

**BUDGET COMMITTEE  
PUBLIC MEETING MINUTES  
Wednesday, October 11, 2023**

**CALL TO ORDER:**

Mr. Cohen called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, October, 11, 2023, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

**Budget Committee**

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

**Members Absent:** Don Houston

**Staff Present:** Kelly Henley-Finance Director

Mr. Cohen made a motion to allow Mr. R. Houston to participate remotely.

**VOTE by roll call**

Voting in favor: Reddy, Nadeau, Zankel, Traum, Scura, Cohen, Norris, Bram; no votes against; abstain: R. Houston; Motion passed 8-0-1

**APPROVAL OF PUBLIC MEETING MINUTES**

Mr. Traum moved to approve the meeting minutes of September 13, 2023. Ms. Norris seconded the motion.

**VOTE by roll call**

Voting in favor: Nadeau, Traum, Scura, Norris, Bram, R. Houston; no votes against; abstain: Reddy, Zankel, Cohen; Motion passed 6-0-3

**TOWN BUDGET UPDATE**

Mr. Traum provided an update of the town expenses and revenue through September.

Revenue

- Overall revenue is looking good. Due to timing a few items are currently behind.
- Noted that Motor vehicle dropped in August but is now back up in September.
- Last month's misclassification has not been corrected yet. After the correction the Webster landfill line and ambulance revenue will be in line with the budget projections.
- Mr. Zankel asked about the increase in interest revenue. Mr. Traum noted that moving some funds including the road bond to a higher yield account has increased the amount of interest we are receiving. Mr. Zankel asked how much of the interest is from the road bond. Ms. Henley answered that roughly half of the \$17,000 in interest received from the new account was equivalent to the road bond funds.

Expenses

- Cemetery line looks high still because there are funds that need to be reimbursed from the Cemetery trustees and then we will be at 100%.

- 4325 Solid waste cleanup is low due to timing.
- 4445 Vendor payments for Welfare assistance is running low. What we are speculating is that it might be because lower income households might be moving out of town due to high living costs.
- Debt service interest and principal are done for the year.

Mr. Reddy asked about the budget schedule and Mr. Traum stated that the dept heads are working on their budgets currently and the initial budget presentation to the board of selectmen is set for November 1<sup>st</sup> and department head presentation start on November 6<sup>th</sup>.

**CONTOOCH PRECINCT FINANCIAL UPDATE**

Mr. D. Houston was not in attendance.

**HOPKINTON VILLAGE PRECINCT FINANCIAL UPDATE**

Ms. Bram reported that at the last meeting she was interested in why the precinct’s net income was \$53,000 in the red and now \$86,000 this month. She found out that it is due to the system upgrade project (increasing the storage tanks) going over budget. The project is now complete, and they have changed operators.

She also noted that they had some issues with their meeting minutes being written incorrectly and that contributed to DRA not being able to set the tax rate. It should be resolved now.

Ms. Norris asked how the residents are responding to the increases. Ms. Bram will check to see what feedback they have received.

**HOPKINTON SCHOOL DISTRICT BUDGET UPDATE**

Ms. Norris liked how the memorandum was written up.

Mr. Nadeau reported that he would walk through the MS-25 line by line to go over some of the language and highlights.

BALANCE SHEET		GENERAL	FOOD SERVICE	ALL OTHER	CAPITAL PROJECTS	TRUST/AGENCY	TOTALS
<b>ASSETS</b>							
<b>Current Assets</b>							
1. CASH	100	1,768,843.00	100.00	0.00	220,285.00	868,511.00	2,847,739.00
2. INVESTMENTS	110	0.00	0.00	0.00	0.00	0.00	0.00
3. ASSESSMENTS RECEIVABLE	120	0.00					0.00
4. INTERFUND RECEIVABLE	130	128,829.00	93,473.00	93,019.00	42,419.00	0.00	357,740.00
5. INTERGOV'T REC	140	54,065.00	6,307.00	119,740.00	0.00	0.00	180,112.00
6. OTHER RECEIVABLES	150	19,207.00	175.00	225.00	0.00	0.00	19,607.00
7. BOND PROCEEDS REC	160				0.00		0.00
8. INVENTORIES	170	0.00	0.00	0.00	0.00		0.00
9. PREPAID EXPENSES	180	8,587.00	0.00	0.00	0.00	0.00	8,587.00
10. OTHER CURRENT ASSETS	190	0.00	0.00	0.00	0.00	0.00	0.00
<b>11. Total Current Assets lines 1 - 10</b>		<b>1,969,531.00</b>	<b>100,055.00</b>	<b>212,984.00</b>	<b>262,704.00</b>	<b>868,511.00</b>	<b>3,413,785.00</b>

