

**TOWN OF HOPKINTON**  
**Budget Committee Meeting**  
**Wednesday, January 31, 2018**  
**\*Approved\***

**BUDGET COMMITTEE MEMBERS IN ATTENDANCE**

Janet Krzyzaniak, Don Houston, Ken Traum, Rich Houston, Debbie Norris, Amy Bogart, Ginni Haines, Matt Belanger, John Wuellenweber, and Mark Zankel

**PUBLIC PRESENT**

Steve Chamberlin, SAU #66, Superintendent of Schools; Michelle Clark, HSD Business Administrator; Steve Lux Jr., Selectman; Elizabeth Durant, School Board Chairperson; Residents and Property Owners- Mary Kusturin, Ian Tewksbury, Mike Martin, Candace Youngman, Sue Strickford, John Watson, Gary Garvin, Tina Hoyt, Cettie Connolly, Elizabeth Hall, Jill Crane, Carrie French, Tim Murray, Elaine Murray, Ken Soucy, Sara Persechino, Karen Dufault, Carolyn Koegler, Emilie Burack, Matt Lane, Bonnie Christine, Robert Peter Gerseny, Tim Stokes, Diana Wieland, Laura Jones, Elizabeth Clarke, Jim Corrigan, Deborah Brantley, Chris Brantley, Edie Houston, Laura Wuellenweber, Rebecca Bettencourt, Tom Burack, Lori Warner, Dale Warner, Anna Wells, Thomas Hardenbergh, Beth Bachman, Andy Bachman, Joshua Caron, Meg Bamford, Steven Whitley, Jennifer Blagriff, Robert Mitchell, Marianne Loew, Chuck Gangel, Jessica Scheiman, Asa Dustin, Molly Richter, Elizabeth Sides, Susan Afflerbach, Walter Dwinnelle, and Roberta Carlson.

**CALL TO ORDER**

Janet Krzyzaniak called the Budget Committee Meeting to order at 5:30 pm, at the Hopkinton Town Hall. The Pledge of Allegiance to the flag followed.

**FINAL BUDGET DELIBERATIONS – TOWN**

Ken Traum, Selectman, presented the Town of Hopkinton Budget, noting that there were no changes in the summary page presented several months ago, that results in a .28/1,000 increase in the tax rate. Mr. Traum explained that on January 29, 2018, the Select Board did vote to add another warrant article that relates to Economic Development and a TIF District. He asked Bob Gerseny, Select Board Liaison to the Economic Development Committee to address this.

Mr. Gerseny explained that they have asked for a warrant article to establish an “enterprise spot” and they’re asking to reflect that with \$30,000 that would come from this year’s surplus, without affecting the tax rate. He explained that they are working on Economic Development in two areas, one of them is the Routes 202/9 and 127 intersections, where the Dunkin Donuts is. They’re calling this Hart’s Corner, because there is a piece of land there that Frances Hart has agreed that they can work with her to develop that area, so they can add to the tax base. Mr. Gerseny explained that a consultant, Stuart Arnett, former DRED Commissioner, has done some research for them, and although the original plan was to have commercial development there, Mr. Arnett thinks that residential development might be more likely to work, specifically over 55 condos, knowing that there is a lot of pressure in town for people who want to move out of big homes and downsize.

## **FINAL BUDGET DELIBERATIONS – TOWN, continued**

The speculation is there would be a lot of value in this residential development, resulting in \$25-36M value added to the tax base, which would generate \$1-1.5M in new revenue, depending on the developer who does the job. Mr. Gerseny explained that to attract developers, they need to make the parcel of land as amenable as possible. There is State property adjacent to this land, on the different corners, and they have had conversations with the State about swapping that property for other acreage we own in town. To get that done, they're going to ask the Town to authorize the Select Board to execute on that swap if they can get all the details arranged favorably. He explained that there will be some expenses, that is where the \$30,000 comes into play. Estimated costs include at least one survey, \$10,000; four appraisals, \$6,000; legal on the four parcels, \$4,000; and \$10,000 for equalization costs. He explained that one of the things that will make this property more attractive to developers is to establish a Tax Increment Finance (TIF) District. This allows us, once development occurs, to earmark the new tax revenue, for improvements that we made to make the property marketable. The \$30,000 borrowed now from the Town Surplus, could then be returned from the tax revenue.

### **Questions, Comments, and Discussion from the Board**

*Are there any wetlands?*

Mr. Gerseny explained that on one side of the road it slopes towards the river, probably making that undevelopable, this makes the property on the other side more attractive because it's recreation amenity. In the other direction, it goes uphill, so there are no wetlands.

