

TOWN OF HOPKINTON BUDGET COMMITTEE
Minutes of the Public Hearing on all the Budgets
Town, School, Hopkinton, and Contoocook Village Precincts
Wednesday, February 14, 2018
APPROVED

BUDGET MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Rich Houston, Debbie Norris, Amy Bogart, Ginni Haines, Mark Zankel, John Wuellenweber, and Matt Belanger.

WELCOME, INTRODUCTION OF THE PROCESS – Chairperson, Janet Krzyzaniak

Janet Krzyzaniak welcomed everyone to the Public Hearing on all the Town Budgets. The Public Hearing was called to order at 6:30 pm, in the auditorium of the Hopkinton Middle/High School.

Mrs. Krzyzaniak introduced Neal Cass, Town Administrator; Deb Gallant, Town Finance Director; the Select Board; Steve Chamberlin, Superintendent of Schools; Michelle Clark, School Business Administrator; the School Board; the Administrative Staff of the schools; the Commissioner of the Hopkinton Precinct; Commissioner of the Contoocook Precinct; members of the Budget Committee; and Minute Taker, Tammy Clay.

Mrs. Krzyzaniak explained that the purpose of the Budget Committee is to assist the voters in the prudent appropriation of public funds and has been given the power by the legislature to reconcile the appropriate requests to maintain the tax load within manageable proportions. She explained that going in to this year's budget season, the Budget Committee knew that it would be a very challenging one, with the anticipation of a large bond for school upgrades. After much consideration, the Budget Committee did not endorse the proposed \$30M bond request, and it was subsequently rescinded by the School District. While a major bond request and its tax rate effects are not on the table this year, the School Budget being presented this evening, with the Board jurisdiction, should be reviewed in the context of an anticipated 2020 School Bond.

PRESENTATION OF THE TOWN OPERATING BUDGET – Ken Traum

Mr. Traum, Vice Chair of the Select Board thanked everyone for attending and wished them a Happy Valentine's Day. He welcomed other members of the Select Board Jim O'Brien, Chair, and representatives Steve Lux and Bob Gerseny, who were also in attendance.

Budget Process to Date

- Department Heads prepared budget requests, starting last summer.
- Department Heads met with the Town Administrator and Finance Director to review budget requests.
- Department Heads held a "Budget Summit" to present and review all requests and overall impact on the tax rate.
- Department Heads presented their Capital requests to the CIP Committee.
- Select Board meets with each Department Head to review requests.
- CIP Committee presented its recommendations to the Select Board.

PRESENTATION OF THE TOWN OPERATING BUDGET, continued

- The Select Board cut the Department Head requests by \$269,659 and the CIP Committee's recommendation by \$90,000. Mr. Traum thanked the CIP Committee for their hard work on leveling out Capital Expenditures over the next 5-6 years.
- The Select Board decided to use \$338,000 from the Fund Balance to offset taxes. Mr. Traum thanked the Departments Heads and Neal Cass for their excellent management of the 2017 funds.

Final Results

Operating Revenue and Expenses		
o Estimated Revenue up	\$162,002	5.35%
o Proposed Expenditure up for		
Operating Budget	<u>133,319</u>	<u>1.91%</u>
Change in Tax Impact	-\$ 28,683	-0.72%
Capital Reserve Fund/Trust Fund Funding		
Change in Tax Impact	\$129,000	
Individual Warrant Articles		
Change in Tax Impact	\$ 15,000	
Use of Fund Balance (last year \$410,000 used, this year \$338,000 to be used)		
Change in Tax Impact	\$ 72,000	

Estimated 2018 amount to be raised by taxes is \$4,550,808, which is 3.81% higher than 2017.
Estimated 2018 town portion of the tax rate is \$7.36/1,000, which is \$0.28 higher than 2017.

Numbers - Revenue

- Estimated Revenue of \$3,188,607
 - o Increase of \$162,002 – 5.35%
- Major Drivers:

o Motor Vehicle Registrations	\$ 80,000
o Ambulance Charges	38,000
o Transfer Station Commercial	20,000
o Checking Account Interest	20,500

Operating Budget

Total Operating Budget of \$7,123,415	
o Increase of \$133,319 – 1.91%	
• Major Drivers	
o Merit Wage Pool (3.5%)	\$ 80,160
o Health Insurance	29,468
o Police Dept. Part-time Wages	28,537
o Highway Engineering	20,000
o Shimming and Paving	16,000
o Landfill Bond	-133,805

PRESENTATION OF THE TOWN OPERATING BUDGET, continued

Warrant Articles for Capital Reserve Funds and Maintenance Trusts

Total Warrant Articles of \$665,000

- Increase of \$129,000– 24.07%
- Major Drivers
 - Fire Vehicle Replacement \$ 55,000
 - Highway Vehicle Replacement 25,000
 - Police Vehicle Replacement 25,000
 - Town Hall Renovations 25,000
 - Sewer Equip/Sludge Removal 20,000

Individual Warrant Articles

Total Individual Warrant Articles - \$ 30,000

- Increase of \$15,000 – 100.0%

To provide funding for the Economic Development Committee land swap. These funds will be returned to the Town by the TIF District, if approved and if development happens.

Use of Undesignated Fund Balance

Use of Fund Balance to offset taxes - \$338,000

- Decrease of \$72,000 – -17.56%

This will still leave the necessary 5% mandated reserve, plus an additional \$50,000 for rate stabilization in 2019.

