

**TOWN OF HOPKINTON BUDGET COMMITTEE**  
**Minutes of the Public Hearing on all the Budgets**  
**Town, School, Hopkinton and Contoocook Village Precincts**  
**Wednesday, February 6, 2019**  
**\*Approved\***

**BUDGET COMMITTEE MEMBERS IN ATTENDANCE**

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

**BUDGET COMMITTEE MEMBER NOT PRESENT**

Mark Zankel.

**PUBLIC PRESENT**

There were about 100 members of the community present.

**CALL TO ORDER**

Janet Krzyzaniak called the Public Hearing, held in the auditorium of Hopkinton Middle/High School, to order at 6:38 p.m. The Pledge of Allegiance was led by George Langwasser.

Mrs. Krzyzaniak announced that the delay in the start of the meeting was due to an error found in the January 30, 2019, minutes. She explained that the Budget Committee was taking the amount to be raised by taxes from the School Operating Budget, which was \$986,943. The intention was to take 4% of that amount. After that is subtracted from the \$986,943, we have a reduction of \$441,071. What was reported, in error, by one of our Committee Members, was \$421,069. She explained that the school has used the figure \$441,071, instead of the \$421,069, which is about a \$20,000 difference.

**OVERVIEW AND RECOMMENDATIONS– Janet Krzyzaniak, Budget Committee Chair**

Janet Krzyzaniak began the Public Hearing with an overview of all the components of the budget, including warrant articles, and explained that representatives of each of the various committees and boards would be providing a detailed overview of their respective budgets. She explained that the audience would have the opportunity to ask questions at the end of each presentation. She explained that at the conclusion of all the presentations, the Budget Committee will begin their deliberations and then take their final votes on the various budgets and warrant articles. Mrs. Krzyzaniak began her presentation:

**The role and duty of the Hopkinton Budget Committee:**

According to RSA 32:1 it explains that the purpose of the Budget Committee is “to assist voters in the prudent appropriation of funds.”

The relationship between the Budget Committee, School District, and Select Board creates some natural tensions, as each governing body and its respective Department Heads often request larger budgets to better perform the functions they are charged with. As a result, the Budget Committee is tasked with reconciling these appropriation requests to maintain a manageable tax load.

**The Budget has six components:** Contoocook Village Precinct, Hopkinton Village Precinct, County, Municipal, School District, and State Education. The Village Water Precinct budgets only impact their respective residents. The County and State Education obligations are mandatory.

## **OVERVIEW AND RECOMMENDATIONS – Janet Krzyzaniak, continued**

At the start of the 2019 budget cycle, the Budget Committee discussed and communicated a non-binding target to each management team to strive for an overall budget that reflected not more than a 2%-4% total increase. Mrs. Krzyzaniak shared that the budget being recommended by the Budget Committee at their previous Budget Committee Meeting, held on January 30, 2019, reflects a 3.4% total increase.

Mrs. Krzyzaniak explained that the goal is to provide residents with transparency, clarity, and simplicity. She continued with the key components of the entire budget, with the focus on the funds to be raised and the resulting impact on the tax rate.

### Contoocook and Hopkinton Village Precincts

- The Contoocook Village Precinct is forecasting a \$0.01 increase on the tax rate, bringing the total tax impact to \$2.11/\$1,000.
- The Hopkinton Village Precinct is forecasting a \$0.02 decrease on the tax rate, bringing the total tax impact to \$0.43/\$1,000.
- Only those residents who live in one of these two village precincts are impacted by this tax.
  - ❖ The Budget Committee recommends the Contoocook Village Precinct Budget with a vote of 9 yes, 1 abstention.
  - ❖ The Budget Committee recommends the Hopkinton Village Precinct Budget with a vote of 7 yes, 1 no, 2 abstained.

### County Appropriations

- The total County obligation is estimated to be \$1,900,202.
- The resulting amount to be raised locally is \$1,900,202.
- There is no expected increase on the tax rate.
- The total tax rate is estimated to be \$3.06/\$1,000.
  - ❖ This is a mandatory budget item that is not subject to a vote at Town Meeting. The Budget Committee does not vote on this appropriation.

### Municipal Budget

The total Municipal Budget includes:

- Operating Budget
- Two (2) Warrant Articles

Impact:

- Total funds to be raised and appropriated are \$7,282,386.
- After Revenues are applied, the resulting amount to be raised by taxes locally is \$4,759,894.
- This is an increase of \$180,659, or a 3.95% increase.
- The total tax rate will be \$7.66/\$1,000.
- This is a net increase of \$0.30/\$1,000 on the tax rate.
  - ❖ The Budget Committee recommends this budget by a unanimous vote, 10-0.

There are two municipal warrants being put forth and their combined impact is \$0.87/\$1,000. This is already reflected in the Municipal Budget.

- ❖ The Budget Committee will vote on both warrant articles, at the conclusion of this meeting, after hearing input from the residents.

## **OVERVIEW AND RECOMMENDATIONS – Janet Krzyzaniak, continued**

Mrs. Krzyzaniak recognized the efforts of the various Department Heads and the Select Board in making cuts of almost \$380,000 to their original budget requests to deliver a budget in line with the guidelines recommended by the Budget Committee.

### **School District Budget**

The total School District Budget includes:

- Operating Budget
- Four (4) School District Warrants
- State Education obligation

Impact:

- Total funds to be raised and appropriated are \$20,717,482.
- After revenues are applied, the resulting amount to be raised by taxes locally is \$14,192,673.
- This is an increase of \$545,872, or a 4% increase.
- The total tax rate will be \$25.21/\$1,000. This is an increase of \$0.88/\$1,000 on the tax rate. This amount includes the mandated State Education obligation of an increase of \$0.01/\$1,000.

Important considerations:

- Does not include the warrant for the Facility Project.
- The Budget Committee recommendations is not a reduction to the current Operating Budget. It is a smaller increase to the budget than what the School Board originally requested.
  - ❖ The Budget Committee recommends a budget of \$14,192,673 with a vote of 6 yes, 4 no.

Mrs. Krzyzaniak explained that this year, the School District's requested increase to be raised by taxes was just under \$1M, or a 7.2% increase. It is important to note that this follows an increase in last year's total operating budget of \$1.4M, and that last year's budget increase was almost \$2M, but it was offset by the retiring of a \$553,000 bond, which reduced the net impact. The increase to the School District budget in 2017 was \$890,000.

Mrs. Krzyzaniak explained that the Budget Committee believes another \$1M increase to the total operating budget is not reasonable, given the significant increases in recent years and considering the pending warrant for the Facility Project. Except for the School Board representative, the entire Budget Committee agreed that the requested budget was too high. The Budget Committee ultimately voted to reduce the School District's requested Operating Budget by \$441,071. The resulting amount of new money to be raised is \$545,872, which is a 4% increase on taxes to be raised for the School District.

Mrs. Krzyzaniak explained that the Budget Committee is not recommending a reduction to the current year budget. They are recommending a smaller increase than what was requested by the School Board, a decrease to the increase.

- ❖ The Budget Committee recommends the lower budget with a vote of 6 yes, 4 no.

### **Impact of the School District Warrant Articles**

There are four School Warrant Articles that will be presented later in these minutes.

- ❖ The Budget Committee will vote on these warrant articles, at the conclusion of this meeting, after hearing input from the residents.

### **School District Warrant Article: Facilities Project**

The Warrant Article for the School Facilities Project seeks to address:

- Renovations and an addition to the Harold Martin School.

## **OVERVIEW AND RECOMMENDATIONS – Janet Krzyzaniak, continued**

- Renovations to Maple Street School and Hopkinton Middle/High School.

### Impact:

- Total funds to be raised and appropriated are \$9,796,692. This will be done via a 20-year bond.
- The resulting amount to be raised locally in 2020/2021 is \$713,000.
- This is new line item and represents an increase of \$1.15/\$1,000 on the tax rate.
- If this was applied this year, it would represent a 5.2% increase on the current tax rate.

### Important Considerations:

- This warrant is being requested to address significant maintenance issues that have been deferred for years, to add necessary teaching space, improve safety, security, and accessibility at all three of the school buildings.
  - ❖ The Budget Committee will vote on this warrant article, at the conclusion of this meeting, after hearing input from the residents.

Mrs. Krzyzaniak acknowledged the efforts of the many members of our community who have led or participated on the various facilities committees and, Jay Burgess, for his tireless efforts over the past few years to drive and shape this important project.

Mrs. Krzyzaniak explained that the Budget Committee supports the issuing of a warrant article to address the long-deferred maintenance needs of all three of the school facilities. The Budget Committee is addressing the Facilities Project to ensure transparency on the impact this will have next year and to give clarity as to why the Budget Committee sought to lower the increase in the School District Operating Budget this year.

Mrs. Krzyzaniak explained the Warrant Article, as written, will result in an annual payment of approximately \$713,000 beginning in 2020 to be paid over 20 years. The tax rate impact is an increase of an estimated \$1.15/\$1,000.

- ❖ At the end of the Public Hearing, the Budget Committee will vote this warrant article up or down. The Budget Committee cannot change the amount of the warrant or its focus. Any changes would have to be requested by a resident during the School District Meeting.

### Summary: Total Impact to Tax Rate

The proposed budget increase is \$734,047, or 3.4% over the current year. This represents an increase of \$1.19/\$1,000 and would bring the total estimated tax rate to \$35.93/\$1,000. This estimated total tax rate includes the Budget Committees recommended School District Operating Budget, the Municipal Budget, and the County Obligations. It also assumes that all Warrant Articles will pass, as proposed. It does not include the tax impact of either village precincts nor does it include the estimated impact of the Facilities Project warrant.

Mrs. Krzyzaniak explained that if the higher School District Operating Budget, requested by the School Board had been accepted, the total tax rate would have become \$36.64/\$1,000, which represents an additional \$0.71/\$1,000.

### This budget seeks to achieve the following:

- Proactively manage the School Budget this year, in recognition of the additional budget demands the Facilities Project will bring next year.
- Address continuing NEASC concerns regarding our school facilities.
- Establish a sustainable balance between the budget expectations of the School District and the Municipal Budget.

**OVERVIEW AND RECOMMENDATIONS – Janet Krzyzaniak, continued**

- Take both a near-term and longer-term view of the impacts of each decision.
- Recommend a budget that balances the needs of the entire town, recognizes and seeks to retain the diverse economic and generational mix, and attempts to slow down the growth of the already high tax burden borne largely by our residents.

