

**BUDGET COMMITTEE
PUBLIC MEETING
MINUTES Wednesday,
January 11, 2023
APPROVED 2/8/2023**

1. CALL TO ORDER

Mr. Cohen called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, January 11, 2023, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

Budget Committee

Members Present: Jonathan Cohen, Rich Houston, Steve Reddy, Debbie Norris, Christa Scura, Ken Traum, Norm Goupil, Don Houston, and Victoria Bram

Members Absent: None, Mark Zankel arrived at 6:20 p.m.

Others Present: Rob Nadeau-HSD School Board, Mike Flynn HSD Superintendent, Jim Rozycki, Facilities, Dan Meserve HSD Athletic Director, Patrice Brown, HMS Principal, Neal Cass-Town Administrator and Carol Sadrozinske, Budget Committee Minute Taker

Public Present:

Arnold Coda
Loren Clement
David Feller
Cheryl Morris
Robert Matteo
Tricia Lambert
Louise Carr
Sabrina Dunlap, Select Board, via electronic means
Amanda Gilman via electronic means
Rita Blanchard via electronic means
Sara Persechino via electronic means
Dulcie Lipoma via electronic means

1. APPROVAL OF THE PUBLIC MEETING MINUTES 12.7.2022

Ms. Bram noted that the following edit was necessary:

Presently the minutes are as follows:

She shared her concern about the lagoons at the Transfer Station which will cost at least \$1.0 million to clean up. She continued that she wants waste taken more seriously and wants a full time “professional” hired at the Transfer Station to oversee the operation there. She continued that the town was supposedly following the DES permit, but she believes from the business was deposited.

Discussion occurred with agreement to edit as follows:

She shared her concern about the lagoons at the Transfer Station which will cost at least \$1.0 million to clean up. She continued that she wants waste taken more seriously and wants a full time “professional” hired at the Transfer Station to oversee the operation there. She continued that the town was not following the DES permit as she believes sludge from the business was deposited.

Mr. Traum moved to accept the minutes with the agreed upon edit, Mr. Goupil seconded. All voted in favor, none opposed no abstentions.

2. HOPKINTON SCHOOL DISTRICT FINANCIAL UPDATES AND 2023 BUDGET PRESENTATION

School Business Administrator Michelle Clark pointed out several things in relation to the financials for the period ending November 30, 2022.

- General Fund related:
 - Revenue is coming in as anticipated at this time; however, we were notified that we will be receiving a refund from NH Retirement System of approximately \$111,000.00 that we will use to reduce the 2023 tax rate.
 - We have not received grant information from the State to allocate staff that are in the grant to those grants. My hope is that we will have this complete for the next financial report.
 - We still look to have under \$100,000 as undesignated fund balance to reduce taxes for 2023.
- Food Service related:
 - Sales continue to be a challenge this year with only free/reduced qualified families eligible for some assistance. Things to remember are we ended the year with \$86,641.50 in fund balance and have \$75,000 in the general fund budget that will help with the deficit we have this year.

Mike Flynn, Superintendent of Schools reviewed the budget timeline with the Committee. The School Board is proposing a 2023-2024 operating budget of \$24,892,924, and increase of \$1,823,156 (7.9%)

School Board Member Rob Nadeau presented the following sheet to further explain the proposal:

Operating Budget 22/23 to 23/24: \$23,069,768 to \$24,892,924 = 7.9% (revised 1/11/23)

Major Expense Increase		
<u>Expense</u>	<u>Cost</u>	<u>% Increase</u>
Salaries	\$696,258	3.02%
Benefits	\$667,683	2.89%
Utilities & Fuel	\$135,857	0.59%
Total Increases		6.50%

Proper Budgeting		
<u>Expense</u>	<u>Cost</u>	<u>% Increase</u>
Facilities	\$68,190	0.30%
Food Service	\$75,000	0.33%
Total Increase		0.63%

Operating Increase Across Departments		
	\$180,168	0.77%
See budget bulletin for detail		

Total Budget Increase	7.90%
-----------------------	-------

Major Changes to Revenue	
Athletics	\$15,000
Other State Aid	(\$8,520)
State Adequacy Aid	(\$224,501)
SWEPT	\$371,185
Medicaid	\$35,000
* State NHRS	\$114,997
Total Increase	\$303,161
Trust Funds & Fund Balance	
Article X	\$400,000
Benefit Trust	\$75,000
Fund Balance	\$150,000

Tax impact by Warrant Article			Tax Impact by Assessed Home Value			
	<u>Cost</u>	<u>Local Tax Impact</u>				
Article II: Operating Budget	\$24,892,924	\$1.83	\$100,000 Assessed Value	Article II	Article III	Total
Article III: CIP/ Maintenance Trust	\$275,000	\$0.35	\$200,000 Assessed Value	\$183	\$35	\$218
Article IV: Special ED Trust			\$300,000 Assessed Value	\$366	\$70	\$436
Article V: Technology Trust			\$400,000 Assessed Value	\$549	\$105	\$654
			\$500,000 Assessed Value	\$732	\$140	\$872
Total Tax Increase		\$2.18		\$915	\$175	\$1,090

Mr. Nadeau explained that the Major Expense Increase section is due to the employment contract approved at School District Meeting last year, and the current inflation. As discussed at past Budget Committee meetings, the "Proper Budgeting" section is the increase due to budgeting for required facility service contracts and for the food service deficit. Previously, these payments were made out of the budget surplus. Other Operating Increases across all departments amount to \$180,168.

The only Warrant Article being proposed is for \$275,000 to go into the Facilities Maintenance Trust.

The tax impact increase of the proposed budget is \$1.83 per thousand and the impact of the Warrant Article is \$0.35 per thousand for a total tax increase of \$2.18 per thousand dollars of assessed value. This will add \$654.00 to a property valued at \$300,000.

Mr. Goupil reviewed the estimated tax impact and emphasized that the School District is moving to not budgeting to have a surplus. He thanked all those that have worked hard to create this budget proposal.

Budget Committee (hereinafter BC)

Chair Zankel stated there would be a second public comment session later on; the intention was not to take any votes tonight; BC will be listening to what they have to say; and having some conversation. He said he would ask the committee if they wished to deliberate tonight.

Mr. Goupil stated the process in the past: the public r the information from the school board; asked questions to unpack for the school board; he would come back the following week with the responses from the school board. Mr. Goupil suggested the BC could talk about

what was on the plate right now; anticipating the budget committee would be doing a lot of deliberation next week on the full suite of budgets that have been proposed.

Ms. Bram stated appreciation for the school district, bringing to light certain parts of the budget that existed but weren't spelled out in prior years, like fiscal leave, inspections, extra supplies, etc. She also stated that process should be continued as they move forward year to year, continue bringing it to the BC's attention when something existed prior but wasn't necessarily detailed in budget.

Mr. Traum stated his agreement with Ms. Bram because there have always been questions.

Mr. Goupil stated that it was always the school board goal to answer whatever questions and deliver the answers to the BC, citing the importance of these discussions to make the everyone feel comfortable with the number that's presented from the school district questions or concerns or general feedback.

3. PUBLIC COMMENT

Loren Clement – He has questions relating to the changes.

- On the left-hand column, transportation was listed on our initial original handout for \$82,484 as a major expense increase. And then it's no longer on there. So that seemed odd.
- Maintenance trust - the \$275,000 for local tax impact, Mr. Clement had written in \$0.33 as stated at the school board meeting, here it's listed as \$0.35; \$.02 is significant.
- The operating increase across the departments, the \$180 that's listed there at \$0.77 two weeks ago at School board was \$290,833 and now it's down a significant amount. Mr. Clement asked for insight into what got chopped out of that budget.
- His third question was whether the other slide that was up there [on the screen] was in the packet.

Mr. Goupil responded that the slide will be posted on the School District website.

Chair Zankel summarized, that there are changes in the transportation budget from previous school board meeting, changes in the operating increases and the full tax impact.

Ms. Clark responded to the question of the busing.

- The amount was prior to reducing a route.
- Special ed transportation included in special ed increases whereas when done by Ms. Clark, transportation is all in one function it comes out looking differently. It is understandable where it might be confusing with that, but that's what that part is. She said Mr. Nadeau had talked about that some of the things were like HEA or HESS and the numbers when we actually had it all encompassed was everything related to certain things; and time did not permit verification of that information before it went to that meeting.

Mr. Flynn interjected saying he thinks Mr. Nadeau alluded to what was snapshotted last week to the board, and that once Ms. Clark finalizes, once the board says that number, special ed transportation is pulled into the transportation line as a whole because it's easier to digest the public rather than saying, no, there's special ed transportation over here, there's regular transportation over here. No, there's salaries over here. Mr. Flynn said Mr. Nadeau has really made a concise effort to try and pull it into a more digestive.

Ms. Clark continued relative to the \$275,000. She referenced page 4 of the budget bulletin. Ms. Clark stated this will give everybody the ability to double check. At the bottom of the page, it talks about valuation \$790,826,000. Take \$275,000 and divide it by the valuation, and that's the cost of that Article. It comes out to \$0.347, and it rounds up to \$0.35.

Chair Traum asked Mr. Clement to clarify whether the question was - how it was calculated or that there may have been a change from a couple of weeks ago.

Mr. Clement stated he wasn't challenging it, only wanting to ensure that he had it correct number.

David Feller had a comment and a couple of questions.

- Pretty much every year, the difference in the budget, the increase in the budget is salaries and benefits. It's \$1.4M of \$1.8M roughly in increases. Salaries are determined by the contracts stating this year we don't have control of that.
- Benefits are a whole another scenario. Health insurance is talked about every year, yet every contract negotiation the exact plan is drafted into the contract that's required to be met which leaves the negotiation power of controlling the costs at absolutely zero because the vendor controls everything.
- Mr. Feller urged the school board to put into the contract what the plan has to cover, but to not specify the carrier and the plan in the contract.
- Retirement. What the percentage cost of retirement of payroll, total cost divided by payroll. The early retirement benefit is a discretionary thing that can be approved or not approved by the board, but when it's approved, there's roughly a \$50,000 payment that goes to the early retiree. He would like to know, whether that captured in salaries or whether that captured in retirement costs.
- He would like to know when we elect to give somebody early retirement, how is that justified, because it is not a savings. He said that it has been said that savings are achieved because somebody at the top of the scale leaves and somebody at the bottom of the scale comes in and you save, but a payment is made which offsets that. All that is being done is deferring that savings for a year or two, because that person is going to retire in the next couple of years. He would like to hear the philosophy of that.

Mr. Goupil said the Finance Committee unpacked this question. It is in the packet, the early retirement, the payout, etc. He asked Mr. Nadeau to present.

Mr. Nadeau responded that this topic is something that when he decided to run for school board, he spoke with the Chair about. He stated if the school board hires properly, we should be

able to offset some of our costs. Mr. Nadeau said he has been reviewing this and recently put some numbers to it to share this with the group.