Summary of Proposed 2018 Budget – Tax Rate Impact

To be raised by taxes:

<u>2017</u>	<u>2018</u>	<u>\$ Change</u>	<u>% Change</u>
\$4,379,691	\$4,550,808	\$171,117	3.91%

Tax Rate:

<u>2017</u>	<u>2018*</u>	<u>\$ Change</u>	<u>% Change</u>
\$7.09	\$7.36	\$ 0.28	3.91%

*-Estimated using 2017 actual property valuation.

Mr. Traum asked Bob Gerseny to speak about the \$30,000 Warrant Article for Economic Development.

Mr. Gerseny explained that the Economic Development Committee has identified several areas in town where they think they can develop the property and increase the tax base and increase the vitality of the town. One of those locations is “Hart’s Corner” at the intersection of 202/9 and 127, where the Dunkin Donuts is located. Frances Hart owns a 60-acre parcel on the northwest corner of that intersection and she’s expressed interest in cooperating with the town and developing that parcel. There are three other parcels on the corners of the intersection that are owned by the State of NH, and they have, in a preliminary fashion, proposed to the State that they’ll swap conservation land, that the Town owns, for those three parcels. The conservation land is forested parkland, undeveloped property. The property the Town owns adjacent to the Mast Yard forest, the State is interested in expanding that forest and retaining the character of the property. Regarding the three parcels around the intersection; the parcel to the northeast is along the river and will continue to be recreational use

PRESENTATION OF THE TOWN OPERATING BUDGET, continued

property and would be under the control of the Town; the parcel to the northwest would be part of the development area, adjacent to Frances Hart's property; the parcel to the southeast is a piece of property they think has a lot of extraction material (gravel) that might be able to be used by the Town, and then it might be available for further development. The thought is that a deal might be able to be worked out based upon appraisal values, acreage, etc. To do this swap, they will need to have appraisals, have legal work done, and maybe some survey work – they are asking the Town to raise \$30,000, so that work can be done. Once the land is owned and the development plan is worked out, they will then ask the Town to approve a Tax Increment Finance (TIF) District, which generates revenue for the Development, and these funds could then be returned to the Town funds, if everything works perfectly. He explained that establishing a TIF District makes the property very attractive to a developer.

Questions or Comments on the Town Operating Budget

Peter Gould asked if, as part of the Economic Development Plan, did it include a look at the impact of the already high motor vehicle accident rate that occurs at that intersection, and a mile on either side? *Mr. Gerseny replied that they've talked to the people at the State and testified at the State Site Committee about their 10-year plan. He said they have a placeholder on the Capital Improvements Plan for the State to do improvements to that intersection. The Economic Development Committee is hoping that if they generate development interest, they can, if the town agrees, take some of the TIF revenue and help implement those engineering changes; that would hopefully induce the State to move it up sooner.*

PRESENTATION OF THE SCHOOL BUDGET – Matt Belanger

Mr. Belanger thanked Steve Chamberlin, Michelle Clark, Brenda Vincent, the Leadership Team, the community, and the Budget Committee, for all their work and feedback to get us here tonight.

Hopkinton School District Budget Process

- October – Directors'/Principals' Budget - Mr. Chamberlin made about \$200,000 in cuts.
- November – Superintendent's Budget - The School Board made about \$115,000 in cuts.
- December – Hopkinton School Board Budget.
- January – Hopkinton Budget Committee Budget – School Board made \$85,000 in cuts.

Warrant Article - Teamster Agreed on Contract (Ratified)

- Two-year Contract
- 2% Increase in Wages each year
- Move to Site-of-Service Deductible Health Insurance Plan
 - 100% of the Premium, 100% of the Deductible, Year 1
 - 100% of the Premium, 50% of the Deductible, Year 2
- Saves \$4,368 – a negative article for the Warrant
 - Tax Impact – (.01/1,000)

PRESENTATION OF THE SCHOOL BUDGET, continued

Warrant Article - Discontinuation of the Health Insurance Trust

- Moves \$75,404 into Revenue, to dissolve this account
- District Created Tax Rate Stabilization Fund – Health Insurance Fund no longer necessary
- Tax Rate Stabilization Fund provides greater flexibility
 - Tax Impact – (.12/1,000)

This is a 1-year item where \$75,404 will be moved into Revenue.

Warrant Article - FY19 Operating Budget of \$20,000,471

- Increase of \$652,000
 - Includes \$397,000 in Security and Access Projects
 - Includes \$348,000 in salary increases, including an additional kindergarten, and additional 2nd grade, and additional sections at the high school
 - A reduction of a \$553,000 bond payment
- Includes HEA (teachers) (year 1 of a 3-year contract) and HESS (year 3 of a 3-year contract) salary increases
- Includes current non-union and technology support staff positions

Mr. Belanger explained some of the line items:

- The District recently heard that they have been awarded \$397,000 (this is an 80/20 Grant), from the State, for the Safety and Access Project, where they will be looking to add video surveillance and key-fob entry to the schools in the District. Because of the way this needs to be budgeted, you will see an increase of \$397,000 in Expense, but you will also see an increase on the Revenue side of \$317,000, the impact to taxpayers of \$79,400.
- There is also an increase, approximately \$200,000, for out of district support, to make sure our students are in the best learning environment possible for them.
- There is a reduction of \$553,000 because the bond has been paid off, which also means there is no longer revenue associated with that bond.

Enrollment

Mr. Belanger reported that over the last three years we've gone from 877 to 980 students, this is a 12% increase; over that same period, we have had only a 2% tax rate increase. NESDEC reports annual projections of enrollment to their clients, they base these numbers from live births in town and other variables. They are projecting that by 2027, we will have almost 1,300 students in the District.