**PRESENTATION - 2019 HOPKINTON VILLAGE PRECINCT BUDGET – Candace Youngman**

- Operating Budget Appropriations \$108,268
- Special Warrant Article \$ 99,000
  - Total appropriations \$207,268
- Less Amount of Estimated Revenues (\$190,278)
- Estimated Amount of Taxes to be Raised \$ 16,990

Mrs. Youngman explained that the estimated amount to be raised by taxes is a reduction from last year of approximately \$449. The estimated impact on taxes, if you live in Hopkinton Village Precinct, is a decrease of \$0.02, to \$0.43/\$1,000 from \$0.45/\$1,000. Mrs. Youngman explained that the Hopkinton Village Precinct Annual Meeting is on March 21, 2019, at 7:30 pm, at the Hopkinton Town Hall.

**QUESTIONS – regarding the Hopkinton Village Precinct Budget**

Dulcie Madden Lipoma asked what the \$99,000 bond was going to address in the water system. Mrs. Youngman explained that the 96 homes in the precinct that are on the water system got a letter in the mail, explaining that the State has required some mandatory upgrades to the water system. The \$99,000 is what the amount being appropriated in the Warrant Article, that will be voted on March 21, 2019, for the use to upgrade those systems. Mrs. Youngman explained that this bond would only impact the people on the water system, it will not affect the precinct tax rate. The people that are on the water system will have an added fee to their water bill. She believes this would be a 20-year bond.

**PRESENTATION – 2019 CONTOOCCOOK VILLAGE PRECINCT BUDGET –Don Houston**

- The Contoocook Village Precinct serves 600 customers.
- The Contoocook Village Precinct Annual Meeting is on March 21, 2019, at 7:00 pm, at the Slusser Center.
- There is one project they will be addressing this year – replacing a drainage line from the 300,000-gallon tank on Main Street, estimated cost \$91,000.
- The Precinct has a warrant to raise \$250,000, again this year, to add to the Capital Reserve Account for a future tank replacement on Bound Tree Road. That account currently has a balance of \$564,402.
- The Operating Budget of \$233,456 is up \$1,050 this year, or 0.4%.
- Total appropriations recommended is \$483,456, up \$1,050 from last year.
- Estimated Amount of Taxes to be raised is \$274,406, an increase of \$1,050.
- The Tax Rate Impact is an increase of \$0.01 to \$2.11/\$1,000.

There were no questions asked.

**PRESENTATION – 2019 TOWN OF HOPKINTON BUDGET – Ken Traum**

Ken Traum, Vice Chair of the Select Board and Select Board Representative to the Budget Committee, thanked his fellow Select Board members, members of the Budget Committee, and members of the Capital Improvement Program (CIP) Committee for all the work that they’ve done, during this tough budget year. He explained that the Town could not operate as well as it does without the invaluable

**PRESENTATION – 2019 TOWN OF HOPKINTON BUDGET - Ken Traum, continued**

assistance of volunteers and all the citizens that are concerned enough to come out and listen. He also thanked the Department Heads and Town employees.

Ken Traum explained that the budget process for the Town started this past summer when the Select Board set a goal for an increase of no more than 2%-4%, while continuing to meet the Town’s needs and planning for the future. With this direction, the Department Heads prepared their budget requests. They then met with the Town Administrator and Finance Director to review the requests. The Department Heads then held a “Budget Summit” to review all the requests and the overall impact. The Department Heads presented their Capital requests to the CIP Committee. The Select Board met with each Department Head to review the requests, during that process the Select Board asked and answered many questions to get the real needs of the Town and of the Departments. The Select Board reviewed the CIP Committee’s recommendations and tried to prioritize Town needs, and balancing needs with affordability. To date the Select Board, with great difficulty, cut the Department Head’s requests by \$79,089 and the CIP Committee’s recommendations by \$300,000, trying to reach a balance between needs and affordability. The Select Board was able to use \$135,000 from the fund balance to offset taxes, unfortunately that is \$203,000 less than we were able to use last year.

Final Results Summary (net change in the impact on tax)

Operating Revenue and Expenses	\$145,530		3.71%
CRF/Trust Fund Funding	(\$118,000)		
Individual Warrant Articles	(\$ 30,000)		
Use of Fund Balance	\$195,000		
2019 Estimated to be raised by taxes	\$4,759,894	+\$180,659	3.95%
2019 Estimated Town Portion Tax Rate	\$7.66/\$1,000	+0.30	3.95%

Numbers

REVENUE

Estimated Revenues	\$3,211,492	+\$ 13,442	0.41%
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Major Drivers

Interest & Penalties on Taxes	(\$20,000)
Motor Vehicle Registrations	\$20,000
Ambulance Charges	\$20,000

Mr. Traum explained the Major Drivers: The decrease in Interest & Penalties is due to more people paying their taxes on time. The increase in MV Registrations, he thanked people for buying new, more expensive vehicles. The Ambulance Charge Increase is due to more efficient billing of insurers.

OPERATING BUDGET

Total Operating Budget	\$7,282,386	+\$158,972	2.23%
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Major Drivers

Town Clerk/Tax Collector PT Wages	(\$31,291)
Merit Wage Pool of 3%	\$70,652
Health Insurance, 4% increase	\$24,429
Paving & Shimming	\$16,000
Debt Payment	(\$17,556)

**PRESENTATION – 2019 TOWN OF HOPKINTON BUDGET - Ken Traum, continued**

Mr. Traum explained: Debt Reduction was due to the Ransmeier Open Space Bond Maturing.

**WARRANT ARTICLES FOR CAPITAL RESERVE FUND AND TRUSTS**

Total Warrant Articles	\$547,000	(\$118,000)	(17.74%)
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**Major Drivers**

Fire Vehicle Replacement	\$45,000
Highway Vehicle Replacement	\$20,000
Police Vehicle Replacement	(\$25,000)
Town Hall Renovations	(\$75,000)
Ambulance	(\$50,000)
Sewer Equip/Sludge Removal	(\$50,000)
Town Facilities Maintenance Trust	\$30,000

Mr. Traum explained the Major Drivers: Fire Engine 2 needs to be replaced in 2020 at a cost of about \$600,000. Highway will be replacing a dump truck, maintenance van, and mower this year. There is \$33,000 in reserve for the replacement of a new police vehicle in 2020. There is \$111,000 in the Town Hall Renovations, they will be used to address accessibility, renovations, and potentially start on parking. The next anticipated ambulance purchase will be in 2024. Sewer, there is \$61,000 in the account, next anticipated expense won't be until 2023 or later. Maintenance Trust is the second half of an installment to address the police department driveway.

**INDIVIDUAL WARRANT ARTICLES**

Total Individual Warrant Articles	\$0	(\$30,000)	100.00%
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Mr. Traum explained: Last year there was \$30,000 relating to Economic Development for a land swap with the State, related to the tax increment district. This has not yet been completed, it's in the hands of the State. The money currently in the account is non-lapsing, it is available to complete the swap.

**USE OF UNDESIGNATED FUND BALANCE**

Total use of Fund Balance to Offset taxes	\$135,000	(\$195,000)	(59.09%)
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Mr. Traum explained: This use of the undesignated fund balance is the area that is very troublesome. The \$135,000 is the estimated maximum that can be used after setting aside the ascribed 5% retainage for 2019. He noted that the \$195,000 decrease, to be raised by taxes, is actually more than the total increase that the Town is seeking.

**SUMMARY OF PROPOSED 2019 BUDGET**

Tax Rate Impact

**TO BE RAISED BY TAXES:**

<u>2018</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
\$4,579,235	\$4759,894	\$ 180,659	3.95%

**TAX RATE:**

<u>2018</u>	<u>2019*</u>	<u>\$ Change</u>	<u>% Change</u>
\$7.36	\$7.66	\$0.30	3.95%

\*Estimated using 2018 actual property valuation

**PRESENTATION – 2019 TOWN OF HOPKINTON BUDGET - Ken Traum, continued**

**QUESTIONS – regarding the Town of Hopkinton Budget**

Sue Strickford asked how to go about adding back in the \$31,291 for the Town Clerk/Tax Collector's (TC/TC) budget. She explained that this money would be needed to pay a Deputy Town Clerk, which each town is required by law to have. We have not had a Deputy since October and luckily, we have not had a crisis that required one. She knows that a person came to get a death certificate for his son and had to wait in the hall with the rest of the people until the clerk got back from wherever he was. There is a law that says we must have a Deputy. It only stands to reason that the Clerk is out of the office at certain times for a meeting, vacation, or sick time. Somebody must be available to take over and they must be a resident of the town. We need to hire somebody and train them how to use the machines, how to process vital records, run HAVA, run motor vehicle – we don't have that right now. She is concerned that the second person in the office, currently, is not a resident of the town and can't be the Deputy.

Sue Strickford asked if the \$31,291 was deleted from the TC/TC Budget because the current Clerk did not show up to present his budget, as Department Heads are required, and therefore, didn't fight to keep the position?

Mrs. Strickford explained that in the many years that she can remember, the Office of TC/TC has been in many separate locations – for her alone, it was first in her home, the Dodd insurance building, the Depot, Johnson & Porter building, Grange Hall, then the Bates Building. While in these buildings, we often had to go to the library vault to research the valuable records. The vault was built when the library was built, it is made with large cement blocks. It is not a moldy cellar, it has a dehumidifier. It was made specifically to store valuable records and was even once cordoned off by the police department because they would keep their evidence on one side of it, before they got their new building. It holds many of the oldest records for our Town. John Archer has inventoried all these records.

Mrs. Strickford explained that the Office of TC/TC needs space – for boxes of ballots, for voting machines, and various other reasons. The Town Hall office is not big enough for this. When general elections are held, there are boxes and boxes of ballots. Those ballots need to be kept secure, they need to be in a safe space. The Bates Building has a bell installed near the back door so they would know if somebody was coming in. Nobody could get into the downstairs vault because it was always locked. The many big books of valuable records need to be kept and kept in a safe location. The Bates Building vault is more secure than the Town Hall will ever be.

Mrs. Strickford shared her concerns about safety of the building - when the office was moved from the Grange to the Bates Building, security was of the utmost concern. The front counter was reinforced with 6-9 inches of steel, cash registers and drawers were always locked with keys, panic buttons were installed at each station - it wasn't that somebody was ever left alone with no security. The decals and plates are very important – we are assigned and charged for each decal – keeping accurate records so that we weren't charged for lost decals. There was only \$100 petty cash kept in the drawer. Deposits were always made by 10 am. With the bank being close by, getting there was easy. This office collects all our money, millions of dollars go through that office, and it needs both space and manpower to have it run smoothly. The current location at Town Hall is too far away from the bank.

