

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, July 18, 2018
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Ginni Haines, Debbie Norris, Mark Zankel, and Jonathan Cohen

BUDGET COMMITTEE MEMBER ABSENT

Matt Belanger, John Wuellenweber, Rich Houston

PUBLIC PRESENT

Liz Durant (representing the School Board for Matt Belanger), Mary Kusturin, Arnold Coda, Diane Lachance

CALL TO ORDER

Janet Krzyzaniak called the Budget Committee Meeting to order at 5:30 pm, at the Hopkinton Town Hall. Mary Kusturin led the Pledge of Allegiance.

Mrs. Krzyzaniak expressed her concern that Matt Belanger's family was violated by actions taken by somebody on their personal property, and hopes that they will all recover from this, with the support of friends and the community.

APPROVAL OF JUNE 13, 2018, DRAFT MINUTES

Ken Traum motioned to approve the June 13, 2018, Meeting Minutes. Jonathan Cohen seconded the motion. Mrs. Krzyzaniak asked for any errors, corrections, or changes. There being none, a vote was taken to approve the June 13, 2018, minutes. Ginni Haines and Mark Zankel abstained, because they were not at that meeting. All other Board Members approved the minutes as presented. (5-0)

FINANCIALS - TOWN

Ken Traum presented the Town's Revenue and Expense Summaries through June 30, 2018, explaining that they were half way through their fiscal year. On the Revenue side, recognizing that the State pays at the end of the year, the reports shows 38% collected overall, with Motor Vehicle Permits running higher than budgeted. On the Expense side, they are running better than budgeted, having spent 45%-46% of the budget. He explained that some of the expenses are paid in advance for the year, so the budget looks great.

Mr. Traum wanted to answer questions regarding the transfer station solar array and explained that the Select Boards of Hopkinton and Webster, because the towns are joint owners of the facility, have entered into a letter of intent with Granite Apollo, giving them the opportunity to fully investigate the feasibility to build a solar array of up to 17 megawatts on the 130 acres of capped landfill. They must look at, from an engineering aspect to see if it makes sense to them; is it easily connectable to the

FINANCIALS – TOWN, continued

sub-station; and can they get a purchase power agreement with some party. If they can come back to us stating that they can do all of that, then they will begin negotiations for a contract that would require both towns (Hopkinton and Webster) to have Town Meeting approval. From the Select Board's perspective, this is a real win situation - it's not only green power, but also it takes advantage of land that's not being used, and revenue-wise it could bring in \$100,000-\$200,000 a year.

Mr. Zankel asked if this would be a land lease or a pilot agreement? Mr. Traum said that it would be both.

CONTOOCCOOK VILLAGE PRECINCT

Don Houston presented the Profit and Loss Budget versus Actual Budget through June 2018 and explained that there was no new news on the budget. He explained that there was one water main break on Maple Street, that happened recently, that's being fixed.

Ken Traum asked if the State had reached out to municipal water systems regarding reducing water usage because of the nearing drought situation. Don Houston explained that a restricted use notice has been posted, but nothing has been required beyond that, at this time.

FINANCIALS - SCHOOL

Liz Durant (for Matt Belanger) had no budget information to be presented at this time. Mrs. Krzyzaniak said that their budget would be needed for the September meeting.

PROGRAMMATIC BUDGETS

Liz Durant presented the first draft of what the School Board's idea of what their programmatic budget would look like. She explained that this first draft contains necessary information that resulted from conversations with the Budget Committee, the School District Office, and the School Board; noting that they used the ConVal sample budget as an example. She explained that she hoped that this draft would be a great starting point for this report, in that it includes the pieces that have been requested, and that this information is already in the districts resources and are already available. She explained that feedback on the format of the report needs to be sent to Steve Chamberlin or Matt Belanger.

Ken Traum asked for definitions of the line items. Liz Durant said that the acronyms would be spelled out to make them clear and a legend would be added. Mark Zankel asked if, after this format is set up, would it be possible to go back a couple of years to see trends/historical information for comparison purposes? Ms. Durant said that they started using the new program a couple of years ago and that may be as far back as they can go for now. Debbie Norris asked if the more detailed information would still be given to the Board so that they could see the details where needed. Liz Durant said that full details would still be provided to the Budget Committee. Don Houston said that he wished the total cost of each of the programs with every cost in that program broken down, so you can see salaries, benefits, expenses, etc. in each. He feels that having this information available to the taxpayers, would enable them to be able to see what a certain program costs and then be able to make informed decisions and have educated discussions on the costs involved in providing a specific program to the students. Liz Durant explained that she will go back to Steve Chamberlin and Michelle Clark to see how much can be broken down and keep confidentiality and privacy intact, because we are such a small community.

PROGRAMMATIC BUDGETS, continued

Liz Durant suggested starting with an agreed upon format for the Programmatic Budget, that we can all work with this year, and then adjust as we move along in the process. It is her hope that the community will want to weigh in on the process. This can be accomplished by attending the School Board and Budget Committee Meetings, so that they can weigh in on the decisions being made. She feels that community participation will be particularly important, due to the Facilities Project that will be presented soon, in a different scale than last time.

Mrs. Krzyzaniak handed out a portion of the Hudson School District's FY2018 Budget for consideration of the information that should be made available in the Hopkinton's School Budget information. She explained that this example shows a summary, instead of a breakdown, of the information.

