staff to improve the usability of the building.
- The police station has a new metal roof.
- The back addition roof on the Town Hall was replaced. The old roof was leaking.

The Select is presenting the 2024 portion of the overall plan with the goals of maintaining the current level of service and doing it more efficiently, maintaining our well-qualified staff, and meeting our substantial capital needs in a way that doesn't unduly burden taxpayer in the future.

The 2024 plan continues to support the overall plan by supporting the capital needs and supporting items that either provide better service, or more efficient service to residents. In this respect, several items are included in the 2024 spending plan.

Operating Budget

- The first payment of the road bond approved this past year at Town Meeting adds just over \$275,000. Due to timing with contractors, the bond funds will be used this coming year to do the work on Briar Hill Road. Work is scheduled to begin in the spring.
- The 32 hour per week Assistant Town Clerk/Tax Collector position has been eliminated and a 24 hour per week Executive Assistant position has been added. The new position will do some of the standard administrative things currently being done by the Town Administrator, allowing him additional time to focus more on things that only he can do. This person will help to coordinate the numerous grants that the town is seeking and has received.
- There are funds in the budget to cover 60 hours per week of additional part-time ambulance hours. These hours will allow for an additional trained person to be at the

fire station during the day Monday through Friday. There have been over 70 missed second ambulance calls this year and this position will allow the second ambulance to respond to second ambulance calls quickly. The added billable calls will help pay for this position.

- Switching one of the three part-time transfer station positions to full-time was done by the Select Board during their budget deliberations. This will mean the Transfer Station will have three full-time and two part-time positions. The Select Board believes that this will help retain staff and the Board anticipates that over time there will be cost savings and potentially additional revenue.
- Because the sewer operating budget is self-funding, this does not affect the budget, but the Town will no longer share a Water/Sewer person with the Contoocook Village Precinct but will have a person on our own. This moves us closer to meeting the recommendations of NH DES for staffing at the Wastewater Facility.

Capital Expenditures - the capital expenditures have been hit very hard by the inflation of the last couple of years. There are no new projects added, but the increased costs have taken their toll. There is little room to shift cost “down the road” because as the plan shows, there are upcoming costs in future years. Expenditures in plan for 2024 really cannot be pushed off and include:

- Painting the outside of the Town Hall. Chipping has become severe and because of the age of the building it is important to properly remove the chips and repaint to assure that there are no lead paint chips. Future major renovations are not funded in 2024.
- 2024 is a revaluation of property year as required by NH Department of Revenue.
- As scheduled, the 9-year-old ambulance needs to be replaced. Warner and Webster help with this cost.
- A 1994 and a 1995 fire tanker are scheduled to be replaced with one new tanker. It is now hard to get parts for the old trucks.
- One of the three trailers at the Transfer Station is overdue for replacement and is included to be replaced this coming year. We have three trailers that are vital to the operation of the Transfer Station. One was replaced last year and the third one is scheduled to be replaced in 2026.
- The bathrooms at George Park are scheduled for replacement. This project has been put off several times and they are in very bad condition.

Mr. Traum noted two other capital items:

- This coming year, a solar array will be installed at the Wastewater Treatment Plant, the cost of which is covered by a grant. This will save substantial operating costs in the future.
- The Lagoon cleanup at the Transfer Station and the sludge removal at the Wastewater Treatment Facility are scheduled to be done in 2025, most likely being paid for with a bond. Engineering is happening on both these projects, which will be done in tandem.

Mr. Traum explained the process that had been followed to create the 2024 budget proposal. Work began in August.

The details of the proposed budget were presented:

Revenue - Operating revenue is projected to be just over \$4 million, an increase of about \$61,000 over this year, which is 1.53% increase. The major changes to project revenue are:

- Ambulance revenue is up \$57,500 largely due to covering more calls as explained already.
- Transfer Station revenue is up \$90,000 due to increased commercial tipping fees.
- Checking Account Interest is projected to be up \$53,000 due to higher interest rates.
- Flood Control payment is up \$20,750 to reflect this increase in 2023.
- \$20,000 has been added to reflect a lease option payment from the solar company working to obtain approval for the solar array at the Transfer Station.
- A decrease of \$162,000 in the Room and Meals funds received from the State is projected. This amount is higher than what was received up until 2021, but less than what was received in 2022 and 2023 because the State added additional funds.
- Sewer Revenue is down because we are no longer receiving payment for half a staff person from the Contoocook Village Precinct as noted earlier.

