

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, January 20, 2021, at 5:30 p.m.
Remote Meeting
APPROVED

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 follows:

As Chair of the Hopkinton Select Board, due to the COVID-19/Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12, pursuant to Executive Order 2020-04, this Board is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to the meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are:

a) Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means.

We are utilizing the Zoom platform for this electronic meeting. All members of the committee have the ability to communicate contemporaneously during this meeting through the Zoom platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone number 1-646-558-8656 and meeting ID: 892 1128 8232, or by clicking on the following website address: <http://zoom.us/j/89211288232>.

b) Providing public notice of the necessary information for accessing the meeting.

We previously gave notice to the public of how to access the meeting using Zoom, and instructions are provided on Town of Hopkinton's website: www.hopkinton-nh.gov and on the Town of Hopkinton's Facebook page.

c) Providing a mechanism for the public to alert the public body during the meeting if there are problems with access.

If anyone has a problem, call (603) 746-8242 or email: townadmin@hopkinton-nh.gov.

d) Adjourning the meeting if the public is unable to access the meeting.

In the event the public is unable to access the meeting, we will adjourn the meeting and have it rescheduled.

Please note that all votes that are taken during this meeting shall be done by Roll Call vote. Let us start the meeting by taking a Roll Call attendance. When each member states their presence, also please state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know Law.

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.

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

Mark Zankel began the meeting with roll call attendance.

Committee Member	Attendance Anyone Else in the room	Committee Member	Attendance Anyone Else in the room
Norm Goupil	Present – With daughter	Jonathan Cohen	Present - Alone
Janet Krzyzaniak	Present - Alone	Ginni Haines	Present - Alone
Steve Reddy	Present - Alone	Rich Houston	Present -with Edith Houston
Ken Traum	Present - Alone	Thomas Lipoma	Present – Alone
Don Houston	Present - Alone	Mark Zankel	Present - Alone

There were 10 Budget Committee Members present at the beginning of the meeting.

Members of the School Board present – Steve Chamberlin, District Superintendent; Michelle Clark, District Business Administrator; Jim O’Brien, School Board Chairperson; Andrea Folsom, School Board Vice Chairperson.

Rich Houston led the Pledge of Allegiance.

APPROVAL OF WEDNESDAY, JANUARY 13, 2021, DRAFT MINUTES

Ken Traum motioned to approve the January 13, 2021, Draft Meeting Minutes. Jonathan Cohen seconded the motion. Mr. Zankel asked for any clarifications, corrections, or discussion. Ken Traum noted a correction.

A roll call vote was taken to approve the January 13, 2021, minutes with the correction addressed:

Committee Member	Vote	Committee Member	Vote
Norm Goupil	Approved	Jonathan Cohen	Approved
Janet Krzyzaniak	Approved	Ginni Haines	Approved
Steve Reddy	Approved	Rich Houston	Approved
Ken Traum	Approved	Thomas Lipoma	Approved
Don Houston	Approved	Mark Zankel	Approved

The vote passed – 10-0.

STEVE CHAMBERLIN CLARIFIED QUESTIONS THAT WERE ASKED AT LAST WEEK’S PRESENTATION

Mr. Chamberlin explained \$49,017.01 consists of the regular education portion of shared instructional assistants between kindergarten and first grade. This category is more appropriately placed in the academic section. A request will be made to the vendor to move this item in the future to programmatic budgets.

He reported that the updated Estimated Revenue Report, dated 1/19/21, has been corrected to show the (\$42,500) classified in the correct location.

He explained that the Expenditure Budget Report by Location have had footnotes added with explanations:

- The SAU increase is largely due to:
 - Non-union raises are allocated to SAU prior to distribution.
 - The Building Project Debt Payment.
 - Increase in special education costs.
- The high school – the two major components of the increase are:
 - The reclassification of the school psychologist position - \$60K.
 - The increase in number of students attending the Concord Regional Technical Center Program - \$20K.

**PRESENTATION ON HOPKINTON EDUCATION ASSOCIATION COLLECTIVE BARGAINING AGREEMENT -
JIM O'BRIEN AND ANDREA FOLSOM**

Mr. O'Brien explained the timeline of the negotiations that took place with the HEA. He reported that the following agreement passed the HEA and was unanimously supported by the School Board.