Revenue

- Increase of \$524,000
- Includes \$317,000 for Safety Project and \$69,000 in Kindergarten aid
- Utilizes 99% of projected state adequacy aid
- Use of savings (Article X funds) \$150,000
- Dissolves Health Insurance Fund
- Projecting \$536,000 from FY18 surplus

Estimated Tax Impact of Operating Budget \$.00/1,000

- Includes Local and State tax rates
- Includes end-of-year fund balance to reduce taxes

PRESENTATION OF THE SCHOOL BUDGET, continued

Warrant Article - Purchase of 195 Park Avenue – Future Site of Hopkinton School District SAU Office

- Approximate 3,000 sq./ft, updated, professional office space
- Purchase Expenses \$200,000, Design \$25,000
- Current Office
 - Not fully accessible, not adequate confidential space, no conference room space, no employee break space
- Estimate of Future Renovation and Expansion Cost - \$390,000
- Removal of Current SAU Improves Traffic Flow and Safety at MSS
 - Tax Impact - .36/1,000

Mr. Belanger highlighted:

- The \$615,000 estimated cost of a new SAU Office space instead of the \$1.7M proposed space that the Harriman Project suggested, is a much more economical way to get the space that they need.
- The plan for the current SAU space, should this move forward, would be to clear that space. That building would be taken down and used for parking space and a proper exit from the facility would be added.
- This is a 1-year item, the purchase would be of the building in a single year.

Warrant Article – Building Renovation and/or Expansion Capital Reserve Fund

- To ensure investment in the district facilities
- This article will be withdrawn if Article VI passes
- The value of this article will be \$225,000 if Article VI fails
 - Tax Impact - .00/1,000 or .36/1,000

Warrant Article – General Contingency Fund

- \$100,000
- Provides support for unanticipated needs (retirement, additional head count at the high school, if needed, for 2/10 in Social Studies, 2/10 in Science, and 2/10 in English)
- Reduce risk associated with highly variable budget items (enrollment, benefits, transportation)
 - Tax Impact - .16/1,000

Warrant Article - Educating the Educationally Disabled Trust Fund

- Rename Fund to Special Education Trust
- Funding level to be determined based on this year's expected expenditures from the fund
- To be fiscally responsible, the School Board needed time to decide
- Currently FY may require 50% withdrawal
 - Tax Impact – TBD

Mr. Belanger explained that the School Board is waiting to see what is used in FY18, so they will be comfortable recommending a number for next year; this amount should be available in early March. There is currently \$169,666 in the Fund. This fund is used to provide the support that these students need during the school year, that are unanticipated.

PRESENTATION OF THE SCHOOL BUDGET, continued

Warrant Article - Vehicle Capital Reserve Account

- Add \$10,000 from FY18 end-of-year surplus (last year \$10,000)
 - Tax impact - .02/1,000

Hopkinton School District Facility Project - Update

- \$29M Project rescinded from the March Warrant
- Seeking community input
- Survey at the Annual Meeting and throughout the community
- Come back with a different project, March 2019

❖ School District Total Tax Impact - .53/1,000

Hopkinton “Makes the Grade” for an Average Cost

- Cost per pupil remains in line with the average of all districts in NH, with 40% of all districts spending more per student (Source: NH DOE, updated 1/9/18) [66th of 163 districts]
- 88% of recent graduate’s plan to attend 2 or 4-year colleges, or entering the military
- Named A Top High School in NH
- Recognized Faculty and School Board

Questions or Comments on the School Budget

Josh Caron asked if he missed the meeting where the Budget Committee unanimously approved the School Budget?

Mrs. Krzyzaniak acknowledged that the Budget Committee did unanimously approve the \$20,000,471 at their last meeting.

Christine Haydinger asked if it was too early for details about what security changes will be able to be accomplished with the amount of money received from the grant? Will the surveillance and key fobs be for all three schools? Will these changes satisfy the NEASC concerns?

Mr. Belanger acknowledged that the plan for surveillance and key fobs will be for all three schools. NEASC has put us on warning, and they want us to address some specific items before they would move us to being on probation. We believe that we can work with NEASC and show them the work we’ve done with the performance contract (fixing doors, windows & lights), that along with the plan to go forward for the safety and security work, should satisfy them, for now.

Diane LaChance asked if parents knew what their options are regarding kindergarten offered in Hopkinton and that parents could choose half-day kindergarten for their children? She suggested, as a taxpayer and parent, that every parent be made aware that this is allowed.

Mr. Chamberlin explained that if a parent wanted to provide transportation and take their child home after half a day they could.

Mike Martin shared that he thinks the community needs three things to be a great community: community support for the schools, great kids, and great teachers. He explained that he’s done a lot of research and Hopkinton does have the highest taxes. He’s heard, at many meetings, that a lot of people in Hopkinton feel the taxes are too high and there are a lot of people that can’t afford their

PRESENTATION OF THE SCHOOL BUDGET, continued

taxes. He thought tonight's meeting was a Hearing and that after the Hearing the Budget Committee could change their vote of support for the School Budget.

Mrs. Krzyzaniak told Mr. Martin that the Budget Committee vote can be changed and that every Budget will be gone over tonight, after the Public Hearing.

Mr. Martin is also concerned about the cost per pupil. He feels that money doesn't generate high levels of learning, there are a lot of other things in the schools that do that. He feels that some independent look at the School Budget is worthy of some attention, being too attached to the schools sometimes you don't see things or translate activities into costs. His hope and his vote would be for a pause on this School Budget, approving only what was approved last year, except that he believes the money for the Capital Budget should be reserved for the Capital Projects in the future. The schools need to be fixed and people want you to fix the schools. He's worried that if we go ahead with this increased budget, it will move us away from fixing the buildings. Taxes are already at the top – if people can't afford their taxes now, when we finish this at another \$4-5/1,000, it's going to cost the people who can afford their taxes now more because people aren't going to buy property here.

