



Town of Hopkinton

Budget Committee

330 Main Street, Hopkinton NH 03229-2627 - (603) 746-3170 – www.hopkinton-nh.gov

**BUDGET COMMITTEE
PUBLIC MEETING MINUTES
Wednesday, January 10, 2024
APPROVED 1/24/2024**

CALL TO ORDER:

Budget Committee Chair Jonathan Cohen called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, January 10, 2024, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

Budget Committee

Members Present: Jonathan Cohen, Christa Scura, Debbie Norris (via Zoom), Mark Zankel, Rich Houston, Steve Reddy, Rob Nadeau, Ken Traum, Don Houston, and Victoria Bram

Staff Present: Neal Cass-Town Administrator

APPROVAL OF PUBLIC MEETING MINUTES

Mr. Traum moved to approve the public meeting minutes of December 13, 2023. Mr. Nadeau seconded the motion.

All members voted yes. Motion passed 10-0.

Mr. Reddy moved to approve the public meeting minutes of December 6, 2023. Mr. Traum seconded the motion.

All members voted yes, except Ms. Bram who abstained. Motion passed 9-0-1

HOPKINTON SCHOOL DISTRICT BUDGET PRESENTATION

Mr. Nadeau presented the proposed Hopkinton School District 2024-2025 budget.

Mr. Nadeau outlined the budgeting philosophy of the district used to prepare this budget.

- Impact on all stakeholders: students, staff, and community
- Improved operations: Structure, organization, and accountability
- Reducing surplus: Cost effectiveness and strategic plan.

The School District uses a compilation of different budgeting methods.

There are five budgeting goals for 2024-2025.

- Strive for level funding on operational expenses (excluding salary and benefits).
- Continue to move away from large fund balance.
- Establish long-term planning.
- Maintain tax rate stability.
- Evolving budgeting philosophy.

There are three key budget drivers.

- Salary/Benefits – contractually obligated
- Transportation – in part required by law.
- Special Education – required by law.

Class Size - Anticipated

Grade Level	Number
PK	50
K	54
1	58
2	63
3	65
4	77
5	65
6	76
7	64
8	100
9	71
10	68
11	78
12	74
	963

In preparing the budget, the following projected enrollment number were used:

- Harold Martin (pre-k to grade 3) projected 290 – up 3 from this year.
- Maple Street (grades 4-6) projected 218 – no change from this year.
- Middle/High School (grades 7-12) projected 455 – up 10 from this year.
- Total District-wide enrollment is estimated at 963.

The overall operating budget proposal is for an appropriation of \$26,600,686, an increase of \$1,707,762 (6.86%). This equates to a \$1.70 per thousand tax rate increase.

Mr. Nadeau presented the following slides outlining the proposed budget changes in the specific areas of the budget. These areas include salaries and benefits, transportation, special education, facilities excluding utilities, technology, individual schools, athletics, and the SAU budget.

Salaries and Benefits

Increases: Salary

- \$395,408

Increases: Benefits

- \$720,401
contractual and market driven

Current Budget	Proposed Budget	Difference	Percentage Change
\$18,770,759	\$19,886,568	\$1,115,809	5.94%

Transportation Budget Changes

New Contract

Does not include special education transportation

Services Include

- Regular Education
- Athletics
- Field Trips
- Concord Regional Technical Center

Current Budget	Proposed Budget	Difference	Percentage Change
\$752,817	\$869,679	\$116,862	15.52%

Special Education Budget Changes

Major Increases

- Private School Tuition
 - \$145,971
- Contracted Services
 - \$70,800

Transportation

- \$295,447

Current Budget	Proposed Budget	Difference	Percentage Change
\$1,034,038	\$1,556,871	\$522,833	50.56%

Facility Budget Changes (excluding utilities)

Major Increases

- Annual Evaluations
- Supplies
- Repair and maintenance

Current Budget	Proposed Budget	Difference	Percentage Change
\$527,253	\$561,739	\$34,486	6.54%

Technology Budget Changes

Changes

- Reevaluation of replacement plan

Current Budget	Proposed Budget	Difference	Percentage Change
\$275,265	\$274,590	(\$675)	-0.25%

HMS School Budget Changes

Changes

- Reduction in supplies
- Reclassification of curriculum

Current Budget	Proposed Budget	Difference	Percentage Change
\$99,258	\$80,050	(\$19,208)	-19.35%

MSS School Budget Changes

Changes

- Non-renew IXL math program
- Reduction in supplies

Current Budget	Proposed Budget	Difference	Percentage Change
\$63,764	\$51,216	(\$12,548)	-19.68%