- \$47,000 is paid out for early retirement to someone who is at age 55.
- A longer than one year view is required.
 - We projected out 10 years and essentially tried to capture whether that person didn't leave at 55, but stayed until 65 including FICA cost, NH Retirement cost versus hiring someone who is lower on the pay scale. Our example uses someone with a BA with 5 years' experience, which is sort of like the golden ticket, we're looking for somebody relatively new but has taught somewhere and what those costs would be.
 - The savings per year range between \$13,000 and \$22,000 savings over a 10-year span. There are savings to the school district in terms of mitigating their salary costs.

Ms. Clark – responded to a couple of the questions, stating the following:

- Referring to the \$47,000, Ms. Clark explained, that is a salary line in response to whether it is a salary line or retirement line.
- She responded to the other question of what is paid. She explained by way of an example. What is in next year's budget proposed to be paid to New Hampshire retirement is \$1,888,686. Not all of our employees are eligible for New Hampshire retirement, but if they are teachers or people in that category, we pay 19.64% of their wage and employees is 13.53%.
- Each year the District budgets for three early retirements, following the current contract requirements.

Mr. Flynn clarified if more people take it, then there have been savings long term.

HIRING PRACTICES EXCEL SLIDE REFERENCED

Mr. Nadeau explained the spreadsheet that was prepared showing a comparison of the costs and savings of early retirement over the longer span. If we think about our hiring practices in a way that maximizes bringing in the best possible teachers at places where they are in their careers, we can mitigate our rising costs for salaries. That's my view as a board person, as somebody sits on the Finance Committee, Mr. Flynn and I have had lots of conversations about this, happy answer to questions relating to it.

Ms. Scura asked at what age are most taking early retirement. It was explained that the amount of payout decreases as the employee becomes older.

Mr. Coda commented that there appears to be a 2–3-year payback for early retirements.

It was noted that many staff stay and do not take early retirement. It also was noted that employees must be with the District at least 10 years to be eligible for early retirement.

Mr. Traum asked whether the staff members who are earlier in their careers have higher insurance costs. Mr. Nadeau did not believe so and also offered that new staff may require less health care helping the risk pool.

Retirees do have the option of staying on the District's health plan but pay 100% of the cost of the plan.

Ms. Clark –added the following:

- If it is known somebody's leaving, then we plan for a family. But if someone is staying and they're going to stay next year and they're single, they'll be a single unless we're notified that they're going to get married or have a baby or something like that. And, Mr. Nadeau, is right that retirees do affect our GMR. And just further clarification of what Mr. Nadeau is saying, just to make sure that Mr. Traum understands it. They would have to be on the plan in their last year of employment.
- Ms. Clark used herself as an example. She is on the plan and decides she is going to retire as of June 2023. She could do that, but it would be her own cost, 100% of the plan. But if she didn't take the plan right now and retired, she could not be on the plan because it is required to be on the plan during the last year of your employment.

Cheryl Morse posed a line-item question referring to the budget.

- Under Instructional, the Athletics budget jumped to \$80,000. It's 2% of the budget, but it's a significant amount of that total budgeted amount. The largest amount of it is either benefits or salaries, because it isn't broken down into the other years. Two questions related to why was there a 22% increase in that budget?
- She asked how many full-time employees are under athletics? Maybe the athletic director is full time. She mentioned that most coaches and so forth are part time. And do we give benefits to employees under that account that are less than full time?
- She asked at what point is full time and part time separated, increasing in the amount of 22%? It's a 22% difference. \$80,000. Line 1420.

Ms. Clark responded by referencing page 18 of the Budget Bulletin gives a little bit more idea of how much of that amount might be salary versus benefit for the future. There's an increase in FTEs. Currently, FTEs are at 0.6 because the athletic director is at 0.6. Next year, the athletic director is going to be a 1.0 FTEs. That's the major component of that.

The other component to the increase is driven by the contract. We have to pay more for our referees. Inflation has caused things to go up and fees that are associated with rental places that we have to rent. You'll be able to see it clearer on page 18.

Coaches, if they're only a coach, do not get any kind of benefit from us or the ability to get a benefit. The only way they could is if they're a full-time person or if they were a part-time and it made it full time somehow or over 30 hours. We don't have those scenarios of someone part time and having to give them benefits because they go over 30 hours.

Ms. Morse asked a question clarifying whether the salary and the benefits for your athletic directors going from 0.6 to 1.0.

Ms. Clark confirmed by saying the position if moving from a 0.6 position to a full-time employee, year-round.

Mr. Flynn clarified the rationale behind the change to the athletic director position. The additional 0.4 FTE is coming from the teacher dis and there is no financial impact. He explained that when he began last year, one of the tasks was an auditing of our services and how they are delivered.

When you have an athletic director who 0.6 FTE, he is teaching and not doing athletic director duties 0.4 FTE of the day. While evaluating a position and trying to maximize a role, it was clear that the person in the position has to attend evening activities and ends up with some 18 hour day. The athletic director was approached last year and asked whether he would like to switch to full time because of the known benefit or what we would get out of it as a district, and he wasn't ready to give up teaching. This year, with the realignment of the curriculum it was possible to make the athletic director an FTE with essentially the teacher portion of the pay moved to cover the cost. Nothing is being added, only transitioning. It is a reclassifying of 0.4 FTE teachers.

Bob Matteo states he understands that if this goes to vote now and they will be two Articles. One for the budget and one for a separate voting item for the Maintenance trust, worded as two Articles.

Mr. Goupil confirmed.

Mr. Matteo said he was thinking about the next two years and asked for a high level 24-month budget and whether anything is seen on the horizon or be faced by the school in general. He was speaking about major items that will come up.

Mr. Goupil cited:

- Next year the School Board will start a process for HEA and for HESS. Those are two things that will be thought about when trying to evaluate the school board budget.
- Mr. Rozycki will be presenting to the School Board a new CIP plan; in that it will show exactly what potentially needs to be put into our maintenance trust in order to maintain our schools and their grounds.

Mr. Flynn reiterated that possibly next week, the CIP revision coming out. HESS is due next year and HEA the following year. Those are the big-ticket items.

Mr. Matteo - Those are big ticket things that have to be addressed. I would say the same thing on the town side. He was asking that preemptively on the town side as well.

Mr. Traum stated that there is a CIP that has been in effect for many years. The Town works with a CIP committee who plans out 10-20 years into the future, trying to ensure that the expenditures are more or less increased, year after year and will hopefully hold up with inflation, agreeing it is a challenge.

Mr. Matteo lastly had a question on procedure. Whether the BC would be voting on the two plans next week, this proposal and the town's proposal.

Chair Zankel explained the process is that the BC will be taking an initial vote on all of the budget related warrant articles in advance of the BC's public hearing, February 8.

- That essentially will reflect the BC's thinking at that time going into the public hearing. Then the public hearing happens, which we encourage you all to attend, and we'll hear additional feedback from the public at that time. And then after the close of the Public Hearing, the BC will formally vote on each of the warrant articles. And what comes out of those votes is what ends up being presented to voters at the school district and the town meeting. More directly to his question, Chair Zankel said we may take those initial votes next week, and sometimes we have deferred an additional week if we had further deliberations or back and forth with one of the boards.
- Chair Zankel next followed up on one of Mr. Nadeau's points. Mr. Nadeau talked earlier this year about the possibility of a safety bond. Is it anticipated that the safety bond will roll into the CIP plan or is there still the prospect of a separate safety bond request coming forward.

Mr. Flynn agreed that it is a potential. He stated it will live in CIP, but it might be its own test to be determined. There has not been a discussion at the table yet. He stated the priority has been the present but that it was a priority.

Arnold Coda commented that the majority of the cost of any of our budgets is personnel, and within that, specifically, teachers. He asked for an explanation on class sizes. The first question was how class sizes are determined. What should class sizes be for each of our schools.

Mr. Flynn wanted to be clear about the question to ensure he was answering correctly.

- Are you asking my opinion on what classes should be. Are you asking if there's some formula that I just want to make sure I'm answering correctly.
- We are trying to get to level staff. And he believes that we are getting to that point where we are level staffed. In regard to class size, currently at Harold Martin, it can range anywhere from 14 to 20. If we're talking strictly just a single classroom, like early Elementary at Maple Street, get into anywhere consistent 16-22. The high school sections can run anywhere from 10 to 23.
- There's a lot of not just a direct answer on what each class size is.

Mr. Coda asked to focus on the Harold Martin School relative to classes and class size. He asked whether there were sections within each or any grade, or whether there is just one class for grade one, for example.

Mr. Flynn responded four classes for grade one.

Mr. Coda asked how the range of 14 to 20 is developed for Hopkinton, not looking for an opinion.

Mr. Flynn responded that it has to do with special education services and instructional aids and how they can best support kids. There are a lot of variables including how many students with an IEP. Right now, it's essentially easy math taking the number of students divided by the number of classes for our starting point, and then you shift students based on needs.

Mr. Coda asked whether it would it be possible to eliminate one of those classes within grade one and incorporate however many students there are in that one into the remaining classes and possibly then eliminate a teacher and one of many aids.

Mr. Flynn-agreed it is possible; however, he thinks it's more than a value process. The bottom line is to eliminate financial impacts. We're talking about human capital. We are going to eliminate human capital by what you just mentioned. I think it would vary depending on our students. Each cohort or grouping of students needs different things. For example, we're going to eliminate first grades, but they're going to become second graders next year and their needs are going to transition up.

Mr. Coda then asked whether the school board had discussed any of this internally, and their conclusion.

Mr. Flynn responded stating he feels really great about our staffing, specific to the strategic plan that we created last year and what we're trying to achieve over the next five years.

Mr. Coda asked for the meaning of level staffing within the educational industry?

Mr. Flynn stated that he felt that we are appropriately staffed. I approached our Board in regard to some of our other services that weren't full-time. He explained they are working to level those so that we can provide better services but have a better schedule for adults. When I talk about level, it's not classroom teacher. It's more about all the other things that are going on in the school.

Mr. Coda asked questions related to regular transportation. What is the rule of the requirement within New Hampshire with respect to - within what distance must we transport students?

Mr. Flynn responded we're going to be eliminating a bus route next year. Working with the bus company, we would consolidate the bus routes because ridership has been down since the pandemic.

Cheryl Morse asked about the food service deficit and why debt service on the bond is so high in the proposed budget.

Ms. Clark explained the bond amount is in there as well as now we're asking for \$150,000 to fund the food service deficit. \$75,000 is the increase for the food service part. Debt service went down a little bit.

Cheryl Morse asked whether, as a community, it prints in the town report the debt service schedule and whether it is in the report every year,

Ms. Clark responded in the affirmative adding that it is in the budget bulletin as well. Two schedules, one is about the performance contract that we have, and one is about the bond citing page 39 and 40.

Ms. Morse asked about the \$728,000 in bond payments, stating that it is three times what it was two years ago.

Ms. Clark said this is one of the highest years and referred to the schedule, stating it does fluctuate. Next year, it goes down to \$578,900. But then a couple of years later, it goes back up to \$580,000.

Cheryl Morse stated that she did not understand that.

Ms. Clark clarified by stating it all has to do with the debt that we took out. We took it out in two chunks. We took the \$5 million at first, and then we took the balance for the rest. It has to do with both of those.

