



Town of Hopkinton

Budget Committee

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

BUDGET COMMITTEE PUBLIC MEETING MINUTES Wednesday, September 13, 2023 DRAFT

CALL TO ORDER:

Ms. Scura called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, September 13, 2023, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

Budget Committee

Members Present: Christa Scura, Debbie Norris, Rich Houston, Rob Nadeau, Ken Traum, Don Houston, and Victoria Bram

Member Absent: Jonathan Cohen, Steve Reddy, Mark Zankel

Staff Present: Neal Cass-Town Administrator

APPROVAL OF PUBLIC MEETING MINUTES

Mr. Traum moved to approve the public hearing and meeting minutes of February 8, 2023. Ms. Norris seconded the motion.

VOTE Voting in favor: Scura, R. Houston, Traum, D. Houston, and Bram; no votes against; abstain: Nadeau. Motion passed 6-0-1

Mr. Traum moved to approve the public meeting minutes of April 12, 2023. Mr. R. Houston seconded the motion.

VOTE Voting in favor: Scura, R. Houston, Traum, D. Houston, and Bram; no votes against; abstain: Nadeau. Motion passed 6-0-1

TOWN FINANCIAL UPDATE

Mr. Traum provided an update of the Town expenses and revenues through August.

Revenue

- PILOT and Penalties and Interest are low due to timing.
- Motor Vehicle Registration for the last month is down. It was running ahead of budget.
- Revenue from the State of New Hampshire is received toward the end of the year.
- Refuse Disposal Income is running behind in part due to a Webster payment being shown currently under ambulance revenue. This will be corrected.
- Interest Income will be substantially higher than budgeted due to changing banks and receiving a much higher interest rate.

- Rents are ahead due to a payment from Contoocook Hydro as part of the renegotiation of the contract for the lease of the dam. The 2024 budget will reflect the increase in revenue due to the new contract.

Expenses are running a little better than budgeted.

- Cemetery expenses look high, but the difference will be reimbursed from trust funds.
- Emergency Management is over budget because the switch needed to be replaced on the generator at Hopkinton Middle/High School.
- The Streets and Highways budget is below expectations at this point because encumbered funds have been used before budgeted funds.
- Debt interest and principal look high at this point due to the timing of the payments but will end the year right on budget.

Mr. Traum provided additional information and answered Budget Committee member questions as follows:

- The road bond approved at Town Meeting has an interest rate of 3.99% which is below the estimated 5% presented in March.
- The Houston Barn project is going well and is on schedule and on budget.
- The Select Board received this week an updated estimate on the cost for the Transfer Station Lagoon cleanup, which is now \$3.8 million for on-site capping. Webster is responsible for 25% of the costs. It was noted that the estimate to remove the soil from the site is \$13.8 million. It was noted that the engineers have not yet billed us for the work done on this project.
- The Hopkinton and Webster Select Boards have met jointly and are planning to propose an update to the Hopkinton/Webster Refuse Disposal Agreement to both Town Meetings in March. There are continued discussions about the Transfer Station at the Select Board level.
- The majority of the Economic Development budget is largely for the part-time director. A comprehensive review of what the director is accomplishing will be presented to the Select Board during budget presentations.

CONTOOCCOOK VILLAGE PRECINCT FINANCIAL UPDATE

Mr. D. Houston reported that the Water/Sewer Superintendent has resigned but is working part-time during the transition. NH DES recommended to the Town and the Precinct that they each have two full-time employees where they have been sharing one full-time employee. The Town has hired a full-time replacement and the Precinct will either do that or contract the service out. They have received a quote for contracting out which is over \$90,000 per year.

Mr. D. Houston reviewed the revenue and expense report and noted that Maintenance and Service is over budget due to two major waterline breaks. Both breaks were due to aging infrastructure.

HOPKINTON VILLAGE PRECINCT FINANCIAL UPDATE

Ms. Bram reported that the precinct commissioners will be meeting next week. Currently the Water Department is running \$53,000 in the red. She will obtain more information on this next week.

HOPKINTON SCHOOL DISTRICT FINANCIALS AND OTHER UPDATES

Ms. Scura welcomed Mr. Nadeau to the Budget Committee as the Hopkinton School Board representative.

Mr. Nadeau noted that his job is to represent the School Board but sometimes he answers questions as a citizen and former teacher. He will make clear which he is doing.

Mr. Nadeau said he has provided several documents including the quarterly expense and revenue reports. He plans to walk through the monthly statement with the Budget Committee next month. The MS-25 has also been provided. This is a synopsis of the audit and is used for tax rate setting purposes. If there are questions on this, he will provide answers at the next meeting.

The Budget Committee looked at the Fund Balance Overview and Mr. Nadeau provided additional details.