*Did the consultant give any indication why he felt the 55+ residential would work better than retail?*

Mr. Gerseny said that this came from market research. Merrimack County has a lot of demand for this kind of housing. He also explained that Mr. Arnett's statistical analysis is that the traffic on Routes 202/9 would not support a whole retail district and that his plan does have some retail included.

*Is there a plan where the watershed area would be?*

Mr. Gerseny explained they hadn't gotten that far yet. They have opined that possibly, to encourage or work with the developer, they might put an independent water system in for that lot, as opposed to having a whole series of separate septic's. It will not reach the current municipal system.

*At the original presentation of the Town Budget, the proposal was to use \$308,000 of the Fund Balance and by increasing that by \$30,000, this investment would be covered without any additional tax impact. But in the original document, it said \$332,889 was available for 2018, based on projections. Can this be explained?*

Mr. Traum explained that the first estimated surplus numbers were done in late October, the numbers they currently have are showing a much larger surplus than originally anticipated. They felt that even after applying the additional \$30,000, they would be coming out about \$50,000 above the retained amount of 5% retention they are required to have. Mr. Traum explained that they are still using \$308,000 to get to the .28/1,000 increase in the tax rate. Beyond that, they want to take another \$30,000 from the Surplus, not impacting the tax rate.

Mr. Traum added that after the first page of the packet he handed out, the draft of the Town's Warrant Articles are included.

## **FINAL BUDGET DELIBERATIONS – TOWN**

Ken Traum motioned to approve the 2018 Town of Hopkinton Warrant Article 2, Town Operating Budget in the amount of \$7,123,415. Debbie Norris seconded the motion. A question was asked and then clarification by Mr. Traum, about the percent change in the overall Operating Budget. A vote was taken, all approved 10-0.

## **ADDED AGENDA ITEM – PRESENTATION OF PETITION BY SUE STRICKFORD**

Sue Strickford explained that she is representing the Concerned Citizens of Hopkinton who are concerned about the school budget. She explained that in three days, the petition has 150 signatures, asking for a level budget, not a zero budget. They are concerned that 80% of the School Budget is for salaries, and property taxes are too high. They don't understand how the School Board could present to the Town of Hopkinton a budget that is higher, when the bond loan has been paid off, there should have been a decrease.

Mrs. Strickford presented the petition –

“We the undersigned citizens, hereby petition and request that the Hopkinton Budget Committee establish and present a Hopkinton School Expense Budget to be as follows:

- 1) \$18,954,550 – This figure includes the entire operating budget for the financial year 2019 in addition to the removal of the previous final bond payment of \$553,500, any and all costs associated with the new Teamsters Contract, any and all additional costs and transfers, and any and all costs associated with the purchase of the property at 195 Park Avenue for use as the SAU administration until it is included in the budget committee approved renovation and facility plan.

Our increasing property taxes represent a big burden on our taxpayers. There is also evidence of tax delinquency reports that residents are falling behind on their taxes and that their tax receipts are slowing down.

Therefore, we've doing this for three days and we have 150 signatures, that ask the board to reconsider what their budget is.”

She explained where the figure of \$18,954,550 came from; using the \$19,508,050 that was presented a couple of weeks ago and taking out the \$553,500 for the bond, making it \$18,954,550 for the current operating expense. This is what they'd like the board to consider.

Mr. Belanger asked if the group's numbers included the \$400,000 that they would need to budget for the grant they received. Mrs. Strickford expressed that the school board should be able to find a way for that, they want the grant for safety. Mr. Belanger explained how that the grant money needs to be budgeted in.

Mr. Belanger asked if the group discussed revenue at all? Mrs. Strickford said they hadn't met long enough and that they had between 60-80 people that came to the meeting who showed concern about this. She shared the groups concerns about not being able to afford to live here, some being forced out of their homes, because of the constantly rising tax rates. She explained that the senior community supports the events that take place in town, but there is a limit to what they can do because of the expenses.

### **ADDED AGENDA ITEM – PRESENTATION OF PETITION BY SUE STRICKFORD**

Mr. Belanger explained that he looked at the tax rate increases over the last 4 years and that over that time the student population has increased by 100+, which is about 12%, and the School Budget has increased over that time by 2.2%. He wants to recognize that the schools have been relatively level over the past 4 years.

Mr. Belanger explained that Hopkinton spends less per pupil than the surrounding towns and that we're in the mid-range for what schools spend per student. He wants the community to recognize that making cuts like what is being asked for would mean significant cuts to programs, teachers (current and future), and it could put the safety and security bond in jeopardy.

