



Town of Hopkinton

Budget Committee

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**BUDGET COMMITTEE
PUBLIC MEETING MINUTES
Wednesday, October 12, 2022
Approved November 9, 2022**

CALL TO ORDER:

Mr. Zankel called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, October 12, 2022, in the large meeting room in the Hopkinton Town Hall. Those gathered recited the Pledge of Allegiance.

Budget Committee

Members Present: Mark Zankel, Jonathan Cohen, Steve Reddy, Debbie Norris, Christa Scura, Ken Traum, Norm Goupil, Don Houston, and Victoria Bram

Member Absent: Rich Houston

Others Present: Rob Nadeau-HSD School Board, Mike Flynn-HSD Superintendent of Schools, and Neal Cass-Town Administrator

Public Present: Loren Clement

APPROVAL OF THE PUBLIC MEETING MINUTES

Mr. Traum moved to approve the Public Meeting Minutes of September 14, 2022. Mr. Goupil seconded the motion.

VOTE: Voting in favor: Zankel, Cohen, Norris, Scura, Traum, Goupil, and D. Houston; no votes against; abstain: Reddy. Motion passed 7-0-1

Note: Ms. Bram arrived after the vote.

CONTOOCOOK VILLAGE PRECINCT FINANCIAL UPDATE

Mr. D. Houston reported that the Commissioners have not met so there was nothing new to report.

HOPKINTON VILLAGE PRECINCT FINANCIAL UPDATE

Ms. Bram reported the following:

- There is a major upgrade happening to the water tank.
- A \$300,000 bond has been issued to pay for the tank. The bond payments are being paid by water fees.
- The old tank did not meet NH DES standards.
- The new tank holds 30,000 gallons and the old tank only held 3,600 gallons.

TOWN VALUATION UPDATE

Mr. Cass explained the assessing process and how it relates to the tax rate.

- The assessing year runs from April 1 through March 31. Properties are assessed as they are on April 1 of each year. This means for example that if a property is under construction, the assessment for the year is based on where the construction stands on April 1.
- The State of NH requires reassessment of property every 5 years. Hopkinton was last reassessed in 2019 and an update is scheduled for 2024. Hopkinton uses a cyclical system for property assessment where 25% of properties are visited per year in years 1-4 and the physical attributes of the property are reviewed and updated as needed. In year 5, a statistical update is done use property sales over the last year to determine the fair market value of each property.
- In 2022, total property value has increased \$2.45 million or 0.31%. There was an adjustment on one very unique property which dropped the overall value by \$3.2 million based on the first “arm-length” sale of the property.
- The estimated value of the Building Permits issued in 2022 is \$7.3 million. Mr. Cass noted that the timing of the actual construction relative to April 1 is what determines the value that is added in a particular year. This chart represents the changes in total assessed value over the last 10 years.

<u>Year</u>	<u>Assessed Valuation</u>	<u>\$ Change</u>	<u>% Change</u>		
2022	790,826,099	2,451,801	0.31%		
2021	788,374,298	7,484,387	0.96%		
2020	780,889,911	3,789,156	0.49%		
2019	777,100,755	155,341,533	24.98%	Revaluation Year	
2018	621,759,222	3,838,575	0.62%		
2017	617,920,647	3,990,726	0.65%		
2016	613,929,921	4,021,336	0.66%		
2015	609,908,585	(39,830)	-0.01%		
2014	609,948,415	(46,324,190)	-7.06%	Revaluation Year	
2013	656,272,605				
Average Yearly Change (10 Years)			14,950,388		
Average Yearly Change w/o Reval Years			3,648,022		

- It appears that over the last year properties in town are selling between 40% and 50% over assessed value so it is likely that if this continues, assessed values will increase this much during the next revaluation in 2024. If this is the case, the tax rate will drop by the same percentage, all other things being equal.

TOWN FINANCIALS UPDATE

Mr. Traum reviewed the Town’s revenues and expenses through September. He noted some areas that looked low or high and pointed out that this is due largely to timing. The actual numbers reflect very closely where it is expected numbers to be at this time of year.

Mr. Traum also noted that the Select Board is in the process of establishing an Energy Committee that will look at issues such as the installation of solar arrays on Town property, implementation of Community Power, use of the Town-owned Contoocook Hydro Dam, installation of electric vehicle charging stations, implementation of energy efficiencies, and education of the public on energy and energy conservation related issues. This committee should begin its work within the next month.

