

TOWN OF HOPKINTON BUDGET COMMITTEE
Minutes of Meeting
Town, School District, Hopkinton Village and Contoocook Village
Precincts Wednesday, September 14, 2022 – 5:30 p.m.
Approved 10/12/2022

BUDGET COMMITTEE MEMBERS

Committee Member	Attendance	Committee Member	Attendance
Don Houston	Present	Rich Houston	Present
Norm Goupil	Present	Mark Zankel	Present
Ken Traum	Present	Christa Scura	Present
Steve Reddy	Absent	Deb Norris	Present
Jonathan Cohen	Present	Victoria Bram	Present

OTHER ATTENDEES

Kelly Henley, Finance Director, Town of Hopkinton

CALL MEETING TO ORDER and PLEDGE OF ALLEGIANCE

Mark Zankel called the Meeting to order at 5:30 p.m. The Committee recited the Pledge of Allegiance.

Mark Zankel introduced Kelly Henley, Finance Director and thanked her for attending the Committee meeting.

APPROVAL OF PUBLIC HEARING MINUTES OF APRIL 13, 2022.

Ken Traum motioned, seconded by Deb Norris , to approve the minutes of the Public Hearing dated April 13, 2022.

Mark Zankel asked if there were any comments or corrections needed. There being none, a vote was taken to approve the motion for the approval of the Public Hearing Minutes of 4/13/2022.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approve	Rich Houston	Approve
Norm Goupil	Approve	Mark Zankel	Approve
Ken Traum	Approve	Christa Scura	Approve
		Deb Norris	Approve
Jonathan Cohen	Approve	Victoria Bram	Approve

TOWN FINANCIAL UPDATES – KEN TRAUM

Ken Traum gave a financial report of the Town budget beginning with revenues.

Ken noted that motor vehicle permits are coming in 6% higher than budget and could reach \$100,000 over budget for the year. \$90K PILOT settlement with St. Methodios Faith and Heritage Center has been reached.

Ken stated the Town's expenses are on track to stay within budget by year-end.

Ken stated that the Tyler Bridge project should be done by October 31st. The project will cost more than expected but should be off-set by Federal infrastructure funding.

Jonathan Cohen asked if the Police Department is fully staffed.

Ken replied yes, all departments are fully staffed.

Jonathan asked if the town receives the disciplinary records of new police officers if they previously worked for another town.

Ken stated that the Chief is aware of any disciplinary issues.

Jonathan thanked Ken and everyone who was involved in helping with the Secretary of State's audit of the town's voting machines on Primary Day, Tuesday Sept. 13th.

Victoria Bram asked if the audit showed that the machines are accurate.

Ken Traum said yes, more than 99.5% accurate.

Mark Zankel asked for further questions. There were none.

HOPKINTON SCHOOL DISTRICT FINANCIAL UPDATE – Norm Goupil

Norm Goupil stated that the District finished the year strong and it was nice to get back to a sense of normalcy.

Norm highlighted the new positions created, Curriculum Director and Facilities Director.

Also, the books have been closed for the 2021-22 school year. The surplus ended up being larger than expected, more than \$800K. The audit has been completed, and the additional funds were designated as follows:

- Article X set aside at maximum of \$785,404.00.
- The flooring (\$119,000.00) and HMS boiler (\$57,182.00) projects were now funded by the general fund and not the bond fund.
- Fund balance to be used to reduce 2022 tax rate will be \$551,036.00 which is \$1,036.00 more than promised to the voters.

Mark Zankel asked why there was more of a surplus than anticipated.

Norm stated that the school bus company did not charge increased fuel costs which resulted in a credit of \$179K, and those excess fuel costs were reallocated.

Mark Zankel asked Norm to clarify the fund balance that was proposed at the School District meeting in comparison with the actual at the end of the school year.

Norm said that the proposed fund balance was approximately \$776K and the actual was approximately \$961K. The Budget Committee will get a final report from the Finance Committee of the School Board.

Jonathan Cohen asked if the fuel budget for the 2022-23 school year will be re-assessed based on the credit from the bus company.