Mary Kusturin asked for details, like what is available in the Tier Reductions, because they were understandable, for increases in the budget. She explained that she asked Mr. Belanger for more details, in that format, for the increases. She feels that the taxpayers should be able to see where their money is being spent; it's their money, they should be able to know what they're buying. She asks the Budget Committee not to recommend the School Budget. She feels that she isn't the only one that doesn't understand the increases.

Mr. Belanger wanted to highlight the amount of detail that is provided to the public at previous Budget Committee Meetings and on the School District website. He did explain that the larger budget items are explained in detail but that smaller items aren't as available to the public, the excess of the smaller items are returned to the taxpayers in the form of tax relief at the end of every year.

Tim Murray asked for clarification on the \$553,000 reduction on the bond that expired. He wants to know what revenue downturn is offset by that?

Mr. Chamberlin explained that there was \$173,00 in revenue and the rest would be an expense.

Mr. Murray asked if the \$380,000 was worked into the budget, using money that was spent last year.

Mr. Chamberlin replied, yes.

Mr. Murray, asked for the clarification for the public, that the increase this year is not \$652,000, it's \$1,032,000. He's concerned about how the School Budget is portrayed - when the money being spent the previous year is just being baked into the budget because it was already there being spent, it stays in the budget. Why isn't that money being saved and being used towards the bond that is going to be needed to fix the schools.

Mr. Belanger explained they are looking at adding headcount due to increased enrollment. Without the bond coming off, he would be asking for a much higher increase for staff and additional resources. He explained he feels fortunate that the bond came off to lessen the cost to taxpayers this year.

David (last name not given), who lives in one of the two mobile home parks in town, is concerned that the taxes are increasing faster than the cost of living increase. His rent will be increasing because of the Bond that was proposed, but now has been rescinded.

PRESENTATION OF THE SCHOOL BUDGET, continued

Sandy Sherman questioned the health insurance coverage. She feels the coverage seems excessive. She wants to know if this is an area that's being looked at?

Mr. Chamberlin explained that moving employees from an HMO to a Site-of-Service requires enticement in the first contract. The change to this plan (for 10 employees) is saving \$12,000 for health insurance. This is the same technique used by other schools in the area.

Diane Kent is asking, again, for a programmatic budget from the School District. The line item budget from the school does not explain what each program offers and what it costs, and whether that program is too expensive, or maybe we're not spending enough on that program. We want to support our schools, but the way the budget is being presented, is not understandable so that a real discussion can take place.

Danielle Fitzgerald said her family moved here for the schools, after considering many other towns. She feels that the working population isn't being heard because of the timing of the meetings. The accreditation and maintenance, that's been put off for years, needs to be done. She wants to let the Committees know that there are a lot of other parents that can't be here tonight, that need to be heard; please consider moving the time to a more suitable time for everyone to be able to attend, so they can be heard.

Jen Blagriff wanted it to be known that she is in full support of the School Budget. They moved here for the schools. With the amount of taxes, they pay, she expects accredited schools, facilities that are appropriate and that are ADA compliant. She hopes that the Budget Committee and the School Board will work together to come up with some type of plan that will work for everyone in town. She wants people who have been here to be able to stay here and people who are coming here for the schools to remain here. She's excited to hear that the Economic Development Committee is looking into developing land for businesses, but also feels that looking at how taxes are done in our town and potentially providing tax relief for some people, would be a great idea.

Carolyn Koepler Miller wants to share that she supports the School Budget and encourages the Budget Committee to support this budget. She is concerned with the fact that we've been on probation with NEASC for 5 years. She wants to volunteer her time, for anyone who is interested, to get information out to people, in a comprehensible way, in relation to the Facilities Project.

Laura McKenzie asked how the expansion of the SAU office will be paid for?

Mr. Belanger explained that there has been some early discussion on how that will be done, by bond, pay outright, or roll it into a larger renovation project. It depends on the environment, should this pass. She suggests that perhaps a smaller footprint be looked at, if it is feasible.

Peter (no last name given), suggested that Mr. Martin's request for an outside expert, professional educator, to look at our School Budget, and look at how our money is being spent and if it can be used more effectively, should be taken into consideration. Every year, every line increases – there is never a decrease.

Mr. Belanger explained that there has only been a 2% increase in the budget over 3 years. With the cost of living increases, the cost of educating students increasing, and the 12% increase in students, he feels they've done a great job keeping costs relatively flat.

PRESENTATION OF THE SCHOOL BUDGET, continued

Jeremiah Johnson wanted to voice his support for the School Budget. He says Hopkinton is a desirable place to live, because of the schools. If we fail to support our schools, we'll still have taxes, but all the young people coming in who are funding our library, senior center, and full-time fire and police, aren't going to move here, they will move elsewhere. A substantial chunk of the town will depart, because they, like him, are here for the schools.

Bill Chapin said he knows this is a tough process for everybody and that there is a lot that goes into it. He said that the boards here tonight are all working to help Hopkinton be the place we love with a balance between the taxes and the schools.

Mrs. Krzyzaniak has three letters to share (the full letters are available at the Town Office), in short:

- 1) Sue Strickford is asking for consideration of a flat tax rate for the Hopkinton School District. She says that our tax rate of \$34.29/1,000 is the 6th highest in the state. In 2013, we were 22nd. This increasing tax rate is affecting many resident's ability to pay their taxes, resulting in tax delinquency. She's concerned about the School Board's attitude of, if you want quality schools you have to pay for them. She goes on to say that it would be sad to have a town without the elderly and the young. She agrees we need to attract families to our town, but we also need to have a competitive tax rate. She doesn't understand why the School Board doesn't lower their request by the amount of the bond paid off, instead of building on it with an increase; this money was used for new programs and not the maintenance and safety issues. She says that we are not a wealthy town, but we have some that only want the very best and the most expensive, which places a higher tax burden on all taxpayers. She goes on to say that the commitment the townspeople have supported the school is undeniable. She says we just can't do it anymore.