Cheryl Morse questioned how the mortgage goes back up. She questioned whether it's two different bonds.

Ms. Clark responded affirmatively that it is two different bonds. Ms. Clark added that it is a little bit different than an actual mortgage, because there are some years that the interest rate changes. The true interest rate is 1.765, but it fluctuates throughout the years. One year might be 2, one year might be 1.76. It's all based on what was approved when our bonds sold.

Cheryl Morse added that she is glad to know this is really important PR when we're hitting the biggest years of the bonds, if you can say to people, we've just been nailed with the peak of it, and it's going to stay there for three or four years, and you got to know that. And then it starts to drop. It doesn't explain everything, but it's one more little thing to say. We're all in this together, and this is something we have to do, something we can't control because there's so much that we can't control.

Tricia Lambert Thanked everyone for asking good questions. Ms. Lambert stated concern for the families that live in town that are struggling already. She spoke of current local, state and national economic issues. She noted the three Covid related funding bills which ballooned budgets throughout the state. She spoke of the maintenance of the Chromebooks being placed back on the public going forward. She stated she believes things are going to get worse. She spoke about level funding. She urged the BC to look ahead and to be conservative now.

Mr. Goupil noted the budgeting process for the past two years concerning the American Rescue Plan Elementary and Secondary School Emergency Relief (ESSER). We have a spreadsheet which shares this meaning of how the extra funds have been used. The website shows when the School Board approved the ESSER funds and how they are

allocated. Mr. Goupil stated allocating that ESSER was discussed in public. Mr. Goupil asked whether there was anything else after clarifying the foregoing.

Mr. R. Houston asked Ms. Lambert what number she would like to see the BC recommend for the School District appropriations.

Ms. Lambert stated she did not want to see an increase. She states ESSER funds have already increased the budget. She questions the sustainability of the increase to the budget. She questions whether there will be a fallout of tax money if people cannot pay their taxes.

Mr. R. Nadeau asked a clarifying question of whether Ms. Lambert wanted to see a \$1.8 million cut.

Ms. Lambert stated she did not know how the increase would be sustainable as it sits right now the way the economy is right now and that it looks worse than a recession. She asked where the ceiling was on this. Ms. Lambert urged the BC to be very conservative so that at least we can say we did that.

Loren Clement echoed Mr. Matteo's dialogue about looking two years out. Mr. Clement advised that when the district starts its process, they do work sessions which he has sat through two sessions relating that it's an interesting process where all of the staff relate their wants and needs and they all have a place, a point, a purpose.

- In the beginning of this year's process, the total budget which was presented here a few months ago was up \$2,162,912. Out of that, we're now down to whatever the current budget increase is, which was a significant cut. Those wants and needs, likely a large percentage of those haven't gone away. When we get to work session next year, he would assume a fair lion's share of those items are going to resurface and we're going to be talking about them again.
- He pointed out that when looking down the road at the budget, on top of the HESS contract, and all the other contracts that are in place. There are ESSER funded things which are disclosed on the website, the ESSER money will go away. That too will be in next year's budget. Just to flatline.
- On basic calculations, estimating, we're already at a half a million dollar increase on top of whatever this budget ends up.
- The other point he made was that we've spent a lot of time on how hiring a younger staff member saves the district money. We understand that if you take 7 staff members, hire them at lower pay, we do save money. But then when the district stays within their budget and turns around and hires another full-time position, plus another half, and gobbles all that up on top of the stipend payouts, we end up again with a bloated budget. They're within budget, but as increases go, as you can see, it continues to grow.
- Mr. Clement noted that if that's going to be the practice, we save money by hiring other staff and then use those savings to add additional staff, there truly are no savings in the overall budget. And that's what occurred in this last budget cycle.

Ms. Bram thanked Mr. Meserve, who was in attendance, for all of his years of teaching, stating he was probably the best lecturer she had had and appreciated all the years he put into the history department.

Amanda Gillman stated she sees an obligatory increase because of the teachers' contract. She agrees with Trisha Lambert about forecasting for the future and looking ahead.

- Likes what has been done is, by way of trying to bring the district back in line. She noted that there has been a tremendous shifting and a lot of changes in the school this year. She has seen the changes firsthand and feels changes for the better. They are changes that should have happened a long time ago, so those changes cost money.
- She is conflicted and very concerned about the future and does not want to see an increase in the budget besides the obligatory increase, the contractual obligations. She thinks we should be fiscally conservative.

Rita Blanchard said that she had this a question of how she could access a pre-Covid [2018 or earlier] budget with the number of personnel that we had pre-Covid and the number of personnel you have since added. She knows that at the town meeting last year we found some money and four days later hired a Curriculum Director, which she believes was needed. We are expecting decreased enrolment. What are we going to do about the excess staff.

Ms. Clark explained they look at the ESSER use document that we talked about before, because it shows what we've added related to COVID. It was a teacher for fourth grade, who then goes to 5th, etc.

Rita Blanchard said she was not sure if we were doing Zoom PE or anything like that and I'm not sure if the kids were going into the library.

Ms. Clark noted that the decrease in enrollment, which is a projection, shows a 7 student decrease. Those 7 kids fluctuate between buildings, that's not going to be able to really equate to a reduction of any kind. She referred to the budget bulletin where there is a document that gives current populations, past populations as well as a couple of years projected from NESDAQ.

Rita Blanchard stated that she is in favor of a hiring freeze and a zero-increase budget. She agrees with Ms. Lambert that we have to look down the road. We can't be hiring and shuffling staff around. At the last School Board meeting, the Board broke to discuss layoffs. In her time in town, there's never been a layoff ever. And I think it's not easy work, and that's why I didn't put my name on the ballot. But it's got to be addressed. There's a couple of people on the Board that know that it was addressed a few years ago, and she is confident it can be addressed again.

Chair Zankel – asked Ms. Blanchard to clarify whether she meant no increase to the current budget or no increase to the contractual obligations voted last year.

Rita Blanchard explained she understands there are obligatory increases that have to be made, but on top of those, there's another \$500K that's being asked of the community.

Ms. Blanchard asked what's was above the contracts and other obligations that we agreed to last March? What is the excess above else.

Ms. Clark suggested looking at the FTEs overall going to next year, we're just changing by what we're increasing the 0.4 Psych at the high school. It's 0.3 in relation. Ms. Clark provided an example.

We are contractually obligated unless we're going to cut by reducing teachers or not provide IEPs because a lot of union individuals have multi-year contracts so we couldn't get out of those. She started having a hard time figuring out what it would be that we can't do without. Number one, reducing class size. Increasing class size by reducing teachers. Two, not following IEPs because we wouldn't hire based on what our needs are.

Ms. Clark responded that she knew Ms. Blanchard was not asking her to break the law. She was trying to understand what you're asking for, and I'm just giving you information to try to help. It's just not an easy answer. Other than saying 0.4 is what we added for Psych.

Ms. Blanchard asked what Psych was.

Ms. Clark responded that right now at the middle high school, it's a 0.6. But we added 0.4 out of the ESSER grant, so right now there are 1.0. But next year's budget, we do not have that 0.4 coming out of the ESSER grant.

Ms. Blanchard asks about the ESSER money where we hired people, now it's time to pay the piper. Basically, what is the rationale of the board for the increase in salaries with the reduction of enrollment.

Chair Zankel added that the enrollment was not down in a substantial way as projected.

Ms. Blanchard responded that she did hear that, stating that it is being projected but we are paying more. She further said the School Board's fiduciary obligation is to the taxpayers, not to the teachers. Ms. Blanchard continued that it was just something to think about, stating that we have been down this road. She thinks we need to rethink what we're doing and add a hiring freeze.

Cheryl Morse said she didn't get her question on number on page six and wants confirmation. The difference between 2021 to 22 and 22 to 23 budget on the debt service is the fact that we picked up the debt principal, not just the interest which caused the increase.

Ms. Clark responded affirmatively adding it was a second bond and it had been done purposely.

Ms. Morse clarified that on both bonds last year and this current the principal and interest are being paid so they are at the peak cost now.

Mr. Goupil expressed his appreciation for everyone's question and thinks we answered it. He didn't have anything here to go back to the board in response to anything from the public. From the beginning of the process, our needs were a little bit longer as we were bringing an updated process. Someone said here tonight that we started at a specific tax rate and increase, and throughout this process of coming to the budget, we were able to show you and to get to the point where we felt comfortable.

Mr. Reddy asked for an update on the totality of circumstances of what happened after last year's budget and the decision to hire the curriculum coordinator and the facilities coordinator.

Mr. Flynn said as we stand right now, we have three teachers who have put in for early retirement. At this time last year, it was the same number. And then as we progressed through our budgeting cycle, as Mr. Goupil mentioned earlier, the surplus grew. At that time, the board, along with Ms. Clark, anticipated funds that would be available if we wanted to reopen early retirement.

- He said before they reopened early retirement, we received three more that wanted to buy into early retirement.
- Through the early retirement alone, the projections we went through - the projected savings allow us to hire those positions that he spoke to you about significantly through the process last year and again this year on the importance of Mr. Rozycki and Ms. Gagnon and what they do within our district. That's why after the School District meeting, after the budget was successfully passed, it allowed us the opportunity to now know what we were going to have this current fiscal year.
- We didn't know that prior to District Meeting, so we could have showed up, any amendment could have been made on the floor, they could have cut a half, whatever it may have been, and we would not have been able to support those positions with the savings, because those savings had to go to other things. So that's how that played out. After we went through the meeting, we saw our funds, then we saw the movement in our staff. We were able to support those positions. That was at a no cost.

Mr. Reddy said as a member of the BC and from the BC's perspective, he is concerned about whether Mr. Flynn feels, in his professional opinion, that making those hires will save the school district money short and long term.

Mr. Flynn responded in the affirmative adding we've already seen it. I shared that with you all a couple of meetings ago.

Mr. D. Houston is concerned with the total number. The increase right now stands at, \$3.13 increase over last year's total tax rate. He is the last person to probably think about putting a dent in any kind of CIP type approach, being on the CIP committee he knows how valuable it is to forecast what's going to happen in the future and try to fund it. With the size of the budget increase and the squeeze of dollars total, whether the \$275,000 that is earmarked to go into CIP could be reduced. Basically, kick it down the road like we've done forever. What would be the ramification of that this year, and if it's not significant, he's going to suggest that we drop that amount of money out of this year's budget forecast.

Mr. Flynn brought up the discussion that the School Board had last week where they had discussed that specific topic. There was a lot of debate amongst our board specifically to whether or not they could decrease this amount and take some from surplus, but the numbers are not yet available to answer these questions.

Jim Rozycki, Facilities Director, began with a reminder that \$42,500 of every year in the CIP is going to pay the Siemens performance contracts. About four years ago, there were a bunch of energy upgrades, and the performance contract is the payment for those upgrades on a 16-year lease.