*Frequently Asked Questions
Hopkinton School District/Hopkinton Education Association
Collective Bargaining Agreement*

1. Who is covered by the Hopkinton Education Association Collective Bargaining Agreement?
All teachers, nurses, and school counselors are covered by the HEA CBA.
2. *How long is the proposed contract?*
The agreement is for one year. A stipulation is included to automatically re-open negotiations on health care if the District becomes subject to the Affordable Care Act's Cadillac Tax (a tax on health insurance if the plan becomes too expensive).
3. *What are the salary increases in the contract?*
There is no base percent increase in the contract. Each employee will advance one step. A new top step was added to the scale, a \$1500 flat increase, for those at the top of their track. Employees on the cusp of receiving a longevity incentive are grandfathered to receive the stipend as they reach the top step.
4. *How does the contract impact health insurance?*
Any teacher hired after June 30, 2021, will pay 7% of the cost of the premium of health insurance each year.
5. What is the total cost of the Collective Bargaining Agreement on the Warrant?
Year 1: \$241,331.00
6. *Are there significant language changes in this contract?*
Yes, the table below shows significant language changes:

Item		Notes
1.	The creation of regular curriculum review/development sessions	This change converts a curriculum day to the better practice of four curriculum afternoons.
2.	The establishment of a requirement that teachers attend one community-centered event during the school year	This change will require teachers to attend graduation, meet the teacher events, or extra-curricular activities.
3.	A change in the timeline in the grievance procedure	This change provides consistency throughout the contract.
4.	A revision regarding teacher meeting requirements during preparation periods	This change balances the importance of preparation time with the need to attend legally required meetings.
5.	Revisions in a Reduction in Force (RIF) language	This change increases the clarity of the language and changes communication

HOPKINTON EDUCATION ASSOCIATION COLLECTIVE BARGAINING AGREEMENT, continued

6.	Revised language regarding the one-time District contribution to a 403b plan for new hires	This change inserts the word match to align with intent and current practice.
7.	Modification to the nondiscrimination clause	This change aligns the article with state law adding, sexual orientation, and gender identity.
8.	Change in the school calendar – the teacher calendar (except for new staff) cannot begin before the fourth Monday in August. In addition, if the school board is interested in “blizzard bags” language requiring the formation of a joint task force, including teachers, is included.	This change aligns with current practice and provides the space to continue the development blizzard bag procedures and protocols.
9.	Change in the early retirement program – gives priority for those who have given 25 years or more of service to the Hopkinton School District	This change in language honors faculty members who have given 25 years of service to the Hopkinton Community.

7. What happens if the contract does not pass?

If the contract does not pass, the current 2019 contract stays in effect. Teachers will not receive step raises, and those teachers on the top step will have no increase. This would mean that Hopkinton teachers would be two steps behind their colleagues throughout the state. There will be no change to the health insurance premium for new hires, which means that new hires would pay 0% of their health insurance, rather than the proposed 7%. Teachers will only receive increases related to educational track changes, such as completing a Masters’s degree. . The Hopkinton Education Association would be operating for two consecutive years without a contract; many teachers would fall two steps behind, putting at risk the ability to retain faculty.

QUESTIONS FROM THE BUDGET COMMITTEE MEMBERS ANSWERED BY JIM O’BRIEN, ANDREA FOLSOM, NORM GOUPIL, AND MICHELLE CLARK

The annual step increase chart is an addendum to the contract, which can be found at the end of the following document: <https://drive.google.com/file/d/1dVeXuTRi58q6jjEWFUxQTq2q6bM7Lhyq/view>. With an active contract, every year a teacher would increase a step. The steps are based on longevity and education level. There is a top level where you wouldn’t get any additional step increases, but you would get the base increases. There will not be a double step increase in this budget, it would be a one-year step increase.

The average increase, based on the number of staff, for the two-year period, is about 2.79% (1.395% for each year).

The teacher’s have had to change their approach to teaching, due to the pandemic, and they are working more to accommodate the new needs, due to this time. There is a need to show that we appreciate their hard work, and we value and support them, and we want them to stay in Hopkinton.