Mr. Belanger commented, that he hopes that the School Board has never made anybody feel that if they don't support us that they don't support the schools. He feels that they have the best interest of students and taxpayers in mind. He explained that increases this year are for headcount due to enrollment. He admits that it is expensive to educate students, he explained that we are in the middle range, and that making cuts at this point is making cuts to significant programs.

- 2) John and Nancy Remick wanted it to be known that they are displeased about the school budget. They are retired, living on a fixed income, and know many people in town who are like them. They've lived in town for 52 years and want to stay in their home. They feel that there are some people in town who think the schools must have the best of everything for their kids to learn. She explained that in their house, they don't buy extras if they can't afford them so why do they need to pay for extras in the schools.

Mr. Belanger said he doesn't know what the extras are, beyond the additional headcount. He said they can review the Tiered Reductions, but they feel the cuts that have been made to this point, have been deep enough.

- 3) Arnold Coda expressed that according to the current (revised) budget he received, the general fund increase before inclusion of revenues would be \$652,421. He's concerned that the comparison increase in the original budget presentation was \$255,421. He doesn't understand what accounts for the nearly \$200,000 increase. He feels that any increase is unacceptable because:

PRESENTATION OF THE SCHOOL BUDGET, continued

- a. The School Board has given no reasonable explanation for the need for this increase. They say it is because of increased enrollment, but they haven't explained the basis/methodology for calculating this projected increase.
- b. The information presented to the Budget Committee by the two realtors regarding the housing market has been ignored.
- c. All households are being hit with cost increased that are out of their control.
- d. Hopkinton real estate taxes have increased faster than the rate of inflation for the last several years.
- e. The School Board and administration have made no effort to reduce expenses for at least the last decade. During this time the enrollment declined but the expenses continued to rise.
- f. For the past several years, the School Budget has produced a surplus in the range of \$300,000-400,000. The School Board has told us that part of this is being used to reduce future tax increases. That money would be called a profit in the for-profit world. That tells us that the budget is higher than it needs to be.
- g. Finally, the proposed budget must be held flat at minimum, and preferably reduced by at least a modest amount.

Mr. Coda says the proposed budget is unsustainable for taxpayers, except for those of high income.

Mr. Belanger replied that the increase is due to the inclusion of the \$395,000 in Security and Access Grants, which is offset by \$317,000 in increased revenue. Related to class size, we've provided current sizes by grade level – we're looking to move from three to four teachers at the elementary school because we have around 75-80 children per grade, which warrants 4 sections. Related to the Realtor analysis given a few months ago, he would argue that, by how quickly some homes have been selling (with multiple offers, within hours of being listed), that perhaps the analysis might not have been as accurate as we continue to believe that it was. He explained that they are watching everything they spend, making cuts where they can, and being accountable for the money spent. Finally, by not having a surplus means that they would not be able to give money back to the town to reduce the tax rate.

Jonathan Cohen said that what he's hearing is there's a lot of effort being made on the part of the School Board and the Budget Committee to attempt to come up with a budget that would allow you to try to convince NEASC not to put you on probation, but there's no guarantee of that. You're trying to be creative, trying to explain the high tax burden to them, and the circumstances that are particular to this town, to avoid that. He thinks that it would be helpful to comment on what the effects would be if this budget doesn't go through. What would the effects of the probationary status mean to our School District?

Mr. Belanger responded that the process can be very subjective. He explained that should the budget not pass, that puts the Safety Grant they received at significant risk; they would need to look into the budget and reduce it by the amount needed to cover it. He explained that we'd be the only School District in NH on probation. Some of the more elite schools do not accept students who do not come from an accredited high school, accreditation is a representation of quality. Not having an accredited high school will impact families who want to move into town, especially if the accreditation is based on facilities. He explained that if the budget doesn't pass and we can't move forward with Safety and Security, the Commissioner would have a hard time acknowledging that we are making progress and we'd most likely be put on probation, even with all the work done to this point.

PRESENTATION OF THE SCHOOL BUDGET, continued

Mr. Chamberlin explained that he is confident the Safety and Security work will meet most high school standards; the curriculum work, he is very confident that they have done a good job in developing a visible curriculum; and the performance contract has taken care of some deferred maintenance with some soundproofing, and some safety with the replacement of doors and windows. With all of this done, we may still maintain warning status. NEASC knew that the district was going to put forth another project once this bond came off, so they'll need some explanation of why that didn't happen.

Frank Davis asked, if our school has been the best in the state for 3 years and now we're number 2, how can it not be accredited? What does that tell the rest of the schools in the state?

Mr. Belanger explained that it would put NEASC on their heels to make the 2nd best school in the state not accredited. He said that the reason all comes back to facilities and safety; we have great teachers, staff, and students – the education is not the issue.

Rebecca Bettencourt asked for explanation of the \$348,000 for the additional teachers. Does that mean there will be 5 kindergarten teachers now? And, what about the additional sections at the high school?

Mr. Chamberlin explained that the 4th teacher was added last year through the Contingency Fund, this year the position is in the budget. Mr. Chamberlin explained that because of the increased enrollment of 30 students in 9th grade, they need to add sections in social studies and English; and they have an additional 30 students in 11th grade that requires an additional section in chemistry.

George Langwasser shared his opinion on the safety and security needs. He's concerned that this issue has been a problem for a long time, and it's time we take care of it.