### **FINAL BUDGET DELIBERATIONS – SCHOOL**

Matt Belanger, School Board Representative to the Budget Committee, Steve Chamberlin, Superintendent, and Michelle Clark, Business Administrator

Mr. Belanger explained the process to date:

- They started with the Superintendent's Budget and made \$100,000 in cuts to it.
- An additional \$100,000, or so, in cuts were made.
- They moved money into contingency.
- They presented to the Budget Committee for the past 4 weeks.
- Last week they communicated to the Budget Committee that the School Board decided to rescind the Facility Project.
- As of last week, the school was notified that they had received a grant of \$400,000, it is an 80/20 grant, meaning we would have to provide 20% of that for safety and security measures, which the district plans to add video surveillance and controlled entry. He explained that this would mean that entire cost of that bond would need to be added to the budget, because this is how the state requires it to be budgeted for. This means that the Operating Budget increased by \$400,000, and revenue would increase by \$320,000 from the state, \$79,400 would be the impact to the taxpayers for the \$400,000 grant.

Mr. Chamberlin spoke about the Teamsters Contract ratifications. He explained that School Districts negotiating team has been working with the Teamsters since the fall and that on January 30, 2018, the School Board ratified the tentative agreement and the teamsters ratified on Friday. He explained that the Teamsters are made up of the seven full-time, three part-time custodial and one part-time maintenance staff.

They agreed on:

- A two-year contract that includes a 2% salary increase in each of those 2 years.
- This contract would remove the Teamsters from an HMO to a Site-of-Service Insurance deductible plan.
  - The deductible is a \$1,000, \$2,000, \$3,000 plan.
  - The first year the District pays 100% of the premium and 100% of the deductible.
  - The second year the District pays 100% of the premium and 50% of the deductible.
  - This change would save \$12,210.74.
- One additional holiday was added, for a total of 12 paid holidays.
- Language change in the contract to focus on increasing clarity.

## **FINAL BUDGET DELIBERATIONS – SCHOOL, continued**

Mr. Chamberlin explained that on the warrant it would be a negative article reducing the tax burden in Year 1 of \$4,368.89, and an increase in Year 2 of \$4,534.89, for a total cost over the two years of \$165.64.

He explained that if the contract does not pass, in March, the Teamsters and the School Board would re-enter negotiations, the salary and benefits would default to the previous options and levels, and savings would not occur.

### **Questions, Comments, and Discussion from the Board**

*Why is the insurance premium still at 100% in the second year? How many of us get 100% of our insurance premiums paid for?*

Mr. Chamberlin stated that Statute 273-A contains the Collective Bargaining information. He explained that there must be an incentive for them to move from an HMO to a Site-of-Service plan. He further explained the negotiations necessary regarding health care plans to maintain a positive working relationship with significant employees.

Mr. Belanger highlighted:

- Increases that bring the budget up to just over \$20M
  - \$390,000 for Safety and Security goes into Expenses
  - \$320,000 goes into Revenue
  - \$350,000 for new staff, because of the growth
  - \$200,000 for out of district tuition, for supporting those students that we can't support within our schools

He explained that this makes up for most of the difference between last year and this year. This is a 2.2% tax rate impact increase, explaining that it's hard to look at what your expenses are without looking at revenues. As enrollment has increased, so has the revenue.

- Last week the Budget Committee requested a \$145,000 reduction, resulting in a flat tax impact. The current tax impact increases that the School Board proposes include:
  - .36 for the purchase of 195 Park Avenue
  - .15 for the Operating Budget (.13 of that is for the Safety and Security Grant, .02 is for the operating cost increases)
  - .16 for the Warrant Article \$100,000 for contingency, this is for additional teachers (if needed, based off section sizes), and administrative retirement (which we pulled out of our budget)
- Right now, the current tax impact, that has been proposed, is a .67/1,000 increase. The .36 for the purchase of 195 Park Avenue is a single year increase. The project would an additional increase and would be represented in future years.

Mr. Belanger expressed that the School Board feels they can make some adjustments to offset the impact to taxpayers by about \$100,000 that would not mean cutting programs. He recognizes the Budget Committee was looking for about \$145,000, but anything above the \$100,000 would mean cuts to programs, teachers, and staff. Anything above the \$100,000 would need to be endorsed by the Budget Committee but would not be endorsed by the School Board.

## **FINAL BUDGET DELIBERATIONS – SCHOOL, continued**

The purchase of 195 Park Avenue, knowing that the community has questions about the purchase, highlighting the current conditions of the SAU office, in Mr. Belanger's opinion "it is on the verge of being inhabitable". There are holes in the roof, holes in the walls, rats in the basement, it's hardly insulated, and it's in very rough shape. The cost of the proposed facility received was \$1.7M, they believe based on the work they've done that they can get a similar facility for our administrative team for about 40% of that cost.

