

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, January 10, 2018
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

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

PUBLIC PRESENT

Steve Chamberlin, SAU #66, Superintendent of Schools; Michelle Clark, HSD Business Administrator; Matthew Stone, HSD Director of Technology; Brenda Vincent, HSD Secretary; Meg Bamford, HSD Director of Student Services; Chris Kelley, HMHS Principal; Rebecca Gagnon, HMHS Assistant Principal; Bill Carozza, HMS/MSS Principal; Steve Lux, Selectman; Elizabeth Durant, School Board Chairperson; David Luneau, School Board Vice Chairperson; Resident and Property Owners – Dick Lord, Arnold Coda, Mary Kursturin, Candace Youngman and Rick Macmillan; Students – Somer Bryant and Zach Signor.

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.

PRESENTATION OF SCHOOL BUDGET BY MATT BELANGER, REPRESENTATIVE TO THE BUDGET COMMITTEE

Matt Belanger provided printed information to all in attendance that included the Hopkinton School District Budget Committee Review FY19, dated January 10, 2018, as well as the 2018-2019 Budget Information, dated January 2, 2018, and the NESCEC current enrollment, by grade, as well as the projected enrollment, dated October 17, 2017. This information can be found on the School District website at www.hopkintonschools.org.

Mr. Belanger's presentation included: Background to the FY19 Budget, Budget Process, FY19 District Warrant Summary, Revenue, Estimated Tax Impact, and Enrollment/Projections.

Slides where further information was added:

- 1) Budget Process Slide for December 12, cont. - The tax rate increase and decrease reflect an increase or decrease in the School Districts Proposed Budget.
- 2) FY19 District Warrant Summary, cont., Item 2 – The increase in Operating Budget and increase in the Salaries, Out-of-District, and Transportation Drivers, is an increase over FY18's numbers.
- 3) Hopkinton School District spends approximately \$17,500 per student, currently.
- 4) The Facility Project and Facility Project Warrant Summary slides in the presentation were put on next weeks' agenda.

Steve Chamberlin was asked to present the 2018-2019 Hopkinton School District Budget Information that was handed out, and is available on the School District website.

Steve Chamberlin's presentation of the 2018-2019 HSD Budget, continued

Mr. Chamberlin's presentation described revenues, expenses, and major increases and decreases, all broken out into summaries and charts of the major budget components. He emphasized that, on page 4, the tax increase would be .54. Next week they'll present the Facilities Project Warrant that would add an additional .36, for the Boys & Girls Club property purchase.

Mr. Chamberlin and Michelle Clark provided further explanation on the following:

- 1) Vocational Programs (page 17) – 16 students currently participate in vocational training at the Concord Regional Technical Center in programs that are not provided at our schools. This includes culinary, programming, theater, and automotive.
- 2) Other Instructional Programs (page 18) – athletic fees are \$60 per student or \$120 per family to participate.
- 3) Student and Staff Services (page 21) – Professional Services increase of \$45,904 is for contracted outside services that are required by students, who have profiles that are so unique that the additional expertise is needed. This expense also includes students, who may not be in our buildings, but are in our district. If it's in their IEP, the district needs to pay for their services, at the locations they are receiving services.
- 4) Technology Services (page 25) – the increase for enhanced filtering technology is to keep the students at appropriate sites at appropriate times.
- 5) Pupil Transportation Services (page 32) – Other Services includes out of district tuition, transportation of complex students, and the increase in bus service costs.
- 6) The General Fund Balance Returned to the Town (page 51) – That reflects what was used in the current tax rate. The amount that will be used from the fund balance reflected in this report will not be known until next August, when the audit is done.

The draft of the Hopkinton School District Warrant Articles is included in the information packet, pages 36-42. This draft still needs to go to legal counsel for approval.

Mr. Chamberlin said amortization table will be provided before, or at, the bond hearing. He continued his presentation with the Performance Contract Repayment Schedule, the Trust and Reserve Funds Balance Reports, the cost per pupil, and enrollment numbers.

Questions and Discussion from the Budget Committee

How many districts in NH compare to the size of Hopkinton?

Mr. Chamberlin will get that information. He explained that Hopkinton is rare, it's a single district with about 1,000 children. It has \$617M property value for 980 children.

Don Houston shared his concern about the compounding tax rate needed in the upcoming year, to be able to keep up with the necessary expenses, added to the increase for the proposed \$29M facilities project. He said that would mean a \$4 increase next year, and he didn't know how the people of this town could handle that.

Has the revenue opportunity for other school districts to tuition-in students been considered? Can this be considered again?