Operating Expense - The operating budget being proposed is \$9,746,744 inclusive of the sewer and is 6.2% higher than the 2023 budget. The major drivers of the operating expenses are:

- An added \$275,000 for the first year of the payment on the 2023 road bond. We are happy to report that the final payment on the highway garage was made in 2023.
- A 4.0% merit pool for employees at a total cost of \$122,454. In this market we need to stay competitive.
- An additional \$96,000 for health insurance. The estimated increase in the cost is 19% but due to changes in our staff the increase in the budget is 11%.
- A decrease of \$26,000 in full time police wages due to replacing the lieutenant with a patrol officer.
- \$54,000 in additional part-time ambulance wages as previously discussed.
- A decrease of \$15,000 in Fire Department part-time/call wages reflecting previous year's actuals.
- Increase of \$65,000 in DPW wages to reflect that we are currently fully staffed. Part time wages have dropped by \$19,000.
- Road Maintenance (Shimming/Paving) is increased \$26,500.
- Lower fuel and salt costs are shown by a decrease in the budget of \$27,000.
- Staff changes at the Transfer Station, as previously discussed, add \$43,000.
- Transfer Station Disposal is up \$15,000. This will be offset by added revenue due to the increase in tipping fees.
- Staff changes at the Town Hall discussed earlier add \$8,000.
- Lagoon cleanup engineering costs are down \$90,000. Remaining funds from 2023 will be encumbered and added to the \$60,000 being requested.

Capital Reserve/Maintenance Trust Funds - The total proposed amount proposed to fund these funds is \$1,133,000, an increase of \$271,500. With the exception of the amount proposed for the Road and Bridge CRF, the increase is inflation driven. The major drivers causing the increase are:

- Fire Vehicle replacement is up \$125,000. Price increases for fire apparatus has increased drastically more than other items.

- The amount proposed for the Road & Bridge CRF is to help to maintain roads as they are repaired because maintenance is substantially less expensive than rebuilding. There is almost \$20 million in road rebuilding projects waiting to be done.

Fund Balance - The Select Board is proposing to use \$350,000 from the 2023 Unreserved Fund Balance.

Estimated Tax Impact - The amount to be raised by taxes is \$6,773,331 which is estimated to be an \$8.49/thousand tax rate, up \$0.96 or 12.70%.

Discussion on the Town budget was opened up to the Budget Committee.

- Ms. Bram asked whether the \$10,000 in projected recycling revenue was due to the world markets or less recycling. Mr. Traum said that the number is based on actuals from this year. He added that the hope of the Select Board is that the added staff will help recycling rates increase.
- Mr. Zankel said that additional staff is one thing, but will there be an expectation from the Select board that enforcement will increase, as this directly relates to the budget. Mr. Traum said this is a first step.
- Mr. Cohen asked if the fact that not all users are required to use green bags added to the increase in disposal costs. Mr. Traum said that anything that is recycled does not go into the hopper, saving us the cost of disposal.
- Mr. Reddy asked about any changes that have been made to the Pay-by-Bag program based on the discussions that happened last year. Mr. Traum said that the Board has not yet changed the bag fees. There is a proposal to increase the tipping fee charge for commercial trash and that will be moving forward to Public Hearing in the near future.
- Mr. R. Houston asked what the increased green bag fees will pay for. Currently the fee does not cover the cost of disposal. Once a new rate is set an analysis of the revenue can be provided to the Budget Committee.
- Mr. Nadeau said that when he was teaching his class did a project to review the correlation between green bag use and recycling rates. They found no strong correlation, and the number went up and down.
- Mr. Nadeau asked about the increase in retirement cost in the Transfer Station budget and Mr. Traum explained that this is due to the added full-time position.
- Mr. Zankel pointed out that the Capital Expenditure request has increased substantially this year and is in the plan to increase again next year. He wanted to flag this. Mr. Traum said the Select Board is very concerned about this. It was noted that the biggest increase in the plan for next year is a \$400,000 expenditure for roads and there is flexibility to remove this.
- Ms. Scura asked about the \$9,000 expended on the skatepark and about a future project. The \$9,000 was for a study and the plan came in with a much higher cost than anticipated. This will be presented to the Select Board to determine what course of action will be taken. There will be nothing further proposed for the skatepark in 2024.
- There was discussion of the merit wage pool. The increase last year was 6.5% and this year is proposed at 4.0%. This keeps us in line with other communities. There are no other increases in wages besides the merit increase. The amount budgeted for merit increases includes all related benefits.
- Funding for capital projects is done with Capital Reserve Funds except for the major road rebuilding project which have been funded with bonds.

- There are four elections in 2024 versus only one in 2023.
- Mr. Traum explained that there were requests for a code audit for \$15,000 from the Planning Department and one for \$10,000 from the Housing Committee. The Select Board felt that the broader one proposed by the Planning Department could be more beneficial than the housing specific one.
- There was discussion of the use of some of the Undesignated Fund Balance. Mr. Traum explained all the things the Select Board considers when proposing using these funds.
- Discussion took place about the added ambulance personnel. Some of these added costs will be offset by additional revenue received from ambulance calls that we are not able to respond to currently.
- The added ambulance position cost and the Transfer Station added full time position nets to a combined \$77,000 increase in the operating budget.
- Mr. Reddy asked about zero-based budgeting. Mr. Traum responded that the Select Board reviews the budget line-by-line so in effect are doing zero-based budgeting.
- Mr. D. Houston said that looking at the level of service, like how much snow is on the road before it is plowed, is a way to look at the driving factors in specific budgets. It may be beneficial for each department to have specific goals for the level of service. It would be worth articulating.
- Mr. Reddy said that it may be time to look at reducing the level of services provided.