There will be five early retirements this year, three are normally budgeted. The remaining two will be taken out of the Unreserved Fund Balance.

QUESTIONS FROM THE BUDGET COMMITTEE MEMBERS ANSWERED, continued

The change in the structure of the health insurance is similar to what other school districts are offering. The most common is a 90/10 split. Hopkinton will be offering a 93/7 split to any new teacher hired after 6/30/21.

It was agreed that there was no need to go through the 50-page School Budget Bulletin, due to the detailed information already presented.

BUDGET COMMITTEE THOUGHTS ON THE SCHOOL DISTRICT'S PROPOSED BUDGET

- There was support for the 2.79% increase in the HEA contract, noting that the teachers deserve a raise.
- There is concern that the 8% overall increase in the Budget will not pass.
 - It will be hard to further reduce it based on the Bond being a major piece of that increase.
- Will the school be getting more stabilization funds as a way out of this dilemma?
 - There will be \$800,000 less, that the State gave last year, in this budget.
- Not having significant State funding for towns to help with education makes it hard for all schools.
- The different assessment projections used by the Town and for the School needs to be addressed.
 - This was addressed in the Other Business section of this meeting.
- Thanks was given to the School's Finance Committee for the clearest Budget ever presented.
- The proposed increases have been explained and justified; nothing is being wasted.
- It is going to be difficult for the town to sustain increases at this rate.
 - Will the new Board and new Superintendent look at different options around educational model that can help to slow this rate of growth?
 - Can we provide a high-quality education in any other way?

PUBLIC COMMENT ON PROPOSED SCHOOL DISTRICT BUDGET AND HEA CONTRACT, began at 6:45 pm

Bob Matteo, 108 Park Avenue – Wants to know where Hopkinton salaries are compared to the state average. The perception is that it is in the high range, and the school budget is salary heavy. Why do the current employees have 100% of their health care taken care of, and only new hires have the 93/7 split. This area should be reconsidered as an area for cost savings.

Norm Goupil asked Michelle Clark to bring comparisons back to the next meeting. Steve Chamberlin and Michelle will work on providing a table that provides the information requested.

Thomas Lipoma reported that this information is on the NH Department of Education website. Hopkinton's average teacher's salary is \$66,000, the average state teacher's salary is \$61,000.

Sabrina Dunlap, 9 Gould Hill Road - Supports the School Budget and the Teacher's Contract. She reported that a recent presentation by the Commission to Study School Funding showed that NH has the highest per pupil spending and the lowest state funding in the country. There is a deep, systemic problem NH has with school funding.

Elizabeth Sides, 265 Crowell Road - Agrees with Sabrina. She thanked the School Board for the clear budget. The bond is something we decided on as a town and we need to pay for it. We need to pay for our teachers and the support staff that our students need.

Jennifer Blagriff, 716 Hopkinton Road – Agrees with Sabrina and Elizabeth. The Numeracy Assistant is most definitely needed. Not having that position this year, is affecting students who are having trouble in math. In this town, the requirements to receive the help needed in both math and reading is surprisingly low. By having this math and reading help position in place, it prevents students from needing special education services.

Public comment ended at 7:00 p.m.

ADDITIONAL GUIDANCE OR REQUESTS FROM THE BUDGET COMMITTEE MEMBERS FOR THE NEXT MEETING

- Benchmarking regarding teacher's salaries.
 - Similar schools, similar cost of living, comparable compensations.
 - Where do the teachers go when/if they leave?
 - Contracts with similar academic performance.
 - Not just salaries - benefit packages and health insurance coverage and the cost share.
- Benchmark regarding percentage of the School Budget occupied by teacher salary cost.
 - Add to a FAQ document so that the community will have a better understanding.

It would be good if the voters support the Budgets that the Town and the School have negotiated and are putting forward. This information needs to be presented in an understandable way. We don't want to be in the same position as last year – where the Budget Committee supports the contract, and the town votes it down.

- The perception that the teacher's wages, and benefits, are somehow out of step with other districts.
 - The School Board should consider a way to present this to answer that question.
- The cost of attrition is a point that should be made, it is expensive.
 - If teachers are being asked to do more for less, they are going to leave. It would be good for voters to understand that there is a cost to losing experienced teachers and then trying to fill that position.