HMHS School Budget Changes

Changes

- Non-renew Substance Abuse Prevention program (moved in-house)

Current Budget	Proposed Budget	Difference	Percentage Change
\$336,598	\$303,208	(\$33,390)	-9.20%

Athletics Budget Changes

Changes

- Travel and fees

Current Budget	Proposed Budget	Difference	Percentage Change
\$202,950	\$206,150	\$3,200	1.58%

SAU Budget Changes

Major Increases

- Fees for financial system
- Professional development for Assistant Business Administrator

Current Budget	Proposed Budget	Difference	Percentage Change
\$1,622,117	\$1,636,276	\$14,159	0.87%

Mr. Nadeau noted several items:

- The transportation costs are part of a new 5-year contract. Last year the District reduced from 8 bus routes down to 7. The numbers include athletics and fields trips.
- Special Education costs are driven by a student’s Individual Educational Plan (IEP).
- Curriculum costs at both HMS and MSS have been reclassified under curriculum.
- The SAU increase is due to professional development for the new Assistant Business Administrator position.

The staffing budget changes were presented.

- The budget includes a one-year Assistant Business Administrator position to facilitate the transition as Michelle Clark will retire at the end of June 2024. The cost of this position is equal to the cost of the eliminated teacher at HMS plus \$34,104.46.
- The reduction of a teacher at Maple Street School saved \$136,168. The reduction is in line with the class size policy.
- \$199,210 has been added to the proposed budget to cover costs previously funded by grants.

Staffing comparison – Full Time Employees

Hopkinton Budget Committee Meeting – January 10, 2024

FTE	2023-2024	2024-2025
District	19.65	20.65
Harold Martin	58.59	58.16
Maple Street	42.11	41.47
Middle School	30.54	31.05
High School	45.56	45.67
Total	196.45	197

Salary/Benefit Snapshot Comparison

	23/24 Approved	24/25 Round 1	24/25 Round 2	Increase/Decrease	% by Category	% Overall Budget
SAU66	\$1,622,117	\$1,776,507	\$1,686,276	\$64,159	4.02%	0.28%
Curriculum	\$154,188	\$213,770	\$208,670	\$54,482	2.03%	0.01%
Special Education	\$1,034,038	\$1,757,959	\$1,556,871	\$522,833	11.09 %	2.23%
Technology	\$275,265	\$319,090	\$274,590	-\$675	-0.25%	-----
Facilities	\$926,359	\$1,033,524	\$939,458	\$13,099	1.41%	0.06%
HMS	\$99,258	\$95,505	\$80,050	-\$19,208	-19.35%	-0.08%
MSS	\$63,764	\$54,716	\$51,216	-\$12,548	-19.68%	-0.05%
HMHS	\$336,598	\$354,528	\$303,208	-\$33,390	-9.92%	-0.14%
Athletics	\$202,950	\$220,150	\$206,150	\$3,200	1.58%	0.01%
Operations Total	\$4,714,537	\$5,825,749	\$5,306,489	\$591,952	12.56%	2.52%
Salaries	\$11,924,240	\$12,515,729	\$12,319,648	\$395,408	3.31%	1.68%
Dental	\$275,611	\$292,754	\$286,934	\$11,323	4.11%	0.05%
Retirement	\$1,912,685	\$1,990,612	\$1,959,099	\$46,414	2.43%	0.20%
Healthcare	\$3,431,496	\$4,153,557	\$4,056,969	\$625,473	18.23%	2.66%
FICA	\$917,506	\$961,811	\$945,215	\$27,709	3.02%	0.12%
LTD,HRA,WC, UNEM	\$309,221	\$363,710	\$318,703	\$9,482	2.87%	0.04%
Total Salaries/Benefits	\$18,770,759	\$20,278,173	\$19,886,568	\$1,115,809	5.94%	4.75%
Total Operations	\$4,714,537	\$5,825,749	\$5,306,489	\$591,952	12.56%	2.52%
Total Budget	\$23,485,296	\$26,103,922	\$25,193,048	\$1,707,761	-----	7.27%

Note: there is an additional amount (\$1,407,628) that gets funded for food service, grants, federal projects - needs to be voted on but gets paid through other sources

The proposal includes use of \$750,000 from other funds to offset the expenses as follows:

Article X	\$400,000
Fund Balance	\$150,000
Benefit Trust	\$200,000

The overall operating budget proposal is:

Overall Budget Proposal

\$26,600,686

Current Budget	Proposed Budget	Difference	Percentage Change
\$24,892,924	\$26,600,686	\$1,707,762	6.86%

Tax rate impact of \$1.70

Budget Committee members proceeded to ask questions.