Mrs. Strickford explained that she's worked on three committees as to whether the office should be moved, each time it was decided it needed to be close to the bank. Older people pay by cash, they don't pay with credit cards – many don't even have computers; the Town is not just made up of young people.



**PRESENTATION – 2019 TOWN OF HOPKINTON BUDGET - Ken Traum, continued**

**QUESTIONS – regarding the Town of Hopkinton Budget, continued**

Sarah Mattson Dustin asked for clarification of the Deputy Town Clerk Statute.

*Neal Cass explained that the statute says that you are required to have a Deputy Tax Collector, you may have a Deputy Town Clerk. With the combined position, you must have a Deputy.*

Sue Strickford asked who signs a death certificate when the Deputy is on vacation? They need to know how to run the machines. Mrs. Strickford explained that previous employees were not allowed to use the machines.

*Ken Traum explained that the TC/TC could appoint a volunteer as a Deputy when they aren't available. Mr. Traum explained that he assumed the other full-time individual, in the office, is qualified to run the machines.*

Tina Hoyt said we're not getting answers to the valid questions being asked. She explained that Mrs. Strickford has asked why don't we a Deputy, hearing that it is required that we do have a Deputy, but we don't? Why don't we?

*Jim O'Brien explained that the sitting TC/TC makes an appointment and then the Select Board would then approve that appointment. It is his understanding that, at this point, the TC/TC hasn't made an appointment to fill that Deputy position. The Deputy position isn't by Statute a paid position, it can be a volunteer or someone who wants to serve the town in that capacity.*

Janet Krzyzaniak asked if you don't have someone as a Deputy that is completely trained and can do the whole job - What happens if the TC/TC was on vacation for two weeks and the only person in the office was sick for several days? What would people in Town do?

*Jim O'Brien explained that the TC/TC is an elected position, it would be reasonable to assume that the TC/TC would appoint someone, that the duty of that position to do. A well-functioning TC/TC office would have a Deputy, that's how the system functions.*

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O'Brien**

Jim O'Brien welcomed his fellow School Board members who were in attendance – Liz Durant, Chair, Hopkinton School Board; Matt Belanger; Steve Chamberlin, Superintendent, he thanked him and his leadership team for all the work they do for the School District and all the work done to help prepare for the budget.

Jim O'Brien explained that his presentation would be done in a couple of parts: He's going to begin by explaining what's in the School Operating Budget, walk through what the School Board presented to the Budget Committee, and end with where the Budget Committee came out – to show the differences between the two budgets.

Jim O'Brien explained that there are several parts to what's going to be on the Warrants at the School District Meeting and how they are broken out. These Warrant Articles include: Operating Budget, Contingency Fund, Vehicle Replacement Trust, Building Maintenance and Repair Trust, Hopkinton Educational Support Staff (HESS) Contract. He explained that the Facility Bond Project would be presented and discussed separately.

Jim O'Brien explained that the FY20 Budget Drivers, on the Operation side, are: Increased Enrollment, Health Insurance costs, and Special Education.

- He explained that at Harold Martin they are nearing capacity and looking at the projections this student population will continue to grow. As we look at enrollment, increased enrollment brings

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien, contin.**

its own challenges as well as making sure there are enough teachers and support staff to cover those teachers. Enrollment and ensuring that we are continuing with the education that we all desire in our school system, is an important driver.

- Health Insurance, as a District, has increased \$417,000, for the FY20 Budget, that is an 18% increase on the guaranteed maximum rate. The reason for the health insurance increases are because of an increase in catastrophic claims and increase in overnight hospital stays; he explained that the Town and the School are in the same pool – it’s not known which employees are responsible for these increases.
- Special Education has an increase of \$152,000 for out-of-district students. We, as a District, are a public school, so we meet the needs of all students who come here and Special Education and Special Needs require additional care and support, those costs are factored into the FY20 Budget.

**SCHOOL BOARD PROPOSED FY20 OPERATING BUDGET**

Jim O’Brien explained that this is the budget that was put forward, by the School Board, to the Budget Committee.

Total Budget: \$20,780,647	+\$784,545	+3.92%
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This includes: Costs for programs/services, technology upgrades, contractual salary and benefits for HESS (year 2 of 3) and Teamsters, non-union staff – salary adjustment/merit pool of 3%, curriculum development support, and 1 admin retirement obligation.

REVENUE: is generally flat from FY19

Local Sources – Increase in Food Service:	\$114,000
State Sources – Increase in Special Ed Aid:	\$ 70,000
Increase in Adequacy:	\$202,000
Decrease in Public Infrastructure:	\$317,000
Federal Sources – Federal Program Grant decrease	\$208,000
Other Sources – Transfer from Maintenance Trust	\$ 34,000
Transfer from Tax Rate Stabilization Fund	\$175,000

**WARRANT ARTICLES:**

**GENERAL CONTINGENCY FUND**

The School Board approved General Contingency of \$200,000, which is a \$0.32/\$1,000 increase on the tax rate.

-To reduce the risk associated with highly variable budget items: Health, Social Studies, Science, English, Admin Retirement, Food Service, and Second Grade.

Jim O’Brien explained that this year, after much discussion about being prepared or unprepared, there are a lot of unknowns when you look ahead and plan for the school year that doesn’t start until the end of August, early September in the next year. The student population is sort of known, you have things you want to plan for, but you’re not quite sure how that’s going to factor into your Operating Budget. The Contingency is set aside for things that you may predict will happen, but you can’t guarantee will happen, but you want to have some flexibility to pull in some dollars if those things do happen. When the School Board was discussing the Contingency Fund, we didn’t factor in 100% of all of these costs, we did a sliding scale percentage. It is our expectation that not everything on this list is going to be needed,

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien, contin.**

there is a risk factor built into each of these. The School Board came to the \$200,000 amount as a comfortable level where they felt they could move forward with an Operating Budget and still have some added resources that could be used if something were to happen. He explained that with a Contingency Fund, if the District doesn’t use all the money in that FY, the remainder goes back and it is returned to the taxpayers, it does not get folded back into other parts of the budget.

**VEHICLE CAPITAL RESERVE FUND**

The School Board approved adding \$15,000 to the Vehicle Capital Reserve.

Jim O’Brien explained that this is like a savings account, every year the District asks for some money to add funds to this account, for future vehicle purchases. The current value in the fund is \$29K. In FY21 they are anticipating the need to replace the 14-passenger bus, which will cost about \$50,000.

**BUILDING MAINTENANCE AND REPAIR TRUST**

The School Board approved adding \$140,000 to the Building Maintenance and Repair Trust.

Jim O’Brien explained there has been a lot of discussion around building maintenance. He explained that this is an existing Trust and they are looking to add \$140,000 to this account. \$100,000 will be raised by taxation, \$40,000 will be transferred from the Surplus Account from FY19. He explained that this account is where dollars are used for building repair items and systems that need to be maintained. The School Board, looking forward, will use this account as a Capital Improvement Fund, so that they can plan for multiple years out, for the Capital items they are going to be investing in. They want to be able to plan for future expenditures, by creating a real, planned Capital Improvement Fund.

**HOPKINTON EDUCATIONAL SUPPORT STAFF AGREEMENT**

Cost of Agreement on Warrant	
Year 1	\$22,398.33
Year 2	\$52,319.80
Year 3	\$59,682.76

Jim O’Brien explained that this is the HESS contract that is up for renewal this year, it covers 54 employees in total (office staff, food service staff, student support staff, and library media assistants). He explained the main thrust of this agreement is to move the association into line with all of the other unions that we have on the affordable health insurance plans, and to increase wage fairness throughout the association.

**SCHOOL BOARD PROPOSED OPERATING BUDGET**

Estimated Tax Impact:		
Operating Budget Increase	\$784,545	\$1.06/\$1,000
<i>Includes end-of-year fund balance to reduce taxes \$481,621.</i>		
<i>Includes use of \$175,000 Article X funds to stabilize tax rate.</i>		
Contingency Fund	\$200,000	\$0.32/\$1,000
Vehicle Replacement Trust	\$ 15,000	\$0.02/\$1,000
Building Maintenance and Repair Trust	\$140,000	\$0.16/\$1,000
HESS Contract: Year 1	\$ 22,398	\$0.04/\$1,000
Year 2	\$ 52,319	
Year 3	\$ 59,582	

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien, cont.**

Jim O’Brien explained that as Janet Krzyzaniak explained in the beginning, after many weeks of deliberations and discussions on this proposed Operating Budget, they had a reduction in the \$784,476 of \$421,070. He acknowledged the change made at the beginning of the meeting of the amount to be \$441,070, but that wasn’t what they had when they prepared for this presentation. With the Budget Committee’s reduction on the Operating Budget increase being recommended by the Budget Committee, is \$336,476 (1.8%).

Budget Committee Recommendations: (vote results)

\$20,780,647 – as proposed by the School Board (3-2)	\$1.06/\$1,000
\$20,459,578 – as proposed by the Budget Committee (6-4)	\$0.38/\$1,000

**QUESTIONS – regarding the Hopkinton School District Budget**

Arnold Coda - Is the School District Operating Budget broken down into tiers this year?

*Jim O’Brien apologized for not going over that part of the budget process and in fact, the Superintendent was asked to bring forward three tiers, each tier included an addition \$3,000 reduction – Tier I was \$300,000, Tier II was \$600,000, and Tier III was \$900,000. These tiers were presented to the School Board and the School Board worked through that to create this proposed budget. He explained, that when he presented to the Budget Committee, he made sure the Budget Committee had all the information included in those tiers.*

Arnold Coda - Starting with the \$300,000 reduction, what would be the impact be on the operation of the schools?

*Jim O’Brien explained that each tier included line item reductions that totaled up to \$300,000. When the School Board went through, it was looking at reach line and having a conversation on whether they wanted to reduce it. He explained that in terms of the tax rate, for every \$100,000 it’s about a \$0.16/\$1,000 reduction on the tax rate; if all \$900,000 were reduced it would save \$0.48/\$1,000.*

Arnold Coda - He wasn’t so much interested in the amount of the tax rate reduction (he is) but he really wants to know what the impact on the schools would be. His main concern is, and has been for many years, that when we gather here at the Public Hearing or at the Annual School District Meeting, we the voters vote pro or con, we really don’t know why or what we are voting for, given the budget numbers; we don’t know why we provide certain courses, some are required and some are not. He did commend the Budget Committee and the School District administration for having gone forward with preparing a Programmatic Budget, explaining that it is a huge step forward. He isn’t sure how that information can be shared with the voters, so they can be informed in more detail.

Arnold Coda - Asked Michelle Clark, as of this moment, do we have a projection for the end of year surplus?