### Questions, Comments, and Discussion from the Board

*What is the new tax rate impact, removing the \$100,000 that the School Board thinks they can adjust?*

Mr. Belanger said that this would remove about .16, making the tax impact .50/\$1,000, and still includes the Safety and Security Grant. He also said that .36 of the .50 includes the 195 Park Avenue purchase.

*What would happen if on March 10 the proposed budget is not accepted? What is the fallback plan?*

Mr. Chamberlin said the Board has asked them to project tiered reductions from \$100,000 to \$1.5M. That would be the core document that they would start from.

*Discussion took place about where the \$100,000 the School Board thinks can be adjusted in their budget and which body has the authority to adjust the revenue and expense sides of the School budget.*

Michelle Clark said that she looked at the MS-27 and Adequacy is an area that has an area for Budget Committee recommended and an area for School Board recommended, so in theory they could be different.

Don Houston suggested that we start where we left off last week, asking for a .13/1,000 increase on the tax rate, that would cover the \$400,000 aid for Safety and Security. His recommendation is to:

- Support the SAU, in the future, but to remove the \$225,000 from this year's budget.
- Increase the adequacy portion to 98.5%, adding another \$35,262 toward the deduction, leaving \$23,000
- Take \$50,000 out of Title X, leaving \$135,000 to help next year's tax impact

He believes this gets the \$80,000 added to this year's tax that needs to be raised to cover the safety and security that needs to be done.

Mr. Chamberlin shared an update on the Boys & Girls Club. He had a meeting today with the Executive Director and they had a brief discussion with the School Board, the Boys & Girls Club has interest in reinvesting any proceeds from the sale of 195 Park Avenue back into the school to support the creation of a collaborative, multi-use component of the facility, a school component during the day and a club spot in the afternoon. The School Board is very enthusiastic about this and they have charged him with exploring that and how to leverage those funds back into the town.

*What is the potential number of that reinvestment? How and when would the \$200,000 re-investment be used?*

Mr. Chamberlin said that, very preliminary, there would be an addition of a classroom-type space at the Maple Street School. Based on the Harriman Report that would be about \$500,000 for 900 sq./ft;

### Questions, Comments, and Discussion from the Board

with a \$200,000 Boys & Girls Club contribution and a \$300,000 district contribution, that would get a learning center for all during the day and a club space at 3:15pm. Right now, the Boys & Girls Club uses our school, after school, and they don't have a dedicated club space. The plan, conceivably, would have the \$200,000, from the sale of 195 Park Avenue, would go into a fund so that when the voters pass the Facility Project, it would be there for that extra class space.

*What would happen if the purchase of 195 Park Avenue doesn't go forward? This seems like a great opportunity for a reasonable investment.*

Mr. Chamberlin said that per their Purchase and Sales, it would go back on the market on March 12, 2018.

Concern was shared that Expenses went up \$880,000 this year and that \$553,000 that was used for the loan payments was put towards programs instead of facilities. The majority (75%+) of the budget is currently made up of wages, which is directly related to programs. The purchase of the property would be a great idea, if programs could be cut, and keep the budget at .13/1,000 increase.

*Why is the purchase of this property being done outright instead of a mortgage? What is the breakdown of the costs for the purchase?*

Mr. Chamberlin said that is a mortgaging is a possibility and that with the renovations needed they will be looking at a bond. The breakdown of the offer made to the Boys & Girls Club is \$184,000 for the purchase, \$25,000 is for the architectural design for the renovation and expansion, and the rest is for carrying costs, closing costs, inspections, and appraisals.

Mr. Chamberlin shared that currently the SAU is not fully accessible, every single employee works and eats at their desk, there is no confidential area for payroll or HR. He wants to make it clear that if it comes down to a choice of a new location for the SAU and technology for the kids, you must choose more technology, if the town is absolutely satisfied with the condition of the offices for the school administrative unit. It is his job to bring options and clearly articulate them, and he hopes he has done that.

*What is meant by the term "cut programs"?*

Mr. Chamberlin explained that would mean reducing support personnel, instructional personnel, or administration. Class sizes are currently 18-22, cuts may mean increasing these class sizes. Eliminating programs would also keep class size numbers the same but would have these students in other classes or study halls. Teachers and staff are cut by least paid/least experienced first. Experienced, higher paid teachers have the right of due process through the State Board and the Supreme Court.