The Committee decided not to discuss the presentation further but review the details further and discuss it at a later meeting.

CONTOOCCOOK VILLAGE PRECINCT FINANCIAL UPDATE & BUDGET

Mr. D. Houston provided the Budget Committee with the proposed Contoocook Village Precinct budget. Rates will be increasing to better cover the costs of operating the system. He noted the following:

- The Superintendent line is down because the work is being contracted out.
- The Administrative Assistant position has been eliminated.
- A Clerk position has been added.
- Expected electricity costs are projected to be down. It appears that the major water main break that went undetected for a while caused this amount to be high in 2023.
- A contract has been signed with Pennichuck Water to provide daily operation of the system at a year cost of \$108,000.
- The cost of the shared truck with the town has been eliminated now that the two entities are not sharing an employee.
- The Precinct has received three NH DES grants:
 - \$100,000 asset management grant which looks at all piping and forecasts required replacement. This study will help determine water rates.
 - \$50,000 – for a plant upgrade study
 - \$50,000 – for a study to look at supplementing the current open water source used by the system.

Mr. Reddy asked if there is a plan to replace water mains or if work will only be done when there is a break. Mr. D. Houston responded that the asset management work will help to create a replacement plan.

HOPKINTON VILLAGE PRECINCT BUDGET

Ms. Bram reported that the average cost of water for a household is about \$900.00 per year.

The proposed budget includes an increase of \$736.00 which is 2.45%. The major drivers for the increase are an increase in the cost for QuickBooks, the installation of an electrical meter at the old precinct fire station building, and the added cost of water at the Civil War Park which is used to water the flowers.

Mr. Traum asked if there is any thought to switching to meters and whether there are any capacity issues. Ms. Bram said there have not been any issues since the upgrades took place.

HOPKINTON SCHOOL DISTRICT FINANCIALS AND OTHER UPDATES

Mr. Nadeau reported that there will be a vote next week by the School Board on the School District budget. Currently the operating budget is projected to be up 7.2% which is due to salary increases, health care costs, and special education costs. This equates to an estimated \$1.70 increase in the tax rate without including the Warrant Articles. Mr. Nadeau notes several other things:

- The School Board looked at revenue at their last meeting and there were not many changes.
- There will be further discussion on how to use the trusts.
- Health care usage was at 141% last year which accounts for the substantial increase in rates this year. There will be discussion on whether to use some funds from the benefits trust.

Ms. Scura asked what was driving the increase in special education costs. Mr. Nadeau said largely out placements which can be residential or day school.

Ms. Bram asked why the purchase of servers was not coming out of the Technology Trust. Mr. Nadeau said the Technology Trust was formed during Covid when a large number of Chromebooks were being purchased. The School Board will have a discussion to determine whether this fund should be used like a Capital Reserve Fund or more as a “Crisis” Trust. The Special Education Trust is used for emergencies.

Mr. Nadeau said that other options for health insurance have been reviewed but the rates are high because of the usage so other options do not save.

Mr. Nadeau said he would provide any information needed by the Budget Committee.

PUBLIC COMMENT

Bonnie Christie said the following:

- She questioned Mr. Nadeau’s statement that in the research that was done, there is no direct correlation between green bags and increased recycling.
- She wants a more compliance-based staff at the Transfer Station.
- She pondered what the cost saving would be if the Transfer Station were at the average tonnage for waste and for recycling.

Norm Goupil thanked those working on the budgets.

OTHER

The Budget Committee members made several other comments.

- Mr. Zankel said that the Town budget is a lot, but the request is well supported. He said he is very anxious about the 12.70% tax impact.
- Ms. Scura said that all the presentations were clear and asked what percentage increase the \$1.70 tax rate increase caused by the School District operating budget increase. It was noted that this increase does not include any Warrant Articles.
- There was discussion of the state-wide property tax and other state funding issues.
- Ms. Bram thanked all those who prepared budgets.
- There was a discussion of the town-wide revaluation taking place next year.
- Mr. Zankel noted that with the Town proposal it is really only the capital items where changes can be made. Mr. D. Houston responded that we have been “kicking things down the road” for many years.
- Mr. Nadeau said that he has added all his tax burden and determined the percentage of his income that goes toward taxes. He determined that it is “pretty reasonable” to live in Hopkinton.

The next meeting will be on Wednesday, January 10, 2024.

ADJOURNMENT

There being no further business, Mr. D. Houston moved to adjourn the meeting. Mr. Traum seconded the motion.

Roll call vote:	Jonathan Cohen	Yes	Christa Scura	Yes
	Debbie Norris	Yes	Mark Zankel	Yes
	Rich Houston	Yes	Steve Reddy	Yes
	Ken Traum	Yes	Don Houston	Yes
	Rob Nadeau	Yes	Victoria Bram	Yes

Motion passed 10-0

The meeting was declared adjourned at 8:32 p.m.

Respectfully submitted,

Neal Cass
Town Administrator