

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, October 14, 2020, at 5:30 p.m.
Remote Meeting
Approved November 18, 2020

CALL TO ORDER – PLEDGE OF ALLEGIANCE

Mark Zankel called the Budget Committee Remote Meeting to order at 5:30 p.m.

Mr. Zankel read the Right to Know Law remote meeting checklist. As Chair of the Hopkinton Budget Committee, due to the COVID19 crisis, and in accordance with the Governor’s Emergency Order #12, pursuant to Executive Order 2020-04, this Board is authorized to meet electronically. There is no physical location to observe and listen contemporaneously to the meeting. However, in accordance with the Emergency Order, this is to confirm that we are providing public access to this meeting by telephone, with additional access possibilities by Zoom. All members of the committee can communicate contemporaneously during the meeting through the Zoom platform. The public has access to listen and participate in this meeting by dialing the phone number, 1-646-558-8656, meeting ID 892 1128 8232. Public notice of instructions for accessing the meeting is available on the Town’s Website and on the Town’s Facebook page. If there is an access problem please call 603-746-8242 or email Neal Cass at townadmin@hopkinton-nh.gov. All votes, during this meeting will be done by roll call vote. This meeting is being recorded and will be available to watch later. The link will be available on the Town Website, www.hopkinton-nh.gov.

Mark Zankel began the meeting with an attendance roll call.

Committee Member	Attendance Anyone Else in the room	Committee Member	Attendance Anyone Else in the room
Janet Krzyzaniak	Present - Alone	Ken Traum	Present - Alone
Norm Goupil	Present - Alone	Steve Reddy	Present - Alone
Jonathan Cohen	Present - Alone	Mark Zankel	Present - Alone
Thomas Lipoma	Present - Alone	Ginni Haines	Not Present
Don Houston	Present - Alone	Rich Houston	Not Present

There were 8 Budget Committee Members present.

Neal Cass, Town Administrator, was present for the Draft Calendar, Town Financials, and Town Multi-Year Capital Improvement Plan presentations. Jim O’Brien, Chair of the School Board, was present for the School District Multi-Year Capital Improvement Plan presentation.

Norm Goupil led the Pledge of Allegiance.

APPROVAL OF WEDNESDAY, SEPTEMBER 9, 2020, DRAFT MINUTES

Ken Traum motioned to approve the September 9, 2020 Meeting Minutes. Norm Goupil seconded the motion. Mr. Zankel asked for any corrections or discussion.

APPROVAL OF WEDNESDAY, SEPTEMBER 9, 2020, DRAFT MINUTES, continued

Mr. Goupil wanted to make sure that the fire suppression notes he submitted after the September 9, 2020 meeting were included in the minutes. He was told they were on the very last page, with a note referring to this addition included on page 7 of the minutes.

A roll call vote was taken to approve the September 9, 2020, minutes with the corrections addressed:

Committee Member	Vote	Committee Member	Vote
Janet Krzyzaniak	Approves	Ken Traum	Approves
Norm Goupil	Approves	Steve Reddy	Approves
Jonathan Cohen	Abstained	Mark Zankel	Approves
Thomas Lipoma	Approves		
Don Houston	Approves		

The vote passed 7-0. Mr. Cohen abstained because he wasn't present at the September 9, 2020 meeting.

All data and supporting information referred to in these minutes can be found with the following link <https://www.hopkinton-nh.gov/budget-committee/agenda/agenda-supporting-documents>.

DRAFT CALENDAR FOR BUDGET COMMITTEE AND TOWN/SCHOOL DISTRICT ANNUAL MEETINGS

Neal Cass discussed the draft Budget Committee Schedule of Meeting and Important Dates for 2020-2021. He explained that the Town Meeting will be on March 20, 2021, the School District Meeting on March 13, 2021 and the Public Hearing on All Budgets on February 10, 2021.

Norm Goupil explained that Steve Chamberlin had asked that the first School Budget Presentation be moved to January 13, 2021 because he wasn't sure if they would have a budget ready to present by the January 6, 2021 scheduled date.

Janet Krzyzaniak explained that she thought that the School Budget was going to be worked on earlier so that by January it would be ready to present and not have to crunch so much together before the Public Hearing.

Don Houston explained that if the Schools January 6, 2021 presentation didn't take place, it would only give the Budget Committee two meetings with the school.

Mark Zankel asked Norm Goupil to bring these concerns back to the School Board, knowing that this isn't going to be a simple budget year, because both bonds are going to hit. He explained that it is in the School District's interest to have more time for some back and forth with the Budget Committee and the public. For now, the schedule will remain as it is. Further discussion will take place at the next Budget Committee meeting.