**Janet Krzyzaniak read passages from Article 737, NH Municipal Association, to explain the role of the Budget Committee and process by which the Budgets come about. "The purpose of the budget committee is to assist voters in the prudent appropriation of public funds." "First, all officers and departments submit statements of estimated expenses and receipts to the governing body. Then, the governing body submits its own recommendations to the budget committee, together with all information necessary for the preparation of the annual budget, including each purpose for which an appropriation is sought and each item of anticipated revenue. In towns with a town manager, all officers and department**

**Janet Krzyzaniak read passages from Article 737, NH Municipal Association, continued budgets are submitted to the manager. The manager prepares a recommendation to the select board by January 31 of each year.”**

Questions and Comments from the Public

A letter dated January 29, 2018, from Stephanie Miller, was shared. In summary, Stephanie said she was able to stream the meetings in December and January and has read the NEASC letter and proposal from Harriman. She understands the need to upgrade our schools to stay in compliance with State and Federal regulations. She explained that the NEASC letter has a bullet point list of suggestions that are specific, for the school to be removed from the warning list. She’s concerned that, with the recent Federal Tax Reform, the ability to deduct property taxes will greatly impact the people living in NH towns with exorbitant tax rates. She’s concerned that the projected student numbers do not consider the number of children that are born in Hopkinton whose families send to schools outside of the district. She suggests a new School Budget proposal that includes a line listing of the specific items to be fixed, as recommended by NEASC, along with the estimated cost to fix that item, so that all Hopkinton citizens can see exactly how the proposed money will be used. Stephanie’s letter will be attached to these minutes.

A memo dated January 31, 2018, from Beth Dermondy, was shared. In summary, Beth feels it is our community’s responsibility to give our children adequate education and it is important for our town’s well-being to support the schools. If we have poor schools, young families will not move here, property values will go down, and there will be more of a burden for the town to pay for it’s infrastructure. She asks for votes to support the schools. Beth’s memo will be attached to these minutes.

Jennifer Blagriff said that she’s been to some of the tours and is really impressed by all the hard work put into the proposal. She wishes that the Facilities Project was going to town meeting. She shared that her grandmother was able to stay in their family home because the town she lived in had a tax relief program for seniors. She doesn’t want seniors to be kicked out of Hopkinton, but she wants to be able to live here and raise her family here, she loves it here. She doesn’t want to have to leave because the schools go downhill. If that happens she’d have to sell her house, but her property value will go down. She wants the town to think about the seniors, those with disabilities, and those with low incomes, and think about a way for them to live in town. She expressed that she and her husband could afford to pay a higher tax rate, and maybe a little more, than what was proposed on the bond and what was proposed for the original school Facility Project. She hopes that the Town will come up with a plan that will work for everyone.

Cettie Connolly has a number of questions:

- 1) In Warrant Article VII – it talks about establishing a Building Renovation and/or Expansion Capital Reserve Fund. She’d like to know what happened to the Maintenance Trust Fund, and what happened to the money that was put into that Trust Fund? This was supposed to be used to maintain our buildings as well as our SAU office.
- 2) The \$400,000 or \$553,000 is in the budget as expenses but she doesn’t see the \$400,000 or \$380,000 isn’t listed in the revenue in the packet that she has. If it’s in the expenses, and you’re going to be getting that money back, that should be offset.

*Mr. Chamberlin pointed out that the Revenue is found in the Public Infrastructure Fund.*



### Questions and Comments from the Public, continued

- 3) When the School Board buys the Boys & Girls Club property for \$225,000, that they are going to be coming back to us for \$460,000 to renovate and add on to it. You're talking a budget that's already gone up almost \$2M from last year, now you're going to add another \$460,000 onto next year.
- 4) The NESDEC Hopkinton Projected Enrollment, dated 10/17/17, shows 2017-2018 enrollment at 977 students. In 2018-2019, it's projected to be 1013, that's an increase of 16 students.
- 5) She's trying to figure out why we're seeing our enrollments going up, why we need more teachers, and it bothers her that the SAU building has deteriorated to that point. She said that when she worked at the SAU 10 years ago it was perfectly fine. The custodians did a great job with the maintenance.
- 6) She's really concerned with the increase in taxes.

*Mr. Chamberlin said that they still have a Maintenance Trust Fund, it has \$279,000 in it. Article VII is only there for an option, if the SAU building doesn't go through, so that some money would be put away for renovation and/or expansion.*

- 7) Mrs. Connolly asked, why there wasn't an Article to add money to the Maintenance Trust Fund? She asks why the \$279,000 isn't being used for maintenance or to replace carpets?
- 8) She said she agrees with what other people have been saying - In this town, we have always given the School District everything and anything they ask for. This is the year we have to say no and that the School Board stop making all these wish lists and start listening to the average person in town.