*Michelle Clark explained that it is listed as a revenue source – it’s approximately \$537,000. She explained that they are now in a budget freeze to hold true to that amount.*

Arnold Coda - He is concerned that the taxes are going up as much as has been proposed in the budget, while entertaining the possibility of having a \$300,000 plus surplus at the end of the year.

Arnold Coda - What will be the percentage increases would be in the HESS contract, in each of the three years?

*Steve Chamberlin - There were not percentage increases, they were \$0.50-\$0.75 per hour increases for the HESS employees.*

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

*Steve Chamberlin explained that this was across the board salary increases, these were to try to address wage fairness – they allocated the higher increases to the lower wages and the less increase to the higher wages. Mr. O’Brien explained that there was a HESS FAQ sheet available that addressed this question.*

Arnold Coda – Would there also be an increase in the cost of health insurance and benefits?

*Steve Chamberlin explained that because they moved to a site-of-service health insurance, the actual insurance savings of \$65,000, insurance lowered the salary increase for the first year.*

Frank Davis is concerned that the tax rate is one of the highest in the State, and people cannot afford to keep paying it. There are homeowners who have no children in the school who may have high incomes, but there are also others who are trying to stay in town or stay in their homes, he feels that they are not being taken into consideration by the tax rates or amount of spending in the Town. He shared some of the tax rates of the Towns around us, that were much lower. Concluding that people who come into Town, taking over the houses of those who can’t afford the high tax rates, keep raising the tax rate. What has been done to increase the tax base, to increase businesses? Why are there so many restrictions on where businesses can be set up or what businesses can come to town? Without these businesses the tax rate will keep going up and even the new homeowners eventually will not be able to live in town.

Sabrina Dunlap asked about the Budget Committee’s decision on the Operating Budget. She explained that she was at the Budget Committee meeting last week and when they were talking about the Operating Budget, Debbie Norris was talking about certain items that could be cut with doing the least amount of harm. Then they switched modes and went into cutting to get to a certain percent. She wanted an explanation of that decision, because she thought Ms. Norris was on the right path.

*Don Houston explained that where the Budget Committee has gotten to now is not a NEASC situation. There was a difference of opinion – six members of the Budget Committee voted for a reduction in the request for new money; the existing budget is not being cut – they’re cutting back a little bit on the requested increase. Four other members didn’t have the opportunity to present their recommendation because a vote was called and passed. He explained that at first, they started out with a vote of asking was the proposed increase requested acceptable – there was a 1 yes, 9 no vote. This was followed by a lot of conversation as to what any cut would be and they came to a consensus of 6 yes, 4 no that they were going to try and deal with the objective of having an overall increase of 4%. The logic was to take last year’s amount of money to be raised by taxes and multiply that by 4%, that came out to the \$545,00, which meant reducing the original request of almost \$1M down to \$441,000. That’s how we got to where we are currently.*

*Don Houston explained our tax rates, both the total and school are exceptionally high. The total tax burden of \$34.54 is the 5<sup>th</sup> highest in the State, and the Education rate of \$24.32 is the 2<sup>nd</sup> highest. We are pushing the limits by expecting too much tax money out of our discretionary income. If we are going to be competitive in attracting new people to town, our rates make us less attractive than our neighboring towns. Realtors continue to talk about the two main drivers to deciding where to buy – the tax rate and the quality of the schools. We can price ourselves, with the education advantage, but sometimes people are outweighed by the tax disadvantage and we lost those buyers. By slowing down the increase in the School Budget this year, we will be better able to absorb the significant increase we know is coming forward with the Facility Bond. This will add an additional \$1.15/\$1,000 (5.2%) to tax. Mr. Houston explained that when the Budget Committee looks at balancing the total needs of the Town, we must also balance the needs of our Municipal Budget. Our Municipal Budget tax rate is ranked 57<sup>th</sup>*

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

*in the State, as compared to our School’s number 2 ranking. Clearly the School drives our total tax rate. If we continue to “use up” too much of our tax-paying capacity on our schools, we cannot meet the other competing needs of the Town. He believes that Hopkinton is setting itself up for another overwhelming situation, like the \$4M backlog of Safety & Security that has accumulated, but unfunded. Our backlog of road, bridge, and culvert replacement is in the \$10M range. As with the School, there are currently no funds set aside to cover these known and needed upgrades. Bonding to cover \$10M for our neglected roads will be an addition equal to the proposed Facility Project.*

*Mr. Houston explained that planning ahead and trying to recommend a manageable tax rate involves balancing the needs of the School and the rest of the Town. We need to consider now to make an effort to leave some capacity to fund the Facility Project next year and future bonding for our roads.*

Sabrina Dunlap shared some thoughts – She feels this doesn’t even account for what inflation would be and we need to keep in mind that while this is an increase, it’s deceiving because costs have gone up and enrollment has gone up – so it makes sense that the Operating Budget would go up. She believes 1.8% is a pretty small number. She also heard, last week, a few people mention that with the Bond potentially passing that the Operating Budget should be lower. She explained that these are two totally separate issues and the impact overall – it’s not fair, if we’re going to pass the Bond, to then say we are going to reduce the Operating Budget. The Bond is addressing things that should have been done a long time ago, they are essential. We shouldn’t penalize the Operating Budget because of that.

Sabrina Dunlap - It seems clear that with this proposed Operating Budget, we will see an increase in class sizes and potentially cut some staff. When she asked Steve Chamberlin about this, he explained that because of this – this would be a different school district, we will see bigger class sizes and we will see staff cuts. She wants people to remember that we do need to include the entire town, but when we are talking about this proposed Operation Budget, kids - especially vulnerable kids, will suffer as a result of bigger classes; real lives will be involved.

Sabrina Dunlap - She is also a tax payer and would love for the taxes not to go up, she knows a lot of people in Town feel squeezed – but she also feels strongly about contributing to various civic institutions in Town, and we stretch to make that happen. She explained that nobody wants to see people driven out of Town because of taxes. She believes it’s important to think about all vulnerable groups in Town – We need to think about how can we relieve the burden from some of these people? She doesn’t believe the solution is to blame schools and say we are not going to spend more money on the schools. She doesn’t think that is the right solution, because we’ll all pay the price if that happens.

Sabrina Dunlap – Her final thought was that before we lay blame on the schools for the high taxes, she wanted to remind everyone that we live in a State that contributes very little to school and she thinks that is a shame, but a reality. We have no Income Tax, we have no Sales Tax – we reap what we sow. We have really high property taxes, especially in a Town like Hopkinton, that is 91% residential tax base. She doesn’t feel that our kids and our teachers should suffer as a result. We are the keepers of our children’s futures, they don’t have a say here. She hopes this will be fixed at the State House, but it won’t happen immediately – elections matter – talk to your Representatives. That solution isn’t coming anytime soon so the burden is on us, it’s unfortunate, but it’s a reality. She asks that you consider everything she has said.

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

Norm Goupil - He understands that the two most important drivers would mean an increase in the Operating Budget would be health insurance, that's a fixed asset for the teachers and special education. His concern is that the Budget Committee asked the School Board to cut \$400,000. Mr. Goupil asked Mr. O'Brien where will that \$400,000 come from, will teachers be losing their jobs and then not have the staff for these overcrowded classrooms? Mr. Goupil asked when the public would see the School Board's recommended cuts? Would there be a revised budget available for the public?

*Jim O'Brien explained that the School Board hasn't met since learning about the Budget Committee's recommended cut, they will meet and discuss the tiered list then bring something forward.*

*Jim O'Brien explained that the way the budget process works is that the School Board has made a recommendation, after the Public Hearing the Budget Committee deliberates and votes on their recommended budget. The Budget Committee's recommended budget will go to the Annual School District Meeting on March 9, 2019, for a vote by the Town.*

Christa Johnson - She and her fiancé recently moved into Hopkinton, last year. One of the primary reasons they chose the neighborhood was for the quality of schools. When they were house searching there were plenty of affordable homes in other towns that they could have chosen, but they chose to spend the money and come to Hopkinton, in part, because they hope to have kids in the next 5 years or so. The realtor did tell them that Hopkinton was a competitive neighborhood, as evidenced by only having two homes available to buy when they were looking.

Christa Johnson – She understands many of the drivers/costs as being needed. She asked for an explanation of what Out-of-District and Vocational Tuition include. Will staff need to be cut? Is the Budget Committee considering voting in favor of the bond, and using the reduction in the Operating Budget as a means to justify the bond – she feels they should be looked at separately since deferred maintenance costs are only going to increase and interest rates are only going up – it does make sense to take that hit sooner rather than later.

*\*Jim O'Brien explained that the Vocational Tuition is for the District students who go to the Technical School in Concord for classes and the cost of transporting those students.*

*\*Janet Krzyzaniak explained that the bond won't be voted on until after this Public Hearing and it hasn't been presented yet, for public input.*

*\*Rich Houston explained that one of the things the Budget Committee is starting to think about is slowing down new hiring by the School District. He explained that by holding the number of employees that they now have level. In this FY20 School District proposed budget there is a net increase of 1.6 employees, an employee (in round numbers) about \$100,000 between wages and benefits – this 1.6 employee would be about \$160,000 of the proposed \$400,000 reduction. We are not necessarily laying people off, it's that we're not hiring the people that the School Board wants.*

Bob Matteo explained that he is fairly new to town. He asked Don Houston for an explanation of the numbers for the rankings. Does Hopkinton rank 5<sup>th</sup>, as far as the current taxes? With the increase(s), where would that put us? Does the information provided about the Facility Bond include the total payout to repay this bond?

*Don Houston explained that the numbers are published yearly by the Board of Education and our rank right now for the town is \$34.54, which puts us in the 5<sup>th</sup> position for the highest. The school without any of these increases, is 2<sup>nd</sup>. Mr. Houston explained that with the increase(s) we would be very close to if not, over the top. Mr. Houston explained that the \$9M for the Bond is for the principal, it does not include the total payout. There are bond runs that have been done that explain a couple of scenarios.*

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

Bob Matteo – Is it was to fair to say, with the proposed increase(s) and the bond – would that put Hopkinton as the highest tax community in the State of NH? Have there been studies by either board/committee as to the economic impact: 1) to the citizens in town with lower incomes, 2) if we hit a recession? If we do become the highest taxed community in the State, where does that leave the tax base percentage? As a parent with 2 kids in schools and as a taxpayer, he would urge the committee to vote no increase and no bond issue at this point, based on the numbers he sees presented.