Mark Zankel suggested splitting out the core items by specific classes for information so that the community understands where their tax dollars are being spent. He suggested a one-page format, that's readable, that includes as much information as possible regarding the core items. He said that it is important that the information provided allows the Budget Committee and the community to understand what the school has budgeted. Mrs. Durant said that the one-page, snapshot, format would have the details requested but that the "binder" would have all the other necessary details. Mr. Zankel shared his concern about what items are not being put on the table for discussion, regarding cuts, because they've already been decided on by the School Administration to leave them in. He wonders if there are other areas that can be explored.

Liz Durant explained that the School Board and School District is looking for the criterion, by which the Budget Committee will be wanting from the School Board. That way the School Board will come to the table with a budget that meets the expectations of the Budget Committee. She asked what the Budget Committee is thinking, regarding:

- How are you going to go about making your budget decisions?
- How are you going to go about assessing and evaluating these budgets?
- What priorities are going to be used for spending?

Don Houston handed out a 3-year forecast budget, which is an example of how it might be done, of what the entire town looks like financially. Liz Durant said that if this type of forecast is what the Budget Committee and the community wants to see, to be able to shape their decision making, then its of value.

Liz Durant explained that the Facilities Project, the sub-committee of the steering committee has met and are working with the original project, taking out the finished work that's done or being done from the Security Grant and from the Performance Contract. They have met with Harriman and are prioritizing items that they feel needs to be done. She explained that the survey results, from the School District meeting, showed the level of funding the community wanted. The committee is using the results of this survey to guide them in the prioritizing some of the key things they feel are needed. Ms. Durant said that she would get the number of respondents to the Budget Committee. Mr. Zankel suggested a presentation of different scenarios so that we can make informed choices. Mrs. Durant said that she believes that is the approach they are taking at this time.

PUBLIC COMMENT

Arnold Coda commented that what we all ought to be aiming for is to be able to know why whatever budget, the town, or schools, is what it is. That way when we convene for the meetings, people can know, or have it explained to them. He explained that he felt that the voters were voting blindly with the \$20M School Budget voted on this year, because we did not know the pieces behind the budget. He feels that a programmatic budget would help make these pieces clearer. In the end, the Budget Committee would be able to judge on whether the expenses appear to be reasonable. He feels that working with a pro forma budget should be considered. The first time you use it is the hardest, then you update it each year.

Diane Lachance suggested that the community wants the details available in the Hudson Budget example hand out. She explained that Hudson uses an account number format that's used across all school districts in NH, it's just a matter of sorting the information. She said that Hudson has their Budget on their web site and it is available to anyone who is interested in looking at it. She is asking for Hopkinton to post their budget on their web site. She is concerned about the confusion between confidentiality, transparency, and the right to know; she believes there is very little confidential information that the school can and should retain. This is public information, if we don't have the information, under the right to know, then we don't have transparency. She explained that Hudson posts the teachers by name, with their salaries, benefits, retirement, etc.; that is public information. She noted concerns on the following:

- She does not find the tiers helpful. She suggests that there's never been any accountability to what is stated in those tiers and what happened the following year. What happened during that year, is this how the school made their decisions? If they ran into a situation where they needed to cut their budget, did they stick to what they said?
- She stated that there was a vote taken at the School District Meeting, where voters made the decision not to fund football and then somewhere down the line the School Board approved spending money on football. She is concerned that when the voters vote on a specific item in the School Budget and they share how they feel about it, and then the item is included by the School Board, where is the accountability?
- She explained she supported the Hudson style budget, because she wants to see what it costs to run the program, how much it costs, what are the benefits and who is benefitting.
- She suggested that there may be ways to run the schools more effectively without spending the money we continue to spend. Can this be done in a better way with the same results?

Mary Kusturin commented that her involvement in attending committee meetings is for a better understanding of how these budgets work. She feels that the information, as currently presented, doesn't provide the context necessary – it doesn't explain what items are included in that area and what the expense is for that item. She wants to see where the money is going and to be able to see the connection between the School Budget and what and where it's going into the programming. Having the information necessary allows the community to see why an item might be valuable to us.

BOARD RESPONSES TO THE PUBLIC COMMENTS

Mark Zankel suggested that the request for more information and the time involved may be an issue. He wants to know how much can be provided without going too far? How much of a burden will this put on our current staff and administration?

BOARD INPUT ON FORMATTING THE FIRST DRAFT OF THE PROGRAMMATIC BUDGET

- Don Houston asked that the core classes be broken into major pieces.
- Jonathan Cohen suggested that it fit on one page, organized in a way that is easily readable, and the core classes be broken down, if it can still fit on one page.
- Ken Traum asked if the glossary could contain account numbers, so they can go back to cross reference the information, if more information is needed.
- Debbie Norris likes this format, because it makes the information easily readable.
- Liz Durant made it clear that this Programmatic Budget would not replace any of the other budgets or budget information that the Budget Committee receives, it is just an added piece to give clarification.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

It was suggested that the Budget Committee attend the School Board Meeting in mid-August so that a separate August Budget Committee Meeting wouldn't be necessary. The School Board will email the reformatted draft before that meeting so that comments and concerns can be addressed at that public meeting.

UPCOMING BUDGET COMMITTEE MEETINGS

September 12, 2018

October 10, 2018

November 14, 2018

December 12, 2018

MOTION TO ADJOURN

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

Respectfully submitted,
Tammy Clay