- Interfund receivables show funds from the state and federal government grants.
- Intergov’t Rec is money from the town, state and federal governments.
- Other receivables are from things like preschool tuition.

Current Liabilities							
12. INTERFUND PAYABLES	400	228,910.00	0.00	116,532.00	0.00	12,297.00	357,739.00
13. INTERGOVT PAYABLES	410	0.00	0.00	0.00	0.00	0.00	0.00
14. OTHER PAYABLES	420	131,819.00	859.00	7,982.00	0.00	0.00	140,660.00
15. CONTRACTS PAYABLE	430	0.00	0.00	0.00	0.00		0.00
16. BOND AND INTEREST PAY	440	0.00			0.00		0.00
17. LOANS AND INTEREST PAY	450	0.00			0.00		0.00
18. ACCRUED EXPENSES	460	25,576.00	0.00	588.00	0.00		26,166.00
19. PAYROLL DEDUCTIONS	470	0.00	0.00	0.00	0.00		0.00
20. DEFERRED REVENUES	480	1,300.00	18,159.00	87,882.00	0.00		107,341.00
21. OTHER CURRENT LIAB	490	0.00	0.00	0.00	0.00	0.00	0.00
<b>22. Total Current Liabilities</b> lines 12- 21		<b>387,607.00</b>	<b>19,018.00</b>	<b>212,984.00</b>	<b>0.00</b>	<b>12,297.00</b>	<b>631,906.00</b>

- Interfund payables are moving funds to the other funds.
- Other payables are bills that were paid after June 30<sup>th</sup>.
- Accrued expenses include accrued payroll.
- Deferred revenues are from the booster club in 1<sup>st</sup> column, my school bucks under food service in 2<sup>nd</sup> column, donations under all other are in the 3<sup>rd</sup> column.

Fund Equity							
<b>Nonspendable:</b>							
23. RESERVE FOR INVENTORIES	751	0.00	0.00	0.00	0.00		0.00
24. RESERVE FOR PREPAID EXPENSES	752	8,587.00	0.00	0.00	0.00		8,587.00
25. RESERVE FOR ENDOWMENTS (principal only)	756	0.00	0.00	0.00	0.00	0.00	0.00
<b>Restricted:</b>							
26. RESERVE FOR ENDOWMENTS (interest)	756	0.00	0.00	0.00	0.00	0.00	0.00
27. RESTRICTED FOR FOOD SERVICE			0.00				0.00
28. UNSPENT BOND PROCEEDS					0.00		0.00
<b>Committed:</b>							
29. RESERVE FOR CONTINUING APPROPRIATIONS	754	0.00	0.00	0.00	0.00	0.00	0.00
30. RESERVE FOR AMTS VOTED	755	0.00	0.00	0.00	0.00		0.00
31. RESERVE FOR ENCUMBRANCES (non-lapsing)	753	119,953.00	0.00	0.00	0.00	0.00	119,953.00
32. UNASSIGNED FUND BALANCE RETAINED		785,404.00					785,404.00
<b>Assigned:</b>							
33. RESERVED FOR SPECIAL PURPOSES	760	0.00	81,037.00	0.00	262,704.00	856,214.00	1,199,955.00
34. RESERVE FOR ENCUMBRANCES	753	0.00	0.00	0.00	0.00	0.00	0.00
35. UNASSIGNED FUND BALANCE	770	667,980.00					667,980.00
<b>36. Total Fund Equity</b> lines 23-35		<b>1,581,924.00</b>	<b>81,037.00</b>	<b>0.00</b>	<b>262,704.00</b>	<b>856,214.00</b>	<b>2,781,879.00</b>

