

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, October 9, 2019
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Ginni Haines, Debbie Norris, Mark Zankel, Jonathan Cohen, Jim O'Brien, Candace Youngman, and Rich Houston.

PUBLIC PRESENT

Norm Goupil was present for the beginning of the meeting.

CALL TO ORDER

Janet Krzyzaniak explained that the meeting would start a little late due to a closed-door meeting being held with Town Administrator Neal Cass, that included a couple of the Committee Members. Mrs. Krzyzaniak called the Budget Committee Meeting to order at 5:35 pm, at the Hopkinton Town Hall. Norm Goupil led the Pledge of Allegiance.

RIGHT TO KNOW

Mrs. Krzyzaniak asked Neal Cass to explain the Right to Know law. Mr. Cass explained that the biggest thing was to make sure that the procedures are correct; meetings are posted in advance; and minutes are correct and available at the Town Hall within 5 business days after the meeting. The only person that will be providing agendas and other emails to members of boards and committees (in a blind copy) is the staff person (Finance Director) at Town Hall. Draft minutes will be available, to the public, at the Town Hall; but only the Budget Committee approved minutes will be posted on the web site.

APPROVAL OF SEPTEMBER 11, 2019, DRAFT MINUTES

Ken Traum motioned to approve the September 11, 2019, Meeting Minutes. Deb Norris seconded the motion. Mrs. Krzyzaniak asked for any corrections. A vote was taken to approve the September 11, 2019, minutes. All Committee Members approved. The vote passed.

FINANCIALS – TOWN

Ken Traum explained that now that the State Budget has been approved, the Town will be getting \$102,503 over 2 years (split even), and the school will be getting \$788,332 over 2 years (the bulk of it in the second year). Mr. Traum is not sure when payment will be received.

Mr. Traum presented the Town's Revenue and Expense Summaries through September 30, 2019.

- On the Revenue side, recognizing that the State pays at the end of the year, the reports shows Motor Vehicle Permits (3220) running higher than budgeted.
- On the Expense side, Mr. Traum explained that the Town Clerk (4140) is running higher due to part-time and over time and catching up on the beginning of the year expense to Avitar. He explained that they are close to hiring a new full-time person in the Town Clerk's office.
 - Cemeteries (4195) looks like it's running high but that's because it is adjusted at year's end with reimbursements being received from the Cemetery Trust Funds.

FINANCIALS - TOWN, continued

- Buildings and Grounds (4521) is running a little high due to anticipated corporate leases and contracts.

Mr. Traum explained that the Expenses should come in under budget. He explained that he has asked Neal Cass if it would make sense to refinance the Firehouse Station Bond, currently at 3.49%, to try to reduce expenses for next year; the Insurance Expense (4196) at 112%, is because there was an expense and then a revenue refund that balances out on both sides; and, the Transfer Station Income (3404) looks low right now because Warner and Webster pay later in the year for their share of the landfill.

FINANCIALS - SCHOOLS

Jim O'Brien presented the memo from Michelle Clark, dated September 16, 2019, Re: August 2019 Financial Statement. He explained that the School Boards concerns are:

- Getting a better handle on their personnel costs (payroll, hiring, benefits/insurance).
- Hiring of the additional 2nd Grade Teacher extinguished their Contingency Fund.
- The Federal Government's Medicaid reimbursement to schools. The Town of Hopkinton could lose in the range of \$100,000 of reimbursed costs.

Mr. O'Brien emphasized that the State of NH will be providing schools with some additional dollars over the course of the two-year budget; in additional state aid for education of \$765,000 (9.5% increase).

Mr. O'Brien presented the Approved Programmatic Budget, explaining that Michelle Clark is working with the vendor to produce the fiscal years comparison column. He explained that this report would be able to be produced on a monthly basis. Mr. O'Brien presented the State Required, official student numbers as of October 1, 2019, as 990 students. October 1, 2018, that student population was 1,008 students. The Hopkinton School Districts website has the official number of students in each class. Discussion took place about the projected numbers presented to the Budget Committee during the budget process last year, and that those projections were much higher than these real numbers.

Discussion took place about the new Medicaid Reimbursement requirements. Jim O'Brien explained that the requirements are different than they have been, and every school district is trying to work through these new requirements.

Discussion took place about how to apply any surplus funds. Can the Budget Committee provide guidance or support on where the surplus might be applied? Can funds be earmarked with thoughts from the Budget Committee? The Teacher's Contracts are under negotiations, and the tax impact over the next 3 years are not known?

FINANCIALS - CONTOOCOOK VILLAGE PRECINCT

Don Houston presented the Profit and Loss Budget versus Actual Budget through September 2019. Mr. Houston explained they are still struggling to find a Superintendent replacement, working with the Town to find one person to share both duties of the Sewer and the Water. Mr. Houston explained that the only major project, this year, was the digging up and replacement of the pipe at Linda Kimball's (\$90,000). He explained that this project won't be done this year because there isn't anyone available to do the work. Mr. Houston explained that if Cedar Street gets redone by the Highway Department, the Water Precinct may want to do a water upgrade while the road is torn up.

FINANCIALS - HOPKINTON VILLAGE PRECINCT

Candace Youngman explained that the clock in the Precinct, at the First Congregational Church, needs to be refurbished. She explained the Precinct is looking into fundraising options to raise about \$5,500. This is not an allocated budget item, therefore, that's why they are looking into fundraising.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Jim O'Brien updated the Budget Committee on the School District's Building Committee. He explained that they have hired a Construction Attorney, an Owner's Project Manager (Gordon/Bristol), and last week the Building Committee brought a recommendation to the School Board, that was approved, for hiring of the Architectural and Engineering Company (HL Turner Group, Concord, NH). HL Turner will need to provide the architectural and engineering drawings. A Construction Management Firm still needs to be hired – they will help with pricing and moving forward. He is confident that this will all be done in the next couple of months, so that they can see how the budgeted cost projections look and if any changes need to be made.

Jim O'Brien presented 3 Potential Bond Runs and wanted to have the Budget Committee's input.

- Discussion took place about 30-year versus 20-year bond payback; interest rate payments could fund other projects that will arise. \$10M is only scratching the surface of many projects that need to be done, that have been put off.
- Concern was shared about the possibility of early payback or refinancing with the Bond Bank versus private banks.
- Concern was shared about having level yearly payments being less confusing to the taxpayers versus descending payments.

A Committee Member asked if a sprinkler system at Harold Martin School had been discussed by the School Board. Mr. O'Brien explained that the architectural/engineering firm would have to be able to present what the cost of having a cistern system to be able to provide this sprinkler system.

Jim O'Brien asked if the Budget Committee would be interested in having Rebecca Forestall, Director of Student Services (she oversees the Special Education funding) to speak for 30-45 minutes at the next Budget Committee meeting. The Budget Committee agreed that they want her to speak at the next meeting.

Ken Traum explained that the new tax rate is now in the hands of the State and will be set within the month; the town-wide assessments went up approximately 27%.

UPCOMING BUDGET COMMITTEE MEETINGS

The next Budget Committee Meeting will be on Wednesday, November 13, 2019, 5:30 pm, at the Hopkinton Town Hall

MOTION TO ADJOURN

Mark Zankel motioned to adjourn at 6:45 pm. Jonathan Cohen seconded the motion. There was no further discussion. A vote was taken. All Committee Members approved.

Respectfully submitted,
Tammy Clay