This past year, lots of people have suffered, many people lost their jobs, didn't get raises, had a reduction in their salary, and/or promotions were put on hold. Acknowledging and appreciating that our teachers shared in the sacrifice and challenge that many people in our community, state, nation, and world went through this year. They have worked extremely hard this year. Moving forward with a contract is sending an important message to the teachers.

There is concern that when a \$1.2M increase is presented, without providing the voters with the explanations necessary, they could vote against the whole budget or the teacher's contract. The moral of the teachers, and the ability to retain or attract new teachers would be deeply impacted.

The District does have teachers who have longer tenure or more advanced degrees who tend to get paid more. We run an excellent school system for an average amount of money. We need to acknowledge what the teaching staff brings to the Hopkinton School District.

TOWN FINANCIALS AND BUDGET UPDATE – KEN TRAUM

Ken Traum reported on how the Select Board now stands with the 2021 Proposed Budget and tax rate, because of last night's Select Board meeting and the financing that was recently completed. He explained that their presentation hasn't been officially updated since December 9, 2020. Mr. Traum explained the Select Board's approved changes and reported that updated pages would be presented at next week's meeting.

Mr. Traum explained that the Select Board, at the last Town Meeting, received approval to enter into a \$1.8M Road Bond. In the December 9, 2020, presentation, they conservatively estimated a 1.5% interest rate. The interest rate came in at 0.76%. The original Road Bond and the Fire Station Bond, which was also refinanced as part of the package, will be saving taxpayers \$300,000, over their remaining lives. To get the low interest rate, the lenders required a higher payment in 2021, of \$57,144, than was included in the December 9 presentation.

Based on two other actions taken by the Select Board at their meeting on January 19, 2021, this \$57,144 will be covered, and nets a slight reduction in the tax rate from what we originally proposed.

- The amount of the fund balance to be applied to reduce the 2021 tax rate, because the year end 2020 Revenues and Expenses, are coming in about \$51,000 better than first estimated. The Select Board opted to apply the \$51,000 to reduce the need for tax revenues.

TOWN FINANCIALS AND BUDGET UPDATE, continued

- The Select Board decided to adopt the CIP Committee's recommendations for the 2021 Budget of a \$40,000 reduction in appropriations. This will result in delaying the irrigation at Park Avenue fields and not making an additional appropriation for dam maintenance.

The net impact of these actions is a reduction of about \$34,000 in the amount previously proposed for the Town taxes, or a reduction in the percentage increase from 4.78% to approximately 4.2%.

PUBLIC COMMENT

There were no public comments.

ANY OTHER BUSINESS

Town of Hopkinton Assessed Valuation Rates – Last week it was explained that, in the draft budgets:

- The Town used 2020 assessed valuation plus a 1% increase to help determine its tax rate.
- The School used the official State approved 2020 valuation.

Due to the discrepancy between the numbers that the School and Town used, a discussion took place.

Mr. Zankel explained a conversation that he had with Neal Cass, Town Administration, that explains the information in the 10-year evaluation spreadsheet below. The Town goes through a company to conduct a revaluation every 5-years, and that company determines what are the actual sales in the marketplace, indicated by the significant changes. In the interim years, the only adjustments are based on new construction and renovations. In the past year, the real estate market has been very strong in many parts of NH, during COVID, and many houses have been snapped up and residential real estate prices are going up in many communities. That's not going to be reflected in the 2021 valuation, it will be reflected as any new building or renovations that are completed for the April 1, 2021, submission.