Mary Kusturin - Her stepson, Max, is a freshman in Hopkinton, it's his first year in Hopkinton, and his experience has been a fantastic experience for him. She hopes that this experience will be the same for her 9-year old, when he comes here from the Concord School District, and for all other children yet to come into our schools. She has found that the people of Hopkinton tend to care a lot about things like sustainability, but there is a disconnect between how much we care about the sustainability of our environment and the sustainability of the overall health and well being of the school and the town. It is time, for people her age, to think about the long-term sustainability of our school district and town, not just for 5-10 years, but for the next 20-30 years. She's concerned about the cumulative increase that's been happening over the past few years and it shows no sign of stopping or slowing down. She would like in 20 years-time for her children to move back to Hopkinton and for their kids to have the opportunity to attend Hopkinton schools, without being multi-millionaires. She supports the Budget Committee's recommendation on the School Budget, it keeps it in line with inflation of 1.9%.

Carolyn Kogler-Miller - We all know Hopkinton does have a very high tax rate, we know that our per pupil spending is in line with other school districts, and we now understand that Hopkinton is a property poor town. What that means is that we have to tax ourselves at a much higher rate to raise the same amount of money that a property rich district would have to raise at a lower tax rate. Our School District has provided a top-notch education, given the money that it has. We just don't have the tax base to support spending more. The dilemma is obvious, how to best strike the balance between keeping the tax rate in check while not letting the quality of education that we provide deteriorate in a significant way. She is comfortable with the proposed reductions to the increases made by Debbie Norris, at their last Budget Committee meeting, because this approach looked at what the reductions would mean to the quality of education. She is concerned that the cuts involve personnel. She asks the Budget Committee to support the vote on the Facility Bond, she feels that it's absolutely critical. She is concerned about the NEASC report and how it would impact our schools and our community.

John Dunlap - When you make the comment or statement that we're going to hold hiring (or freeze hiring) in a School District where educational enrollment is going up, what you're essentially saying is that programmatic cuts are going to happen. With a hiring freeze and increasing enrollment it's more pupils per person.

John Dunlap - The statement at a previous meeting about charging for AP courses, concerns him. He explained, that is a flag we do not want to wave. We want people in those AP courses coming to this District. We are supposed to be supplying those courses, as a District. When you cut things and you stop raising the level, then you're just educating to the task.

John Dunlap - Cutting the Economic Development budget by 40%.

*Ken Traum explained that last year there was \$30,000 put in for the TIF Districts and the land swap with the State. It was a one-time request and those funds have not been used yet.*



**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

Mr. Dunlap - If we put energy and effort into economic development, we might actually solve this problem we’re talking about – the poor property, high tax-based town. We have to put more money and effort into economic development, it’s the only way forward.

Elizabeth Sides – She and her husband have three little kids and they specifically moved here for the type of school/education that they grew up with in a very similar town. She is opposed to making the class sizes larger than they are. That’s not why she moved here, that’s not the education that those who went here had. The impression that a lot of us are getting is that we support the schools, we understand the financial impact of taxes being raised on everyone. She wasn’t comfortable talking at last year’s meeting because a gentleman told them to send their kids to Bishop Brady if they don’t like it here. That’s not the type of town you want to have here. You want families moving here, like hers. We don’t plan to leave town the second our kids graduate, which is what a lot of people are saying today. She wants everyone to think about – we have a really unique school system here and our school staff and School Board is wonderful. Please keep in mind that people will stop moving here if, it starts changing too much. She has friends that are trying to move here, but they can’t find a house at the moment. They are asking what’s going on with the school system, they visited Harold Martin. The first thing they said to her was, “Wow, it’s really dated.” But we loved Bill Carozza and we loved the teachers. She thinks there are a lot of things to consider and Hopkinton has a really tough job, decisions need to be made about which direction you want to go in. Not supporting doing things that the school needs, with time – the maintenance. Time changes the schools, they need more staff - we have more Special Ed, that means we need more teachers and more aides. If you don’t give them what they need, we can’t hire those people and children will suffer. Please keep all of that in mind.

Arnold Coda – With respect to Sabrina Dunlap’s comment about the increase being less than the rate of inflation, so is his social security and everyone else who is on social security. He and his wife resent that the taxes are using up a large portion of their social security and it does inhibit what they wish to do in their retirement years.

Arnold Coda – He follows what happens with the real estate market here in Hopkinton. Over the last 9 months the average sale price was 13% below list price. The days on the market average 165 days. That is not a vibrant real estate market in this town. Realtors have said that one of the inhibitors on property sales is the real estate taxes.

Arnold Coda – One myth is that if we do not give the schools all the money that it wants, we are going to lose our teachers. To the best of his knowledge, this has not happened in past years when we have not given the School District the entire amount of money it has requested. He doesn’t think that would happen at this point either. Our teacher’s total compensation is a very, very good package.

Arnold Coda – As far as losing accreditation, he doesn’t really know where we stand on that. He suspects that if we make some progress, we will be looked upon favorably.

Arnold Coda – He sees no harm in this proposed reduction that the Budget Committee has put forward and he supports it.

Sarah Mattson-Dustin – You have an incredibly tough “row to hoe” in this community, due in large part to the epic failure of governments larger than ours to make good on their commitments to education in this country, whether it’s the Federal Governments long-neglected commitment to funding Special

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

Education or the State’s complete abdication of it’s responsibility to find a more equitable way to fund education in this state. Many of us came to Hopkinton, not just because we liked the schools, but because we valued living in a place with a lot of green space.

Sarah Mattson-Dustin - She personally rejects the framing of this as people who have means and can afford limitless increases in their property taxes and people who don’t have means. We know what happens when communities stop investing in schools and schools decline – property values go down, people flee to go to places where there are better schools. The impact of that falls most harshly on the families with children who don’t have means because they cannot afford to wrap all sort of private activities that the school cannot provide them, they cannot afford to send their children to private schools, and they have perhaps stretched to live in a community like Hopkinton, that invests in private schools - which makes it harder to sell your house if you are 5 years into your mortgage and all of a sudden your property value has declined, as we know they do, when school systems are perceived as being less competitive.

Cheryl Morse – She lived in Henniker for 43 years, she has lived in Contoocook for a year and a half. Her grandchildren go to school here. She chose this town because it has a heartbeat that goes from birth to 90 years old. It has a beautiful bell curve. If anybody has ever taken a look at tax structures that make a community survive – socially it has a beautiful bell curve because there are seniors who have no children, singles that have no children, and then a huge amount of expense for the community, is those with children – and they all support each other in so many different ways.

Cheryl Morse – When we are talking about this amount of money coming out of the budget, isn’t this amount to come out of all the expenditures, and that you left it to the discretion of the School Board? *Jonathan Cohen explained that this amount would be taken strictly out of the School Operating Budget.*

Cheryl Morse – It’s painful when you tell a community, right off the bat, that our whole increase is \$700,000, then we need \$200,000 for an emergency fund, we need \$100,000 for the Maintenance Trust Fund, and we need money for a Facility Project. When they see all of that added onto the School Budget it’s painful.

Cheryl Morse – What is, approximately, the amount of back taxes for the Town of Hopkinton? That is one of the few measures of an impact of what’s going on.

*\*Ken Traum explained that the Town is not getting as much in the way of Revenues, because there hasn’t been interest being received from back taxes.*

*\*Neal Cass explains that it fluctuates, but this year it is down, and we are probably at about \$650,000.*

Cheryl Morse – School values don’t change in a year, they don’t change in 5 years; they’re not like inflation. She agrees with the bond, she thinks it does need to happen. A question that has been raised is if the accreditation is tied to the budget, but it’s not is it. It’s tied to improvements which are in the bond. The Operating Budget will not address the accreditation issues, the School Bond is for that.

*Jim O’Brien explained that NEASC has made recommendations where investments should be made, and the District is looking at the Bond as a means to move forward.*

Dulcie Madden Lipoma – She attended Hopkinton Schools, she is very proud to be a Hopkinton Hawk. Like a lot of parents, she moved back for the schools. She understands that it’s really hard to reconcile the tax base with much needed investment in the infrastructure for our roads. She thanked Steve

**PRESENTATION – FY20 HOPKINTON SCHOOL DISTRICT BUDGET – Jim O’Brien**

**QUESTIONS – regarding the Hopkinton School District Budget, continued**

Chamberlin for doing an amazing job with what is a moderate budget and being one of the top schools in the state, that’s an amazing administrative task. As a parent, she would like to invest and continue to invest in the schools. She does not want anyone to have to leave this town, she wants to grow old here too. She asks that the Budget Committee rethink their decision to reduce the budget down, and to come to something that is more equitable.

Frank Davis – He supports the recommended reductions in the School Budget by the Budget Committee. He realizes that the population of the schools have been going up, but looking back to 20 years ago, the school population is the same as it is now. We had a School Budget at that time for \$7.5M, this budget has tripled for \$22.5M – for the same number of students. Supporting the schools has been a continuous thing, the budget shouldn’t have tripled in the last 20 years.

Molly Richter – She is in favor of the larger budget amount. The School Board and the Superintendent have done their due diligence, they are doing this work, they are carefully considering, and not they are not taking this lightly. This is already a very lean number, she was impressed with watching them deliberate in meetings. She knows that the Budget Committee is an important part for the checks and balances. We come to these meetings every year and we don’t know what the particulars are - she tried to understand the Programmatic Budget, but it’s too in the weeds. We elect people to do this work, we have to trust them to do this work. Watching the process, she was both humbled and encouraged that we can trust the School Board and the Administration, that they are very thoughtfully already doing this work.

**PRESENTATION – SCHOOL FACILITIES PROJECT – Jim O’Brien**

Jim O’Brien explained that the School Facilities Project has been years in the making. He thanked Jay Burgess, who as a volunteer, has spent a lot of quality time working on this issue, understanding our facilities, going back to the drawing board, and making more recommendations. Over the course of this year, the School Board with Jay’s guidance, has shifted its approach in looking again at the facilities and the schools needs.

Over the summer and fall, Jay, Steve, and members of the Facilities Steering Committee, looked again at where we could go and went back to our vendors and talked to them about costs and cost impacts and where things could be cut and adjusted.

Through the month of November, the School Board and community members came together and unpacked different areas where we could look at investments in our schools, weighing the pros and cons of each one to come up with a package. We looked at changing the entrance at HMHS, making the building more fully handicapped accessible. We also looked at adding some classrooms at HMHS as an option.

We tried to bring to this Public Hearing and to the Annual School Meeting, a Bond proposal that met a lot of needs of the District and would move the District forward, but is very cost conscious, knowing that what was proposed a year ago was a little high.