Mr. Belanger shared an email he received from Elizabeth Sides (the full letters are available at the Town Office), in short:

Elizabeth wanted to voice her support of the School Board's budget. She says that our school system is one of the most important aspects of our small town. She feels we need to give our schools the money they need and deserve. If we do not invest in updating our schools, a lot of people are going to move out of Hopkinton and the town will have a problem attracting new people to move here. The entire town will suffer if our schools deteriorate. She says it's sad that there are so many against updating and fixing so many things in our schools that need immediate attention; some that have been put off for years. She goes on to say that improvements need to be made and we, as a small town that is centered around our schools, should all see and support that.

PRESENTATION OF CONTOOCOOK VILLAGE PRECINCT BUDGET – Don Houston

Mr. Houston reported that the Contoocook Village Precinct's proposed budget for 2018 is \$482,406; down \$11,344. The amount of to be raised by taxes is \$273,356; down \$1,344. The Precinct tax rate will drop by .01 to \$.10/1,000.

Approximately half of the budget is raised by user fees and is used to fund basic operations. The other half is a warrant article, in the amount of \$250,000, to create a reserve fund for future construction. A major upgrade to the chlorination plant is likely to be needed in a few years.

PRESENTATION OF CONTOOCCOOK VILLAGE PRECINCT BUDGET, continued

Major projects completed in 2017 include:

- Water main improvements in Woodwell's Garrison
- Engineering work for the drain line replacement from Main Street reservoir and Upper Main Street system improvements
- GPS identification of system components
- Electronic upgrades to system management

Scheduled Projects for 2018

- Focus on additional upgrades to operational controls to enhance system management

Questions

There were no questions.

PRESENTATION OF HOPKINTON VILLAGE PRECINCT – John Wuellenweber

Mr. Wuellenweber explained they pay for and keep the lights on, on Main Street. They have a water department that is managed by the Water Board - Andrew Ashton, Rich Armstrong, and Sandy Bender. He reported that the Hopkinton Village Precinct budget this year is \$17,439.

ADDITIONAL PUBLIC COMMENT/QUESTIONS ON ALL BUDGETS

There were no additional comments or questions.

Adjournment of the Public Hearing at 8:40 pm

DELIBERATION BY BUDGET COMMITTEE

Chairperson Janet Krzyzaniak called the Deliberation Meeting to order at 8:50 pm. She announced that, as Chair, she will abstain from voting, unless there is a tie vote.

HOPKINTON VILLAGE PRECINCT BUDGET

Don Houston moved that the Budget Committee recommend raising and appropriating \$17,439, for the Hopkinton Village Precinct Operating Budget.

Ken Traum seconded the motion. There was no discussion. A vote was taken and approved, 9-0.

CONTOOCCOOK VILLAGE PRECINCT BUDGET

Amy Bogart moved that the Budget Committee recommend raising and appropriating \$482,406, for the Contoocook Village Precinct Operating Budget.

Debbie Norris seconded the motion. There was no discussion. A vote was taken and approved, 9-0.

TOWN OF HOPKINTON BUDGET – Warrant Articles

Ken Traum moved that the Budget Committee recommend Article 2: Operating Budget: To see if the town will vote to raise and appropriate the Budget Committee recommended sum of \$7,123,415 for general municipal operations. This article does not include appropriations contained in special or individual articles, addressed separately.

Rich Houston seconded the motion.

DELIBERATION BY BUDGET COMMITTEE, continued

Discussion – Ms. Bogart asked if anything could be cut. Mr. Traum explained that they had gone over items for months and months and they tried to decrease items down, over the long process. She is concerned that the total for the Town and Schools combined seemed high for this year.

There was no other discussion. A vote was taken and approved 9-0.

Ken Traum moved that the Budget Committee recommend Article 3: Appropriation to Capital Reserve Funds: To see if the town will vote to raise and appropriate the sum of \$623,000, to be added to previously established Capital Reserve Funds as follows:

New & Replacement Equipment & Vehicles for Public Works & Highways Dept	\$225,000
Replacement & Equipping of Ambulances	75,000
Police and Fire Radio and Related Equipment Replacement	8,000
Police Vehicle Replacement	25,000
Fire Department Vehicle and Equipment Acquisition	105,000
Transfer Station Equipment & Facilities	15,000
Library Replacement Building	5,000
Dam Maintenance and Construction	10,000
Sewer System Equipment and Sludge Removal	50,000
Renovations to the Town Hall	75,000
Revaluation of Property	<u>30,000</u>
TOTAL	\$623,000

John Wuellenweber seconded the motion. There was no discussion. A Vote was taken and approved 9-0.

Ken Traum moved that the Budget Committee recommend Article 4: Appropriation to Expendable Trust Funds: To see if the town will vote to raise and appropriate the sum of \$32,000, to be added to previously established General Trust Funds as follows:

Town Facilities Maintenance	\$ 15,000
Recreational Facilities Maintenance	10,000
Library Building Maintenance	<u>7,000</u>
TOTAL	\$ 32,000

Don Houston seconded the motion. There was no discussion. A vote was taken and approved 9-0.

Ken Traum moved that the Budget Committee recommend Article 5: Establish the Recreational Facilities Capital Reserve Fund: To see if the town will vote to establish a Recreational Facilities Capital Reserve Fund under the provisions of RSA 35:1 for construction, reconstruction, and purchasing of equipment for the recreation fields and to raise and appropriate the sum of \$10,000, to be placed in this fund. Further, to name the Select Board as agents to expend from said fund.

Amy Bogart seconded the motion. There was no discussion. A vote was taken and approved 9-0.