*Mr. Belanger explained that in the last 4 years there has only been a 2.2% increase on our budget. He gets his enrollment numbers from the NH DOE website, we're up 12% or over 100 students.*

- 9) Mrs. Connolly suggested increasing the class size, maybe adding 5 more students per class, in the upper grades.

*Mr. Belanger explained that increasing the class size would fundamentally change the education that is provided in this town.*

*Mr. Chamberlin explained that currently we have 3 kindergartens, 3 second grades and 4 first grades. The additions we have in the budget are for increasing to 4 second grades, 4 kindergartens, and 10/11 and 11/12. The numbers are based on taking our current number of students and moving them up a grade. Kindergarten numbers are the only projection, based on the past couple of years.*

Tim Murray explained that the group Concerned Citizens just want to come up with a baseline for the Budget Committee to consider resetting the bar as to what the initial base should be for the budget going forward. They understand that this would take creative thinking regarding reducing expenses and looking at top line revenue opportunities. They believe there are top line revenue opportunities within the town. They are hoping that the volunteers here, who do the hard work, will look at those things. The Concerned Citizens were saying, we have come to a point that this is what we want to spend, as a group, and that amount is \$18,954,550. They came up with that amount, so you can figure out what can be done with that amount. He resents the statement, do I support the schools, or do I not support the schools. When people get into this system of saying to each other people who want to reduce taxes, don't support the school, that's just a fallacy. Every year we're still paying more taxes. The statement of there has only been a 2.2% increase over the past 4 years doesn't take into account that maybe the starting line way too high to begin with. We would appreciate the Budget Committee, the School Board, the Town to consider stepping back and saying how can we lower the rate going forward so that the value of our homes will increase.

### Questions and Comments from the Public, continued

Laura Johnson said she moved here for the schools. She chose this town specifically, they did look at other top school districts and this town was the most affordable, because the price of the houses. She supports the School Operating Budget and she supports the Facilities Project, she thinks we do not have safe schools and that they do need to be fixed, in a way that is research based and not a quick fix. She worries about cutting teachers and having larger class sizes because firing young teachers does not make a significant difference in the budget and because the more students in a class, the more work it is for the already underpaid teachers. She worries about keeping really good teachers and getting really good teachers. She explained that teachers who are looking for a job look at how many students they need to teach and how many classes they'll be teaching.

Mike Martin said that a newspaper article, last week, said that, in NH, Hopkinton is the number 2 school and Hollis-Brookline is number 1. Hollis-Brookline spends about \$2,000 less per student than Hopkinton. He explained that he's worked in school administration, and he's never believed that more money produces better quality. When trying to pass a bond you need a 2/3 vote and he thinks that the budget that the School Board has presented tonight has done nothing that's going to encourage people on the fence to vote for the bond in future years. He asks for clarification on which bottom line we're talking about.

Mary Kusturin believes it would be beneficial, to people the people in town, for the Budget Committee to ask the School Board to make a programmatic budget available, that explains in detail how the school is spending all their money. A lot of people in town would benefit from knowing exactly how the money is being spent instead of having blanket line items. Having this information would help people understand why the school is asking for the money they are asking for. She would like the Budget Committee to ask to see the tiered budget cuts. Making that tiered list available to members of the public would help the public give some perspective in choosing what the options are. *Mr. Belanger explained that the tiers are on the school district website and he handed out copies to the group in attendance. Mr. Chamberlin said that the budget details are also available.*

Dale Warner said he attended the Concerned Citizens meeting. He is concerned that things are turned down at the town meeting and then after a couple of years there's money in the budget and it's done. He wonders how that happens. He gave examples of paving the dump road and the lacrosse and football team. He expressed concerns that years ago the town needed a SAU building, it was bought, and now it's not good enough – that was the same for the Police Station and the Fire Station, they wanted bigger and better and they got it, and we're paying for it. He's concerned that the Boys & Girls Club is going to cost over \$600,000 when it's done. The spending needs to stop.

Ted Hardenbergh asks how much of the budget is being driven by either State mandates, things the State has sent we have to add these separate aids in the classroom, and changes in State funding, and how they've impacted us over the past several years?