- We do want to be fiscally conservative above and beyond. We have \$25,000 a year, it grows over time, over the length of our CIP to add a capital reserve build up.
- There are classroom furnishings that are failing around the school. So that's another thing that we're kicking the can down the road. Currently, we don't even have enough seating over at Maple Street Elementary School. There is failing kitchen equipment, a stove that needs to be replaced. Another thing being delayed of possible significant is that there is failing air handling equipment and that if we're not on top of it, that means we don't have air, we don't have circulation. Some of those units provide cooling to spaces for staff during the summer and bumper season. If we lose that, we just happen to come to a public hearing again to get funds out of the capital reserve fund to repair.
- Another thing too is our controls is going to be some have already failed and again, when you take the risk or the energy costs that are coming to affect us if we don't get those controls, so we're not overheating and burning energy or making the space and environment uncomfortable, that's what we want to take care of.
- So even the grander number, like even over the course of the time, if there was a number thrown out of \$329,000, I believe that with some proper planning and doing about \$50,000 a year, we can get to the place where we need to be with HVAC controls.
- We have failing equipment in our auditorium. That's a public use space, a highly used space for school functions. So lighting, microphone, sound equipment is a big deal. And then the last piece too, we earmark some money for mechanical engineering. In our capital plan, there's a significant number of HVAC upgrades that need to be done. We have failing equipment. We have a boiler to replace over at the high school that that's pretty big and we want to [do it]. We're looking at different energy options right now. Energy is a really big piece of the sustainability of this capital plan.
- There are grants and opportunities and I've committed to the board and to Mr. Flynn and Ms. Clark that I'm doing everything that I can to get these grants and by having project ready information and engineering scopes so I could apply for those federal grants so we can get money back. He needs engineering first in order to be eligible for that. So that's a little sneak peek into the CIP of what we'd be giving up out of that \$275,000.

Mr. D. Houston stated the \$275,000 is way less than what I have heard the optimum management for the size facility is like \$800,000 a year in that range. It's way more than what is being forecasted here. He asked if there was agreement on that sort of scenario.

Mr. Rozycki asked to confirm whether we should be at a number closer to \$800,000 per year. He said that was a valid statement. He explained he came from another school district, and they used a number at 2% of our operating budget as a good baseline number here, that's about \$400,000 or a little bit more.

Mr. D. Houston stated that Jay Burgess' number was significantly higher than that. For the investment that we have, that should be a lot more than \$400,000. And I don't know what the number is. It's certainly significantly more than \$275,000.

Mr. Rozycki agreed with Mr. D. Houston. He added there was quite a bit of savings from the building project, that a lot of that capital-related stuff was fixed, thanks to Mr. Burgess.

Mr. D. Houston said he is not comfortable with the \$275,000, but also stated when you get through it, it literally is kicking the can down the road, and you might have some failures as you go in this next year.

Mr. Goupil encouraged everyone to attend the CIP meeting.

Ms. Norris asked about with the presentation next week, was it foreseen that there will be any further increases that would further increases incurred above the \$275,000.

Mr. Goupil responded in the negative.

Ms. Norris confirmed that this is what we're working with.

Mr. Goupil agreed and stated this was probably one of the bigger topics at our meeting, that they're going to continue to monitor the fund balance if we have some money there. Last year, if you recall, we made an amendment for the warrant was read, I think, \$100,000, more or less to reduce it. That's something that we're going to continue as a board to continue to monitor. But as a board, we need to bring you everything. What we need you guys to look at from the beginning, and then if the target moves differently based on a surplus, that's a discussion that we'll bring pursuant to the boiler would be continued. We would like to keep it transparent. When do we foresee that this would be.

Mr. Goupil stated he didn't know how to answer when the boiler will be replaced because of still working on the energy plan. He cited uncertainty over which sources of energy will be used. The report or the plan have not been received. They are going to look into whatever we can to save the district long term money based upon what is necessary.

Mr. D. Houston Just one other question. When you went down through the list, you had \$47,000 being paid to Siemens. That's an obligation. Why is that in the base budget? Why is that in an article?

Mr. Flynn said No, it wasn't a part of the amendment. He was just reminding me part of the payment isn't not going to be paid. It's always been in the CIP plan.

Ms. Clark added context to that, because Mr. Flynn and Mr. Nadeau weren't here when that took place. So back when we did that a number of years ago, what we did was make four payments. One of the payments we've taken out of the trust fund ever since we've done this performance contract. We told that to the community that that was going to happen from day one, because in essence, we were taking care of things that were on the CIP document, and that's how we were funding it. Reference page 39 is the performance contract payment schedule, and you can see that it's a lot more than the \$42,500.

Mr. D. Houston replied in his mind it is still big. He asked whether it is a question that if we decide not to do article three of which \$42,000 in an obligation payment is in there, what will happen? Where would you get 42?

Ms. Clark said it couldn't have it come out of the budget unless we had savings somehow, for instance, we froze something. We could take it out of, the maintenance trust. Still, it would mean that we would kick something down the road.

Mr. D Houston said it doesn't make sense to have it in a voting article, if it's something that needs to be paid. It's just like the food service.

Ms. Clark understood, further stating it was how we sold it to the community to get it passed. We told them we would fund it that way. She deferred to Mr. Flynn and the board; we could look at it differently. But that's why it was done that way.

Mr. D Houston stated it is a minor item, but he does not understand.

Chair Zankel appreciated bringing that forward, because it just feels like it's in keeping with some of the other budgeting changes that you have been making in the last two years. Even if it was presented that way to the community, at that time, and that's fine, and it was transparent and open, it might be worth looking at on a going forward basis. Would it make sense to move that into the operating budget fully?

Chair Zankel asked Mr. Cass a question as it relates to one of the public comments that Ms. Lambert was making. Can you speak to the experience that the town has had at least in the last recession around tax revenues? Were there significant declines in tax revenues? Were there significant nonpayment issues? And not suggesting that the past predicts the future, but there is data from the past and it might be helpful for us to think about that, because at some point the housing bubble is going to change.

We are familiar with concerns around, at least the prospect for, recession that's out there.

Mr. Cass responded speaking only of past experience, saying that Hopkinton pays its taxes. People pay for them on time, for the most part, and almost everyone pays for them. Mr. Cass stated that over the years, there has been very little nonpayment of taxes. Most people have mortgages that escrow their tax payments, so they get paid directly from the bank. It is worth noting that tax liens and tax deeds take priority over other liens so if someone has a mortgage, the mortgage company is going to pay the taxes even if that person is going through bankruptcy or if they're going to be foreclosed on because the

bank loses all of their equity if the property is deeded by the Town. In 2009 / 2010, the economy was not good, and we saw a lot of foreclosures, but taxes were basically paid.

Mr. Goupil asked what the committee wanted to bring back to the school board.

Chair Zankel stated he heard some of the concerns in the community and knowing the full picture, like what the town is putting forward and the school there's going to be angst out there in our community which he thinks will be reflected, at least in some members of the committee greater or lesser degrees. Chair Zankel stated it's conceivable that this committee might vote to either not recommend the budget one of the articles or to recommend lesser amounts. And it might be helpful to have a sense from the school board of if there was a reduction proposed by this committee recommended by this committee, not where would you rather see it or would you? You know, it could come from the CIP article, the main trust fund, either an elimination or composed reduction or it could come from the operating budget.

He said he was playing out a scenario that could happen, and it might be informative for us to understand that, or at least based on the conversations you've already had.

Mr. Goupil said he would counter to speak to the tax rate. Currently the increase is \$1.83/thousand on the tax rate he explained the portions of the increase that come from the teacher's contract, correcting budgeting procedures, and the rest is from the other increased.

Chair Zankel clarified that he did not want to speak for anybody else. He said he did not think there's anything unreasonable or inappropriate in the budget that was put forward by Mr. Goupil. Adding that we just have a challenge of what we can recommend as a BC this year. It makes me think about different scenarios that might be contemplated.

Ms. Scura asked for a point of clarification. She stated the HESS contract that voters approved last year caused a significant increase for this year. She wonders whether for next year, the percent change over whatever was approved would be as significant as the previous change.

Mr. Flynn does not know what the increase next year will be. He said it is a complex formula based on stats and all that other stuff that they unpack. When we present the warrant article to the town, each one has specific dollar amounts for three years and calculated taxes on that. He asked Ms. Clark for the percentage increase in contracts for next year.

Ms. Clark did not have that information but offered to look on their website for what the amounts are.

Ms. Scura said that she could also look. She was asking for a point of clarification for what we expect.

Mr. Flynn said it's tiered down, and next year, there will be an increase in the percentage of health care costs paid by the employee.

Ms. Scura stated that this year benefits rose around 10% over last year, and asked whether to expect the same or if it would be a smaller percent change.

Mr. Flynn responded it should be GMR.

5. TOWN FINANCIALS @ 8:11 PM

Mr. Traum stated at the last meeting he gave a very detailed presentation on the town budget, and this would be a ten-thousand-foot summary.

- They are proposing a 6.5% increase in tax rate, which is \$0.46.
- Operating Budget. The major drivers
 - 6.5% merit wage increase. There is no union, and employees only receive merit increases.
 - Paving/Shimming is increasing by \$140,000.
 - Fuel, gas, heating, oil is increasing a bit over \$100,000.
- Other requested that don't affect the 2023 tax rate, but would affect the 2024 are two proposed bonds:
 - \$1 million bond to clean up the lagoons at the transfer station due to PFAS and the State is what's pushing us to do that. Those costs would be shared 75%/ 25% with Webster.
 - \$2 million bond to partially rebuild Briar Hill Road. Costs for paving and rebuilding have gone up dramatically.

Mr. Traum referenced the handout with some very preliminary numbers for revenues and expenses, stressing that revenues were very preliminary. He stated he was uncomfortable talking about those numbers. There has been discussion about expenses, and it looks like we're probably going to be coming in to \$100,000-150,000 under budget from what was approved for 2022. He reminded everyone that there are invoices yet to come in and further adjustments to be made.

CHAIR OPENED UP FOR BC QUESTIONS

Ms. Norris made a shout out for the bond on the cleanup of the PFAS.

She states the difficulty to clean up. She said they really didn't even have an explanation on how we should do it until recently. She feels that there must be some help, like grants to help the towns with this PFAS cleanup.

She has learned that the difference is that we're not dealing with drinking water. There's help for the drinking, very little for the other.

She gave a shout out to Mr. Cass and the people that work with him that have been looking into the grants, working tirelessly.

She related that someone spoke at a meeting of the Rotary Club, and he was very knowledgeable about PFAS and he was able to say some of the ways that we could look it up and that there's really nothing that we can do. She said Mr. Cass has really

exhausted many of those things that he had said, including speaking to the Senators and seeing what can be done. In fact, for that expense million dollars that we're looking at doing, we are really having someone look out and try to find funds, if they're available for that.

Ms. Norris asked Mr. Traum about the Paving/Shimming increase and then the recommended 5% increase per year in regard to what that will accomplish.

Mr. Traum said even if the bond passes, we will still be behind. For years it has been realized and for the last dozen years, we've been increasing that item by 5% per year. With current inflation we continue to fall behind. The balance between fixing the roads and spending tax dollars is one where all sides need to be weighed.