Ken Traum moved that the Budget Committee recommend Article 6: Authorize to Expend from Pay-by-Bag Special Reserve Fund: To see if the town will vote to raise and appropriate the sum of \$110,000 for the purpose of offsetting the cost of collection and disposal of residential solid waste and such other direct costs as budgeted annually, with said funds to come from the Pay-by-Bag Special Revenue Fund. No funds to be raised by taxation.

Ginni Haines seconded the motion. There was no discussion. A vote was taken and approved 8-1.

DELIBERATION BY BUDGET COMMITTEE, continued

Ken Traum moved that the Budget Committee recommend Article 7: Authorize to Expend from Senior Center Special Revenue Fund: To see if the town will vote to raise and appropriate the sum of \$3,200 for the purpose of offsetting operational and maintenance costs of the Slusser Senior Center with said funds to come from the Senior Center Rental Special Revenue Fund. No funds to be raised by taxation. Amy Bogart seconded the motion. There was no discussion. A vote was taken and approved 9-0.

Ken Traum moved that the Budget Committee recommend Article 12: Appropriation of Funds for Economic Development: To see if the Town will vote to raise and appropriate the sum of \$30,000 to be used for economic development purposes including professional fees, infrastructure work, and the purchase of land. This sum to come from the fund balance (surplus) and no amount to be raised by taxation. This will be a non-lapsing appropriation per RSA 32:7, VI, and will not lapse until the work is complete or by December 31, 2020, whichever is sooner.

Rich Houston seconded the motion.

Discussion - Ms. Bogart asked for an explanation of non-lapsing appropriation. Mr. Traum explained that the work may not be done within one year, and the remainder of the funds could be rolled into the next year. It's a one-time \$30,000 that can be spent, as needed, until 2020.

There was no further discussion. A vote was taken and approved 9-0.

HOPKINTON SCHOOL DISTRICT – Warrant Articles

Matt Belanger moved that the Budget Committee recommend Article II: To see if the School District will vote to approve the cost items included in the Collective Bargaining Agreement reached between the Hopkinton School Board and the Teamsters Local No. 633 of New Hampshire (Teamsters) which calls for the following changes in salaries and benefits at current staffing levels:

Fiscal Year	Estimated Increase
2018-2019	(\$4,369)
2019-2020	4,535

and further to reduce the operating budget (Warrant Article V) by (Four thousand three hundred sixty-nine dollars) (\$4,369) for the upcoming fiscal year, such sum representing the costs attributable to the decrease in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

Mark Zankel seconded the motion.

Discussion - Rich Houston asked what the decrease was. Mr. Belanger responded, that it is a .01 decrease. There was no further discussion. A vote was taken and approved 9-0.

Matt Belanger moved that the Budget Committee recommend Article V: To see if the School District will vote to raise and appropriate the Budget Committee's recommended amount of Twenty million four hundred seventy-one dollars (\$20,000,471) for the support of schools, for the payment of salaries for the School District officials and agents, and for the payment for the statutory obligations of the district, or to take any other action in relation thereto. This article does not include appropriations voted in other warrant articles.

Mark Zankel seconded the motion.

Discussion –

Mark Zankel expressed the need for the School Board, Budget Committee, and perhaps a Selectman, to consider the ideas raised tonight about sharing a programmatic budget. He also wonders if there are opportunities allowed under our current statutes, and feels that tax relief based

DELIBERATION BY BUDGET COMMITTEE, continued

on income levels or other situations, should be investigated? He believes this will be relevant as we head to the facilities conversation next year. He would like to see some sort of a task force that is established between the three committees, to help more people understand more details behind the school budget.

Rich Houston wanted to add that there have been some powerful remarks from the community about the School Budget, and he wants to point out that most of the budget is salaries and benefits. He wonders if, and suggested a few ways to be considered, if one way to soften the blow of the facilities project that's coming is looking for any labor efficiencies that can be found in our School District.

There was no further discussion. A vote was taken and approved 9-0.

Matt Belanger moved that the Budget Committee recommend Article VI: To see if the School District will vote to raise and appropriate the sum of Two hundred thousand dollars (\$200,000) to purchase 195 Park Avenue, Contoocook, NH, Tax Map 000025 and Lot 000002 for the costs associated with that purchase. In addition, to see if the School District will vote to raise and appropriate the sum of not more than Twenty-five thousand dollars (\$25,000) for the architect and engineering design of a renovation and expansion of the property to accommodate the School District Administrative Unit (SAU) Officers. This special article is a special warrant article per RSA 32:3 VI(d) and RSA 32:7 V.

Mark Zankel seconded the motion.

Discussion –

Don Houston expressed that, with the pressure to have the tax rate flat, if we take this item out it would get the tax rate down .36, and it would get the tax rate down to a .12 increase, allowing the ability to have the safety item that we all need and want to be done. He understands that a lot of people believe that the SAU office needs to be improved but he doesn't think this is the time for it to be done, there are other options like building a whole new building, on school grounds. He believes this idea would be a better option, it would be in a better location, with more room, and a brand-new facility. He believes the building that is being proposed is going to need to be totally modified to meet their needs. He expressed that giving a building \$600,000 and asking them to build a new, no-frills ranch, they would get what they want and need.

Mr. Belanger argues that this offer is still \$615,000 versus the \$1.7M that was initially proposed and that given the comments of the current owners, the Boys & Girls Club, and their interest in reinvesting that money into the schools, this is a very good opportunity.

Mr. Houston asked why wouldn't the Boys & Girls Club reinvest the money back into the schools, no matter who bought the property? They are still getting a service out of it.

Mr. Traum said that that question was asked to the Executive Director of the Club and he said he'd have to take it back to the board, but he thought probably that would be the case.

