

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, January 8, 2020
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Ginni Haines, Debbie Norris, Bill Chapin, Mark Zankel, Jonathan Cohen, Thomas Lipoma, and Rich Houston.

SCHOOL REPRESENTATIVES PRESENT

Hopkinton School Board Members: Norman Goupil and Elizabeth Durant.

Hopkinton Administration: Steven Chamberlin, Superintendent; Michelle Clarke, Business Administrator; Rebecca Forrestall, Director of Student Services; Matthew Stone, Director of Technology; Donna Bowe, Administrative Assistant; Christopher Kelley, HMHS Principal; Rebecca Gagnon, HMHS Assistant Principal; Amy Doyle, MSS Principal; and William Carozza, HMS Principal/Director of Curriculum Development.

PUBLIC PRESENT

Anna Wells, Denis Goddard, and Judi Case.

CALL TO ORDER

Janet Krzyzaniak called the Budget Committee Meeting to order at 5:30 pm, at the Hopkinton Town Hall. Michelle Clarke led the Pledge of Allegiance.

APPROVAL OF DECEMBER 18, 2019, DRAFT MINUTES

Ken Traum motioned to approve the December 18, 2019, Meeting Minutes. Don Houston seconded the motion. Mrs. Krzyzaniak asked for any corrections or discussion. A couple of word corrections were made. A vote was taken to approve the December 18, 2019, minutes, with these corrections. The vote passed.

SLIDE SHOW PRESENTATION OF THE PROPOSED FY21 SCHOOL BUDGET BY BILL CHAPIN

Bill Chapin presented a slide show capturing the process and changes that are being proposed for the FY21 School Budget. He explained that a majority vote (3-1-1) took place at their School Board Meeting on January 2, 2020, to have Steve Chamberlin cut \$300,000 from the Superintendents Budget. He explained that information being presented in the slide show includes those cuts.

FY21 Budget Drivers

- Health Insurance - Increase \$351K (\$0.45/\$1,000).
 - Increase as a result of:
 - Guaranteed Maximum Rate (GMR) 6.4%
 - And change in Plans
- Facility Project – FY21 Increase \$219K (\$0.28/\$1,000). FY22 Increase \$849K (\$1.09 est.)
 - 20-year Level Principal Bond
 - Interest Rate 3.75%

SLIDE SHOW PRESENTATION OF THE PROPOSED FY21 SCHOOL BUDGET BY BILL CHAPIN, continued

- Transportation – Increase \$82K (\$0.11/\$1,000)
 - Specialized Transportation

Hopkinton School Board FY21 Operating Budget

Expenses

- Increase \$863,286 (4.46%)
 - Total Budget \$20,213,737

Revenues

- Increases
 - State Adequacy \$641K
 - Student Activity \$5K
 - Transfer from Building Repair and Maintenance \$1,912
- Decreases
 - Bond \$9.7M
 - Fund Balance \$370K
 - Article X \$175K
 - Special Ed Aid \$172K
 - State Property Tax \$28K
 - Medicaid \$2K

Hopkinton School Board FY21 Tax Impact

\$1.19/\$1,000

HEA and Teamsters presentations to be made on January 15 and January 22, respectively.

Warrant Articles

- Contingency Fund \$150K (\$0.19/\$1,000)
 - Elementary School Enrollment projections
 - Kindergarten – 86
 - Third Grade – 69
 - Elementary Programs
 - Library Media Assistant
 - Numeracy Specialist Assistant
 - Secondary Course Registration
 - Science
 - FACS
 - PE
- School District Repair and Maintenance Fund \$142,500 (\$0.18/\$1,000)
 - Current Level \$192K
 - Financial Position/CIP
 - Planned Spending \$259K
 - Standby: Air Conditioning(s)
 - Remaining \$72,500
- Special Education Trust \$40K (\$0.05/\$1,000)
 - FY19 Utilization \$40K
 - Current Funding Level \$129K
 - Recommended Level Funded \$169K

SLIDE SHOW PRESENTATION OF THE PROPOSED FY21 SCHOOL BUDGET BY BILL CHAPIN, continued

- Vehicle Replacement Trust \$15K (\$0.02/\$1,000)
 - Current Level \$45K
 - Expected FY20 (unsure)
 - Going Forward
 - Replace Small Bus in FY21 \$50K
 - Replace Van in FY22 \$23K (may be pushed out)
- What happened with the \$250K cut from the budget last year?
 - Health Insurance GMR – Actual: Savings of \$101,401
 - Reduce Kindergarten – take from contingency if needed. \$61,423 was needed.
 - Reduce nonunion support position to 0.5 FTE - \$48,895.
 - Nonunion retirement not utilized - \$54K.
- Hopkinton School Districts average cost per student ranks 26/52 in school districts that manage K-12 students.