He said he agrees with Ms. Norris that Mr. Cass does a great job and other department heads do a great job of looking for grants and other places to get money as opposed to looking to our tax payers.

Mr. Reddy asked for the total impact of all four and how the \$3 came about.

Mr. D. Houston said it is \$0.46 for the town, \$1.83 for the school budget, \$0.35 for the warrant, and the state education is \$0.49 which comes up to \$3.13.

Page 4 of the school's presentation was referenced, near the bottom, it shows state tax rate. It went from \$1.35/thousand in the last year to \$1.89/thousand. The school can't even have an explanation for why that jumps around the way it is but it still should be in the tax base.

Mr. Reddy said there has been a significant increase in our tipping fees for getting rid of demo. He said that a lot of the changes in the budget evolve around with the fire and ambulance a little but not a lot, stating there is a lot going on at the Transfer Station. He questioned whether there has been any discussion about increasing the tipping fees to the people using the dump. Have we discussed increasing the pay per bag.

Mr. Traum responded in the affirmative to both questions. During the Select Board meeting it was discussed whether there will be a Warrant Article allowing the Select Board to set the bag price. What we must pay for all that should run up similarly with the tipping fees going up. All the fees were increased during 2022.

Mr. Reddy asked whether the tipping fees have actually gone up that people pay or whether they are talking about them going up.

Mr. Traum responded in the affirmative the fees have gone up.

Mr. Reddy asked how much they have gone up and whether they have gone up proportionate to what our fees have gone up.

Mr. Traum responded in the affirmative.

Mr. Reddy asked whether it is automatic or something that gets decided by the people that run the Transfer Station.

Mr. Traum responded it is the Select Board that sets all fees.

Mr. Reddy asked whether the cost share of the ambulance service with Warner and Webster is negotiated or is that based on actual use?

Mr. Traum responded that it was actual use.

Mr. Cohen asked about Briar Hill Road, acknowledging knowing we are far behind on roads and, not doing the whole road, wondering about the urgency and whether it could wait a year or 5 years. He asked why it was chosen and the urgency associated with it compared to anticipating the lagoon situation. He acknowledges that it needed to be dealt with because otherwise it could escalate to an emergency situation which would be very costly, both in terms of money and possibly safety. He wondered about which roads could be kicked down the road.

Mr. Traum said it was recommended based in part on the combination of the shape it is in and the amount of traffic it gets.

Mr. Cohen asked in terms of urgency associating the lagoon situation became an emergency situation which can be quite costly when an emergency situation arises.

Mr. Traum has not heard about further deterioration.

Ms. Norris wondered about the repairs to Penacook Road, it was a culvert which became an emergency repair situation because of the rains, and whether this same type of work on Briar is to prevent the same sort of situation.

Mr. Traum said he believes the culverts on Briar Hill have already been addressed and the road is roller coaster-like.

Chair Zankel shared a few comments on each of the bonds. He referenced speaking with people and receiving largely negative feedback for that idea for reasons already shared. He said what he heard last time when they presented the budget was that we have \$15 - \$20 M of road maintenance based on today's prices with no real viable plans to catch up. Chair Zankel is fully supportive of the increase in the paving budget and operating budget, stating he uses Briar Hill Road a lot. He states it is a reminder to him to slow down. If the tradeoff is a \$2 million bond which does not show on the tax rate this year but will the following year; versus people just driving a little slower, given the full breadth of what the town is contemplating on budgets this year and what kind of road system do we really need to have in the town versus wants? He said it feels hard to support that long of a proposal.

Mr. Traum stated it was part of the rationale when the Select Board was trying to decide how much do we put in the operating budget for shimming and paving. The Board proposed the bond allowing voters to decide whether the work should be done.

Sabrina Dunlap had one thing that came to mind about Briar Hill. She noted that it's really bad and it's becoming a safety issue, especially in storms, but it also costs a lot more money to salt and nit is difficult to make it safe. She didn't have her notes on it, but that was one of the key factors in the decision because it is becoming a money pit at this point. She wanted to flag that as one of the things considered in terms of urgency.

Mr. Cohen appreciated Ms. Dunlap's comment and stated it would be helpful to know those numbers. As a member of the Budget Committee, it would be helpful to know what it looks like in terms of gauging the urgency of that project versus the cost of the bond payment.

Ms. Bram stated she did a lot of thorough research on our lagoon situation and has a hard time with the morality of funding the cleanup with a bond that will ultimately be potentially paid for by our children. It's not going to take 20 years to clean up, but it's going to take 20 years, maybe starting next year, to pay for it with the current proposal. She fears that it hides the true cost of the problem, because in doing her reading, she got the impression that although we use the term, best guess, from NOBIS engineering, it feels a little bit more like a floor in terms of how much it's going to cost. When taking out a bond that ultimately has, she thinks it said, \$393,000 in interest. It's concerning to her that money may end up needing to be used elsewhere to improve waste management.

She would like to know if there are more specific estimates from NOBIS engineering about a cap stockpile and how much that would cost. And she would like to know if there's a timeline that's been proposed by NOBIS Engineering that could potentially be worked into the real operating budget instead of making another bond.

She feels that we have a responsibility to clean up the sins of our fathers and the mismanagement of PFAS chemicals that we didn't know were such a toxic issue. She feels that there is an opportunity to clean it up and we should be honest with ourselves about that cost.

She asked whether it could be cleaned up over time. How much would be recommended to put into the solid waste clean-up line-item year after year if we were to not fund it with a bond? If we were to actually spend the money to clean this up and have the taxpayer realize the true cost of the solution, in the short-term or if we pay for it over the timeline of the cleanup. Can it be cleaned up over time and how much would have to be put into the solid waste line item if not funded with a bond.

Mr. Cass confirmed working with the DES at this time to develop a timeline.

Ms. Bram added we should go ahead and throw in the dredging of the Maple Street lagoons and whether or not that could be added into the cap stockpile and how much that might cost. It does feel better for her to pay for it now instead of her children paying for it.

Mr. R. Houston said it would be quite a hit on the budget. It'd be a million dollars next year.

Ms. Bram said as she understands, when you take out a bond, there are certain legal fees that get scooped up off the top, and there is the long-term interest.

Mr. R. Houston said he knows the state wants us to clean it up.

Ms. Bram agrees. She said she spoke with Austin, their DES contact, and he's worked in concert with us. She thinks it's really important that we are open and honest with the community, not only about pollution, but about the cost. And \$1M is such an abstract round number and it doesn't really explain how much this remediation is going to cost. After having read hundreds of pages of documents, she fears it will be more than that as time progresses.

Mr. R. Houston said that the sins are still continuing. The septage that we're hauling to Concord's Wastewater Treatment Plant, has PFAS in it which is going into the sludge and some of it is going right through into the Merrimack River because they have no way to treat it and no way to stop it. From a moral standpoint, it's not fixed yet.

Ms. Bram agreed and said she is concerned about the septage lagoons at our transfer station, after having had 40 years of operation then coming to a culminating point of knowing that we've got toxic waste, and that is going to cost a lot of money to clean it up. She agrees with him that PFAS is everywhere and it's continuing to flow into the sewer and the groundwater. She stated we have an obligation per DES with regards to the specific plot of land and the groundwater.

Mr. Traum agreed that it's fair that Ms. Bram said that it's not just Hopkinton doing this, it's everywhere. Now we have to address it one way or another.

Mr. Cohen, trying to understand Ms. Bram's point, a thought-provoking one, clarified that what she is talking about is not whether it should be cleaned up, but how to pay for the cleanup and that bonding somehow feels anesthetized. It's \$1M dollars.

Ms. Bram said we may or may not end up spending an extra \$500,000 on legal fees and interest.

Mr. Cohen questioned whether the concept is that if we are not bonding it but we're actually putting it in as a line item that it somehow feels more real to the taxpayer and is a more moral act to pay for it.

Ms. Bram agreed with Mr. Cohen and added there is a significant amount of money that comes with taking out a bond that could be put toward future additional remediation of the site.

Mr. Cohen thinks it is a thought-provoking point.

Mr. Traum said every bond is going to have interest. He said we have to pay for it one way or another.

Ms. Bram said that 5% for 20 years has an interest cost of \$393,000. Those funds are not going toward cleaning up PFAS, they are going to the bank.

Chair Zankel commented on this septic lagoon bond and asked about the timing of the bond and a feeling that it may be premature, agreeing we need to clean it up and should clean it up. We don't know how much it's going to cost yet.

Mr. Traum said the engineering estimate is a preliminary estimate. As a plan is developed and approved, the numbers will be firmer.

Chair Zankel asked what the implications of the state pushing us while we're working on getting real numbers? He said he asked this question thinking about the full breadth of what we're going to be bringing to the town this year, and the cost of borrowing money right now, When we were 1.6% in interest for a bond, it's different story than when it's 5% or whatever it may be. The cost of money is higher now. We don't have a firm number. There are funding opportunities that we're exploring, but we don't fully know what those might come to fruition yet.

And this issue is everywhere. Probably every town in the state is going to be confronting this sometime in the next ten years when DES gets around to actually doing work in those towns. His question is whether it might be a little premature given those different issues.

Mr. Traum said his understanding is that the state has been pushing. He wonders what if we didn't go to Town meeting, funding, the lagoon closing, what kind of trouble would we be in with the state?

Mr. Cass said he could explore that.

Chair Zankel asks whether there is an interim step before going to town meeting with whether it's funding for additional sort of the next stage of engineering or something else? The state doesn't want to punish you if you are taking steps towards getting into compliance. They don't want to get into a legal fight with the town. It's not my intent to just kick this can down the road. He felt as if we don't have quite enough certainty. Given the full breadth of what we're putting for the town and the cost of money, he wonders if a year from now a better, more appropriate time would be to propose the bond.

Mr. Cohen asked what if we bond the million and it costs two.

Chair Zankel said you have to go back next year which will anger people.

Mr. Cohen added or three or whatever. If it's a big black hole, then little caution right now in terms of putting some money towards starting the process so we get a better picture of the cost.

Mr. D. Houston stated the cost is just one issue of what it's going to be.

We don't even know how the project is going to be. Are we going to be able to bury it there, or will we have to haul it to Canada or are there other alternatives. We don't even know this yet.

And until we get more solidified on being able to pick one of those, then we can identify the cost differences of those two projects. He totally agrees. I think we ought to kick this one down a year.

Ms. Scura asked whether there is a particular retainer that Nobis engineering has requested.

Mr. Cass replied in the negative.

Mr. Traum hears everyone but does not have a Select Board meeting before the BC meeting.

Ms. Bram asked about a line-item question from the budget regarding this issue, which is solid waste cleanup, which is line 4325 on page 38 of 52 from last month. The Select Board proposed budget number for solid waste cleanup in 2023 is \$42,000.

The two prior years we spent more than that and having read this scope of work from Nobis Engineering it feels like we're just going to be testing more, not less. The cost of materials is going up, wouldn't be surprised if the tests themselves increase in price. She wonders why not at least budget that line item at the actual cost from 2022?