*Mr. Chamberlin explained that there is over \$1M in retirement that the town picks up. Federally, we are required to educate all students in the least restrictive environment. The most significant increase, in the past 2 years, has been how we educate students with complex needs; that is a Federal requirement, that when the law was designed, it was supposed to fund at the 40% level and currently we get 15% aid. Some of these are regulatory requirements that have increased and that has impacted the overall budget.*

### Questions and Comments from the Public, continued

Carolyn Koegler said she understands the concerns that have been raised about the increasing tax rate in Hopkinton, knowing that it creates a real hardship for a lot of people in town. She's looked at the budget and the tiered reductions and feels it's a pretty lean budget. She supports the budget. She expressed that we're in a really tough spot because we have no commercial tax base because the state keeps shifting costs downward to the towns and because of the state and federal unfunded mandates. She feels we have a revenue problem and not a spending problem. She attended the Concerned Citizens meeting to try and understand the position of people who put together the petition. Her concern about the petition is that it asks for a specific number, but it doesn't speak to what would be cut. She asks that the Budget Committee take a close look at what's being proposed, and it owns the cuts that the School Board has proposed. She asked what the process is for how people in town, who want to stand by the School Boards proposed Operating Budget, how does that work? Does that happen on the floor of the March meeting?

*Mrs. Krzyzaniak explained that at the March meeting, the Operating Budget is what the Budget Committee recommends. As a citizen, from the floor, you can request that the bottom line be changed and give a number. That number can't increase over 10% of that number, and it can be lower with no limit.*

Public Comments ended at 7:30pm.

### Board Discussion

Clarification was asked of what .51/1,000 tax increase would be in terms of the final figure.

*Michelle Clark said the Operating Budget would remain the same, the revenue side would change. She explained the breakdown and cost impact of each between the warrants article.*

Over the past 5 years, what is the history of state aid we receive, and how do you choose the use risk?

*Michelle Clark explained that even with increased enrollment, because it's not only population, it's got to do with attendance, special ed. There are areas where you get more money for kids and changes in population makes a difference in the numbers as well. When you set the tax rate, the state tells us what we have available to use. We thought with the increased enrollment, that we would get definitely at least get that, but we got about \$9,000 less this year's budget. The number is based on rolling enrollment, when 5 years ago it was stagnant. Mr. Chamberlin explained that this is the first year the number hadn't met our estimate.*

Mrs. Krzyzaniak explained that we were not considering any Warrant Articles tonight except for the Operating Budget.

*Mr. Belanger said the Operating Budget being presented is \$20,000,471, which includes the access grant, with a tax impact of .14/1,000 (.13 for the grant and .01 for the Operating Budget).*

Don Houston is concerned that to get down to the .13 total tax rate increase, the \$225,000 needs to be considered because it is in the budget, as is the \$50,000 from Title X, and \$35,000 from State Adequacy. He can't separate those out at this point, even if they are separate Warrant Articles. To get down to as close to a zero increase on the tax rate, not on the Budget, he needs to see how that will work. If the \$225,000 passes, then the .13 is driven up by another .36/1,000. He wonders how we get to what we need to pass tonight, and still come out at only .13 in the end, because the articles we can't consider tonight, as they relate to the total tax impact.

Board Discussion, continued

*Mr. Chamberlin explained, that at next week's meeting, after hearing the public comment, the Budget Committee can vote for or against their support of the articles that are not being considered. This would be the Budget Committees recommendation to the Town.*

Don Houston said he is confident in letting the Town to decide if they want the \$225,000 Warrant Article, if they want it. To get the other two numbers down, he wants to see the remaining \$85,000 taken out of the budget and put into revenue, by using some of the reserves the school has. He explained that adding an additional \$50,000 out of Title X, leaving \$135,000 to use next year, and changing the adequacy to 99%, would add another \$35,000, leaving \$15,000 in that account for a fallback if the State money doesn't come in. He's asking for \$85,000 to be taken out of the \$20,000,471 making it \$19,915,471.

*Michelle Clark explained where numbers would need to be changed to make this request work.*

Discussion took place on how to come to a number that can be voted on tonight. Michelle Clark said the only way to get the \$85,000 out of the Budget is to recommend a decrease in Revenue. Mr. Houston said the School Board needs to decide where the money needs to be cut from. Ms. Clark said the Budget Committee needs to recommend a place holder – Regular Ed, Athletics, etc. Mr. Chamberlin said in the end it would probably come out of one of the Tiers.

Don Houston motioned that the Budget Committee approve the School Districts Operating Budget, in the amount of \$19,915,471. Rich Houston seconded the motion. It was asked if we are asking for the cut to be taken specifically from Regular Ed. A vote was taken, the results were a split decision 5-5.