Town of Hopkinton Assessed Valuation				
<u>Year</u>	<u>Assessed Valuation</u>	<u>\$ Change</u>	<u>% Change</u>	
2020	780,889,911	3,789,156	0.49%	
2019	777,100,755	155,341,533	24.98%	Revaluation Year
2018	621,759,222	3,838,575	0.62%	
2017	617,920,647	3,990,726	0.65%	
2016	613,929,921	4,021,336	0.66%	
2015	609,908,585	(39,830)	-0.01%	
2014	609,948,415	(46,324,190)	-7.06%	Revaluation Year
2013	656,272,605	1,564,877	0.24%	
2012	654,707,728	7,655,933	1.18%	
2011	647,051,795			
Average Yearly Change (10 Years)			14,870,902	
Average Yearly Change w/o Reval Years			3,545,825	

ANY OTHER BUSINESS - Town of Hopkinton Assessed Valuation Rates, continued

This past year there have been 15 permits for new homes in Hopkinton, it is reported that this is a high number based on the past five years. Many of these homes have been or will have been built so there should be some increase in the town's valuation based on the 15 building permits. The number of renovations permits for this past year is the highest it has been in the past eight years, and that is in addition to the 15 building permits.

The Town's valuation for 2020 is \$780,889,911 – a 1% increase would be \$7.8M, the average residential property valuation in Hopkinton is approximately \$300,000. The information on the chart spreadsheet shows a yearly average change, without the revaluation years, of \$3.5M. This is budgeting more than double for the average year.

Ken Traum reported that a 1% increase on the Town's portion would bring in \$52,000 in additional tax revenues. He explained that when the Select Board was talking about Revenues plus and minus, Rooms and Meals they are estimating they are going to get 20% less from the State (\$57,000), 20% less from the Highway Block Grant (\$38,000), and nothing from Municipal Aid (\$50,000).

Mark Zankel reported that the Town submits its data to the State on April 1, the State publishes its valuation in late summer-September, that then gets reflected in the fall tax bills.

The risk of using an incorrect assessment of an incorrect valuation would be:

- The larger the number used in the budgeting process, lower the tax rate impact.
- The voter is voting based on their tolerance of the tax impacts.
- If there is not an increase in valuation is not actually realized, the fall tax rate on the bills will be higher than expected.

Mark Zankel explained that it is important for the Budget Committee to send a signal to the Town and the School Boards that the same assessed valuation number gets used. He explained the three ways to approach this:

1. The Budget Committee could endorse what the Select Board has proposed, using a 1% increase over the 2020 valuation number.
2. The Budget Committee could endorse what the School Board has proposed, using the state approved 2020 valuation number.
3. The Budget Committee could propose another number, which could be somewhere between 0% and 1%.

A motion was made by Jonathan Cohen to support the Select Board's proposed 1% increase over the 2020 valuation. Ken Traum seconded the motion. Mark Zankel asked for discussion. It was suggested that the vote needed to be put off until next week, because there were some unanswered questions or other issues that need clarification:

- Neal's opinion on the 1% increase over the 2020 valuation.
- The Maple Street project valuation.
- The value of the 15 new home permits.
- More information is needed to make a vote.
- Both Ken Traum and Norm Goupil were asked to provide the difference in the tax rate impact of their respective proposed budgets if a 0% (flat) and a 1% increase over the 2020 valuation were used.

The real data on the homes built and renovation projects will be valuable information to move forward with a consensus vote. Ken Traum and Norm Goupil will bring these requests back to their respective Boards. The conversation will continue at next the next meeting. There will also be time made available for public comment, following this conversation.

Upcoming Meetings

Wednesday, January 27, 2021 – 5:30 pm – via Zoom Meeting

- Further follow up from the School Budget if questions are posed to them.
- If the Budget Committee is in favor of the Budgets as proposed, a vote will be taken on the budgets presented.

Wednesday, February 3, 2021 – 5:30 pm – via Zoom Meeting

- Budget Committee deliberations, if needed

Wednesday, February 10, 2021 – Time, place, and method of the meeting to be determined

- Public Hearing on all budgets

MOTION TO ADJOURN

Steve Reddy motioned to adjourn at 8:00 pm. Ken Traum seconded the motion. A roll call vote was taken:

Committee Member	Vote	Committee Member	Vote
Norm Goupil	Approved	Jonathan Cohen	Approved
Janet Krzyzaniak	Approved	Ginni Haines	Approved
Steve Reddy	Approved	Rich Houston	Approved
Ken Traum	Approved	Thomas Lipoma	Approved
Don Houston	Approved	Mark Zankel	Approved

The vote passed 10-0.

Respectfully submitted,
Tammy Clay