Mr. Cass explained that the 2022 expenditures included some of engineering costs for the lagoon cleanup, but in 2023, these costs are not in the operating budget and are covered by the proposed bond. That line item is for monitoring the closed landfill and said that the testing, ongoing monitoring and testing for the soil would be coming out of that bond, not out of this line.

Ms. Bram asked with regard to the scope of work for the testing of the old septage that has been flushed out, they know they haven't made a proposal of how we're going to do ongoing testing of the soil.

Mr. Cass responded in the affirmative, adding, it's the groundwater.

Ms. Bram Would this be the line item that you would recommend increasing if we do not pass the \$1 million fund or wanted to pay for it now.

Mr. Cass responded affirmatively suggesting adding a separate line item within the Solid Waste Cleanup budget.

7. CONTOOCH VILLAGE PRECINCT BUDGET AND FINANCIAL UPDATE

Mr. D. Houston presented the following information and then offered to answer questions:

- The amount to be raised by taxes is going up a projected \$8,354 after a \$20,000 increase in revenue offsets the increase in the budget, largely personnel costs.
- An increase in the Superintendent's wage of \$4,000 is included, which is in line with the town average of 6.5% increase in wages.
- Another person was added to the staff as treasure for \$1500, that's basically a legal requirement. They have second eyes on the funds managed by the precinct.
- There is a significant increase in fuel and electricity costs and street lighting expected go from \$13,000 to \$16,000, an increase of \$3,000.

- The electricity costs for the main plant are going up \$6,000. Propane is going up \$2,000 for that facility. And then down to the plant itself, the propane costs are expected to go from \$7000 to \$21,000, a \$14,000 increase.
- The budget is going up to \$28,000 and the recommended Warrant Articles are going up \$1,000.
- The total appropriations recommended at going up \$29,000, offset by \$20,000 extra revenue, for a bottom line of the tax rate increasing from \$1.67 to a \$1.71, a \$.04 increase.

Mr. D Houston noted that the Precinct is fortunate that with this situation we're able to keep these rates pretty close to where they were last year. That only happens this year, and next year there could be a significant change. There may be talk about increasing the water rates as we are going to have a lot more larger expenses to replace some of the infrastructure. We received a \$100,000 grant to do an assessment of all of our assets, and that will involve the timing of when some of them should be replaced, which would be a large number, but this year it looks good.

Mr. Traum asked if the water usage rate is projected to increase.

Mr. R. Houston At some point, we've got to go through the process of a public hearing and this assessment that we're going to be doing this next year is going to enlighten us a lot as to where we are and where we should be. As I understand it, our rates are probably lower than many other water suppliers.

Mr. Traum asked whether the \$20,000 increase in the estimated revenues and credits is due to more water usage or higher usage rates or something else?

Mr. R. Houston responded, more usage. He said people are having leaks in the toilet and are not fixing them. Mr. R. Houston asked whether anyone had seen on Maple Street in the last 3 or 4 days that there were leaks that cost a lot of money because they cannot easily be found.

Mr. Goupil asked when the budget process began was there anything removed from this budget process because it could wait based on trying to keep things at a lower price.

Mr. R. Houston responded in the negative.

Mr. Goupil asked whether there was anything that was pulled out or in.

Mr. D. Houston replied stating they zero cost it and that is where it stayed.

8. HOPKINTON VILLAGE BUDGET PRESENTATION

Ms. Bram began by stating she did not have this new tax rate, so she will bring it next week. The presentation does not include year-end financials beyond total revenue and expenses. She noted the following items:

- We've got a negative revenue balance this year of \$600 that is almost entirely electricity driven. We have the streetlights to make up the majority of the costs for us.

- The increase is based on the increase in accounting software and an anticipated electricity increase. Our budget is going up to \$2,400, which will hopefully account for accounting software and the electricity rates.
- The big water project, a multi-year project, is done. The tanks are installed, the fees have been increased. And now, similar to the asset survey that Contoocook Water Precinct is going to do, we're planning to do a point reassessment survey where everyone in the water district is going to get a visit and their fixtures are going to be checked, documented, and their bills adjusted accordingly if they have more spigots or faucets than is reported. It's not known exactly how long that's going to take, but it is planned for 2023. There are approximately 200 houses in the water district, and they will all be getting a visit to make sure that the water system continues to pay for itself appropriately.
- The traffic calming demonstration may or may not come up as a separate Warrant Article at our Annual Meeting. It's not in the budget. We would like to put \$5,000 toward permanently changing this intersection. It's going to be a separate Warrant Article because we have to be sensitive to the amount of increased taxes that everyone's going to be asked to pay.

Mr. Goupil stated that based on the demonstration that was done and that received significant feedback from the community, it wasn't liked.

Ms. Bram said she did not get to read the survey, but her understanding of the survey results is that they are mostly positive. He said that the most frequently brought up concern was related to trucks turning. Asking to have Mr. Cass confirm.

Mr. Cass agreed that overall, the response was very positive.

Mr. Goupil said he never heard a Warrant be an issue to change a traffic pattern and asked whether it is because it's going to cost more than \$5,000.

Ms. Bram alluded to sharing the cost but did not wish to misspeak.

8. PUBLIC COMMENT on PRECINCT OR TOWN BUDGET

Arnold Coda asked if it was said that the Economic Development Committee and the Historical Society for funds?

Ms. Bram clarified by stating that no one was being asked at this point. The hope is to ask the voters whether or not they're willing to put up any money for it as a first step. Then if we are willing to put money toward making it permanent, then talk to the other stakeholders who have an interest in changing the traffic pattern and ask if they would be willing to put money toward it.

The way it was described in our Hopkinton Village Precinct meeting is there is a spectrum of ways to make it permanent. It doesn't necessarily have to be beautiful and made of granite and cost \$100,000 to change the pattern. It could be something that is more organic. It depends on how much money we can raise to change it before we decide what that change looks like.

Mr. Coda asked because is a trustee and the treasurer of the Historical Society and wanted to be prepared in the event that this goes to the Society.

Ms. Bram asked Mr. Coda whether the Historical Society is responsible for Veterans' Park.

Mr. Coda replied the Historical Society is not responsible for Veterans Park.

- He is puzzled over the interest in Briar Hill Road, saying there are a lot of other roads in this town that are at least in as bad condition, if not possibly worse. For example, Gould Hill Road, at the back end at the apple farm barn down, going toward Contoocook Village, is literally crumbling.
- Does the town have a schedule, with priorities, assigned to it for significant repair, not just shimming and paving, but significantly repair, total rebuilding, partial rebuilding, whatever of roads in the town we didn't have prior to the pandemic, I'm not sure if it's been updated with indication of priority.

Mr. Traum replied that they did prior to the pandemic.

Mr. Coda thinks that would be good if the list of roads were included, so that those of us who either have an interest or concern about the roads would have an indication of what the town is proposing to do, where, when maybe how much.

- He then spoke of the matter of bonding stating there are a lot of roads that need rebuilding. He is discouraged that the town has been inordinately frugal on the amount of money it wants to apportion toward road rebuilding. If we think about the bond issues that have come forward from the school district over the last 20 years, there's been no hesitancy there to ask for big money bonds, and the voters have approved.
- You're looking for \$2 million for Briar Hill Road which he does not know if that's enough or not enough and it has been explained if it's only for part of Briar Hill Road, the part that's more toward this end, than the rest of it.
- There is no parity between the genuine needs overall of the town and all of its functions, which include the schools. He encourages the town to think about that, it may be too late for this year's budget.
- He states that he would not vote against a town warrant article asking for \$10M for repair of roads or even one specific road, because our roads are deteriorating and disintegrating faster than we can fix them, pave, shim, patch, whatever it might be. That's his concern on the roads.
- He then spoke of the school district budget that's going to go up. He is dismayed that the people who were here relative to the school district budget matter all left. He thinks they have the obligation to listen to what all of the costs are that the taxpayers in this town will be asked to pick up and how much, and how much that will affect their tax rate. He thinks it was discourteous and they should have stayed around to get educated on the whole ball of wax, because it's that whole ball of wax for each taxpayer in this town who owns property that has to be paid.
- He could not believe there were not some cuts that could be made that would be significant in the school district budget.

- He stated that after listening to the numbers adopted by the School Board we're going to be in the same position if everything goes through and possible feelings of resentment. He is concerned about those who have to pay rent or mortgages that are in the same situation of having expenses rise. He said that many of his friends are in that same boat, and he thinks it is close to being unconscionable to have a \$2.13 or a \$2.18 increase in only one of the tax rates that will affect us.
- He said he was sorry that Mr. Goupil is the only representative of the school district who had to absorb now what was just said. He thinks it would have been useful for all of the people, whether they were employees, teachers, administrators, or supporters of the school, to have stayed.
- He stated that he and his wife do support the schools. He really thinks that this is an unconscionable proposed increase in the budget which is reflected in the tax rate. He would like the BC to incorporate into your considerations of both budgets, but certainly the school budget and the town budget vis a vis the roads and cleaning up the lagoons.

Chair Zankel responded saying he has a lot of faith in Mr. Goupil and said Mr. Goupil listens very carefully to the committee and members of the public and further that Mr. Goupil will carry those sentiments back to the School Board. Chair Zankel stated that Mr. Goupil has shown that he is committed to doing that. The Chair asks if he were sitting at the table here, what would you be recommending for a change to the school's budget?

Mr. Coda said there are a lot of areas in which I would make recommendations. He answered from the standpoint of what he thinks would be a reasonable tax rate increase, maximum \$1.00/thousand. How the school district may get to that he thinks, is up to them, the board, all of them, to come back to you. If you were to ask them to do it, to tell you, what would they do in order to keep the rate to the tax rate increase to a maximum of a dollar? That's the best answer I can give you. He gave some thoughts and ideas. Most of our employees are contracted. That is to say, they have contracts. There are few who don't. He thinks most, if not all of them are in the SAU office building. Mr. Coda is referring to non-contracted employees.

Mr. Coda suggested freezing salaries, asking what that savings would be. He then asked how many people, not including the superintendent and business administrator, are working in the SAU administration office.

Mr. Coda stated the last time he was in the SAU administration office, about two years ago he found the office packed and he was really surprised at the number of people that are now working there. He questioned the need for all of the people? He asked whether there was a way to reduce gradually the number of teachers that we have in this town?

Mr. R. Houston replied that there are 7 people who work in the SAU office, including the Superintendent.

Mr. Goupil asked whether when there is talk about a \$1.00/thousand increase in the tax rate, whether operational costs are solely being looked at, like inflation stuff last year. He

references what the town voted for. It's about \$0.45 cents of an increase that has been delivered and approved in the town and inflation year and stuff that's out of our control.

Mr. Coda asked whether salary increases were just contract employees or all employees in regard to what was voted on last year?

Mr. Goupil asked whether we're just talking tax rate facts, and whether the whole increase should be just \$1. Was it just the budget itself? There's longevity and all those normal things that are produced in the budget that's out of our control. Stuff from mandated stuff, that's out of our control that we have to meet. I just wanted to get a clear picture of what you say.