Jim O’Brien explained that what the Hopkinton School Board adopted, at their January 24, 2019, School Board Meeting, was a \$9,796.692 bond. Jim O’Brien explained that the breakdown of the line items in detail is available on the Hopkinton School District website. He explained he wouldn’t go through all of these, he is going to set up the big pictures and get thoughts and input.

**PRESENTATION – SCHOOL FACILITIES PROJECT – Jim O’Brien, continued**

- Four-classroom additions at Harold Martin School. \$3,271,320

We’ve talked about the overcrowding issue. One of the conversations during the facilities projects was moving some of the grades around in order to solve the overcrowding issues. As they were going through that scenario, and weighing those costs, it was steered away from and instead focused on Harold Martin School. The four-classroom additions will alleviate some of the space needs that we have and if enrollment decreases, that classroom space will still be needed and will be used regardless of student population.

- Office Expansion/Renovation at Harold Martin School \$250,000

This is part of the proposal and adds the much-needed office space.

- Renovations of the Science Labs at HMHS \$1,958,400

This is a renovation of 4 classroom spaces. Those classrooms spaces need to be updated – there are issues related to storage needs of some of the chemistry labs and equipment. These labs are outdated - science education and STEM education is a no-regrets investment in the future. This is a full renovation of the 4 classroom spaces.

- Deferred Maintenance \$2,688,737

One of the topics that has been ongoing for a very long time is that our buildings need repair. Anytime you have large facilities and large buildings, they need constant repair and maintenance. The administration has gone through the lists that Harriman, our vendor, has provided up and pulled out the things they thought we could do without for now, moved some into the capital improvement plan that we are trying to fund and move forward with, and kept on the list those items that they felt were needed under the Deferred Maintenance side. Over \$1M of the money is on replacement of the roofs on our buildings, bonding them here helps us move one step forward.

- Basic Safety and Security \$1,628,235

This is basic safety and security – these are not high-tech gadgets, these are items that have been identified that our School District should be investing in for safety and security.

Last year, we received a State grant for some safety and security at our buildings. You will notice, if you go to our facilities, that we have key pay entry and there is more security surveillance. Through a Performance Contract on some energy issues, that has saved the District money, will save the District money into the future. We are doing a lot around the building envelopes and trying to care for our facilities.

This is the bond moving forward. Many of these items are no-regret. They are going to move the District forward to where they want to be.

We received a letter from NEASC that is on the District website, dated December 20, 2018. They outlined items where they strongly recommended that we take a look at and resolve. Many of the items have been done through some of the Performance Contract, through some of the Safety Grant, and through this bond to meet their recommendations. They are not all going to be met, his thinking is that

## **PRESENTATION – SCHOOL FACILITIES PROJECT – Jim O’Brien, continued**

NEASC is looking for directionality that the District and the Town is taking these accreditation issues seriously, we are investing, we are trying to move forward. His belief is that through a bond, and through these items, that we will be meeting that task of directionality. It's not 100%, but it's getting further to where we are being asked to get to on our facility side.

### **QUESTIONS– regarding the School Facilities Project**

Maxwell Goddard – A freshman at HMHS presented a signed statement by over 25 students and a teacher that reads – The School Board has proposed a \$9.7M bond for various improvements and upkeeping's to the Hopkinton schools, however, there is at least one major problem with it: The sprinkler system is inadequate at Harold Martin Elementary School, and if there were a fire at the school, it would likely be seriously damaged or destroyed, threatening the lives of the students, teachers, and everyone else in the building. But there is nothing in the proposal about fixing the sprinkler situation at HMS. Yet, for about the same cost, the proposal includes a plan to build a state-of-the art science lab at HMHS. We recommend that, for this reason, the Budget Committee does not support this proposed bond.

*Jim O'Brien explained that Harold Martin does not have a sprinkler system and the Superintendent has been working with the precinct and others to design an adequate sprinkler system for this school. At this point they don't have a plan and/or a quote in order to bring forward to put into the bond or feel satisfied that what they have put forward is going to be adequate. We have ideas/plans that range from \$270,000 to \$1.7M in terms of what it's going to take to adequately install a sprinkler system. The School Board has discussed this a lot and will continue to discuss it. In terms of moving forward with this Bond for the March meeting, we don't have an adequate plan or numbers in place to move forward with the sprinkler system at Harold Martin. This is something they will continue to work on and potentially bring forward in a different year.*

Steven Reddy – He presented a picture of a table, to the Budget Committee. Explaining this picture is of a family heirloom, a Town artifact, it is a picture of the table that the building we are in (HMHS) was conceived on. Years ago, the Town had a decision whether to build its own high school or to join the cooperative school. A group of dedicated volunteers came together, around that table, which still bears the indentations of the cards and the letters they wrote to turn the people out to support Hopkinton having its own high school. They succeeded beyond their wildest dreams, three years in a row US News and World Report, #1 high school in NH, Silver Medal Winner, Department of Education Blue Ribbon Winner, and just last month yet another student from Hopkinton nominated to go to West Point. We have an amazing school system and he is a product of that school system. On the other hand, a single district school system is expensive. Our family will have to budget for the increase that will come out of this bond. The lady, years ago, who happens to be his aunt, that helped to lead that fight is now a senior citizen on a fixed income, but after a lifetime of living in Hopkinton and 2 terms on the State Board of Education, she knows a couple of things – 1) she knows that our schools are the heartbeat of this community that gives our town a spirit and an identity that many towns lack, and 2) she does know that excellent schools result in strong property values. While she's still trying to figure out what some of the STEM stuff means, she does know that.

Steven Reddy - Recently another group of dedicated volunteers came together, he's been working on this for just over 3 years. The gentleman who chaired that committee just happens to be a facilities expert who used to run the facilities at New England College and does that job for the City of Concord. They took testimony from over 50 experts (teachers, staff, fire department, life safety, police department). They are supported by a gentleman that is considered to be one of the best Superintendents in the whole State of NH. It's time to try to trust the experts who have done this job for us.

## **PRESENTATION – SCHOOL FACILITIES PROJECT – Jim O’Brien, continued**

### **QUESTIONS– regarding the School Facilities Project**

Steven Reddy - This Budget Committee has the trust and the respect of our community. Many, especially the older citizens, will follow the lead of the Budget Committee on this Bond. Many times, over the years we have come to a fork in the road regarding the future of our schools. Without exception, we have always chosen the road towards school excellence. Once again, we are at that fork in the road. He is here to request that the Budget Committee once again take the road towards excellence and send a strong message to our community by giving us a unanimous vote in support of this School Facilities Bond.

Anne Chehade – She wanted to strongly encourage the Budget Committee to pass the Facilities Bond. Every item in this is vitally important. A lot of it represents deferred maintenance and things that have been building up over many years. It’s incredibly important to have a STEM science lab that is made for this age of technology, science is an evolving field. We put all our students at a huge disadvantage by not giving them a decent science education. She agreed about the lifeblood of this town – this town is wonderful, because it has the full age demographic, but you have an extraordinarily involved, engaged parent population. You have a group of every economic background who care passionately about their children’s education. Every holiday concert you can’t find a spot to park, parents are volunteering in the library, running after school activities, HYSA sports teams – you have people who want to be here. You have people, like herself, that want to stay here. She has laid down roots here, she and her husband have professional careers here, they aren’t going anywhere even after their kids graduate. We believe in the importance of public education, not private education – with kids from a diversity of backgrounds. The Operating Budget and the Facilities Project doesn’t include a bunch of bells and whistles, it’s just for a basic, good education. Unfortunately, because we have a dysfunctional way of funding public education in this state, because we have no state income tax, because we have no state sales tax, it disproportionately burdens these towns. This tells her that with spending an average amount per pupil, we are getting an outstanding education.

Anne Chehade -She would strongly encourage this Budget Committee and the townspeople of Hopkinton to vote for these very reasonable, well vetted, incredibly thoroughly researched Facilities Bond and School Operating Budget that she believes makes a lot of sense.

Jonathan Cohen and Steve Chamberlin explained that we ranked 49<sup>th</sup> out of 100+ for cost per student for education out of Districts who had the K-12, like ours.

Don Houston explained that he has different numbers – From documents provided from the Department of Education, they have Hopkinton ranked 21<sup>st</sup> out of 53 schools who have K-12. Being in the top 3<sup>rd</sup> is a very good place to be, we have great schools. The question is if we can continue to afford it knowing where we are with our asset base.

Debbie Norris mentioned the amount we need to cover because the State and Federal are helping very little – that means our property taxes covers 70% of our student’s education, with the State only giving a little under 20% at this time. It really is a tax burden on all of us but, the only other alternative is that we don’t want to get into a crisis situation, like other towns who have made different decisions. It is a balance of what we need.

Don Houston offered a suggestion that he’s mentioned at School Board Meetings. He is in total favor of the \$4,316,972 for Deferred Maintenance and for the Basis Safety and Security, explaining that we must get that part of the project done. We’ve already had some money invested in the safety and security

## **PRESENTATION – SCHOOL FACILITIES PROJECT – Jim O’Brien, continued**

### **QUESTIONS– regarding the School Facilities Project**

work done with the \$400,000 grant that we had, and we got the Performance Contract. We’ve gotten about \$2.5 M done already. He would like to offer an alternative, which would satisfy NEASC a little more than we’re doing.

- \$4.3M would be for Deferred Maintenance, Basic Safety and Security
- \$3M for the new construction at Harold Martin, for space needs
  - The option available to us is a mobile unit with 2 classrooms in it, for a 5-year lease - that would be about \$250,000ish

Don Houston that would free up about \$3M

- He would like to earmark \$1M towards the suppression system at Harold Martin, that’s a facility we can’t afford to lose for a year. There would be no other place for those kids to go. The safety of the children should be accounted for. There are 6-9 months before we actually go to figure out what’s going to be done with the bond. In that time frame, we should be able to figure out what the suppression system and cistern will cost.
- With the \$2M left we can address some of the science lab:
  - Our kids are getting a great education, our kids are going to MIT – we have a good science program. To meet the needs to improve that and to meet some of the NEASC needs, put \$1M towards that upgrade.
    - With the remaining \$1M and solve a situation that has been on everybody’s mind through this entire project – of solving the access issue of the elevator.

Mr. Houston explained that his suggestions come to \$7.8M, \$2M less than the \$9.8M project being proposed. He doesn’t care which plan we go with but, explained that the \$2M freed up would allow us to satisfy the NEASC requests to keep our accreditation.

Mr. Houston explained that that the 4-years of having the modular at Harold Martin would allow us breathing time to assess if we have that much of an increase in enrollment to justify the need for the additional classroom renovation. Then a new bond could be introduced to solve that problem.