- Reserve for prepaid expenses are expenses paid before July 1st but are for the budget starting after July 1st.
- Reserve for encumbrances non lapsing are funds we received back from the state for NH Retirement.
- Reserve for special purposes in 3<sup>rd</sup> column has a surplus of \$81,037 due to food services sales being up and money from the state. In Capital project fund the \$262,704 in the 4<sup>th</sup> column is money spent but not yet billed for the building project. Trust/Agency fund in the 4<sup>th</sup> column is from the spec ed trust, CIP, etc.

2. Tuition from All Sources	1300-1399	93,803.00		0.00			93,803.00
3. Transportation Fees from All Sources	1400-1499	0.00		0.00			0.00
4. Earnings on Investments	1500-1599	17,114.00		0.00	0.00	18,022.00	35,136.00
5. Food Services Sales	1600-1699		340,971.00				340,971.00
6. Other Revenue from Local Sources	1700-1999	169,397.00	3,998.00	183,525.00	0.00	0.00	346,920.00
<b>7. Total Local Non-Tax Revenue Lines 2-6</b>		<b>270,314.00</b>	<b>344,969.00</b>	<b>183,525.00</b>	<b>0.00</b>	<b>18,022.00</b>	<b>816,830.00</b>
<b>8. Total Local Revenue Lines 1 &amp; 7</b>		<b>17,136,991.00</b>	<b>344,969.00</b>	<b>183,525.00</b>	<b>0.00</b>	<b>18,022.00</b>	<b>17,683,507.00</b>

- Tuition for out-of-town students.
- Other revenue from local sources includes rebates. The 2<sup>nd</sup> column is a reference to food service sales, the 3rd column is referencing grants that are non-state/federal.

UNRESTRICTED GRANTS-IN-AID							
9. Adequacy Education Grant	3111	2,832,379.00					2,832,379.00
10. Statewide Enhanced Education Tax	3112	1,025,173.00					1,025,173.00
11. Shared Revenues	3119						
12. Other (Specify)	3190-3199	125,554.00	0.00	0.00	0.00	0.00	125,554.00
<b>13. Total Unrestricted Grants-in-Aid 9-12</b>		<b>3,983,106.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,983,106.00</b>
RESTRICTED GRANTS-IN-AID							
14. School Building Aid	3210	0.00			0.00		0.00
15. Kindergarten Building Aid	3215	0.00			0.00		0.00
16. Kindergarten Aid	3220	0.00					0.00
17. Catastrophic Aid	3230	213,008.00					213,008.00
18. Vocational Education	3241-3249	9,410.00		7,218.00	0.00		16,628.00
19. All Other Restricted Grants-in Aid	3250-3299	0.00	47,224.00	5,505.00	0.00	0.00	52,729.00
<b>20. Total Restricted Grants-in Aid (Lines 14-19)</b>		<b>222,418.00</b>	<b>47,224.00</b>	<b>12,723.00</b>	<b>0.00</b>	<b>0.00</b>	<b>282,365.00</b>
21. Grants-in-Aid Through Other Public Intermediate Agency	3700	0.00	0.00	0.00			0.00
22. Revenue In Lieu of Taxes	3800	0.00		0.00			0.00
<b>23. Total Revenue from State Sources Lines 13, and 20-22</b>		<b>4,205,524.00</b>	<b>47,224.00</b>	<b>12,723.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,265,471.00</b>

- Catastrophic Aid is how they classify special ed.