Mr. Chamberlin said that a couple of districts have come to Hopkinton asking if they'd consider their students coming here. Each time the board or community members denied the idea. The Board is not actively looking for opportunities.

Questions and Discussion from the Budget Committee, cont.

What is the full net cost and percentage of increase going towards special education? Being more transparent would make it more helpful to understand, because these costs are imbedded in different places in the budget.

Michelle Clark said that there is a report in the green section, page 240, in the Town Report, that is called Report of Actual Special Education Expenditures for Programs and Services, that compares the last two years.

Next week, can the Facilities Project be broken down with priorities and amounts needed to take care of these priorities? The concern is that there are priority items that need to be taken care of and if the information is not available for the taxpayers to opt to have these certain items take priority, the entire project could be turned down, because it's \$29M. Mr. Burgess had said that he'd work on breaking out items in level 3.

Mr. Belanger said that he'd bring the question to their next Board Meeting on Tuesday, January 16. *The concern voiced was that there won't be enough time for the Budget Committee to come to an informed decision without the breakdown that was requested. There needs to be alternatives available, it can't be an all or nothing proposal, there is too much work that needs to be done.*

Mr. Belanger said that at our next meeting we'd have to agree on when a town wide meeting could be held to get the feedback needed, agree on the questions that might be answered, and hopefully have time to get it all done before the ballot poll. Mrs. Krzyzaniak said this would all have to be done by the end of the month because the Public Hearing on all Budgets is February 7, and the deliberations is the week before, on January 31st.

Mr. Chamberlin said that the charge of Facilities Committee was to analyze needs and present a proposal, not to break down the project into dollar amounts. They've worked with experts for two years to figure out what the buildings need. The School Board, after contemplation and reflection, said this is what is best for our schools. The Budget Committee's job is to say they love the project or can't support it.

Mr. Houston shared his concern, that even with a town wide meeting, we'd be in the same position we've been in for a year. With the \$29M proposal, \$22M is a lump that if people can't grasp the whole idea and they don't approve it, an entire year has been lost. It would have to be looked at all over again.

The public turnout, to this point, has been low and consisting of mainly the same people attending, and he feels that having a town wide meeting at this point wouldn't add anything.

Mr. Belanger said he hopes that in the next three weeks, he'll be able to give the Budget Committee some other way to look at the proposal, and make a decision. He won't know until he talks to the School Board at their next meeting.

Questions and Discussion from the Public

Mary Kursturin said that the Town Calendar has January 16, 2018, as a Public Hearing on the bond.

Mr. Chamberlin said that that date wasn't correct, and it would be updated tomorrow (January 11). She asked that it be updated as soon as possible because she and others want to attend that Public Hearing.

Questions and Discussion from the Public, cont.

Arnold Coda had a few items that concerned him.

- 1) He shared that his families income does not increase. They are on a fixed retirement plan and the amounts don't go up each year, but their costs continue to go up. He wants to know when town and school budgets will stop going up? He's concerned that there are a lot of citizens, of all ages, in town who have similar concerns.
- 2) He asks why the Special Education costs have increased by \$437,622?
Mr. Chamberlin answered that this increase meets the needs of the children - providing special placement, additional transportation, additional support, training, and personnel.
- 3) Why is the athletic budget up just over \$21,000?
Mr. Chamberlin answered that there is a tentative change in location for one of the sports, resulting in an increase in the venue costs, for a sport not held on campus.
- 4) When the realtors came in a few months ago to answer what the status of the real estate market in Hopkinton was, they said that in the past year the days on market had increased while the sales prices remained flat for houses priced at \$300,000 or more. The homes under \$300,000 were selling rapidly. He says that someone on the Budget Committee asked where the breaking point was for taxes that would really impact the real estate market. He said that the question wasn't answered clearly.
- 5) He feels that if the School Operating Budget and Facilities Budget passes it will have a further negative impact on real estate prices.
- 6) The population in town has changed significantly. He said that Matt Cairns said that the School Board has made it attractive for a lot of young, affluent families who have moved to town.
- 7) He thinks that the School Board should hold their Operating Budget flat for this coming year, because of the reasons he has stated. He feels that the Facilities Project being proposed will already be a huge hit on families.

Mr. Belanger responded that he doesn't fully understand the role the School Board has played to facilitate the balkanization of the town. He looks at cost per pupil, enrollment numbers, the level of support needed to be supplied to students. He doesn't see the connection between the School Board providing great schools and having younger, affluent family move to town. Mr. Coda explained that the younger, affluent people who come in are better able to pay the increased real estate taxes.