Ginni Haines commented that she’s here for the 4<sup>th</sup> year and it gets brought up every time that we’re not getting any help from the State. She strongly urged that you contact your representatives, tell them that they’ve got to fund these mandates, we are a receiver town. We can’t keep going this way and having this same battle every year. It’s your job, as taxpayers, to call and tell them to do something; whether it’s a sales tax, an income tax, or whatever - call your representative.

Janet Krzyzaniak and Rich Houston read the memo received from Emily Nichols.

*Dear Madame Chair of the Budget Committee,*

*I respectfully request that you pass the proposed School Operating Budget and support the Facilities Project. We need to address the deferred maintenance and updates required to keep our students safe and create a quality learning environment. Delaying these necessary improvements will only increase the costs down the road and compromise the quality of education for our future citizens.*

*Like many, my husband and I chose to purchase property in Hopkinton over 10 years ago, because of the quality of education students receive. As our children approach school age, we are beginning to worry about the quality of education due to facility capacity, community growth, and increased resources to accommodate the rising need for special education in today’s troubled society.*

*Please consider the children who represent our future when deliberating the budget recommendations. Thank you for your consideration and service to our community.*

**THERE WERE NO ADDITION PUBLIC COMMENTS ON ALL BUDGETS**

**JANET KRZYZANIAK ADJOURNED THE PUBLIC HEARING AT 9:30 PM**

**DELIBERATION BY BUDGET COMMITTEE BEGAN AT 9:45 PM**

Mrs. Krzyzaniak explained that no additional comments would be allowed at this time.

**HOPKINTON VILLAGE PRECINCT FY19 OPERATING BUDGET – Warrant Articles**

Candace Youngman moved that the Budget Committee recommend Article 3 from the Hopkinton Village Precinct Budget: To see if the Precinct will vote to raise and appropriate the sum of \$82,643 for the General expenses and debt service of the Water Department, including:

Water Administration	\$ 6,000
Water Service	\$71,000
Principal payments on bonds and notes	\$ 5,172
Interest on Precinct debt incurred for waterworks purposes	\$ 471
Total	\$82,643

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

Candace Youngman moved that the Budget Committee recommend Article 4 from the Hopkinton Village Precinct Budget: To see if the Precinct will vote to raise and appropriate the sum of \$25,625 for the General Expenses of the Precinct, to the funding of which \$8,635 of available fund balance and \$16,990 to be raised by Precinct taxes.

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

Candace Youngman moved that the Budget Committee recommend Article 5 from the Hopkinton Village Precinct Budget: To see if the village district will vote to raise and appropriate the sum of \$99,000 for the improvements to Precinct water systems and to authorize the issuance of not more than \$99,000 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon; Recommendations required (2/3 ballot vote required, 3/5 ballot vote required if SB2 or applicable charter).

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

**CONTOOCCOOK VILLAGE PRECINCT FY19 OPERATING BUDGET**

Don Houston moved that the Budget Committee recommend raising and appropriating \$483,456 for the Contoocook Village Precinct Budget.

*Jonathan Cohen seconded the motion. There was no discussion. A vote was taken and approved, 9-0.*

**TOWN OF HOPKINTON FY19 OPERATING BUDGET – Warrant Articles**

Ken Traum moved that the Budget Committee recommend Article A: Operating Budget: To see if the town will vote to raise and appropriate the Budget Committees recommended sum of \$7,282,386 for general municipal operations. This article does not include appropriations contained in special or individual articles addressed separately.

*Jonathan Cohen seconded the motion. There was no discussion. A vote was taken and approved, 9-0.*

Ken Traum moved that the Budget Committee recommend Article B: Appropriations to Capital Reserve Fund: To see if the town will vote to raise and appropriate the sum of \$502,000 to be added to the previously established Capital Reserve Funds as follows:



**TOWN OF HOPKINTON FY19 OPERATING BUDGET– Warrant Articles, continued**

New & Replacement Equip & Vehicles for DPW	\$245,000
Replacement & Equipping of Ambulance	\$ 25,000
Fire Dept Vehicle and Equip Acquisitions	\$150,000
Transfer Station Equip & Facilities	\$ 25,000
Recreation Facilities	\$ 15,000
Dam Maintenance and Construction	\$ 10,000
Revaluation of Property	<u>\$ 32,000</u>
TOTAL	\$502,000

*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 C: Appropriation to Expendable Trust Funds: To see if the town will vote to raise and appropriate the sum of \$45,000 to be added to previously established Town Facilities General Fund.

*Jim O’Brien seconded the motion. There was no discussion. A vote was taken and approved, 9-0.*

Ken Traum moved that the Budget Committee recommend Article D: Authorization to Expend From Pay-by-Bag Special Revenue 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.

*Rich 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 E: Authorization to Expend from Senior Center Rental Special Revenue Fund: To see if the town will vote to raise and appropriate the sum of \$910 for the purpose of offsetting operational and maintenance costs of the Slusser Center with said funds to come from the Senior Center Rental Special Revenue Fund. No funds to be raised by taxation.

*Ginni Haines seconded the motion. There as no discussion. A vote was taken an approved, 9-0.*

**HOPKINTON SCHOOL DISTRICT FY20 OPERTING BUDGET – Warrant Articles**

Jim O’Brien moved that the Budget Committee recommend Article II: To see if the school district will vote to raise and appropriate the amount of \$20,780,647 for the support of schools, for the payment of salaries for the school district officials and agents, and for the statutory obligations of the district, or to take any other action in relation thereto.

*Jonathan Cohen seconded the motion. Discussion followed.*

Janet Krzyzaniak asked if that was the Budget Committees figure or the School Board’s figure.

*Jonathan Cohen explained it was the School Budget’s figure because it’s normal procedure to vote on the original Budget first, an amendment can be made to that amount.*

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET**

Debbie Norris – With the bond proposal of \$9.8M being proposed, she believes it’s necessary to support a reduction in the Operating Budget. She cannot support the reduction that has been presented by the Budget Committee. Debbie Norris made a motion with an amendment to the proposed School Board Operating Budget of \$20,780,647, to an amended amount of \$20,530,647. This \$250,000 reduction to the School Operating Budget is still a 2.67% increase versus the 1.87% previously proposed. She makes this amendment because she believes the other proposed budget is more of a reduction that she believes

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

the school can handle. Considering the Bond issue that will hopefully pass, which she is planning to support, she believes this offers another alternative, with a smaller decrease.

Jonathan Cohen seconded this motion. He explained that he thinks the purpose of this Public Hearing was to take into account the feelings of our constituents who have come here and have spoken eloquently about the Operating Budget and he thinks that while we would love to support the Schools full Proposed Operating Budget of the \$20,780,647, we also have to be mindful of the reductions that the school is making with the Bond, and with the comments from those who spoke about how difficult it is to make ends meet. These are all things that we need to consider. He knows this was on the Budget Committee's mind at their last meeting, when the \$441,069 was discussed. He believes that one way to look at this reduction of \$250,000, is that it encapsulates the proposed increase in FTE's. He knows this is not what the School Board may choose to do with this reduction. He believes this reduction makes the most sense and that it is a way to show responsibility to everybody in the town, both those who want us to spend more and those who want us to spend less. He believes this is a compromise that makes a lot of sense. This is why he supports this motion.

Ken Traum - He appreciates the compromise Debbie Norris has offered. He has heard from a lot people and heard those who spoke tonight. He supports Debbie Norris' proposal.

Rich Houston – He asked Debbie Norris, how does this proposal that she's put forward compare to the next Article, where we are going to be discussing \$200,000 in a Contingency Fund? We had spoken at the last Budget Committee Meeting about \$50,000 coming out of that Fund. Are you in favor of reducing the Contingency?

Debbie Norris - When we were at the last Budget Meeting, we looked at the tiers. She explained she was addressing the actual Operating Budget and peeling back the layers, trying to get to ways to cut back or reduce a little bit in the Operating Budget, without greatly hindering the regular educational budget. She believes that a fiscally responsible budget does not always need to have cuts, but we have to look at how we are affecting both the educational system and the community. She feels that possibly looking at moving some of the maintenance items out of the Operating Budget, would help with those reductions needed. She is in favor of reducing the Contingency, currently, in addition to the Operating Budget.

*Candace Youngman explained that the Budget Committee does not have the ability to reduce the Contingency Fund, it is passed or not.*

Jonathan Cohen – Conceptually, last week, we were talking about reducing \$200,000 from the Operating Budget and then added \$50,000 to offset it, knowing we can't touch the Contingency. Moving the amount to \$250,000 represents the total amount that was being looked at for with the reduction.

Don Houston – He's going to vote against this motion that's on the table. He believes we still need to look hard, its going to be painful, but he truly doesn't believe that a 2% cut in the Operating Budget of \$21M is going to impact the education value of our schools. He is convinced that the Administration can figure a way to make the schools just as good as it is, if not better, with some changes. We need to make some room for the Facilities Project and other stuff that's coming. He doesn't believe a 4% increase is a good increase, it's \$545,000 of new money. In the past few years, it's been \$1M or \$2M in increases to that Operating Budget. Now is the time to reduce the increase that is being asked for.

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

Candace Youngman – She agreed with Don Houston. She explained that looking back a couple of years, the School Budget has increased, percentage-wise, is far above the rate of inflation. That is a troublesome number, because it's hard for people to adjust to that, because their budgets aren't necessarily appreciating above the rate of inflation. The fact that the Operating Budget is part of the total picture of the total package - we're going to have to add yes or no to a \$200,000 Contingency, yes or no to the HESS Contract, yes or no to the Vehicle Replacement Fund, yes or no to Maintenance – all these together is much more than just the Operating Budget. By taking the amount that we had originally voted on, is a fair amount and it isn't going to impact the budget the way that some of the speakers are concerned about.

Debbie Norris – She wanted to point out that the School Board's Proposed Budget is at 3.92%. As it stands now, the Budget Committees' Proposed Budget is at 1.82%, that is not giving 4% to the Schools for them to spend. We are looking at everything, the only thing we can amend is the Operating Budget. When this was proposed, it was proposed on everything – a bottom line – not just on the Operating Budget. We are only giving the School a 1.82% increase this year, they are asking for 3.92%. She is proposing 2.67%.

Ginni Haines – The Contingency Fund was increased this year up to \$200,000, so there is some room. She is very conflicted about this. She wants it to be palatable to the voters. She's not sure if she can support this. She's been to the meetings and seen how things can be moved from one tier to another to support them with a Contingency Fund, that was increased. That Contingency Fund supports the 2<sup>nd</sup> grade teacher, if needed. It's really hard for her to say but, she doesn't feel she can support this.