- Mr. D. Houston asked for an elaboration on the grant-funded staffing positions. Mr. Nadeau said that both Title I and IDFA grants are based on “Free & Reduced” lunch usage. Also, the ESSR funds are approaching their end. The increase in this area is not due to an increase in spending, but a decrease in revenue and the change is split between Title I/IDFA and ESSR.
- Responding to a question from Mr. Traum, Mr. Nadea said that the Assistant Business Administrator total cost is the additional \$34,104 in the budget plus the \$97,146 savings from one less teacher at HMS for a total of \$131,250. This is a one-year position for the transition.
- There was discussion last year about moving to level staffing and Mr. Reddy ask whether the bubble in one class will require an additional teacher. Mr. Nadeau replied that there are classes available at the Middle/High School so the bubble can be absorbed without additional staffing.
- Mr. Reddy also asked about transportation cost and whether there had been consideration given to owning buses rather than contracting out for this service. This would also require the District hiring staff and this would be difficult.
- Mr. R. Houston asked if the number of students with IEPs fluctuates and if there are more outplacement to meet the IEPs. The level stays fairly constant.
- Responding to Mr. R. Houston, Mr. Nadeau said that the number of positions moving from grant funding to the operating budget is 4 partials and one half for a total of 1.25 FTEs. He noted that Covid funding provided a change to expand roles to what they should be and now the buildings are running more efficiently with full-time employees.
- Mr. Zankel stated that he hears there is a perception that Hopkinton is especially supportive of special education students, and he wondered how much flexibility there is with an IEP to provide more or less services. Mr. Nadeau explained that IEPs are drafted by a team of service providers and there are some nuances to what services are provided, but those decisions are made by the team.
- Mr. Cohen asked about private school tuition. Mr. Nadeau said that this cost covers both the cost of the outplacement and the associated transportation.
- Enrollment currently is 951 and is projected to be 962 next school year.
- Responding to a question from Ms. Scura, Mr. Nadeau said that Business Administrator Michelle Clark negotiates the best price for special education transportation, but the options are limited.
- Mr. Reddy asked whether staff should be paying a higher percentage of their health care costs. Mr. Nadeau said this will be discussed during the next contract negotiation. He

Hopkinton Budget Committee Meeting – January 10, 2024

noted that the new HESS contract includes language to be able to negotiate health care during the contract.

- Ms. Bram asked if potential savings from retirees is included in the budget and if there is savings, whether the School Board would support adding funds to Article X instead of spending it on other items. Mr. Nadeau said that retirees don't have to commit until March 1 which is after all the budget planning is complete. He asked the Budget Committee whether they prefer these funds to go toward funding CIP costs or Article X. The hope is to get into a cycle where both can be done.
- Mr. Zankel suggested that it would be clearer if the total cost of the Assistant Business Administrator was presented and then the offset shown.
- Mr. Cohen noted that a teacher position at Harold Martin School was eliminated, meaning a loss of two teachers with more students. Mr. Nadeau said that this matches the number set out in the class size policy. He noted that the School Board decided that it is fiscally responsible to let class size dictate the number of teachers.
- Ms. Scura thanked the School Board for putting the class size policy in place to give a framework for staffing.
- Answering a question from Ms. Bram, Mr. Nadeau said that the School Board hasn't decided if the purchase of new servers should come from the Technology Trust, but in general the policy is for operating expenses to come out of the operating budget.

Mr. Nadeau reviewed the proposed Warrant Article with the Budget Committee.

Article V. raises \$350,000 to be added to the Building Repair and Maintenance Expendable Trust Fund. Mr. Nadeau said that it has been determined that \$425,000 annually should go into this fund. The will incrementally be increased to reach this amount in future years. How to fund this article hasn't been finalized, but most likely \$200,000 will come from fund balance and \$150,000 will come from taxation. Mr. Zankel questioned why the full \$425,000 wasn't requested. This question will be brought back to the School Board. Mr. Nadeau said that the ultimate goal is to have this be a level amount each year.

Article VI. adds \$20,000 to the Vehicles Capital Reserve Fund.

Mr. Nadeau said the estimated tax rate increase with the operating budget and warrant articles is about \$1.90 per thousand.

The Budget Committee made further comments and asked questions.

- Ms. Scura asked if the District could run its own special education transportation. Superintendent Flynn said that this service has to come from an approved provider.
- Mr. R. Houston asked if there had been savings on electricity and Mr. Nadeau said he would check on this.