Rick Macmillan, who has been here since 1957, said that if the School Budget keeps going up like this, he doesn't want to work until he dies; he's going to have to sell his barn, move out of town, or to find some way to keep the school in line. He says that Hopkinton has become a place to bring your children, put them in one of the best schools out there, vote yes to all budge increases, and then move, leaving the rest of use who want to stay here hanging for years, paying for these budgets. He understands that the School Board needs to put together information on what's best for the students on the education side. He urged the Budget Committee to do what's best for the taxpayers of Hopkinton. He wants to stay here longer.

Mary Kursturin commented that in deciding where to send her step-son for high school this fall, she toured the Hopkinton High School and was very impressed. The problem is that they're concerned that they won't be able to afford to live here long enough to see him or her younger son graduate from Hopkinton. Her raises at work go directly to their increased property bill. She asks that the

Questions and Discussion from the Public, cont.

Budget Committee to “Be A Hero” to the taxpayers of Hopkinton and to please help the School Board realize that the Operating Budget needs to remain flat for one year.

Steve Lux asked if the School Board, or the Steering Committee, has been able to identify what the potential impact on the Operating Budget would be if the Facilities Project were to go through (potential expansion, classrooms, maintenance, energy cost)? Is there an estimate?

Mr. Chamberlin said that the estimate would be made on a square footage for the custodial piece. He will get the number for the next meeting.

The School Budget portion of the meeting ended at 7:45 pm.

The Budget Committee Meeting resumed at 7:55 pm.

The Budget Committee Members shared the following concerns:

- 1) If the School’s Operating Budget passes and all three scopes of the Facilities Project Pass, that’ll mean \$4.30/\$1,000. That means \$1,290 on a \$300,000 house.
- 2) We weren’t given this \$29M figure early enough in the process, even after asking the School Board multiple times, to be able to consider and play around with these figures. Now we need to come up with a figure that will work for the community and we don’t have much time to do that.
- 3) It feels like we’re being put into a position of do or die – we need to choose the entire package or none at all. Residents, as reported tonight, are being put into a position of do or die, for their own homes.
- 4) Is it possible now for the Facilities Group, in respect to all the hard work they’ve done, now be tasked with, how can we best approach those needs and what NEASC has told us needs to be done, and put it into a more amenable format for people?
- 5) The NEASC letters say that we are on warning to be placed on probation. We need to show that we have a plan to show we are moving forward on the issues they have identified as lacking.
- 6) The Facilities Committee recommended \$22M and the School Board recommended \$29M. Why the difference?
- 7) Hopkinton has a \$700,000 taxable base per student. We are \$200,000 per child below the state average.
- 8) We need to do certain thing to maintain the integrity of the buildings and increase the safety at our schools. What is most urgent to get done now? What might be okay to put off for a little longer? We do need to maintain our buildings and they’ve gone without the necessary repairs for too long. Now the cost to get these repairs done has added up.
- 9) The budgets are funded by taxpayers, not by businesses. There needs to be a healthy balance of people living in town (children, old, young, middle age). Businesses need to be brought to town to help ease the tax burden.

Matt Belanger will bring the following question to the School Board. Can we prioritize the items individually for the Budget Committee to consider, for the meeting on January 24, 2018?

APPROVAL OF WEDNESDAY, JANUARY 3, 2018, DRAFT MINUTES

Ginni Haines motioned to approve the Wednesday, January 3, 2018, minutes. Don Houston seconded the motion. It was asked to have added into the minutes, the part of Chief Pecorra’s report that reflected a safety and security report done in 1999/2000 and in 2014 regarding having the entrances changed. The minutes were approved, by all, as amended.

PUBLIC COMMENT

There was no further public comment.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

There was no other business to come before the Board.

UPCOMING BUDGET COMMITTEE MEETINGS - 2018

- Wednesday, January 17 Continuation of School Budget Presentation to the Budget Committee
- Wednesday, January 24 Follow-up of School Budget. HVP & CVP presentation to the Budget Committee. Presentation to Budget Committee Review of all Budgets and Q&A
- Wednesday, January 31 Budget Committee Deliberations, if needed
- Wednesday, February 7 Public Hearing on all Budgets, Final Budget deliberations
- Wednesday, February 14 Final Budget Committee Deliberations, if needed
Public Hearing on School Petition Warrant Articles, if needed

MOTION TO ADJOURN

Ken Traum motioned to adjourn at 8:45 pm. Mark Zankel seconded the motion. There was no discussion. A vote was taken, and all approved to adjourn.

Respectfully submitted,
Tammy Clay