Revenue From Federal Sources						
24. Unrestricted Grants-in-Aid	4100-4299	0.00	0.00	0.00	0.00	0.00
<b>RESTRICTED GRANTS-IN-AID</b>						
25. Restricted Grants-in-Aid Direct from Fed Gov't	4300-4399	0.00		0.00	0.00	0.00
26. Restricted Grants-in-Aid from Fed Gov't thru State	4500-4599	112,040.00	120,335.00	601,839.00	0.00	834,214.00
27. Other Revenue for Ion Behalf of LEA	4700-4999	0.00	0.00	0.00	0.00	0.00
28. Federal Forest Land Distribution	4810	0.00				0.00
<b>29. Total Revenue from Federal Gov't (Lines 24-28)</b>		<b>112,040.00</b>	<b>120,335.00</b>	<b>601,839.00</b>	<b>0.00</b>	<b>834,214.00</b>
<b>Other Financing Sources</b>						
30. Sale of Bonds and Notes	5100-5139	0.00			0.00	0.00
31. Reimbursement Anticipation Notes	5140	0.00			0.00	0.00
<b>Interfund Transfers</b>						
32. Transfer from General Fund	5210		0.00	46,994.00	0.00	525,000.00
33. Transfer from Special Revenue Funds	5220-5229	0.00	0.00	0.00	0.00	0.00
34. Transfer from Capital Projects	5230-5239	0.00	0.00	0.00	0.00	0.00
35. Transfer from Capital Reserve Funds	5251	0.00	0.00	0.00	0.00	0.00
36. Transfer from Trust Funds	5252-5253	0.00	0.00	0.00	0.00	0.00
37. Compensation for Loss of Fixed Assets	5300-5399	0.00	0.00	0.00	0.00	0.00
38. Capital Lease/Lease Purchases	5500-5600	0.00	0.00	0.00	0.00	0.00
<b>39. Total Other Financing Sources (Lines 30-38)</b>		<b>0.00</b>	<b>0.00</b>	<b>46,994.00</b>	<b>0.00</b>	<b>525,000.00</b>

- Restricted Grants-in-aid from Fed Gov in general fund it is a reference to Medicaid in the 1<sup>st</sup> column, Food service fund in the 2<sup>nd</sup> column is money received from federal government for reduced breakfast/lunches, all other fund in column3 is referencing title 1, 2, 4, ADA safe schools, preschool.
- Transfer from general funds includes artist in residence and the school portion of a sabbatical. The \$525,000 is from warrant articles at town meeting.

EXPENDITURES		GENERAL	FOOD SERVICE	SPECIAL REVENUE	CAPITAL PROJECTS	TRUST/AGENCY
<b>Instruction</b>						
1. Regular Programs	1100-1199	8,636,252.00		472,169.00		9,108,421.00
2. Special Programs	1200-1299	4,266,992.00		215,025.00		4,482,017.00
3. Vocational Programs	1300-1399	87,434.00		0.00		87,434.00
4. Other Instructional Programs	1400-1499	419,135.00		11,646.00		430,781.00
5. Non-Public Programs	1500-1599	0.00		0.00		0.00
6. Adult & Community Programs	1600-1899	0.00		1,882.00		1,882.00
<b>7. Total Instructional Expenditures (Lines 1-6)</b>		<b>13,409,813.00</b>	<b>0.00</b>	<b>700,722.00</b>	<b>0.00</b>	<b>14,110,535.00</b>
<b>Support Services</b>						
8. Student Services	2100-2199	1,534,931.00		31,222.00		1,566,153.00
9. Instructional Staff	2200-2299	992,178.00		53,394.00		1,045,572.00
10. General Administration - SAU Level	2300-2399	715,945.00		2,333.00		718,278.00
11. School Administration	2400-2499	998,658.00		225.00		998,883.00
12. Business	2500-2599	389,627.00		0.00		389,627.00
13. Operation/Maintenance of Plant	2600-2699	1,814,194.00		47,226.00		1,861,420.00
14. Student Transportation	2700-2799	751,532.00		193.00		751,725.00
15. Centralized Services	2800-2899	319,551.00		9,766.00		329,317.00
16. Other Support Services	2900-2999					
17. Food Service Operation	3100-3199		546,515.00			546,515.00
<b>18. Total Support Services (Lines 8-17)</b>		<b>7,516,616.00</b>	<b>546,515.00</b>	<b>144,359.00</b>	<b>0.00</b>	<b>8,207,490.00</b>
<b>Other Outlays</b>						
19. Facility Acquisition & Construction	4000-4999	101,250.00		0.00	226,113.00	327,363.00
20. Debt Service - Principal	5110	283,625.00		0.00		283,625.00
21. Debt Service - Interest	5120	298,930.00		0.00		298,930.00
<b>Other Financing Uses</b>						
22. Transfer to General Fund	5210		0.00	0.00	0.00	0.00
23. Transfer to Food Service (Special Revenue) Funds	5220-5221	0.00		0.00		0.00
24. Transfers to All Other Special Revenue Funds	5222-5229	46,994.00				46,994.00
25. Transfer to Capital Projects Funds	5230-5239	0.00		0.00		0.00
26. Transfer to Capital Reserves	5251	101,134.00				101,134.00
27. Transfer to Expendable Trust Funds	5252	441,888.00				441,888.00
28. Transfer to Nonexpendable Trust Funds	5253	0.00				0.00
29. Transfer to Fiduciary Fund	5254	(18,022.00)				(18,022.00)
30. Allocation to Charter Schools	5310	0.00		0.00		0.00
31. Allocation to Other Agencies	5390	0.00		0.00		0.00
<b>32. Total Other Outlays and Financing Uses (Lines 19-31)</b>		<b>1,255,796.00</b>	<b>0.00</b>	<b>0.00</b>	<b>226,113.00</b>	<b>1,481,912.00</b>

