

TOWN OF HOPKINTON
Budget Committee Meeting Minutes
Wednesday, June 13, 2018
Draft

COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Richard Houston, Deborah Norris, Jonathan Cohen, and Matt Belanger

COMMITTEE MEMBERS ABSENT

Mark Zankel, John Wuellenweber, and Ginni Haines

PUBLIC ATTENDEE

Diane Lachance, Candice Youngman, Tim, and Eileen Murray

CALL TO ORDER

Janet Krzyzaniak called the meeting to order at 5:30 p.m., at the Hopkinton Town Hall. Don Houston led the Pledge of Allegiance.

APPROVAL OF MAY 9, 2018, DRAFT MINUTES

Ken Traum moved to approve the May 9, 2018, Meeting Minutes. Don Houston seconded the motion. Mrs. Krzyzaniak asked for any errors, corrections, or changes. There being none, a vote was taken to approve the May 9, 2018, minutes. All approved the minutes as written.

FINANCIALS - TOWN

Ken Traum presented the Town's Revenue and Expense Summaries through May 31, 2018. He explained that, with one exception, they don't see any issues with Revenues or Expenses, recognizing that the Town is five months into the calendar year.

Mr. Traum explained that on the Revenue side, Motor Vehicles is running slightly higher than anticipated. Mr. Cohen asked what Payment in Lieu of Taxes includes. Mr. Traum explained that it is where special arrangements are made for a reduction in the tax, for locations such as the fairgrounds and Camp Methodios, as they qualify to be PILOTS.

Mr. Traum explained that on the Expense side, there are some timing differences where some expenses are paid in advance. He did explain that there was one item that needed to be raised, because it is under the control of the Budget Committee, and that is the budget for the Budget Committee Minute Taker. For 2018 the amount that was budgeted is \$1,155, which was an increase from the prior year's budget; and to date, \$1,713.55 has been expended. In January and February of 2018, because it was such an active time for the committee, about \$755 of this budget amount had already been spent. Mrs. Krzyzaniak asked where those figures were in the budget. Mr. Traum

FINANCIALS – TOWN, continued

explained that it is included in the Finance line (4150), which is under the control of the Finance Director. He explained that, in the overall scheme of dollars under the control of the Finance Director, it's a small amount, but it is a fixed amount, and it's already overbudget, because over \$1,700 has been spent to date. He doesn't know what the Committee wants to do about it and suggests that it be kept in mind when considering ongoing meetings.

FINANCIALS - CONTOOCOOK VILLAGE PRECINCT

Don Houston presented the Profit & Loss Budget Performance Report through May 2018. He explained that on page 3, there are two items that he needs to call attention to:

Line 4335.07 Water Treatment-Repairs – is going at a faster rate than normal because a booster pump at the main tank that needed to be replaced, at a cost of \$6-7,000.

Line 4909.15 2018 Projects – this expense was a planned event, but it needed to be taken care of earlier than expected and it was a little more expensive, as a backup generator was required for \$24,000.

Mrs. Krzyzaniak asked if this was in the budget for this year. Mr. Houston said he wasn't sure if the generator was, that's why \$38,000 is shown when it was projected to be \$30,000. He explained that they were worried that if the power went out the water couldn't be pumped without the generator.

Deb Norris asked how these expenses would be met, since it's already over budget. Mr. Houston explained that the expenses would be made up in other areas, and that there is always a fund of \$250,000 that is used for major projects or put into a kitty for when it's time to replace a major tank, for many millions, there will be money available.

Rich Houston asked if there was any water rationing anticipated due to the dry winter and spring. Don Houston said that it's conceivable, that's why the backup pump needed to be put in because during the dry spells, the pump literally pumps water through the pipe rather than having it flow with gravity.

FINANCIALS - SCHOOL

Mr. Belanger did not have a report because the School Board hadn't met. He did explain that there was an increase in adequacy revenue of \$9,000, because of how enrollment was calculated in third grade. He further explained that they are not projecting to meet the end of the year balance, they had anticipated being able to give back \$580,000. They are waiting for the end of the year to finish to see how it looks, but they could be anywhere from \$150-\$180,000 short; they will need to pull from the tax rate stabilization. He explained that a more detailed financial report will be available for the next meeting.

FINANCIALS - HOPKINTON VILLAGE PRECINCT

John Wuellenweber was not present.

Mrs. Krzyzaniak welcomed and thanked the four community members who were attendance for their interest in the Budget process.

PROGRAMMATIC BUDGETS FOR THE SCHOOL CONTINUED

Mr. Belanger stated that he brought the request to the School Board two meetings ago and explained that the Chair, Liz Durant, will be working with Michelle Clark and Superintendent Steve Chamberlin to come up with what that would look like. When they have it, Michelle and Steve have offered to attend a meeting, so they can explain the feasibility, added time needed to produce it, and answer any further questions.