HOPKINTON SCHOOL DISTRICT FINANCIALS AND OTHER UPDATES

Superintendent of Schools Mike Flynn, and Chair of the School Board Finance Committee Rob Nadeau joined the Committee at the table.

Mr. Flynn presented a PowerPoint presentation outlining the 22-23 budget timeline and the Superintendents Perspective. The PowerPoint also highlighted the following:

- Budgeting Goals 23-24
 - Strive for level funding on NON fixed costs
 - Continue to move away from large fund balance
 - Establish long-term planning
 - Maintain tax rate stability
 - Bottom line budgeting/Zero based budgeting
- Key Budget Drivers
 - HEA Contract – Approved at School District Annual Meeting
 - HESS Contract – Approved at School District Annual Meeting
 - Special Education – Required by Law
 - Utilities
 - Transportation
 - Inflation

Mr. Flynn and Mr. Nadeau provided follow-up information for questions asked at the last Budget Committee meeting.

- There was \$179,000 return in the last fiscal year from transportation. First Student did not charge the fuel surcharge and there was a shortage of drivers so one bus was not run. The final audit is being worked on now. This fiscal year the surcharge will have to be paid.
- An update on the new Director of Facilities position and Director of Curriculum position were provided.
 - Director of Facilities – The person in this position is highly qualified. His knowledge has led to issues being identified sooner and then dealt with before they become bigger. The CIP plan is being redone with more accurate information on when projects need to be done. The goal is for CIP expenditure to be basically level year to year. There have been savings in materials cost. The facilities have never been in better shape.
 - Mr. Zankel noted that the Facilities Director is obtaining grants. Mr. Flynn said a \$150,000 grant has been obtained for security including upgraded locks and panic buttons.
 - Mr. D. Houston commented on the school facilities looking good, noting especially the area in front of the Middle/High School.

- Curriculum Director – It has been “refreshing” to have someone in this position. Staff training planned by the person in this position has gone well and has included developing a full K-12 curriculum plan. This position is also responsible for overseeing grants and assuring that every penny is used to its best potential. Mr. Nadeau noted that curriculum work has been done numerous times before, but without a person overseeing it, there was never follow-through.

Numerous other School District related items were discussed.

- The goal is to not manage the budget to achieve a surplus, but to have zero-based budgeting with budgets in place that match the expected expenditures. This will provide level funding year-to-year. Large expenditures will be planned for and come out of the trusts.
- There is work already being done on a safety and security plan. Homeland Security will be auditing all the buildings in the next few months.
- Mr. Goupil said the balance from the bond will be used for facilities costs.
- The School District is fully staffed. The recent HESS contract with an increase in benefits has helped this happen.
- Middle school teachers will be teaching only middle school classes. In the past they have also taught high school classes. There will be 4 sections per grade in the lower grade levels. This will ensure that staffing doesn't fluctuate every year based on enrollment.

Mr. Goupil encouraged the Budget Committee members to attend School Board meetings as the budget is being discussed.

PUBLIC COMMENT

Loren Clement made the following comments:

- He asked if the remaining funds from the bond could go to surplus and be used for a future bond payment.
- He said there are still ESSR funds available
- He said that if there are no surpluses, what happens if funding for the trusts is not supported by voters.
- He stated that during budget discussion last year the estimated enrollment was 950, but now the enrollment is 903. Are children being homeschooled?

Mr. D. Houston said that the School District had presented that it intends to retain of fund balance of between \$200,000 and \$400,000.

Ms. Bram asked if there are cost savings with fewer students. Mr. Zankel said that most costs are fixed. Ms. Scura said that fewer students likely hurts the district, due to decreased State funding. The State funding is about \$3,500 er student.

It was noted that the number of tuition students is up. The tuition rate is set each year by the School Board.

OTHER BUSINESS

Mr. Zankel reviewed the Budget Committee schedule. Mr. Cass will send out a complete schedule to the Budget Committee members.

ADJOURNMENT

There being no further business, Mr. D. Houston moved that the meeting be adjourned. Mr. Traum seconded the motion. All members voted in favor and the meeting was declared adjourned at 7:32 p.m.

Respectfully submitted,

Neal Cass
Town Administrator