- Mr. Nadeau noted that support services is where he would like to track the last 10 years to forecast and see where the peaks and valleys are.
- Facility Acquisition and Construction is for building maintenance projects that took place.
- Transfer to other special revenue funds is also in reference to the sabbatical noted above.
- The audit is usually available in November.

Mr. Nadeau briefly went over the August financial statements. Also pointed out that they are looking into higher interest accounts. He answered the questions below.

- Mr. Reddy asked about staffing. They are fully staffed except for a few open IA positions. Mr. Reddy also asked about the foreign exchange program and if there is a cost to the school district for the program. Mr. Nadeau confirmed there is no cost to the school district for this program.
- The budget work session will be held next week. The school boards expectation is for the budget to remain as close to flat a possible.

- Mr. Nadeau added that Michelle has announced that she is retiring in 2 years and the recommendation is to hire a replacement for Michelle that would have a 1-year overlap to train her replacement. There is one teacher position that they will not hire to help offset the cost.
- Mr. Zankel asked about the school board policy for class size. Mr. Nadeau stated that they are related to grades. The younger grades would have lower class sizes than the upper grades. Which is how they were able to reduce the number of teachers in the 2<sup>nd</sup> grade.
- Mr. Nadeau also stated speaking for himself and not the school board regarding the joint meeting with the housing committee. He hopes the housing committee keeps in mind that if there are large developments that are to be put in place, it needs to be done keeping in mind that the increase in students will mean that the schools will need more space/resources to accommodate the additional students.
- Mr. Cohen followed up from last year his recollection was that Mike wanted to come up with a set number of students per class to make it more predictable. He is curious if it takes into consideration children with special needs or who require more attention based on age. Mr. Nadeau stated they looked at similar size schools not bigger city schools and they are taking that into account as well.
- Ms. Bram asked about lead remediation. Is there any idea of the cost for lead remediation at Harold Martin. Mr. Nadeau couldn't answer except for the fact that they were within the range of acceptable limits. He will investigate it further and try to provide more information.
- Ms. Scura asked about progress update on the facilities position. Specifically progress on grants and increasing efficiencies. Mr. Nadeau said he can address financial impact, but actual progress should be addressed at a school board meeting.
- Ms. Scura asked about CIP projects and asked if the budget committee can be made aware of the CIP projects. Mr. Nadeau stated that during the budget process the CIP could be presented.
- Ms. Norris asked for status of the lawsuits. Mr. Nadeau stated there is no new news on them at this time.

#### **PRESENTATION OF BUDGET ANALYSIS**

Mr. Zankel created a spreadsheet that tracked 20 years of data to analyze the percentage change in the town budget vs the consumer price index or other benchmarks over time. He worked with Neal Cass to collect the data on past town budgets to analyze. Mr. Traum asked if there would be a way to take certain factors into account like population changes and other factors.

