

# **Town of Hopkinton**

## **Budget Committee Meeting Minutes - APPROVED**

**Wednesday, April 8, 2015**

**5:30 p.m.**

**Town Hall**

### **Call to Order:**

Chairwoman Janet Krzyzaniak called the meeting to order at 5:30 p.m. Attendees: Janet Krzyzaniak, Richard Houston, Don Houston, Ken Traum, Richard Horner, David Luneau, Amy Bogart and Virginia Haines. Also present: Suzanne Beauchesne taking minutes.

Chairwoman Krzyzaniak welcomed the two new committee members, Amy Bogart and Virginia Haines, and thanked them for their interest in serving on the committee.

### **Approval of Minutes:**

Ken Traum motioned to approve the February 4, 2015 public hearing meeting minutes, as amended. Richard Horner seconded. Motion carried 8-0.

Amendments: Page 2 – change name Renee Curie to Renee Carey. Page 4 – change Peets Hill Condominiums to Peaked Hill Condominiums.

### **Election of Committee Chair and Vice Chair:**

Chairwoman Krzyzaniak noted that ex officio members could not serve as Chair. Ken Traum moved to have Janet Krzyzaniak continue as Chair of the Budget Committee. Seconded by David Luneau. Motion carried 7-0-1 (Janet Krzyzaniak abstained).

David Luneau moved to name Richard Horner Vice Chairman of the Budget Committee. Seconded by Ken Traum. Motion carried 7-0-1 (Richard Horner abstained).

### **Budget Committee Vacancies:**

Chairwoman Krzyzaniak stated that Tom O'Donnell had resigned from the Committee and Steve Lux, Jr. was elected to the Select Board opening up two vacancies on the Committee. Chairwoman Krzyzaniak read through the application received from Deborah Norris of Contoocook. Vice Chairman Horner moved to accept Deborah Norris' application to serve on the Budget Committee. Seconded by Richard Houston. Motion carried 8-0. Deborah Norris joined other committee members at the table.

There was a short discussion on whether the vacancy opened by Tom O'Donnell's resignation needed to be filled by a Hopkinton Village Precinct resident. Chairwoman Krzyzaniak will check the statute; and write a letter of thanks to Tom O'Donnell for his many years of service to the community. Members agreed to look for an opportunity to honor Mr. O'Donnell at an event to be held in Town.

### **Financials – Town:**

Mr. Traum presented the town's budget expense and revenue summaries through March 31, 2015. Account 3359 Safe Sidewalks should have been entered elsewhere. On the expense side, the assessor account is running higher than anticipated, as is the highway/public works given the harsh winter months and overtime that was required. Mr. Traum also announced that John Thayer, Department of Public Works Director, resigned his position yesterday.

### **Financials – School Board:**

David Luneau provided the January and February 2015 school budget summaries. For the benefit of the new members of the committee, Mr. Luneau indicated that on a monthly basis a summary is provided for a quick view of how the School District is moving towards meeting its financial objectives. Quarterly, a detailed general ledger is provided which lists each budget line item. Mr. Luneau explained that the budget is broken into two parts – each part listing profits and losses.

The income comes from the town via taxes. About \$3 or \$4 million comes from the state and another million dollars from the federal government, totaling \$18 million to run the School District. The fund balance accounts for unreserved funds from the end of the prior year including any transfers from Capital Reserves. Anticipated revenue is fixed and the District still has \$5.6 million to collect. The School District is operating on a budget that was approved over a year ago (March 2014).

Mr. Luneau noted General Fund expenses of \$10.1 million and encumbrances of \$6.3 million that are anticipated expenses, such as salaries. Some purchase orders will not be made as the year end approaches and the District enters a purchasing "cool-down". It is typical for school districts to make purchases during the summer and at the beginning of the school year.

The fund balance is a surplus and monies are removed as approved by the voters. In March 2015, \$110,000 went into Capital Reserves. \$270,000 gets rolled forward to reduce taxes. The fund balance on June 30<sup>th</sup> must be \$470,000 to meet anticipated expenses. Also, it was pointed out that the reserve fund cannot exceed 2.5 percent of the budget.

The Food Service account continually shows a negative balance even with revenue from the federal lunch program and through the state adequacy grant. Another cost driver is the food itself, requiring whole grains and the like.

Amy Bogart asked for clarification about the fund balance. Mr. Luneau explained that the fund balance is all income and gets transferred to Capital Reserves. Any remaining funds are used to reduce taxes or are retained for emergencies.

In response to a question from Richard Houston, Mr. Luneau stated that a new Director of Academic Curriculum was not budgeted for, nor has a decision been made.

Vice Chairman Horner asked a number of questions that had been posed to him by residents: 1) why not lay out individual teacher salaries; 2) why can't administrative costs be broken out; 3) principals and superintendents get a travel expense and even if they don't travel, they get the money. Is this true?

Mr. Luneau stated that administration and teacher salaries are available in quarterly reports, but questioned what residents would learn by listing individual salaries in a town report. The information is available online and Mr. Luneau encouraged anyone interested in learning more to attend School Board meetings. Mr. Horner also said that the word about town is that the principal's child from another town is attending school in Hopkinton tuition-free. Mr. Luneau indicated that "may be true" since there is a policy in place for reduced or no tuition for faculty and administration.

### **Financials – Contoocook Village Precinct:**

Don Houston provided a Profit & Loss vs. Actual Budget report for the period January through March 2015. An additional \$30,000 was approved at the Precinct's Annual Meeting to cover the cost of repairing a water main break which occurred about a month ago in front of the Fire Department during a snowstorm. That is the only change on the report. The lower tank upgrades by Linda Kimball's house at a cost of \$520,000 will hopefully be completed this year and will provide extra water capacity.

### **Other Business:**

Ken Traum mentioned that Select Board Chair, Jim O'Brien, was looking for a way to get the Select Board, the Budget Committee, and the School District on the same page throughout the budget process. Don Houston distributed a "Hopkinton Tax Projections" sheet as a starting point for discussion (attached).

Richard Houston asked about the status of the School Facility Committee. Dave Luneau responded that candidates are being reviewed to lead the effort. Fifty or sixty persons have expressed an interest in serving. No final assignments to five subcommittees will be made until the Steering Committee is formed.

Virginia Haines asked about orientation sessions available for new committee members that are provided by the NH Municipal Association. Mr. Traum will be in touch with Town Administrator, Neil Cass, about the matter.

**Public Forum:**

No members of the public were in attendance.

**Next Meeting:**

Dave Luneau moved that the next Budget Committee meeting be held on the 2<sup>nd</sup> Wednesday of September. Seconded by Dick Horner. Motion carried 9-0.

**Adjourn:**

Ken Traum motioned to adjourn the meeting at 6:42 p.m. Seconded by Don Houston. Motion carried 9-0.

Respectfully submitted,

Suzanne Beauchesne