Jim O'Brien – We've heard a lot of comments about people's concepts of the larger budget reduction and what it would do, and he doesn't want anyone to leave this meeting believing that if this larger cut does happen, that things go on as they do today. There are ramifications of having less dollars to spend in the school system, and the School Board hasn't met yet to discuss that number. When they do meet, personnel are the largest cost and the reduction does mean less staff. That's realistically where the cuts will be made, those will have impacts. To suggest that there won't be impacts, that's not true. The Budget Committee hasn't looked at the line items to suggest cuts, they've made a blanket suggestion, but the School Board has done due diligence to bring to the Budget Committee, a recommended budget that has been through that deliberative process.

Candi Youngman – Commented that Jim O'Brien didn't support, by vote at the School Board Meeting, the Proposed School Operating Budget brought forth.

Jim O'Brien – The tiers are not suggestions for cuts, they are a list of potential places to reduce. They are in no way a recommendation from the Administration. The item reductions in those tiers will all have impacts.

Don Houston – Looking at the bottom line of the Operating Budget, we are still leaving in \$343,474 above the Warrant Articles and the Warrant Articles add up to \$377,906 – that's a total of \$621,380 on the budget increase, not the amount to be raised increase. That's a lot of money increased again this year, we can't keep doing this.

Jim O'Brien – When you go back to the drivers, Health Insurance increased over \$400,00, increased enrollment and increased cost of Special Education – in the Operating Budget. These large items will still be in the Operating Budget, even if there is a reduction made. The costs to operate are not stagnant.

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

Don Houston explained to Mr. O'Brien that the argument goes against every other budget that people must deal with – if you don't have enough money, you must find a way to reduce.

Jonathan Cohen – He's not hearing from anyone in the community or on the School Board that says we can't cut \$450,000 out of their proposal. The question is the costs – he thinks, as a parent, when he thinks about tightening his belt – the kids are the last people that he wants affected by his decrease in spending. There are many other things he'd reduce or give up before he would want it to affect the children. When he thinks about the difference between \$450,000 and \$250,000, he thinks about the difference between cutting 4.5 teachers out of the school district versus cutting 2.5. He's very mindful of the comments made earlier about having a special needs child because when those class sizes get bigger, it's those children who need the most attention that are going to get hurt the worst by the difference between 4.5 and 2.5 teachers coming out. He feels that it's reasonable for us to ask the School Board to pull together and stretch and make up the difference of 2.5 staff people. That is a reasonable request given the tough times. We are here to protect the kids that can't advocate for themselves, the value of the community is protecting the weakest. That's what we are here to do.

Jim O'Brien – This is not a family budget. The School Budget has 1,000 people that needs to be served every day regardless of the special needs that they have and the increases associated with that, there are union employees that are having health insurance rates that are being controlled by a pool, there are new kids walking into the door that can't be said no to. In a family budget you have to stretch to reduce costs. In the school budget there are costs that are escalating due to factors and changes in our growing community. He agrees that the School Board needs to tighten their belts and think about reductions and ways to do things differently. Whatever the voters agree on in March, the School Board will figure out how to make the Operating Budget work.

Candace Youngman – If we don't put a cap on the Salaries and Benefits, because they keep going up each year and we keep compounding what our commitments are, they are not going to be sustainable. Class sizes can be made a little larger, by adding a couple of students, and it won't compromise their education.

Janet Krzyzaniak – She has given this budget a lot of thought throughout the entire budget process and she cannot support this amount that Debbie Norris has proposed. She feels that we need to cut more than that amount, and she suggests a larger amount. She believes that it will be easier for the School Board to know where to make the cuts, because they know what's in that budget – it doesn't necessarily mean that it has to be teachers, cuts can be made in other parts of the budget.

Jim O'Brien explained that the budget includes 81% personnel costs.

Ken Traum – It sounds like Debbie Norris proposal does not have enough votes. Can we compromise, instead of \$450,000 or \$250,000 – at \$350,000, due to the late hour.

Rich Houston and Jonathan Cohen are open to that concept. Candace Youngman and Don Houston explained that negotiations were made last week. Ken Traum asked to call the question.

Debbie Norris withdrew her motion to amend the FY20 School Operating Budget to \$20,530,647, which was a reduction of \$250,000.

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

Jonathan Cohen made a motion to amend the FY20 Hopkinton School Operating Budget to \$20,430,647, which is a reduction of \$350,000.

*Ken Traum seconded the motion.*

**DISCUSSION**

Ginni Haines – To her this is really a dollar amount, she does feel that there has to be a will to change some things. When the \$350,000 is being presented, what are you thinking of?

Jonathan Cohen explained that what he’s thinking of is that a compromise and the idea of coming to a consensus. It’s a very substantial cut to a budget, which we know will have drastic effects on the education that schools are going to give our kids. He believes that the proposed Operating Budget that was put forward doesn’t have a lot of areas than can be cut. This is sending a message that we need them to go back and look at the budget and make some substantial changes. At the same time, we need to take into consideration the input from the public – hearing about the effects that it’s going to have on children. It shows our ability to consider and change our minds and come to a consensus on this budget.

A vote was taken to amend the Hopkinton School District Warrant Article II to \$20,430,647, which is a reduction of \$350,000. *The vote passed with 5 yes, 4 no.*

Debbie Norris – Voted no because she knew exactly where her proposed \$250,000 was coming from. She has no idea what the \$350,000 is going to represent. She can’t vote for that.

Jim O’Brien made a motion that the Budget Committee recommend Article III: To see if the school district will vote to raise and appropriate the sum of \$200,000 for the purpose of a General Contingency Fund to meet the cost of unanticipated expenses that may arise during the year and to expend said funds or to take any other action in relation thereto.

*Don Houston seconded the motion. A vote was taken and passed with 8 yes, 1 no.*

Candace Youngman explained that she’s voting against it because a Contingency Fund is for unknown expense, there is too much in there and it’s going to be used in the Operating Budget, and it’s going to be used for whatever they deem is necessary. It’s twice the amount that was put in there last year.

*Jim O’Brien explained that if the money is not used, it’s returned to taxpayers.*

Jim O’Brien made a motion that the Budget Committee recommend Article IV: To see if the School District will vote to approve the cost of items included in the collective bargaining agreement reached between the Hopkinton School Board and the Hopkinton Educational Support Staff (HESS) which calls for the following changes in salaries and benefits at the current staffing level:

<u>Fiscal Year</u>	<u>Estimated Increase</u>
2019-2020	\$22,398
2020-2021	\$52,320
2021-2022	\$59,683

And further to raise and appropriate the sum of \$22,398 for the upcoming fiscal year, such sum representing the costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels.

*Jonathan Cohen seconded the motion. There was discussion about the reason for the increase. Moving the insurance plan to a consumer-based plan, it is priced much better. Concern that the District pays for all of the deductibles and co-insurance for employees, this is not what the normal employer pays.*

*A vote was taken and passed with 8 yes, 1 no.*

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

Jim O'Brien made a motion that the Budget Committee recommend Article VI: To see if the school district will vote to raise and appropriate up to \$140,562 to be added to the School Building Repair and Maintenance Trust Fund, established March 6, 1993, and authorize the School Board to transfer up to \$40,562 from the year end undesignated fund balance (surplus) available on June 30, 2019, or to take any other action in relation thereto.

*Don Houston seconded the motion. A vote was taken and passed with 9 yes.*

Jim O'Brien made a motion that the Budget Committee recommend Article VIII: To see if the school district will vote to raise and appropriate up to \$15,000 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 \$15,000 from the year end undesignated fund balance (surplus) available on June 30, 2019, or to take any other action in relation thereto.

*Don Houston seconded the motion. A vote was taken and passed with 9 yes.*

Jim O'Brien made a motion that the Budget Committee recommend Article I: To see if the school district will vote to raise and appropriate the sum of \$9,796,692 for the renovation and addition to Harold Martin School, the renovation to Maple Street School, and the renovation of the Hopkinton Middle/High School, and to authorize the issuance of not more than \$9,796,692 of bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) and to authorize the School Board to apply for, obtain and accept federal, state or other aid, if any which may be available for said project and comply with the laws applicable to said project; to authorize the School Board to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to authorize the School Board to take any other action or to pass any other vote relative thereto.

*Ken Traum seconded the motion.*

**DISCUSSION:**

Don Houston – He totally supports the maintenance and the other issues. He would still like to have \$2M left over to use in different ways and complete other things that NEASC is asking for. He doesn't approve the \$9M because he wants to get the other viewpoint across.

*Janet Krzyzaniak and Candi Youngman agreed with Mr. Houston.*

Candi Youngman – Two of the big things that she heard, through the tours and discussions is that:

- 1) The elevator at the high school
- 2) The sprinkler system at Harold Martin

These are important and not even put into this plan.

Rich Houston's only concern with this proposal is that 5 years from now we realize we need to do some of these other things, and we'll have to take out a second loan. This proposal is a 20-year proposal and we'll still be paying for it at that time.

Jonathan Cohen asked if a bid comes in that is acceptable to the School Board for the sprinklers, would that expense be part of this bond?

Jim O'Brien explained – technically yes. But the School Board has put forward, through the hard work of many, a comprehensive plan to move forward. We currently don't have numbers for the sprinkler system and if we don't have numbers, we can't put forward a bond or address it in a bond.

**BUDGET COMMITTEE DELIBERATION – FY20 SCHOOL OPERATING BUDGET, cont.**

Jonathan Cohen explained that it's important at the School District meeting for them to hear that the Budget Committee supports this bond, so they will support it. This work needs to be done, for NEASC and for our schools. He is going to vote to support this.

Candi Youngman – She's not convinced that the enrollment projections justify all the additional classes at Harold Martin School, costing over \$3M in construction. It's prudent to use portables until we see what happens, there are always fluctuations in our enrollment. If we build the extra classrooms and they're not used, we're not being prudent with our money.

Jim O'Brien - He would suggest that the classrooms will be filled up and fully utilized. The projections show increases and we have overcrowding at Harold Martin – you will find a lot of students in very small spaces. He explained that the classrooms will be utilized and even if there was a slowdown in enrollment, those classroom spaces are needed.

Rich Houston pointed out that those 4 classrooms will cost \$817,000 each.

*A vote was taken and passed with 6 yes, 3 no.*

The approval of the Budget Committee Meeting Minutes of January 30, 2019 were not discussed, due to the late hour.

**MOTION TO ADJOURN**

Don Houston motioned to adjourn at 11 pm. Ken Traum seconded the motion. There was no further discussion. A vote was taken, and all Board Members approved, 9-0.

Respectfully submitted,  
Tammy Clay