Mr. Nadeau expressed concerns about using CPI as a reference point. There are other measures such as personal consumption expenditures. Mr. Zankel asked if Mr. Nadeau could discuss other benchmarks that might be better to use before the next meeting. Mr. Zankel's goal is to compare the town budget to a benchmark to see how the expenses are increasing compared to outside factors and was open to discussing what factors would work best. Next meeting the budget committee will view the spreadsheet and discuss it.

#### **PUBLIC COMMENT**

Loren Clement of 86 maple Street commented.

- CIP items came in higher than expected because of price increases and that looking at that data would be helpful.

- In reference to the lead detected at Harold Martin he spoke to Jim and was told that the State changed their standard of parts per million which is why the school was flagged. It was not because the school's numbers increased. Ms. Bram said except for the one that was like 1000% above the limit, that one would have been flagged regardless of the change. Mr. Clement said he was not aware of that. Ms. Scura asked if any of those readings were from the water fountains and Mr. Clement stated that they were not water fountains. One was in a boiler room.
- Regarding the housing situation, his understanding is that the housing committee is only gathering information and not putting forth any recommendations. However, the planning board has zoning changes it is putting forward at their next meeting and voting on some to make changes to the TIF's at Exit 6, Harts Corner, Burnham Intervale, and the old paper mill site. They are looking for input from the public. Personally, I think that it is a lot to take on not only with the school but for police and fire as well.
- Regarding the school budget year end, I wish there was a 1-page analysis to make this clearer. Also stated concerns about the school budget being bloated. Noted the \$200,000 returned to this year's operating budget points to an overinflated budget.

Mr. Nadeau clarified that the \$200,000 amount that Mr. Clement was referring to is an increase in revenue not under spent expenditures. The \$200,000 is a reduction of the tax rate not an increase in the budget. The extra funds resulted from a change in the states adequacy formulas.

Mr. Cohen closed public comment.

#### **OTHER BUSINESS**

- Mr. Zankel asked about the December meetings. Mr. Traum said that December 6 (town budget presentation) & December 13 (town budget follow up). Mr. Zankel said that ideally the school would present at the January 10<sup>th</sup> meeting. Mr. Traum said the precincts would need to be in there too.
- Next budget committee meeting will be Wednesday November 8<sup>th</sup>.
- Mr. Zankel wanted to bring up the discussion on the role of the budget committee at the last meeting and about the possibility of having a presentation from NHMA on the subject. Ms. Scura clarified that it was at the end of the last budget season that the discussion started, and at the last meeting some committee members were not in attendance. Mr. Traum said that a presentation could be arranged. Mr. Reddy said that the summary document from NHMA that was sent out was straightforward and does not feel that a presentation is necessary. Ms. Bram stated it is clear what the budget committee is permitted to do in the RSA, and it includes conferring with other governing bodies, officers, department heads, and other officials. Mr. Traum said that is after the town or school presents their budget, which is something that has been offered all along. Discussion ensued on class sizes and what matters are more appropriate to have a school board meeting vs at a budget committee meeting. Discussion ensued on the budget committee's role and getting information from department heads. Mr. Traum stated that department heads will be presenting to the selectboard in November if any budget committee members would like to attend, they could hear the budget presentation. More discussion ensued on whether the budget committee would like to have NHMA do a presentation.

Mr. Zankel made a Motion to have the town administrator invite NHMA to come in to do a presentation.  
Mr. Nadeau seconded the motion.

**VOTE by roll call**

Voting in favor: Nadeau, Zankel, Scura, R. Houston, Norris, Bram; voting against: Reddy, Traum, Cohen; abstain: 0; Motion passed 6-3-0

**ADJORNMENT**

There being no further business, Mr. Cohen made a motion to adjourn at 7:37pm. Ms. Scura seconded the motion.

**VOTE by roll call**

Voting in favor: Reddy, Nadeau, Zankel, Traum, Scura, Cohen, R. Houston, Norris, Bram; voting against: 0; abstain: 0; Motion passed 9-0-0

Respectfully submitted,

Kelly Henley  
Finance Director