Mr. Coda said he would start by holding it to the dollar. Overall, and work from there as may be necessary.

Mr. Goupil gave a little bit of perspective since he joined the board. Going on to say since he joined the board the whole budgeting process has completely changed. He stated that he has always admired Mr. Coda at town meetings, asking good questions and comments. He thinks it is important to continue to do that. In previous budgets that we've had with the school district, we've been able to reduce our tax rate significantly. You can see that in previous years of all our budgets, last year we had a huge surplus. We were able to reduce this and the impact on the tax rate to the town was not as dramatic as it was this year.

With us changing our budget format to do bottom line, only zoom in and do a much better job in reducing that surplus, we don't have that benefit anymore to be able to reduce the tax rate significantly. That's the board and that's the superintendent's improved budgeting process. He knows that people are struggling. He thinks it's important to give credit to the budget process, acknowledging some things are out of their control.

Mr. Coda ended by stating the budgeting process has been improved substantially. And along with that, he has never, ever agreed with building up a surplus and then deliberately creating a budget that was done to produce a year end surplus.

Mr. Goupil agreed that you should never ask a taxpayer for more money than what's really needed. It has been echoed on the budget committee multiple times, stop having a big surplus. And that is the direction that we have given as a goal, the district to remove that. So now we are finally in the position that we can't reduce the budget with the surplus. We have to make a harder choice, and one thing that has been echoed over and over again on the school board is that Article X money is precious. We're taking \$400,000 out of it this year to reduce the tax rate. We don't know what it's going to be like next year. We're going to be in those discussions down the road where we're going to have to take a deeper dive. Hopefully that's the beginning of the budget process. We're going to have to look at that.

Sabrina Dunlap wanted to quickly flag for Mr. Coda, and all interested that the roads were discussed at length as part of our budget sessions November 14 and also November 21.

She expressed appreciation for his questions and thoughts on the roads stating it is a difficult issue. We have 60 miles of paved road in town. And we do have a priority list, and it's always a moving target because things change with storms and other unpredictable things. We are super lucky that we have Dan Blanchette and an awesome public works team who do a phenomenal job. She encouraged Mr. Coda to listen to the Select Board meeting because they did discuss this at length, and it's just a tough balance. She said thanks to the budget committee and also to Mr. Traum for doing such a great job on the town budget and to the school board. She thinks they did a really good job presenting a very clear budget. She knows how much time and effort goes into this, and it's a really tough year. She expressed appreciation for everybody's work here for the town.

Mr. Traum added that over the last six, seven years, the Select Board has realized that we're falling further and further on the roads. We've been increasing the shimming and paving line by 5% each year as well as we've had two bonds in that period of time. This year we significantly increased the Shimming/Paving line and we're also asking for the bond.

Chair Zankel asked for other public comments.

Mr. Clement made the following comments:

- If Briar Hill is not the super priority, then work should be done to continue to “chip away” at the required work.
- He has a copy of what was given out for the warrant articles related to the School District contracts that were approved in previous years. He questions total impact that was listed in the Warrants with the actual which in some cases appear to be more than double what was listed in the article. This is what he is getting at, where there's got to be \$500,000, just in staffing increases because these step ups go up. At the point when this was made, all that staff wasn't on the books, but they are on the books now. This next year bump up for all that staff can't hold and it's a concern and he wanted to bring it to your attention.

Mr. Goupil responded salaries and benefits at the current staffing level.

Mr. Clement asked about article three to see if the school district will vote to approve the cost item, including in the collective bargaining agreement reached between the Hopkinton School Board and the Hopkinton Educational Association, which calls for the following changes in salaries and benefits at the current staffing level.

And then under it says this article has a \$0.50 tax impact. It's not small, it's significant, more than double. He understands that there was other staff in there, but we supposedly saved. It concerns him for people that are on a fixed income and others in town. He wanted to bring that to the board's attention.

Elizabeth Sides. said thank you to everyone who presented, answered numerous questions, stating they are doing a fabulous job.

- She spoke to class sizes in the district currently, asking about current class sizes. Ms. Slides thinks they're great, adding that you get what you pay for stating that Hopkinton has the best, and she thinks we want to keep it that way.
- She went on to say we have fabulous teachers, fabulous administrators, and we need to support them and celebrate them. She acknowledges that teachers' contracts are not easy and appreciates all the work that everyone has done.
- She makes mention of a wonderful worker, a town worker who comes on our road, and we have a culvert in our driveway, and he cleans it out for me. She recognizes that he doesn't have to do that. She thanks the wonderful workers, whatever they are being paid. Having children in the district, the class sizes are great, stating you get what you pay for, and we have the best, she said we have fabulous teachers and administrators. She again thanked. for being there and answering the questions and staying there late again stating her appreciation.

Rita Blanchard stated her thanks to Mr. Coda, stating she agrees with him. She does not want to raise the tax by \$1.00. She reiterated that we could lower it if you don't want to fire people. She spoke about attrition. She states there are a lot of retired people in town and it's out of control. She wants the BC to think about a zero increase.

Ms. Scura responded to Mr. Coda's questions and comments. She said she moved to Hopkinton, to send her kids to fabulous public schools. She asked what would you do if you were us?

She hates that our community may be pitted against each other for something that's not any of our faults. There should not be a system set up in New Hampshire which places undue burden on property poor towns that unfairly penalizes older folks who live here. She enjoys not having an income tax, but it is a real question to ask.

She said she wonders what those larger class sizes potentially do to the education that we're providing our children.

She thinks it's reasonable to ask the school district to take a look at whether there is anything left to cut before the budget is taken to the School District voters. She said she wonders whether we need to fix Briar Hill Road.

She is encouraged by the empathy that everyone has shown for each other tonight.

Bob Matteo commented there's a concern for what we're heading into. There are people saying we need to press the pause button. We're heading into uncertain times. He asks how many people we are okay with leaving because they cannot afford to stay. Looking at the indicators now and says that some people can and a lot of people in the town can weather that. But how many people will be okay with not being able to weather that? He has talked to people directly that have moved out. In their words, they can't afford any more increases.

Rita Blanchard asked whether the number of tax liens has increased over the years and whether they [the number of liens] are increasing or are they plateaued?

Mr. Traum responded they [tax liens] have been pretty stable.

Ms. Blanchard added that she has talked to several people and knows they're choosing to sell and move - elderly people just can't make it. They just can't swing it with their meds, etc., and now all this imploding on them, the food, the fuel. She had been wondering if there was an increase in tax liens showing up.

PUBLIC COMMENT CLOSED

Mr. Goupil said that the warrant for the teacher's contract stated \$364,000. And when you look at our instructional program, you look at the salary line items, you can see that the difference is 1.2 million. But you're talking about regular education, special education, which is all different because you have HEA, then you have the SAU office, which are all different. They're not part of the teachers' contract. HESS is something different, but it's not part of the teachers' contract.

When you're looking at the total increase, you're looking at an increase in benefits, teachers' contract, merit increases and all that stuff. Those numbers are not incorrect. It's just that they're broken down. Contracts are tied through to HEA that says its own one. That's why you might be a little confused about breaking down.

Mr. Goupil suggested pulling up the 2023 2024 as a breakdown of each salary difference of each line item, and they'll show you why you get \$1.2 million.

Mr. Clement asked how close to that number was the actual increase for this year?

Mr. Goupil difference is about \$100 and something thousand, but that's because there's longevity and there's other additional things and iron and all that, that makes fluctuate, some fluctuation, it's not it's not \$600,000.

Chair Zankel decided to take an informal vote as a temperature check so the representative to those bodies can be informed of such and their nature of the conversations. Some discussion will occur after.

PULSE SURVEY not a formal vote.

UNOFFICIAL HAND VOTE:

Hopkinton Operating Budget

All in favor, no one opposed, no abstentions.

PULSE SURVEY not a formal vote.

UNOFFICIAL HAND VOTE:

Road Bond (Briar Hill Road)

4 in favor, 5 opposed, 1 abstention.

Mr. Reddy said Briar Hill Road is the main feeder to the Transfer Station. He wants to see the schedule of the roads in town, how old they are and the priority of repairs that need to be done. He stated we definitely need to put money towards it.

Mr. D. Houston said he needs more information about this and likes the idea of putting the whole due schedule in the town report so we get this in front of the people so they can understand ahead of us. He said he's good for \$2 million, but not sure it should go specifically to doing two thirds of Briar Hill. The improvements that Dan made in spreading the asphalt that he did in a number of really bad situations made them as good as they needed to be for a year or two or whatever. And maybe next year we will take the \$2 million and not do Briar Hill Road 100%, which is totally tearing it up 4 ft deep and doing it like the best of the best. With the situation we're in, we take the \$2 million, spread it across the priorities, the way Dan did for part of Briar Hill, Cedar Street, et cetera, where they're really in trouble. He would like more information about how and how it would be used, but I'm all for doing a \$2M bond.

Mr. Cohen said his thought on this is that there's a lot of inflation that's driving a lot of budgets higher, and there's not much that can be done about it right now. He would be more in favor of probably waiting on this \$2 million this year, not doing it as a bond, and increasing the town budget, say next year, to start to fund this larger problem.

He is thinking about two things. One is what we can afford right now, and if we're going to try to trim something, this is something that I would feel comfortable trimming this year. And on the other hand, I think if we need to bond something, we should bond it. But otherwise, I think we should budget it. I think we should put more money into the town budget to try to tackle this problem, the whole problem. Absolutely. I'm not disparaging. He said he would feel more comfortable next year, even if we're talking about \$2 million, just to pick that number to increase the budget by \$2 million, to be spent in different spots as opposed to bonding for this particular purpose.

Mr. R. Houston asked what is the voting percentage on the Warrant Article at the Town Meeting? Is this a 50% or is it 63%? This is a town for a few million dollars bond right now. I'll find it. Seems like a tough sell.

Ms. Norris said spending that kind of money when we know everything is so high, we're going to get less done for that money. Not to say we don't have a crystal ball.

PULSE SURVEY not a formal vote.

UNOFFICIAL HAND VOTE:

Lagoon remediation

4 in favor, 6 opposed, no abstentions

Ms. Norris qualified that she does believe in if the environmentally aware of what's going on and we have to follow through with what DES is requesting. But some of the things that were brought up gave me bars a concern. She feels we need more information and wait for

some of the information to come in and then make our decision as to how we're going to do it. Not if, but how.

Ms. Bram said she stands by what she said about passing the sins of our father's cost on to our children, but she wants to signal an overall support for cleaning it up as fast as possible.

Mr. Cohen totally agrees with cleaning it up as fast as possible. He agrees with the sins of our fathers and mothers shouldn't be passed down. But he is concerned with not understanding this project, the cost of this project, depth of this project, and again, trying to solve it with bond. He would rather start to put money toward this and start the cleanup, but it just seems like that number to me seems highly dubious.

Mr. D. Houston said we need more information as far as the alternatives to handle it.

Mr. Cohen said he certainly feels like he needs more information before he stands in front of the town and suggests that they should agree to a \$1 million bond.

