

Hopkinton Budget Committee
Town Hall
January 20, 2010

Present: Patrice Gerseny-Chair, Danny Coen, David Lancaster, Karen Irwin, Cameron Ford, George Langwasser-Selectman, David Luneau – School Board, Tom O'Donnell – HVP, Bob Carpenter – CVP

Absent: None

The meeting began at 6:34 pm.

Minutes Review

The minutes of January 13, 2010 were reviewed and changes made. Cameron Ford made a motion to accept the amended minutes. The motion was seconded by David Lancaster. A vote was taken.

Yes – 8 No – 0

The amended minutes passed.

School Presentation – Part 2 HEA Contract – HESS Contract – Warrant Articles

David Luneau, School Board presented.

Invited guest: Steve Chamberlin, Superintendent

Mr. Luneau began with a review of the School Budget presentation given last week, then began this weeks presentations, during each presentation Committee members asked questions and were answered by either Mr. Luneau or Mr. Chamberlin.

HEA Contract

The HEA contract includes Teachers, Guidance and Nurses is for 2 years.

The first year - 2010 - the increase is \$61,209.

The second year - 2011 - the increase is another \$47,755.

If this contract passes Evergreen will kick in. The cost of Evergreen, built into the budget, is \$45,459.

The first year, 2010, the Teachers, Guidance and Nurses will stay at the same step with no raise in the step. They will get a COLA [cost of living increase] of \$750.00

The second year, 2011, the Teacher, Guidance and Nurses will receive a step increase in pay.

Any teacher who is at the maximum in his/her pay level will receive \$1,050 COLA.

The teachers will be required to work 186 days instead of the current 184 days at a cost of \$70,000. New teachers are required to work an extra day. They go from 185 days to 187 days.

There is a reduction in benefits; they need to pay more for prescriptions.

There is an increase in Life Insurance and Orthodontics.

There will be an option to open a Flex Pay Account – the School District will seed each Flex account with \$200 at a cost of \$19,640. Any unused balance in the accounts at the end of the year will return to the School District.

Further reductions are: \$20,000 from early retirement and \$15,804 from tuition reimbursement.

Mr. Luneau reminded the Committee members that the contract offered in October 2009 was an increase of \$133,128 and failed to pass. The contract offered in March 2009 was for an increase of \$240,265 and failed to pass. The 2008-2009 contract passed and was an increase of \$296,243. This current contract is 0.3 % of the operating budget.

David Lancaster asked if, under the old/current contract, would they get a COLA.

Mr. Luneau responded saying they would not get any extra money.

David Lancaster also asked if the teacher would pay any increase towards benefits.

Mr. Luneau stated the School Board opted for employees to pay more for prescriptions

HESS Contract

This contract is for 1 year.

They will remain at the same salary schedule as 2008-2009 contract.

Step increases plus longevity is \$29,207 and increases of \$2,259 plus the Evergreen cost of \$27,728.

Any HESS member who is at the maximum in his/her pay level will receive a \$400 COLA.

Evergreen for 2011-2012 will cost \$24,641.

Contingency Fund

The School Board has proposed \$50,000 - to cover emergency expenses.

Repair and Maintenance Trust

The current balance is \$175,490.

Annual withdrawals are approximately \$40,000.

Superintendent Chamberlin recommends the Trust to have a balance of \$200,000.

The School Board proposes to add \$75,000 from the year-end balance.

Vehicle Capital Reserve Account – New

This proposed account is smooth out future vehicle purchases. Currently the District owns 1 van and 2 small buses aka Twinkies. They estimate the need to purchase vehicles in 2013 and 2014.

The School Board also proposes to use \$25,000 as seed funding from the year-end balance.

Committee members questioned the lease versus buy on vehicles. Mr. Chamberlin stated that the recommendation of the Business Administrator is to purchase so the District would get the benefit.

Health Insurance Capital Reserve – New

This proposed account is to smooth out the spikes in Health Insurance costs.

The School Board proposes to use \$25,000 as seed money from the year-end balance.

Estimated Gross Revenues

The estimate is \$5,789,430 which is down \$110,521. This amount includes the Federal Stimulus of \$450,000 corresponding to grant projects within the budget.

Includes and estimated year-end surplus of \$338,500.

Expenses

The estimate is \$16,342,060: The Operating Budget is \$15,653,952 of this; it also includes the Federal Stimulus grant projects of \$450,000; the Contingency Fund, Repair & Maintenance Trust, Vehicle Capital Reserve and Health Insurance Capital Reserve total \$175,000.

HEA contract \$61,209.

HESS contract \$2,259.

The estimated tax impact is \$0.39 per thousand. In March the voters approved \$0.67 per thousand.

Committee Questions

Bob Carpenter – HEA, what is a step and what is the cost difference of COLA vs. Step

Steve Chamberlin – a step = 1 year. COLA saves money.

Chair Gerseny – what are the numbers covered in each

Mr. Chamberlin – HEA 100ish and HESS 50 – 60ish

David Lancaster – did the amount employees contribute to benefits packages go up

Mr. Chamberlin – No

Karen Irwin asked for the percentage schedules as was provided last year.

Tom O'Donnell – is the MS 27 still accurate

Mr. Chamberlin – Yes

Karen Irwin – what was the Contingency Fund used for last year

Mr. Chamberlin – last year for fuel
- this year the increase in state retirement contribution
Tom O'Donnell – the Town employees are getting a 0% increase,
- the teachers 1.5% increase and School Administration 2.5%
Mr. Luneau – stands by the School Budget
Mr. Chamberlin – Commented that in the past the community has been very supportive.
He wants to remain competitive. He hasn't seen any other School District with a 2nd year
of 0% increase.
The School Administration increase of 2.5% are based on Mr. Chamberlin's
recommendations. The raise is a pool of dollars and each raise is based on employee
performance evaluation. The amount in the 'pool' is \$47,862 for 19 employees.

Chair Gerseny thanked Mr. Luneau, Mr. Chamberlin and the members of the School Board for
presenting a budget proposal that was easily understood.

Town

George Langwasser, Selectmen, presented.

Mr. Langwasser advised:

The Town membership in the Co-op is now in the hands of the Town attorneys.

The Board of Selectmen voted to the 'Pay as you Throw' on the ballot, the wording is
similar to the one that failed last year.

Bob Carpenter – are there still other options rather than the Co-op

Mr. Langwasser – Hopkinton & Webster will withdraw and go on their own

Karen Irwin – was 'Pay as you Throw' proposed by Steve Clough or the Recycling
Committee

Mr. Langwasser – the Recycling Committee asked the Board to put it on as a Selectman
Warrant rather than as a petition warrant.

David Lancaster – will Hopkinton receive any funds back from the Co-op

Mr. Langwasser – the Board of Selectmen think there are Hopkinton Funds

Danny Coen – the aging on all receivables for 30 days / 60 days / 90 days / etc

For the landfill / water / ambulance – can it be emailed out

Chair Gerseny – LCHiP \$200,000 for Bohanan Farm – will the bond still be for 20 years

Mr. Langwasser – the town share will be \$180,000 - \$200,000

Pay off options are: pay off in 2011 **or** bond for 20 years **or** a loan from the bank

The Board of Selectmen will work with Bob Blanchette to get the best interest for
the community.

The members began discussing various options for the town' share

- borrow from the Contingency Fund
- take the surplus
- borrow from the Community Center then set up a schedule to repay

Chair Gerseny stated that the Committee needs to have the Town MS 7 by Monday, 2 HVP MS
37's and 1 MS 7.

The meeting was adjourned at 8:17 pm.

Respectfully Submitted,

Beth Clark
Secretary