Mr. Nadeau asked for any thoughts on the revenue side and Mr. Zankel said that he likes the split between fund balance and taxation.

Mr. Nadeau presented an overview of the HESS negotiations. He reviewed the specific items. The contract is estimated to have the following tax impact:

- Year 1 \$0.35/thousand
- Year 2 0.11/thousand

- Year 3 0.11/thousand

This contract moves the dental benefit to be in line with other district employees.

Mr. Nadeau said he appreciates the school's relationship with the Budget Committee and likes living in a town where good discussions can take place.

Public comment on the school district presentation was received by the Budget Committee.

- Dave Feller asked about special education transportation inquiring about the number of students and the total amount. The number of students won't be shared to protect the privacy of students and Mr. Nadeau will obtain the total cost number.
- Mr. Feller also shared his concern about the 140% usage ratio of the health insurance. He wants the School Board to look at ways to drive the claims ratio down by helping employees to become good consumers.
- Loren Clement made several comments:
 - There are still some ESSR funds left.
 - Special Education is up \$500,000. He questioned whether there is any Medicaid reimbursement for the additional costs.
 - Stated that in 20/21 the school budget was \$20.0 million and has risen by \$6.5 million over four years.
 - He is concerned about the impact on taxpayers and questioned whether tax stability is being maintained.
- Rita Blanchard noted that the \$1.7 million increase doesn't include warrant article so the increase will be over \$2.0 million.
- Norm Goupil said that there were healthcare savings when the District changed plans and went to pay 100% of the cost, but now the District is seeing the ramifications of this.
- Rita Blanchard advocated for SB2.

Ms. Scura said that we need to not encourage people to not get healthcare. This costs more in the long run. There should always be consideration that health insurance also folks to get health care.

Ms. Bram asked whether there is someone in the District that helps employees manage all the services and wellness things provided by HealthTrust. Mr. Nadeau said that there is.

Public comment continued:

- Elizabeth Sides applauded that school employees have good benefits. She also said that the anger toward the cost of special education is sad.
- Loren Clement said that healthcare is neglected because of high taxes.

Ms. Bram asked whether there are additional ESSR funds and Mr. Nadeau said that there is \$36,000 left, but this does not affect the proposed budget as they have to be expended by September.

Mr. Zankel requested the amount of offsetting Medicaid money related to the \$500,000 special education increase.

TOWN BUDGET UPDATE AND DISCUSSION

Mr. Traum said there are no changes to the proposed budget and there will be final 2023 numbers in a couple of weeks.

The Budget Committee asked questions and made comments about the town budget.

- Ms. Norris asked for an explanation of the proposed staffing change at the Transfer station with one of the part-time positions being changed to a full-time position. Mr. Traum said the Select Board is hoping for more compliance. Mr. Houston supports this.
- Mr. Reddy said he thinks there are issues at the Transfer Station, and he want increased management there. He requested reports from NRRRA and the Waste Reduction Committee.
- Mr. Zankel Asked if there is anything similar to the School Foundation for the town. There is not and he suggested that there are CIP projects that could include at least some funding from private sources.
- Mr. R. Houston asked what happens when the second ambulance cannot respond, and Mr. Traum responded that the call is handled by mutual aid.
- Mr. Reddy asked about Impact Fees and Mr. Traum said some information will be gathered and taken to the Select Board for review.

CONTOOCCOOK VILLAGE PRECINCT FINANCIAL UPDATE & BUDGET

Mr. D. Houston said that there is nothing new to report.

HOPKINTON VILLAGE PRECINCT BUDGET

Ms. Bram presented that the Hopkinton Village Precinct is proposing a \$500 increase for buildings to go toward the fire station roof. She also noted that installing meters for the water customers would cost them \$1,000 per household.

PUBLIC COMMENT

Loren Clement asked about the precincts streetlights and whether they could be converted to LED. Mr. D. Houston said the CVP is looking into converting theirs.

OTHER

Mr. Cohen said that he is mindful of the increases but hasn't seen areas where things should be changed.

Mr. d. Houston said he would like to see the School District use \$200,000 from the fund balance. There was a consensus of the Budget Committee that they would like to see this happen.

The Committee determined that the next meeting will be on Wednesday, January 24, 2024, to determine the budgets that will be sent to the Public Hearing on Wednesday, February 7, 2024.

There being no further business, the meeting was declared adjourned at 8:12 p.m.

Respectfully submitted,

Neal Cass
Town Administrator