



# Town of Hopkinton

## Budget Committee

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

### BUDGET COMMITTEE PUBLIC MEETING MINUTES Wednesday, November 9, 2022 DRAFT

#### CALL TO ORDER:

Mr. Zankel called this meeting of the Hopkinton Budget Committee to order at 5:30 p.m. on Wednesday, November 9, 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, Rich Houston, Steve Reddy, Debbie Norris, Ken Traum, Norm Goupil, Don Houston, and Victoria Bram

**Member Absent:** Christa Scura

**Others Present:** Rob Nadeau-HSD School Board and Neal Cass-Town Administrator

**Public Present:** Loren Clement and Bob Matteo

#### APPROVAL OF THE PUBLIC MEETING MINUTES

Mr. Traum moved to approve the Public Meeting Minutes of October 12, 2022. Mr. Reddy seconded the motion.

**VOTE:** Voting in favor: Zankel, Cohen, R. Houston, Reddy, Norris, Traum, Goupil, D. Houston and Bram; no votes against; Motion passed 9-0

#### HOPKINTON SCHOOL DISTRICT FINANCIALS AND OTHER UPDATES

Mr. Goupil shared the following information:

- Revenues are coming in as anticipated at this time.
- Grant information from the State has not yet been received to allocate staff that are funded by grants, to those grants. This information is expected before the next financial report.
- With the end. free breakfast. and lunch for all students, food service will have a challenging year revenue-wise. Last year ended with a \$86,642 fund balance and \$75,000 is in the operating budget to offset the deficit this year.
- One of the stated goals with the budget is to lower the surplus over the next three years, and there will be balances in the trust funds.

Ms. Bram asked if the Due from Trust Funds line is due to special education. Mr. Goupil will find the answer to this question.

There was discussion on the food service deficit with a question as to whether Business Administrator Michelle Clark is projecting a larger than expected deficit. Mr. Goupil will obtain more details on the projected deficit.

There was a review of the recommendation of the school capital committee for the use of the Building Project Surplus Funds. Mr. Goupil noted that these expenditures will help alleviate pressure on capital expenditure plans in future years.

HMS	Construction Furniture	\$ 1,000.00
HMHS	HVAC Audi RT-CU2*	\$ 94,000.00
MSS	Roofing Kalwall	\$ 93,500.00
HMHS	Roofing Kalwall	\$181,200.00
HMHS	Roofing Metal roof to cover Kalwall at gym roof	\$ 15,000.00
HMHS	Renovation Music Room Window Wall	<u>\$ 18,925.00</u>
	TOTAL	\$403,625.00

Mr. D. Houston asked for an estimate of how close the School District is to having all new roofs. Mr. Goupil said this information was prepared and he would share it with the committee.

There was further discussion on the roofs:

- Kalwall is a translucent skylight. The current ones were installed in the late 90s and they are at the end of their life. The new generation has a better design, more translucent, better heat retention, and longer life.
- A metal roof would not be effective due to the location of Kalwalls.
- The new Kalwalls will have around a 40-year life span.
- Mr. Traum asked whether solar panels could be installed on the roofs and Mr. Zankel requested that Mr. Goupil check this and bring the answer back to the Budget Committee.
- Mr. R. Houston expressed concern about solar panels damaging an expensive roof.

Mr. Goupil said he would like to talk about the upcoming budget to facilitate good communication, so he has asked Mr. Nadeau, chair of the School Board Finance Committee, to update the Budget Committee.

Mr. Nadeau presented the following information:

- The draft School District budget has not yet been presented to the full School Board and is still currently in a conceptual phase. Mr. Nadeau has reviewed it line by line and the increase is in the 9.5% range.
- Salaries account for 3.6% of the 9.5% increase due to the HEA and HESS contracts adopted last year.
- Benefits are 3.0% of the increase. This increase was not expected. \$600,000 is for an increase in health care costs. 15-18 employees have changed plans.
- The “Operating Budget” is 2.9% of the increase or around \$650,000.
  - 58% of this is energy and utilities
  - 18% is special education
  - The cost for the Concord Regional Technical Center is up \$13,000
  - Maintenance agreements, which previously were not budgeted, are up \$31,000
- The total increase is 9.5% which is a \$2,160,000 increase.
- Revenue numbers are not yet available.

Mr. Zankel noted that both the percentage increase and the dollar amount increase are important numbers for the Budget Committee.

Ms. Bram noted that inflation is at 8%.

Mr. R. Houston asked about the two administrative positions that were either added or changed this year.