Norm stated that he will request a memo from Michelle on the bus contract /agreement language, how the credit came to be and how it will impact this year.

Deb Norris asked if the \$179K should be ear-marked for this year's fuel costs.

Norm said he will ask Michelle to address it in the memo.

Norm stated that BPS Corp. contract final financial report shows \$403,903.97 going back to the District after the completion of the Harold Martin School addition. Norm stated that the CIP Committee will recommend putting the funds into capital improvement, specifically ongoing, previously-discussed maintenance projects, to be used by 6/30/2024.

Mark Zankel asked if there was a discussion about the \$403K being returned to the taxpayer.

Norm Goupil replied no. The School Board held a public hearing as to what to use the extra money for and there was no public push-back regarding the use of the funds for known maintenance projects.

Christa Scura asked if the extra bond money could be used for the School Board's 2023 goals, including the safety plan and the energy plan, or if those are too outside the confines of the bond project.

Don Houston asked if there is an option to borrow less, or to give the \$403K back to the bank and lower the principal.

Norm Goupil said no, the bond rate is very cheap and the District will use the money to make needed improvements. The money can only be used for specific projects that were discussed in the scope of the bond.

Rich Houston asked if the Town is allowed to make a principal payment on the loan. Rich asked if any of the realized surpluses will be going back to the taxpayers.

Mark Zankel stated that the \$403K could be used as a relief valve for budget pressures of the Capital Improvement Plan or inflation.

Jonathan Cohen stated that interest rates are increasing and that the cheap loan money can be used for planned CIP needs, as it is generally more expensive to do projects last-minute.

Rich Houston asked if creating the two new positions, Curriculum Director and Finance Director, was a *need*.

Norm stated that the positions add value to the District, for example the new Facilities Director has already applied for nine grants. The Superintendent will report on the new positions and on savings from retirements/new hires at the next Budget Committee meeting.

Mark Zankel stated that the Superintendent manages the budget and makes decisions as to how to invest surpluses. Mark asked that the Superintendent present on the value proposition of the new positions.

Norm Goupil stated that the new positions do not increase the budget due to other personnel changes and the creation of the positions follows the strategic plan. The School Board establishes goals based on the strategic

plan and the Superintendent sets his own goals based on the School Board's stated objectives. The School Board and Superintendent's goals trickle down to goals throughout the District.

Christa Scura asked if the Safety Plan, included in the School Board's 2022-23 goals, is related to prevention of school shootings.

Norm replied that it will encompass all kinds of safety and security issues.

Jonathan Cohen asked if the committee drafting the Safety Plan will include members of the community.

Norm replied no, confidentiality is a concern. The committee does include teachers, school board members, the chiefs of the police and fire departments as well as the new Facilities Director.

Christa Scura asked if any of the school counselors will be included on the committee

Norm replied he is unsure.

Deb Norris asked if all of the stated 2022-23 School Board goals will cost additional money.

Norm Goupil replied that there won't be any surprises and not all goals require extra funding.

Rich Houston asked that the Superintendent report on his policy for managing surpluses in the future.

Mark Zankel asked the group if the Budget Committee wants to offer guidance on unanticipated budget savings.

Don Houston asked if the Budget Committee should have input on surpluses, as the Committee is asked to consider the next year's round of money.

Rich Houston stated that the Committee could consider a surplus as the amount a budget can be reduced the following year.

Norm Goupil stated that the School Board and Superintendent present a good-faith budget and things change throughout the year.

Mark Zankel stated that there are true philosophical differences to be discussed on unanticipated savings.

Christa Scura stated that the Committee appreciates information like the final report from BPS Corp., which can help the Committee understand whether investments are delivering on stated goals.

Victoria Bram asked whether the revamping of the Superintendent's evaluation process, which is one of the School Board goals, was initiated by the Board or was it requested by the Superintendent.

Norm replied by the Board.

Victoria asked if there would ever be a financial incentive for the Superintendent to end the budget year with a surplus.

Norm replied no, that would not be fiscally responsible.