TOWN FINANCIALS – KEN TRAUM

Ken Traum presented the Town Budget Summary Reviews through September 30, 2020, explaining that the Town is nine months into their Budget year.

On the Revenue side, he pointed out 3186 Payment in Lieu of Taxes looks low, that has to do with payment due from St. Methodios and that discussions are ongoing with them. The other areas that

TOWN FINANCIALS – KEN TRAUM, continued

look low have do with payments coming from the State that come in during the last part of the calendar year.

Ken Traum explained that under Line 3359 Other from State includes the different COVID grants total \$184,780, so far, out of \$239,671, the balance was Municipal Aid. Mr. Traum explained that if you compare the \$184,780 with Line 4290 Emergency Management \$77,459, on the Expense side, that is because there are other expenses incurred within other departments that haven't been segregated out. He explained that in terms of the information that needed to be supplied to the Federal Government to support the dollars received, they have supported something in the range of \$600,000.

On the Expense side, Line 4195 Cemeteries is running high because the cemeteries have their own funds and they will be reimbursing the Town, approximately \$26,000 out of their Trust Funds, for professional services they have incurred. Line 4290 Emergency Management, \$77,460, came out of the COVID grants previously mentioned. Mr. Traum explained that they are anticipating receiving \$17,000 of additional funding for COVID related expenses for the Elections.

Neal Cass added information about the 2-year Municipal Aid due to the surplus in the State Budget. He explained that last year the Town received \$49,301. They had anticipated the same amount this year, but based on the formula, \$46,406 was received.

Jonathan Cohen asked what Line 3401 Building Department/Ambulance Fees included. Mr. Cohen asked why they are listed together and not separately?

Ken Traum explained that some of it is for filing to put up a new house and some of it is ambulance fees from Warner and Webster, or from the system that is used for regional calls that insurance reimbursement is received through.

Neal Cass explained that, in the detailed account, they are listed separately. He further explained that the Town uses the State recommended chart of accounts and that Line 3401 is for all fees for services. He agreed that separating the two accounts out would make sense.

TOWN MULTI-YEAR CAPITAL RESERVE MAINTENANCE TRUST FUNDS – KEN TRAUM AND NEAL CASS

Ken Traum presented the Capital Reserve Maintenance Trust Funds Review dated July 25, 2020. He explained that this report has been updated, from the report presented in December 2020, to reflect the approved votes from Town Meeting for FY2020.

Janet Krzyzaniak asked for the agenda and supporting information out earlier, so that there is more time to study the information to be presented.

Jonathan Cohen asked if the \$35,000 (increasing yearly by \$1,000 more) is set aside each year for Police Cruiser Replacement?

Neal Cass explained that this amount is for the replacement of a Police Cruiser each year. There are four cruisers, and one is replaced each year, on a rotating basis.

TOWN MULTI-YEAR CAPITAL RESERVE MAINTENANCE TRUST FUNDS, continued

Discussion took place about how cuts or reductions are made during the budgeting process and if the areas that are underfunded because of these cuts/reductions are added to future years due to the implications of the underfunding. The areas that appear to be underfunded include the roads, Town Hall renovations, and Houston Barn.

Jonathan Cohen asked if we are spending \$25,000 on Fire and Police Radios every year?

Neal Cass explained that they are not the same radios, there are about 43 radios between Police and Fire. The reason this CRF was started was that because after 911, there was a Federal Grant and all the radios were upgraded, meaning that they will all start to fail about the same time. They are attempting to maintain a schedule where some are replaced each year, only replacing them if they need to be replaced.

Janet Krzyzaniak asked how much money was spent on the Kearsarge Avenue/George Park parking lot, road renovations? How much did the Town pay and how much did the School Pay?

Neal Cass explained that the Town paid just under \$20,000 for the road section and the School paid \$15,000-\$20,000 for the drainage coming from the parking lot. More detailed information will be available at the next meeting.

PUBLIC COMMENT

There were no public attendees.

HOPKINTON SCHOOL DISTRICT FINANCIAL UPDATES – NORM GOUPIL

Norm Goupil explained that the information he would share included Financials through August 31, 2020, large ticket budget driving factors, and information regarding the bond project.

Mr. Goupil explained that the Financial Update, because the budget was just approved in August, only includes two weeks' worth of information. He explained that the most important piece of the report is \$900,000 in funding was received in Revenue for August this year, compared to last year when it was received in September. Mr. Goupil explained that due to hybrid/remote learning, this year they are projecting to lose about \$140,000 in Food Service-related income. He explained that they have spent \$58,000 on PPE. The Board set aside about \$40,000 last year and they also have the CARES Grant where they were allotted about \$40,000. The financial for the next meeting will have more information.