Mr. Chamberlin was asked about the planned \$259K spending in the Repair and Maintenance Fund. He explained that it was for paving, an oven, and classroom furniture at Harold Martin; paving and classroom furniture at Maple Street; paving, bleacher repair, a hot water heater, classroom furniture, and AC repair in the auditorium at HMHS; and window replacement at the SAU building.

Mr. Chamberlin explained his rationale in the areas of the budget where he made the requested \$300K cuts from. Michelle Clark reminded the Budget Committee that they have been in a budget freeze for the last 3 years; making them way behind on certain things. He explained that if he were to present a Tier Zero, it would include: a FT Curriculum Director, Social Worker(s), Building Level coordinator(s) in Special Education, and a Human Resources person.

PRESENTATION OF SCHOOL BOARD APPROVED 2020-2021 OPERATIONAL BUDGET BY STEVE CHAMBERLIN. Mr. Chamberlin explained that more detail would be available in the upcoming weeks when the HEA and Teamsters Contracts are included.

<u>Total 2019-2020 Operational Budget and HESS Article</u>		<u>\$20,553,045</u>
	\$ Change	% Change
• Major Increases		
○ Health Insurance	\$351,571	14.34%
○ Bond Payment – Interest	\$219,405	219405.00%
○ Specialized Student Transportation	\$ 82,048	36.02%
○ Salaries	\$ 33,734	3.73%
○ Electricity, Fuel, Propane, Gas/Diesel	\$ 37,431	17.11%
○ Supplies	\$ 28,891	13.35%
○ Contracted Services	\$ 27,449	8.85%
○ Dental Insurance	\$ 24,269	9.80%
○ Other Benefits (FICA, Life, LTD, etc.)	\$ 22,685	0.88%
○ Equipment	\$ 17,278	5.53%
○ Tuition	\$ 16,442	17.81%
○ Repair and Maintenance	\$ 16,362	19.18%
○ Transportation Contracts	\$ 14,374	2.23%

PRESENTATION OF SCHOOL BOARD APPROVED 2020-2021 OPERATIONAL BUDGET BY STEVE CHAMBERLIN, continued

	\$ Change	% Change
• Major Increases, continued		
○ Miscellaneous that is not material	\$ 9,735	
○ Vocational Tuition	\$ 7,140	21.29%
○ Dues and Fees	\$ 6,699	6.92%
○ Maintenance Agreement – Building	\$ 4,741	8.81%
<u>Total Major Increases</u>	\$ 924,154	
• Major Decreases		
○ Out of District Tuition	(\$ 60,868)	(10.89%)
<u>Total Major Decreases</u>	(\$ 60,868)	
<u>Total Proposed 2020-2021 Operational Budget</u>	<u>\$21,416,331</u>	

REVENUE

<u>Total 2019-2020 Revenue</u>	<u>\$16,327,383</u>	
	\$ Change	% Change
• Major Increases – 2020-2021		
○ State Adequacy Aid: Adequacy Grant	\$641,450	23.90%
○ Student Activity Fee	\$ 5,000	14.29%
○ Transfer from School Building Repair TF	\$ 1,912	4.71%
<u>Total Major Increases</u>	\$ 648,362	
• Major Decreases – 2020-2021		
○ Bond	(\$9,796,692)	(9796692.00%)
○ Fund Balance	(\$ 370,199)	(71.08%)
○ Article X – Fund Balance	(\$ 175,000)	(52.81%)
○ Special Education Aid	(\$ 172,842)	(45.57%)
○ State Property Tax	(\$ 38,784)	(2.73%)
○ Medicaid	(\$ 2,000)	(100.00%)
<u>Total Major Decreases</u>	(\$ 10,555,517)	
<u>Total Proposed 2020-2021 Revenue</u>	<u>\$ 6,420,228</u>	

Discussion took place about State Adequacy Aid, Medicaid, and the amount of State Funding.