- The district received \$61,478 more revenue than expected.
- Food Service had astounding sales, going from \$240,000 in sales pre-covid to \$340,000 last year. Also, food service revenue from the State went from \$4,000 to \$40,000. Because there is a limit on the amount of the food service fund balance that can be retained, \$75,000 of the surplus went into Fund Balance.
- The financial software update netted a \$35,751 surplus.
- Expenditures were \$96,261 below budget.

The Fund Balance Overview shows how the Fund Balance is being used. There will not need to be a withdrawal of Article X funds. Work will be done to improve the PO system so that information is available sooner.

Fund Balance Overview

Fund Balance on 6/13/23		\$399,490
Updated Activity/ Audit Process	Additional Revenue	\$61,478
	Food Service Transfer	\$75,000
	E-Finance Upgrade*	\$35,751
	Fewer Expenditures	\$96,261
Fund Balance on 8/15/23		\$667,980
How is the Fund Balance being used?		
School District Meeting	FundBalance Revenue	\$150,000
	NHRS Revenue	\$114,997
Board Action	Article X	\$400,000
	Additional Fund Balance	\$2,983
	as Revenue	
		\$667,980

Mr. Nadeau also presented information on the Adequacy funds from the State of New Hampshire (see chart below). The State has changed the formula for determining Adequacy.

The new formula provided the School District with \$198,465 of unanticipated aid. It was noted that Special Education Aid is based on the number of IEPs and does not include the number of students on 504 plans. The Free and Reduced is the number of students qualifying for free or reduced lunch really reflecting low-income students. The Average Daily Membership (ADM) is based on attendance in September and October. Currently that number is about 910 compared to 899.93 last year.

There are two options for the use of the \$198,465 in unanticipated aid: 1. Use it to reduce taxes. 2. Call a special School District Meeting to gain authority to spend it. The School Board Finance Committee is recommending that it be used to reduce taxes.

Base Adequacy	ADM (Avg Daily Membership) x Base Aid	
	899.93 x \$4100	\$3,689,731.00
Free & Reduced(F&R)	ADM x F&R Differentiated Aid	
Membership	64.92 x \$2300	\$149,312.00
Special Education Aid (IEP)	ADM x SPED Differentiated Aid	
	173.17 x \$2100	\$363,655
English Language Learner (ELL) Aid	ADM x ELL Differentiated Aid	
	0 x \$800	\$0
	Total Cost of Adequate Education	\$4,202, 699
	minus SWEPT	\$1,396,358
	Total Revenue from State	\$2,806, 341

	The Good News	
Budget Adequacy Projection	Revenue based on New Adequacy	Unanticipated Revenue
\$2,607,877	\$2,806,341	\$198,465

The Portions of the Adequacy Formula that Hopkinton does not qualify for.		
Extraordinary Grant	Equalized Valuation/F&R ADM	
*Under 1.6 /Over 6.6 million	\$1,007,373,581/64.92	\$15,517,535
Hold Harmless Grant	Estimate based on 104%old formula	\$2,712,191

Mr. Nadeau provided additional information and answered Budget Committee member questions as follows:

- There should be some ruling from the judge in the ConVal lawsuit, of which Hopkinton is a part, in the next month or so. It is expected that whatever ruling there is, it will be appealed.
- As the School District approaches the upcoming budget there is a clear realization of the impact it has on taxes. Food Service is being analyzed to determine if the trend in sales will continue so that a tighter number is available. Having one less bus route this year at a savings of \$80,000 seems to be working. Under the new class size policy, only the current third grade has three classrooms.
- One of the goals created at the School Board retreat was to create a 3–5-year financial forecast. This is challenging, but the Board is trying to do this.
- There was discussion about the temperature of school buildings during the recent heat.
- Responding to a question, Mr. Nadeau said that the School District is not having a conversation concerning the total restructuring of how education is provided. He noted that graduation requirements have been modified allowing more internships. The hiring

practices have been reviewed. Hiring is more difficult than in the past. Currently all teacher positions are filled but there are several Instructional Assistant positions still open.

- All donations to the School District are approved by the School Board and are recorded. Effort is made to assure that donations don't cause District expense for maintenance in the future.

PUBLIC COMMENT

Bonnie Christie asked if with the increase in food service sales, there had been changes made in the area of sustainability. Mr. Nadeau noted that this is not a Budget Committee item, and she could contact the superintendent to gather this information.

OTHER

There was consensus that the formal budget presentations for the Town will be in December and the for the School District in January. The School District was asked to do an update at the November meeting of the Budget Committee.

Because several members were not in attendance, it was decided to discuss the role of the Budget Committee at the next meeting. Also, to be discussed is whether the Budget Committee would like a presentation by the New Hampshire Municipal Association on the role of the Budget Committee. The governing board could be invited to this presentation.

The next meeting will be on Wednesday, October 11, 2023.

ADJOURNMENT

There being no further business, the meeting was declared adjourned at 6:32 p.m.

Respectfully submitted,

Neal Cass
Town Administrator