Mr. Traum said he has heard all the comments. He can't do anything without Select Board approval. What he was going to suggest is to revisit this issue in two weeks after discussing with the Select Board and maybe it will evolve

Ms. Bram said she feels as though there are other towns that have been dealing with the same issue that are a little bit further ahead than we are, for instance, Merrimack with a PFAS cleanup situation can be useful as an example in terms of their communication with the town folk about how much money it costs.

Mr. Traum agrees.

PULSE SURVEY not a formal vote.

UNOFFICIAL HAND VOTE:

School Budget, as proposed \$1.83 on the tax rate.

6 in favor, 3 opposed, 1 abstention.

Mr. Reddy said he did not have an opportunity to attend the school board meeting. The school board has obviously done a lot of work. They've come way down in the request. When we have looked at scenarios of anything even remotely resembling that past that would change the character of our school so much that it would not be the same school district and would not be the same town of Hopkinton.

Ms. Norris agrees they have worked really hard. She said there were a few things that were mentioned that she felt, at least one of the school board or a couple members, felt that there was possibly some room to take another look. She thinks they have done an excellent job and she loved following it and agrees with many of the changes that they have made. But she would like, considering everything else that is going on in the way the town is looking at a few things, to have the school [board] take another look and talk it over again with each other because she thinks that some things were mentioned and it's

possible that they could be looked at again. She thinks it was Jim who had mentioned possibly bringing down the budget. She didn't know which fund it was coming from.

Mr. Goupil responded there was a motion that failed and there were no clear instructions about where that was coming from. And then they supported our budget. The discussion he felt more on board when we were doing this was the maintenance trust in which we had talked by the day that Don brought up. He said honestly that all the warrants, that's the one. I'm really hoping that we can make an amendment.

Looking at the beginning process of the budget, we were at \$280,000 and he is hearing from people saying, go back, look, we can send that. he can send that message to them. But when you look at where we are with changes to bus transportation, other things, it comes down to that's, where it is.

In my years of being in Hopkinton, one thing has been mentioned multiple times, sports. And do you weigh sports or instruction? There are so many ways in the budget where you can look at that. There's a lot of missing elements. There's a lot of different parts in this budget that we can look make an adjustment, but it's going to make one person be like, well, that's not the one I want. And it's hard. No one's going to be happy. And I'm going to say it a million times. I really hope the state group is funded. And I know people that tired of me saying it, but I'm going to say it again,

Mr. D. Houston is basically for it but would also like to see them try to look at the two areas. The only area that I think I can do it in is in article three for the CIP. Can we list it? All the nice stuff. All the good stuff that's in that. And then the facilities budget, which is really long in detail, has an increase of \$217,000. Most of that is electricity \$217,000. Between those two, it's \$500,000. Can you get something out of that, out of those two numbers?

Mr. R. Houston is generally in favor of the budget because most of the things are pretty tight and justifiable. However, what is concerning is the propensity to continue to hire extra people. And as we've just discovered tonight, we now have a full-time athletic director. It's those kinds of increases the .4's the .2's and the .5s over time that's elevating the school budget. He thinks it's appropriate, and I would feel much better if we as a board voted to recommend to the school board a higher increase in nonessential positions that are not additional to the current FTE staff level.

Chair Zankel shared that he is in a similar place as Mr. R. Houston He is almost at the support He thinks the school board has done a great job, and I think Mike's done a great job, and he likes the vision Mike has and the actions he's taken, including around his level of staffing approach. He is struggling with the overall personnel costs in school because it feels like a tough thing for the town to continue to fund. He's not sure we can get the school budget into a place that feels like a more sustainable trajectory without addressing the personnel line. Not being in education he wouldn't suggest what specifically should happen there but is not sure that we can get the school budget to a place where the town can swallow it, not just this year, but going forward on a going forward basis without thinking about shrinking the personnel line. And that's incredibly painful.

And it gets into all these issues are in educational quality, class size, all the things that the concept he totally supports the approach school is taking. He thinks it's reasonable what the board is proposing. He wonders that if there was less money for less, if the school would figure out other ways to provide quality education experience that we just don't have a foreseen mechanism for right now. He said he thinks school is reasonable, but he is having a hard time with that. The decision last year to take the savings from the additional early retirements and essentially apply those to the hiring of the curriculum director and the facilities director, I really understand that. And I think those positions are warranted.

And there's like a mentality expressed he feels which is we that came at no cost to the town because we took the savings last year and applied them to those positions. And that is true for last year, but it's not true going forward. It sets the new baseline of salary higher than it would have been. He thinks that's a different mental model. You can say we didn't spend over the budget, but if we didn't hire these positions, we might have a different baseline from what we were talking about here. It is not about whether those were the right positions. It's more just overall personnel.

Ms. Norris agrees with what he hears from everybody at the table. And she'd like to be able to say, when we present the budget, that we truly feel that you really have delved back into it. And we can tell the community, yes, inflation is there, and it's affecting our schools, and we want to maintain what we expect for our schools. She thinks we need to look at the taxpayers of the community and know that the school board can, after a meeting like this, go back, sit down, and say, okay, what can we do if it's possible? And then she will feel very good about the budget that's presented.

Mr. Goupil said we can go back and look at what the budget is. But it's your budget that you are bringing to the school district. When looking at the impact on the taxpayer it helps me a little bit as to what we are looking for that you feel is appropriate and that's the question. We're at \$1.83. What is it that we're looking at the tax rate impact that we feel as a budget committee, Select Board budget, their budget total tax rate impact.

Ms. Norris asked whether there might be help down the road because this is still early in your budget, right?

Mr. Goupil said when we look at the one page you present to us, it's all driving factors that are out of our control when you look at operating budget \$1.83.

Mr. Don Houston asked do we leave the positions open of the three people who are retiring.

Mr. Goupil responded he didn't know anything about it and didn't know that I didn't know what the plan was.

Mr. Cohen said he heard a lot of comments about hiring freezes. Do you know how many employees there were two years ago? And how many people were added?

Chair Zankel answered while looking at the packet 6.5 FTEs from 2021 through 2022, most of them were added last year, which is based on what's in the packet.

Mr. Cohen said that's part of it. I guess it would probably be good if we made decisions based on this. to understand that. He clarified how that 6.5 FTEs? Was that taking part time, making full time? Was that a new position?

Ms. Scura does not know the breakdown. There was like a special ed that converted part time to full time. She thought, like math helps for the breakdown.

Mr. Cohen said it might be helpful to hear from Mr. Flynn or the board a little more about that decision. The hiring, the decision that was made between 2021 to 2022 school years, why that decision was made, it sounds like people have questions about. I don't know if this is something you're going to be able to answer off the copy information that would be helpful for us to understand my suggestion. Because if we're going to make a recommendation as to a budget based on saying that either that shouldn't have happened or it shouldn't happen again, we probably ought to understand.

Mr. Goupil replied the net is 6.36.

Ms. Scura said she agrees with everyone about the great process this year. She is leaning towards supporting the school board budget. She thinks that the school board and the staff have done an incredible job. She said the \$2.18 is an increase, in her judgement, on the tax rate outpacing inflation. She thinks it is difficult to take to the town. She said the reticence from this committee is that's a tough number to swallow. She thinks everyone understands costs are going up, but outpacing inflation is a tough.

Mr. Goupil said to remember these are agreed upon, back \$0.67, back out 1.02. What percentage of that is our budget? That's not been delivered to vote on school district meeting you know, when you look at the between staff, you know the first thing that comes to mind is employee morale terms and negotiations. And probably means that we're looking to reduce staff to fund the six-year contract. And how is that? Blame morale and our school district, the retention of people who want to come here. That that's how we're going to operate based on making an agreement.

Ms. Scura agreed and clarified by saying she is not in favor of reducing staff but thinks some recommendation on the hiring freeze not reducing, just not hiring right now or other areas.

Mr. Goupil asked whether there's a one on one that's required by the state, I understand hiring positions.

Mr. R. Houston said as long as the hiring freeze does not include an IEP.

Mr. Cohen said he is in support of the budget, but to the point when you look at the sort of increase based on salaries and benefits right, yes, the town voted on the contract. But the net has to do with how many employees we provide salary benefits. The town didn't totally say how much money we want to spend. They said that this is what we think is

fair wages for our employees. And he completely supports that. They didn't get increases the year before. And he was happily voting for that at the town meeting and supporting it as a committee member. But to the point that he is hearing, it would be helpful to understand if we added people in lean times why that was done.

Mr. Goupil asked whether he was asking about the jump from 2021-2022 that .6.

Louise Carr asked about hiring. She said aren't they taking a coach to full time, does that mean he wasn't and said she didn't hear it as an increase in FTEs.

Chair. Zankel clarified they were converting somebody who had their time split to full time athletic director but not backfilling additional hiring there.

Mr. R. Houston, someone took over part of his teaching. He said if somebody retires, they're still able to replace that.

Mr. Cohen said you want to lose your biology teacher and then not have a biology teacher?

Mr. R. Houston said, right. That was not the intention.

Mr. Cohen said he wanted to make sure it was not clear.

Chair Zankel said what he is hearing is some people on the committee are in favor of what's presented, and then there's some who have angst about some of this, and you have some specific feedback on two parts of it.

Mr. Goupil said he does not have a problem bringing the school board and having that discussion. We're going to answer your question. First off, it's most important thing He wants to make it clear that this was the finish line. We started this process in multiple stations so you guys could see the change that you've made.

PULSE SURVEY not a formal vote.

UNOFFICIAL HAND VOTE:

Article for the Maintenance Trust \$275,000

5 in favor, 5 opposed, no abstentions.

Mr. Cohen said that he supports it philosophically, because we've spent so much time talking about not going to bonds and trying to fund and plan and have it be put into CIP.

We know that we have the boiler. We know that we have all kinds of things that are going to have to be done.

Ms. Norris said hearing the actual discussion tonight showed the reality that there are concerns that the District was failing that would require repair or replacement in the near future.

Mr. R. Houston said that having good quality facilities, furnaces that are up to snuff, air handling systems that are up to snuff and not causing kids to get asthma, those are true needs, whereas adding a position for an elective is not a true need.

Chair Zankel said he would vote in favor of this at a slightly lower level. He would rather not vote against this number and get it to zero, rather something that's a little lower.

Mr. D. Houston said that's what he is looking for. And that's \$500,000.

Mr. Cohen confirmed that the meeting was being recorded and said he thinks it would be good, on Mr. Coda's point, for school board members and Mr. Flynn to review the recording and hear what's been said. He thinks it's valuable on this discussion, he thinks it could be helpful.

Ms. Bram said her hesitation comes from the \$403,000 left over from the bonds acknowledging not equivalent to spending maintenance dollars on propane but we were told we could cross things off the list.

Chair Zankel sent everyone a draft of the annual report of the budget committee report to the town and that there were three things that he tried to highlight this year, driving the budget. First - inflation. Second - around expenditures that were previously approved by voters. Third - bonds that were put forth.

The BC agreed to reconvene January 25, 2023.

There being no further business, the meeting adjourned at 10:37 PM.