Norm Goupil explained that the School Finance Committee has met a few times to discuss the future budget, moving forward. There is a lot of important information that needs to be gathered to put this budget together. He's glad that this Board has decided to have a Finance Committee and a CIP Committee. He explained that what's unique about this year is that there are big ticket items that are driving factors that need to be looked at immediately.

On the Revenue side, they need to look at a \$641,000 shortage, -\$0.84 on the tax rate. He explained that enrollment is going down by about 30 students due to home or private schooling, amounting to - \$120,000 in lost Revenue.

HOPKINTON SCHOOL DISTRICT FINANCIAL UPDATES, continued

On the Expense side is the Bond. Mr. Goupil will try to bring a breakdown as to where they are with the Facilities Project at each meeting. The Facilities Project, to date, is exceeding the expectations of the community that was agreed upon with 4 classrooms, fire suppression, and less of a tax impact. He explained that when Steve Chamberlin presented this to the community back in 2019, the tax rate impact would have been \$1.04/\$1,000. The tax impact for 2020/2021 is \$0.10/\$1,000, in 2021/2022 with one full bond package and a partial bond package it will be about \$0.38/\$1,000, in 2022/2023 the complete bond package it will be about \$0.80/\$1,000.

Mr. Goupil explained that other driving factors are that every other year the School District is required to pay into teacher retirement, as required by State Law. That is due this year. Also, Health Insurance continues to increase every year. He explained that they are also unaware of what the future brings as far as providing for our teachers and students regarding the current health crisis.

Norm Goupil explained that the School Board is working on ways to present a budget that is better understood by the public and by the Budget Committee.

Ken Traum asked if the parents choose to have their student go fully remote, does the school still get the full payment from the State?

Mr. Goupil explained that the students would still be using our teachers so they would get the funding. It's the home-schooled students who aren't using our District that the money is lost on.

Jonathan Cohen asked what the cost for the firm that was hired to find a Superintendent is?

Mr. Goupil explained that the projected cost for the search is \$15,000 and there will be an additional cost for the marketing expense, which could be \$3,100.

HOPKINTON SCHOOL DISTRICT MULTI-YEAR CAPITAL IMPROVEMENT PLAN – JIM O'BRIEN

Jim O'Brien presented a few slides explaining the Capital Improvement Plan Overview. He explained that the Finance Committee and the CIP Committee have been established to help with a longer-range plan. He explained:

- Hopkinton School District has over 158,000 square feet of properties managed including 3 schools, the SAU building, and grounds. There is a lot of wear and tear on these properties.
 - Thousand students.
 - Hundreds of staff, volunteers, and community members.
- For the purpose of this CIP, "capital projected" have been defined as those projects outside normal operations and maintenance, and having the following characteristics:
 - 1) A gross cost of at least \$10,000
 - 2) A useful life of at least 5 years, and
 - 3) Is non-recurring (not an annual budget item), OR
 - 4) Any project requiring bond financing.

He explained that what's not included here yet are technology items. There is discussion taking place as to whether some of the larger computer items and servers need to be included in the CIP.

HOPKINTON SCHOOL DISTRICT MULTI-YEAR CAPITAL IMPROVEMENT PLAN – JIM O'BRIEN

Mr. O'Brien explained that the District has an account called the School District Building Repair and Maintenance Fund, formerly the School Building Maintenance Fund, that the name change was approved at the 2019 School District Meeting that incorporates the SAU building, along with the schools. He explained that prior to 2019 the account was used for known large purchases rather than being used as a long-term CIP Program. Starting in FY20, the School Board made a real effort and commitment to fund this at a higher, more consistent level in order to grow the fund for more of a longer-term program.

Some general thoughts on what they are trying to do:

- Maintain consistent level of funding – stay on top of maintenance issues.
- Intersection with Building Project.
- Fund Balance.
- Living document.
- Limit on number of projects district can manage.
- Transparency.

Jim O'Brien shared the HSD FY 2021 – CIP/LT Financial Position slides and explained that it is a living document and a work in progress document that was created a couple of years ago. It includes several tabs to be able to see detailed, up-to-date information for each School in the District, the Maintenance Trust, SAU, Technology, Special Education, etc. He explained that one area that needs attention in Harold Martin School is in the Preschool room, where there is no ventilation or airflow. That room has not been, and will not, be used until the problem is corrected. He explained that a Public Hearing will take place on October 15, 2020, to take no more than \$18,000 out of the Hopkinton School District Building Repair and Maintenance Fund for the purchase and installation of an Energy Recovery Ventilation System at the Harold Martin School. This document also shows the total expenditures for the year. Projects are entered as they move through their budget year, as they are approved. It is his hope that this document helps with the overall planning for the maintenance of the facilities to be done as necessary and not fall behind, especially with the \$10M project that is being done. He thanked Steve Chamberlin, Michelle Clark, and Jay Burgess for putting this document together. Mr. O'Brien will make sure that the Budget Committee receives a link to this document.