Mr. Belanger explained that the School Board would like to better understand what questions this Board would like to have answered, so that they know what they are providing will be help. He suggested that after the initial draft is presented to the Budget Committee for review, conversations could continue after that. Don Houston asked when the anticipated time of when they would have that. Mr. Belanger said he wasn't sure, he anticipates that it might be after this school year ends. He stated that it is a top priority for the Budget Committee, so the School Board is also making it a top priority.

Mr. Belanger explained that the request for a Programmatic Budget is something than can be done, it just takes time. Don Houston explained that a meeting would need to be scheduled to start the dialogue to come to a common ground. Mr. Belanger said that whatever he can provide between meetings will be shared, so that progress can be made.

Mrs. Krzyzaniak explained to Mr. Belanger that she expected to see a draft at this meeting, the Budget Committee has already given responses as to what they felt was in a Programmatic Budget, so that the School Board could move forward on the request. Mr. Belanger said that he had brought the request to the School Board, and that they have had extensive discussions about it. They are waiting for information from Hollis Brookline to come in. He will try and get more precise meeting dates where this subject will be discussed, for the committee.

Mr. Belanger asked, what do we anticipate the budget process to be like this year? What are the key drivers? What are some of the criteria to make decisions? The School Board would like to know this in advance of creating their budget, which they don't usually do until October or November. Whatever they know in advance – criteria, time line, priorities, numbers, decisions, etc. – would help them so that there aren't so many other meetings needed to answer questions.

Deb Norris asked if they are looking to having not only an operating budget but a bond. Mr. Belanger explained that they are anticipating a bond. He said that the facilities group has started to regroup, and they will be working over the summer; there are currently no set meeting dates. Mrs. Norris shared her concern that this should come to the Budget Committee earlier this year, so that there is the working time needed. She asked, if the Bond is being presented, is there any structure yet, that has been formed, that would be different last years? Have they started any discussion on what they must do and where they hope to go? Mr. Belanger believes that what they are doing is starting with what information they had before, from the conversations that took place, and how all that will fit into a dollar amount of \$15-18M. He suggested that this is a good reason to have summer meetings, so this can be discussed between the two groups, rather than getting back together in September and

PROGRAMMATIC BUDGETS FOR THE SCHOOL CONTINUED, continued

jumping right into the bond and the operating budget. Mrs. Krzyzaniak and Don Houston noted that they remember the dollar amount being closer to \$12M.

Mr. Belanger explained that the facilities group does not want to go back to square one, they don't have time to do that, they want to make use of the information they already have. He explained that there are significant space issues at Harold Martin, they are looking for one additional classroom this upcoming year, and if the growth continues to trend, they'll be looking for an additional classroom the year after. They may have to look at mobile classrooms or specials on carts. He added there are ongoing discussions about other alternatives to help with the space issues.

Mr. Belanger suggested that an agenda item be added to the School Board's next meeting, for an update from the Facilities Committee. That way he can bring back to the Budget Committee what that team is proposing, and if it doesn't violate anything, he can share the information in advance. Then, when the meeting takes place a discussion can take place re: what is the scope, what is the targeted dollar amount, and how those items prioritized, so a discussion can take place about alternatives or recommendations.

When asked, Mr. Belanger said that there has been no change in the structure of their original committee, the Chairs and subcommittees are the same.

Mr. Belanger was asked what enrollment looks like for next year. He explained that there are currently 52 kindergarten students, which means they'll need to activate the 4th section of kindergarten. Other than that, the numbers are about where they had projected.

Mr. Belanger said that they were still on target for having the video surveillance and keyless entry security in place for September. They hired an engineering firm, to validate the numbers, to make sure money they were spending is in line with what they should be spending.

Mr. Cohen asked if the grant money could be used for mental health services because of the added security. Mr. Belanger explained that the funds are to be used on hardware and not for services.

Don Houston asked that the 1st draft of a Programmatic Budget be presented as soon as possible.

PUBLIC COMMENT

Diane Lachance asked if the School Board would be meeting over the summer. Mr. Belanger said that the summer schedule has not been set and that he recommends that they meet over the summer because of the facilities project and the budget. He said that there is a School Board meeting next week (Tuesday, June 19, 2018, at 5:30 pm, to be held at the Town Hall so that it can be live streamed).

Ms. Lachance asked if there is still a proposal for a new SAU building? Mr. Belanger responded that what he heard from the community, is that this is not a priority. With even more limited resources, there is less reason to invest in a new SAU office than there was.

PUBLIC COMMENT, cont.

Mrs. Lachance asked if the Facilities Project meetings are recorded? Mr. Belanger responded that they are not. He did explain that, by fall, the recording equipment will be in place so that the School Board Meetings will be live streamed from the school. She suggested that all meetings take place at a location where they can be recorded and that this would reduce the need to answer the same questions over and over.