Mr. Wuellenweber agreed that the SAU building does need to be addressed, but that with the school being on a warning status, going towards probation, this isn't the year to be putting \$200,000 into a property that's insufficient in space, lot size, and not in good condition.

Rich Houston added that he took a tour of the property and he was surprised at the condition of it, it's a very old building that would be needing to be totally stripped to its studs. He believes that if that property is to be considered, the building should be torn down and start fresh. Mr. Wuellenweber agreed.

DELIBERATION BY BUDGET COMMITTEE, continued

Debbie Norris agreed that the current SAU building is unacceptable for the kind of work that's going on. She is not sure that this is the correct purchase. She agrees that the focus needs to be on safety. She would like to have seen more time, more discussion, and more involvement, with our group. She wants it known that she does support the need for another SAU building, the administrative individuals should be in a better environment. She also shares the concerns of the taxpayers, of what the unknown costs are going to be after the purchase of this property, to make it suitable. She wants to leave it to the voters.

Mr. Belanger wanted to highlight that work has been done, over the past few years, to look for property and that their recommendation is that this would be an ideal location for what they are looking to provide for administration.

Further discussion took place, among the Board, regarding other available land that could be considered, that the school owns already, that is more suitable for a SAU building.

Mr. Belanger explained that Mr. Chamberlin had only heard about this at a meeting he recently attended. There has been no discussion that has taken place about this.

Mr. Chamberlin replied that the site survey does support enough room for 3,000 sq./ft facility, the parking needed. He reinforced that spending \$25,000, for design, can't be done without first purchasing the property.

Ms. Bogart does not feel that this is the time, simply because the taxpayers need a break. The town increase and the school increase will be enough for this year. She reinforced that this is the Budget Committees recommendation and on March 10 the voters will have their say.

Mr. Zankel asked if the Boys & Girls Club are currently paying taxes?

The response wasn't clear, but the thought was that they don't.

Mr. Zankel explained that it is conceivable that the property could be sold to a private buyer or business and could come back on the tax rolls. If it went to the school, there would be no change. He feels that the opportunity for this property, at this price, even as an investment, would be a good idea. *There was no further discussion. A vote was taken and not approved 2-7.*

Matt Belanger moved that the Budget Committee recommend Article VII: To see if the School District will vote to establish a Building Renovation and/or Expansion Capital Reserve Fund under the provisions of RSA 35:1 for the purpose of renovating or adding to School District Property and to raise and appropriate the sum of One dollar (\$1) to be placed in this fund. Further, to name the School Board as agents to expend from said fund.

Mark Zankel seconded the motion. Discussion took place about if this \$1 would be amended to another amount to be invested in the schools and if it could be amended to purchase the Boys & Girls Club property? Michelle Clark explained that the intent of the article cannot be changed, so the Boys & Girls Club purchase in this article would not be the intent.

There was no further discussion. A vote was taken and approved 9-0.

Matt Belanger moved that the Budget Committee recommend Article VIII: To see if the School District will vote to raise and appropriate the sum of One hundred thousand dollars (\$100,000) for the purpose of a General Contingency Fund to meet the cost of unanticipated expenses that may arise during the year and to expand said fund or to make any other action in relation thereto.

Ginni Haines seconded the motion.

Discussion – What are the implications if this article were not to pass?

DELIBERATION BY BUDGET COMMITTEE, continued

Mr. Chamberlin explained that this contingency is earmarked in the case of unanticipated, increased enrollment and some benefit support. He said that if this is not used, it is returned to the town. He explained that last year at this time we had 3 children out of district, this year we have 15. If this contingency fund wasn't available, we would have not been able to meet our unreserved fund balance requirements. He explained that he is going to recommend at the next School Board Meeting, for the first time he can remember, pulling \$85,000 out of the Special Education Trust Fund. It's been an extraordinary year, with traumatic, complex students, that our only way to keep them and others safe, is to personalize and deliver a unique program.

Ms. Norris also wanted to recognize that we are getting less in State funding and these expenses are falling on the taxpayers.

Rich Houston believes that if the taxpayers knew these circumstances, they would understand the need for increases. Mr. Zankel agrees that this information could be shared with the voters, in a respectful way to those impacted, so that they know why the increase is necessary. *There was no further discussion. A vote was taken and approved 9-0.*

Matt Belanger moved that the Budget Committee recommend Article X: To see if the School District will vote to raise and appropriate up to One dollar (\$1) to be added to the Special Education Expandable Trust Fund (Educating Educationally Disabled Children Trust Fund if Article IX does not pass), established March 19, 2005.

Ken Traum seconded the motion. There was no further discussion. A vote was taken and approved 9-0.

Matt Belanger moved that the Budget Committee recommend Article XI: To see if the School District will vote to raise and appropriate up to Ten thousand dollars (\$10,000) to be added to the Replacing School District Vehicles Capital Reserve Fund, established March 6, 2010, and authorize the School Board to transfer up to Ten thousand dollars (\$10,000) from the year end undesignated fund balance (surplus) available on June 30, 2018, or to make any other action in relation thereto.

Ken Traum seconded the motion. There was no further discussion. A vote was taken and approved 9-0.

APPROVAL OF BUDGET COMMITTEE MEETING MINUTES – JANUARY 31, 2018

Mark Zankel moved to approve the meeting minutes from January 31, 2018. Ken Traum seconded the motion. There was no discussion. A vote was taken and approved 9-0.

ADJOURN

Ken Traum motioned to adjourn at 10 pm. Mark Zankel seconded. There was no discussion. A vote was taken and approved 9-0.

Respectfully submitted,
Tammy Clay