Norm Goupil explained that once the facility project is complete, HL Turner will provide a CIP plan of what they've done and that will be incorporated into this CIP document.

Thomas Lipoma asked if the Special Education Trust is funded as a separate Warrant Article or is part of the CIP funds?

Mr. O'Brien explained that the Special Education Trust is a separate Warrant Article. He explained that the goal is to try and maintain \$150,000-\$170,000 in that Trust Account.

Jim O'Brien explained that our District, because of our small administration, there has to be a balance between all of the projects we would love to do within a certain timeline and what projects we can actually manage and get done. Those who manage those projects look at this account to see what can be done, pacing ourselves in order to get the work done that we need to do, so that we do not overextend what we promised the community we could do with the Maintenance Trust Account.

HOPKINTON SCHOOL DISTRICT MULTI-YEAR CAPITAL IMPROVEMENT PLAN, continued

Mark Zankel expressed his concern that this next budget cycle is going to be tough to keep going in the right direction because of the bond payment coming online and the likely loss of the one-time State need. There is going to be a big demand on the School Board to communicate about a change in approach, which is to put more money in on an annual basis so that we don't have these whopper bonds every 10-15 years. There is going to be a real need for a lot of proactive communication.

Jonathan Cohen asked about the \$140,000 boiler in 2023 at the Harold Martin School. Is it going to need to be replaced that quickly?

Jim O'Brien will ask Nom Goupil to get this information to bring to the next meeting.

Mark Zankel asked if an alternate source of fuel is going to be considered when replacing the boiler.

Jim O'Brien said that is a consideration when replacing the equipment. He explained that there is a group of students that have petitioned the Board to, over time, move the District to being 100% renewable in terms of electricity and building heating and cooling needs. He explained that there is a committee working with the students to see how feasible it would be and that it is a work in progress. He explained that when the engineering and site work is done, they will try to figure out what the options are and how do they utilize different forms of energy, if they can.

Mr. O'Brien explained that Steve Chamberlin and his leadership team are concerned about how much do we really want to invest in the SAU building? He explained that there are things on this list, they are not looking at another bond, currently there is not a plan to do anything with the SAU building. It's not the best work environment for our staff. At some point the District will need to address this. How much is too much for the care and maintenance on the current SAU building versus another property?

Mark Zankel expressed his concern that candidates considering the Superintendent's position will be concerned about that work environment.

PUBLIC COMMENT

There was no public comment.

CONTOOCCOOK PRECINCT FINANCIAL UPDATES – DON HOUSTON

Don Houston reported that there was nothing significantly new from the August report. He reported that the major break on Park Avenue, which took out the water supply in north Contoocook – that has been fixed. Also, there are three people being interviewed to replace the pipe at Linda Kimball's by the Hopkinton Road Reservoir. He explained that the contract does give them another year to get that job accomplished, but he is hoping that it can still be done this year. The cost of the project will be about \$90,000, as forecasted.

Jonathan Cohen asked why fluoride is not in the Contoocook water supply.

Don Houston said he would get an answer for him.

HOPKINTON VILLAGE PRECINCT FINANCIAL UPDATES – THOMAS LIPOMA

Thomas Lipoma reported that there were no major changes to report since his last report; all expenditures are on track.

PUBLIC COMMENT

There was no public comment.

ANY OTHER BUSINESS

Mr. Zankel explained that the next scheduled Budget Committee Meeting would fall on Wednesday, November 11, 2020, which is Veteran’s Day. Because of this holiday, the Budget Committee will be meeting on Wednesday, November 18, 2020 at 5:30 pm.

MOTION TO ADJOURN

Ken Traum motioned to adjourn at 7:15 p.m. Janet Krzyzaniak seconded the motion. There was no further discussion.

A roll call vote was taken:

Committee Member	Vote	Committee Member	Vote
Janet Krzyzaniak	Yes	Thomas Lipoma	Yes
Jonathan Cohen	Yes	Norm Goupil	Yes
Don Houston	Yes	Mark Zankel	Yes
Steve Reddy	Yes		
Ken Traum	Yes		

The vote passed 8-0.

Respectfully submitted,
Tammy Clay