Further discussion continued as to what exactly will be cut and that should be on the School Board to decide which program areas can be cut. Don Houston said the \$85,000 is available and can be made up in Revenues, in the accounts mentioned above, and it isn't being taken out of Programs. He doesn't understand why the discussion is taking place about what Program areas need to be cut. Mr. Chamberlin said that this conflict between the School Board and Budget Committee hasn't happened in a long time. Don Houston said that dialogue to get to that position has taken place in the past; talking about tiers, contingency, state aid, to get to that compromised position.

Mark Zankel recalled that last year we were at this point, and the School Board's adjustments to the Revenue side had already been made. This year, because the adjustments to the Revenue side haven't been made, these adjustments need to be made today. If cuts need to be made, he recommends proportional cuts to each of the programs, not just one line. He asks if the majority of the Budget Committee would be ready to bring that budget back up assuming there is corresponding revenue?

Mr. Belanger explained that the way to guarantee to lower the Operating Budget by \$85,000. Don Houston said that there is a possibility that the two boards may go in with separate budgets, but the ideal thing is to agree.

Debbie Norris said she'd like to see a Budget agreement between the School Board and the Budget Committee this year. She thinks it is very crucial to what we have ahead of us. If we are going to be fiscally minded, we must work together as a whole. We recognize and respectfully hear everyone

Board Discussion, continued

that has given both sides. The bottom line for her, is that she wants to keep our taxes down. She is very uncomfortable with cutting Regular Ed and cannot support that. She encouraged Mr. Belanger to go back to the School Board and recommend to them, whatever can be done, to bring us together this year, because we have a lot ahead of us in the upcoming years.

*Mr. Belanger said that he feels comfortable going back to the School Board on Tuesday and then coming back, able to find the \$85,000; they'll find options, and come to a resolution on that.*

Mr. Zankel said that what he is hearing is that Budget Committee is ready to endorse a \$20,000,471 School District Operating Budget, if the School Board approves closing that Revenue gap of \$85,000, and if the School Board doesn't close that gap by the Public Hearing, the Budget Committee can then reduce the Budget.

Mark Zankel motioned that the Budget Committee approve the School Budget Operating Budget, in the amount of \$20,000,471. Rich Houston seconded the motion. There was no further discussion. A vote was taken, all approved 10-0.

The Board Discussion regarding the School Budget ended at 8:30 pm and a 5-minute break was taken.

**FINAL BUDGET DELIBERATIONS – HVP**

John Wuellenweber presented the proposed Hopkinton Village Precinct 2018-19 Budget on January 24, 2018, with the amount to be raised of \$17,439.

Ken Taum motioned that the Budget Committee approve the Hopkinton Village Precinct Budget, as presented on January 24, 2018, in the amount of \$17,439. Ginni Haines seconded the motion. There was no further discussion. A vote was taken, all approved 10-0.

**FINAL BUDGET DELIBERATIONS – CVP**

Don Houston presented the proposed Contoocook Village Precinct 2018-19 Budget on January 17, 2018, with the amount to be raised of \$482,406.

Don Houston motioned that the Budget Committee approve the Contoocook Village Precinct Budget, as presented on January 17, 2018, in the amount of \$482,406. Debbie Norris seconded the motion. There was no further discussion. A vote was taken, all approved 10-0.

**APPROVAL OF WEDNESDAY, JANUARY 24, 2018, DRAFT MINUTES**

Ken Traum motioned to approve the Wednesday, January 24, 2018, minutes. Amy Bogart seconded the motion. The following corrections were made: On Page 2, \$790,400 should be \$79,400, in the 6<sup>th</sup> line down from the top (in two places) and again in item 3) 2/3 of the way down the page. Also, on page 7, in the last line of the 5<sup>th</sup> paragraph it should read "overflow drainage" pipe. A vote was taken to approve the Wednesday, January 24, 2018, minutes with the above corrections. A vote was taken, 9-1 abstain.

**PUBLIC COMMENT**

There was no additional public comment.

**ANY OTHER BUSINESS TO COME BEFORE THE BOARD**

The structure of the Public Hearing was discussed.

**UPCOMING BUDGET COMMITTEE MEETINGS - 2018**

Wednesday, February 7	6:30 pm at the High School Public Hearing on all Budgets, Final Budget deliberations
Wednesday, February 14	5:30 pm at the Town Hall Final Budget Committee Deliberations Public Hearing on School Petition Warrant Articles

**MOTION TO ADJOURN**

Ken Traum motioned to adjourn at 9:00 pm. Mark Zankel seconded the motion. There was no further discussion. A vote was taken, all approved 10-0.

Respectfully submitted,  
Tammy Clay