Mrs. Lachance referred to a study that was done by NH Center for Public Policy Studies, Education Finance in NH Heading to a Financial Crisis, done in June 2017, that shows that school enrollment in small towns are dropping and young families are moving to cities. She suggested that, perhaps, someone from one of the committees look at this report and see if it pertains to Hopkinton before spending or asking for lots of money.

BOARD DISCUSSION

Debbie Norris said that she would like to have more clarification from the Budget Committee as to: (1) what we are hoping to achieve through the programmatic budget, (2) how is this going to benefit the Budget Committee and the community in helping to make decisions regarding the budget, and (3) are we hoping that the programmatic budget will allow us to see individual things, that we in turn say we disagree with that item by item?

Mr. Cohen said it isn't his idea to micromanage. He wants to be able to have answers, in a language that is understandable, where the money is going.

Don Houston explained that by using this new approach the information would be presented in major slices, broken down in an understandable way.

PUBLIC COMMENT

Tim Murray suggested that a programmatic budget is meant to be a tool, not just for budget cuts. Hopefully it will be an open conversation, that will allow people to look into things. He would hope that the school would look at it and say they could shift things from here to there, because they hadn't thought of it that way before. He feels that changes will make more sense because people will have better information. He hopes that the administration would use a programmatic budget monthly as a tool to make themselves more effective and efficient and be good stewards of the money they have.

Diane Lachance suggested that finding alternative or creative ways to provide the same education we are providing to our students is important. Salaries and benefits are always the most expensive line items, they need to be included in this creative thinking too. She shared that Alvirne High School has a web site for their budget, broken down right down to teacher's salaries. She emphasized that public salaries are covered under the right to know and Hopkinton salaries should not be exempt from that.

OTHER BUSINESS TO COME BEFORE THE BOARD

Janet Krzyzaniak shared that it has been brought to our attention that we have overspent our secretarial budget, which she explained she didn't even know we had. She explained that she's never been asked to suggest and doesn't even what the person makes an hour. She shared that we need to

OTHER BUSINESS TO COME BEFORE THE BOARD, continued

have good minutes, minutes that people can take and read and know exactly what went on at the meetings. She shared a note from Finance Director, Deb Gallant, that in part, suggested that meetings not take place in July, August, and September, to defray an over expenditure of the Finance Budget for 2018. Mrs. Krzyzaniak explained that we don't meet weekly in October and November, as the note suggests, we don't start that until December, and September is the beginning of our meeting process. She asked for suggestions. Do we meet in the summer?

Don Houston responded that he feels we need to meet when we need to meet and that the amount is an insignificant amount of money. What we do as a Budget Committee is such an important part of the budget process for the Town.

Mr. Traum agreed with Mr. Houston, but also wanted to make sure we weren't just meeting for the sake of meeting. He justified that by saying that most of this meeting was information we discussed in prior meetings. Mr. Houston suggested that by not having responses prepared when asked for, is a cause of some of the repetition.

Mr. Belanger expressed that there would be plenty of items to be discussed, besides the Programmatic Budget, at a July meeting, including the overall budget process of the Town and School for next year.

Rich Houston explained that last year, we were looking at a \$30M bond and we had budgets that were coming in right at the end. That's why we had all those meetings. He feels that the secretarial money was well spent. If we'd come out with a \$30M bond instead of \$18M, that's a lot more money than the secretary expenses we're talking about. He stated that the community wants microphones and recording equipment – that's an expense; to go along with that you need someone who takes and transcribes good notes. He agrees that the meetings we've had have been justified and necessary.

Mr. Cohen agreed with Mr. Houston. He says that these are good notes.

Don Houston suggested that cancelling a meeting in July because we're tight on money for a secretary taking notes, is not the right approach.

Mr. Belanger stated that he doesn't see why the School Board would not be able to have at least a draft for July 11, that way they can break for the summer knowing what they are working with. Mr. Belanger asks that his questions (listed above) be answered at this meeting also. He wants a starting ground before their budget process begins instead of them creating the budget and then having to make cuts. Mr. Belanger would like to see at least a 3-year plan for the Town, Precincts, and School.

Mrs. Krzyzaniak reminded the Board that we have normally scheduled meetings for the second Wednesday of every month and to please make sure this night is available, and your reports are ready for presentation.

UPCOMING MEETING

Wednesday, July 11, 2018, 5:30 pm, Hopkinton Town Hall

MOTION TO ADJOURN

Ken Traum motioned to adjourn at 7 p.m. Don Houston seconded the motion. There was no further discussion. A vote was taken, and all Board Members approved.

Respectfully submitted,
Tammy Clay