Steve Chamberlin was asked if he could provide the Budget Committee with some sample bond runs. Mr. Chamberlin explained that they had used a bond run with a decreasing 20-year bond run because they would save over a couple hundred thousand dollars. Concern was voiced that the Town and School would both be having bonds coming on in 2021. The Town Bond would result in a \$350K annual payment and the School Bond would result in a \$849K annual payment. Michelle Clark explained that the actual bond runs will not take place until May 2020, that's when the final decision is made on which type of bond will be used.

School Board Presentation finished at 7:10 pm.

PUBLIC COMMENT

Judi Case expressed discouragement in the public not having information more readily available to them about upcoming bonds, explaining that the public may not have the time to read through all the Town's and School's different board and committee minutes to find this information. Her concern, regarding the School Budget, is that we're spending all this money for 1,022 students.

She requests that the documents being presented at meetings be available ahead of time, allowing those watching the streaming to have the documents to follow along with. The message she would like to bring is that it's going to be difficult, she and other people like her will ask the Budget Committee to make difficult decisions - to cut or revisit every line item – because the combination of these two budgets are too expensive. We are not a big growth town; the pool is static that we are taxing from. Many of the taxpayers are on fixed incomes.

Ms. Case asked why the budgets are not put on a ballot? According to the report of last year's Town Meeting, only 5.4% of the registered voters came out to approve that budget. She suggests SB2 should be looked at again.

Ms. Case asked if the School District has a master plan (5, 10, 20-year) in place? It was suggested that she attend a School Board meeting and ask them this same question.

Anna Wells wanted to acknowledge the Budget Committee's difficult job. The Budget Committee is presented with numbers and then these numbers must be presented to the Town. These numbers have meaning, this is very difficult to portray when it's just the numbers being looked at.

BOARD DISCUSSION

Don Houston shared his concern that if the two budgets continue to increase by 4% per year and then we add the 2 bonds, in 2 years the tax rate could increase over \$5.00/\$1,000. Once he has final figures to input, he will share the outlook.

Ken Traum clarified the valuation going up town wide. The town and schools are not getting any more money, the tax rate is reduced comparably.

Ginni Haines shared her concern for those people who will see their payments and escrows increase. They will be faced with thousands of dollars' worth of catching up.

DISCUSSION OF SCHOOL BUDGET BY THE BUDGET COMMITTEE

There was no discussion of the School Budget, this will take place at the upcoming meetings.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Ken Traum explained that the CIP Committee met with the Select Board and voted to change the amount of the bond they are seeking to \$2.2M, and to have a separate Warrant Article that, in the first year, would start at \$100,000. That would mean that the tax impact for this next calendar year would be an increase of 7.87% or \$0.49/\$1,000. This would give us enough money to do the most urgent issues on culverts and road work and start to have an annual line item, Road and Bridge Capital Reserve Fund, after that.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD, continued

Discussion took place about the presentation of the budgets - Who will make the presentations? What format will be used to present the budgets? A suggestion was made that a meeting with the moderator should take place ahead of time. Tom Lipoma offered to help with the PowerPoint presentations. Rich Houston offered to present the budgets.

MOTION TO ADJOURN

Ken Traum motioned to adjourn at 8:00 pm. Jonathan Cohen seconded the motion. There was no further discussion. A vote was taken. All Board Committee Members approved. The vote passed.

UPCOMING BUDGET COMMITTEE MEETINGS

- Wednesday, January 15, 2020, 5:30 pm, Town Hall
 - Continue School Budget Presentation to the Budget Committee
- Wednesday, January 22, 2020, 5:30 pm, Town Hall
 - Follow up discussion to the School Budget Presentation
- Wednesday, January 29, 2020, 5:30 pm, Town Hall
 - Follow up discussion to the School Budget Presentation/
Budget Committee deliberations
- Wednesday, February 5, 2020, 5:30 pm, Town Hall
 - Budget Committee deliberations, if needed
- Wednesday, February 12, 2020, 6:00 pm, HMHS Auditorium
 - Public Hearing on all Budgets
- Thursday, February 13, 2020, 6:00 pm, HMHS Auditorium
 - Snow Date for Public Hearing on all Budgets
- Friday, February 14, 2020, TBD, if needed
 - Final Budget Committee Deliberations, if needed

Respectfully submitted,
Tammy Clay