- Mr. Nadeau said the Curriculum Director position was added and the Facilities Director position was expanded. There were savings of \$250,000 due to hiring people who are earlier in their careers. The two admin positions are being paid for out of these savings.
- Ms. Norris noted that the cost for the two changed positions is on-going and will cost more in the long run.
- Mr. Cohen suggested that the grants acquired by the people in these positions as well as quantifiable savings because of the positions be presented to the Budget Committee.
  - Mr. Nadeau noted that the Facilities Director is applying for grants as well as looking at maintenance agreements.
- Mr. Zankel said that it is clear that these positions have value to the District but noted that managing to a budget is one thing and what is done with budget savings is a different thing.

The Budget Committee discussed other staffing positions

- Mr. Reddy questioned the number of study halls at the high school. Mr. Nadeau noted that if there are not enough teachers at the high school, there will always be study halls.
- Ms. Norris said that for staffing to be more stable, the plan is for 4 sections in each elementary grade and a middle school program. She said she wants to understand better the educational needs and what the School District is looking to establish.
- Mr. Nadeau said that they are asking what staffing is required and what are the needs. When staff cuts happen there are bigger class sizes and more study halls.

The discussion on the School District budget was completed with several additional comments:

- Mr. Zankel asked if the use of the remaining bond funds allows for a year-over-year decrease in the required appropriation. Is there an opportunity to offset the tax impact? The opportunity is most likely within the warrant article rather than the operating budget.
- Mr. Reddy asked whether funds should be put away for future maintenance of the buildings.
- Mr. R. Houston said that he speaks for people on fixed incomes whose costs are currently rising for basic needs. He requested that the School Board look for labor efficiency, meaning doing the job with the fewest people possible.
  - Mr. Nadeau said that the goal is to have staff that meet the needs of the students and provide a good education.
- Mr. Zankel reminded all that two years ago the school budget was defeated. He asked whether there are alternative models to deliver the education we want at a lower cost. Could this exploration happen?
- Mr. Cohen said the “elephant in the room” is state funding. Teachers are the “life-blood” of the school. Costs are going up.

- Mr. D. Houston shared that he is fearful as to where we are going. There are CIP needs in the town and precincts, fuel costs have tripled. The residents could say they just cannot afford it.
- Ms. Bram noted that there will be additional Warrant Articles with additional costs that will have to be discussed before the annual meeting.

### **PUBLIC COMMENT**

Loren Clement made the following comments:

- There should be noticeable savings with the new furnace paid for out of the bond, at Harold Martin School.
- He is concerned that moving forward funding Trust Funds and the operating budget may be a problem. What happens if the Trust Fund funding isn't approved for one year?
- Last year there were teachers paid with ESSR funds, and the same this year. Will those expenses have to be added to the budget next year? (It was explained that only half the salaries are being paid with ESSR funds this year to help to gradually add these to the operating budget).
- The Budget Committee minutes of September 14, 2022 included comments by Mr. Goupil on the Public Hearing that was held concerning the use of the remaining bond funds. It was questioned whether this hearing took place. Mr. Goupil presented the minutes of that hearing that did take place.

Bob Matteo made the following comments:

- The Budget Committee has a difficult job coming up.
- Schools are not businesses so cannot be looked at that way. The cost is paid by families and residents and children are impacted by higher taxes.
- He has talked to people that can afford their taxes and it is important to remember them.
- If the economy is bad, there is no need to worry about teacher attrition.
- It is not the “end of the world” to put some expenditures on hold. Maybe a “no” is really just a “holdoff”.

### **TOWN FINANCIALS UPDATE**

Mr. Traum gave a brief update on the Town budget process. Currently the operating budget has an increase of 6.5%. Half this increase is a wage increase and a third of it is made up of fuel, heating, and utilities.

Mr. Traum reviewed the year-to-date financials. There was little to note and he said that both revenues and expenditures are where they are expected to be at this time of year.

Ms. Norris asked for an update on the proposed solar array at the Transfer Station. Mr. Traum explained that this project is still moving forward. The builder has just exercised its option for next year.

Mr. D. Houston asked about the status of Contoocook Hydro. Mr. Traum said that the 40 year lease on the property expires in September of 2023. The newly formed Energy Committee will be tasked with looking at options.

### **CONTOOCCOOK VILLAGE PRECINCT FINANCIAL UPDATE**

Mr. D. Houston reported that in their budgeting process they are dealing with the same issues as the other entities. He further noted several items:

- The \$27,000 expenditure noted in the budget was for a new water hookup and was paid for by the user.
- At the request of the auditors, they have added a treasurer position.
- The cost of streetlighting is going up.
- There is on-going discussion of increasing the water rates.

### **HOPKINTON VILLAGE PRECINCT FINANCIAL UPDATE**

Ms. Bram said that there was nothing substantial to report. There is on-going discussion about making the traffic calming demonstration in Hopkinton Village permanent.

### **OTHER BUSINESS**

Mr. Goupil asked that even though the next meeting is the presentation by the Town, could he also present school information at the meeting as well. Mr. Zankel responded in the affirmative.

### **ADJOURNMENT**

There being no further business, Mr. Reddy 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