Deb Norris stated that understanding the School Board's goals from last year, and how they relate to this year's goals, will help the Budget Committee evaluate fiscal responsibility.

Norm Goupil replied that the School Board will share their goals, how the goals will be reflected in this year's warrant articles, and there will be check-ins periodically throughout the year. The goals stated in the Strategic Plan do not always call for a budget increase.

Christa Scura stated that metrics are helpful to understand the value of investments. For example, showing progress as the Curriculum Director addresses learning loss from the pandemic, which is a goal of the District.

Mark Zankel stated that the requests the Budget Committee is making to Norm, the Superintendent and the School Board should be specific and clear. Based on this meeting, the Committee is asking for the following:

- Memo from Michelle on the bus contract /agreement language and how the credit of \$179,000 came to be, whether a "credit" is likely to happen again, and whether the \$179K was earmarked for this year's fuel costs, which are likely to be high
- Report on "return on investment" from new Director of Facilities and Curriculum Director positions
- List of major investment priorities for the future
- Guidance as to the Superintendent's philosophy for managing surpluses
- Safety & Security plan deadline of 1/15/23 seems late in the budget process, need window for appropriate review

Jonathan Cohen asked if the Safety Committee meetings will be public.

Norm Goupil replied yes.

Jonathan stated that the Budget Committee will want to know the goals of the money if goals will require separate warrant articles. Jonathan said the Committee does not want to micromanage, but understanding larger expenditures is helpful.

Norm stated that he had the answer to Rich Houston's question from April regarding the cost-per-pupil of the Harold Martin School addition project. Based on the four classrooms that were built (totalling 1,000 square feet of classroom space) and approximately 80 children using the classrooms, the cost per pupil was \$12,500.

CONTOOCH PRECINCT FINANCIALS UPDATE – DON HOUSTON

Don Houston reported that the filter media at the Bound Tree water plant has recently been changed which was a major project. The Precinct water manager received a grant for an asset management program which has been 10 years in the making. The program will map out the whole water system including all shut-offs.

HOPKINTON VILLAGE PRECINCT FINANCIALS UPDATE – VICTORIA BRAM

Victoria Bram reported that the 2nd quarter tax payment from the town to the Precinct was late.

ANY OTHER BUSINESS

Mark Zankel stated that the next meeting will be Wednesday, October 12, 2022 at 5:30 p.m. at Town Hall. Mark asked that any Budget Committee members who cannot attend that meeting please let him know.

Don Houston stated that he would like to see an updated version of a Highway Department report from 2 years ago stating the state of the roads and upcoming road projects in the town. Don made a formal motion to request an updated “Required Treatment for Roads in Hopkinton” report from the highway department. Jonathan Cohen seconded the motion.

APPROVAL OF MOTION TO REQUEST REPORT FROM HIGHWAY DEPT.

Mark Zankel asked if there were any comments. There being none, a vote was taken to approve the motion requesting an updated Required Treatment for Roads in Hopkinton report.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approve	Rich Houston	Approve
Norm Goupil	Approve	Mark Zankel	Approve
Ken Traum	Approve	Christa Scura	Approve
		Deb Norris	Approve
Jonathan Cohen	Approve	Victoria Bram	Approve

Christa Scura asked if she could participate via ZOOM.

Ken Traum stated that a quorum needs to be physically present at the meeting, but as long as that is the case other members can participate remotely.

Norm Goupil stated that he wanted to honor the work of Janet L. Krzyzaniak, who spent many years in service to the town, as she recently passed away in July of this year.

MOTION TO ADJOURN

Ken Traum motioned, Rich Houston seconded, to adjourn the meeting.

A vote of the motion to adjourn was held as follows:

Committee Member	Vote	Committee Member	Vote
Don Houston	Approve	Rich Houston	Approve
Norm Goupil	Approve	Mark Zankel	Approve
Ken Traum	Approve	Christa Scura	Approve
		Deb Norris	Approve
Jonathan Cohen	Approve	Victoria Bram	Abstain

The meeting was adjourned at 7:41 p.m.

Respectfully submitted,
Victoria Bram