

TOWN OF HOPKINTON BUDGET COMMITTEE
Minutes of Meeting
Town, School District, Hopkinton Village and Contoocook Village Precincts
Wednesday, January 12, 2022
Approved January 19, 2022

CALL MEETING TO ORDER and PLEDGE OF ALLEGIANCE

Mark Zankel called the meeting to order at 5:30pm immediately followed by the Pledge of Allegiance.

BUDGET COMMITTEE MEMBERS PRESENT – There were 10 Members present.

Committee Member	Attendance	Committee Member	Attendance
Don Houston	Present	Rich Houston	Present
Norm Goupil	Present	Thomas Lipoma	Present
Ken Traum	Present	Christa Scura	Present
Steve Reddy	Present	Mark Zankel	Present
Jonathan Cohen	Present	Deb Norris	Present

OTHER ATTENDEES:

Neal Cass, Town Administrator; Michael Flynn, Superintendent of Schools; James O'Brien, Hopkinton School Board; Michelle R. Clark, SFO, Business Administrator (via online)

APPROVAL OF MINUTES OF December 8, 2021

Ken Traum motioned, seconded by Deb Norris, to approve the minutes of December 8, 2021.

Mark Zankel asked if there were any corrections needed.

A vote was taken to approve the motion for approval of the minutes of the Budget Committee meeting of December 8, 2021.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approved	Rich Houston	Approved
Norm Goupil	Approved	Thomas Lipoma	Approved
Ken Traum	Approved	Christa Scura	Approved
Steve Reddy	Approved	Mark Zankel	Approved
Jonathan Cohen	Approved	Deb Norris	Approved

Mark Zankel noted a change in the order of the agenda for this evening. He stated that the Town Budget and Financial Update will be given first.

TOWN BUDGET and FINANCIAL UPDATE – Ken Traum and Neal Cass

Ken Traum, assisted by Neal Cass, began his presentation with a power point presentation (Town of Hopkinton Select Board 2022 Proposed Budget Update to Previous Presentation). The presentation was forwarded to members prior to the meeting. He stated that since the last meeting on December 8, 2021, the Board has had more time to consider the Budget Committee comments and has had several more meetings and discussions with the Houston Barn Committee on the different scenarios. The Select Board unanimously concluded to propose at town meeting the Barn Stabilization option. It was concluded that this is necessary before additional damage occurs. He reviewed the cost for the stabilization estimated at \$875,000 stating the hope is that grants and donations can be obtained in future that will go towards barn rehabilitation.

He then proceeded to report on the funds to be used for this cost and the tax rate affect. These were shown in the spreadsheet he provided.

Jonathan Cohen asked why the Stabilization over the Rehabilitation option.

Ken Traum stated that the thought was that once the barn is stabilized it would be more possible to receive grants and donations needed to move on to the rehabilitation.

Ken Traum and Neal Cass responded to other questions concerning who would manage the fund raising effort, priority of other Town projects to the Barn, and timing for start up of the barn stabilization if this proposal is passed at town meeting.

Ken Traum then proceeded to review the Revenues stating a \$180,000 over budget amount which is about \$83,000 more than anticipated.

On the expense side he stated they are running very close to budget and expect to come in on budget.

HOPKINTON SCHOOL DISTRICT BUDGET – Norm Goupil and Michael Flynn

The Hopkinton School District School Board Meeting 2022-2023 Proposed Budget had previously been made available to members for review by email and a hard copy presented this evening.

Norm Goupil thanked the community, students here this evening observing the process, and to James O'Brien, Hopkinton School Board member who will present on the teacher contracts. He also thanked the Budget Committee for being able to present the school district budget and being able to communicate it to them.

Norm Goupil introduced Michael Flynn, Superintendent of Schools, who will give the budget presentation.

Michael Flynn began the presentation with an overview of each power point slide of the proposed budget.

As questions were raised, Michael invited Michelle Clark (on line) to participate in answering questions.

In reference to the Technology Budget Changes it was noted that the goal is a warranty program to protect investment for technology investment. Mark Zankel asked if Parent Square was not part of the last year budget and that this is why it shows as increase. Michael Flynn responded that yes we did not have Parent Square until October of this year.

In regard to the Facility Budget Changes, Christa Scura questioned the confidence of the fuel budget for 5 year average?

Michelle Clark proceeded to answer the fuel question. She stated that she actually ran a 3 year average for this budget. Covid has and may continue to change the outcome. It may not be as high.

Michelle Clark presented on the items regarding the District School Budget Changes (single audit, legal, efinance, etc.)_Regarding Legal, there is a law suit against the state for adequate funding for school districts. Hopkinton has decided to join in that law suit. The legal increase is the Hopkinton School District share of costs for doing this. Michael Flynn stated that the District's goal is to move away from the Fund Balance. In order to do this, we need to appropriately fund for food service.

Michelle Clark stated that In the past we had to freeze certain areas of the budget to be sure we had enough to fund the food service.

Jonathan Cohen asked in regard to the lawsuit are we suing to get the State to more adequately fund towns or to get damages or to get an award?

Michael Flynn stated both.

Jim O'Brien stated that the lawsuit is asking the State to reexamine and come up with a formula that would better compensate towns.

Jonathan Cohen noted that as we struggle every single year with the burden on tax increase in the town we always speak of the lack of State funding so he strongly agrees being part of this.

Deb Norris asked if those communities participating in the lawsuit have a voice as to what they feel are adequate. Jim O'Brien stated that he sent a letter on behalf of the Board.

Don Houston asked if the lawsuit is against the Board of Education or the State of NH. It was noted that it was the State. Don stated this might force discussion of income tax or some other tax.

Deb Norris asked if it is being publicized? Other towns and the public need to be aware to prepare to make changes.

Michael Flynn stated they solicited those who wanted to participate. It is out there.

Don Houston stated he agrees with statement by Deb Norris and that publishing this information as part of School Annual Report that this action is being taken would make others aware.

Michael Flynn stated yes we would like to share what is going on and once there is something of substance would like to.

Jonathan Cohen stated he thought it would be good to be proactive and bring to town meeting and make known this lawsuit exists and reason why.

Norm Goupil stated he could bring back to the Board the Budget Committee comments on the lawsuit to discuss and get back to the Budget Committee as to how they will proceed.

Continuing with the presentation, Michael Flynn reviewed Overall Budget and Budget Distribution.

Jonathan Cohen questioned staffing increase and increase in students. Does this mean bigger class sizes?

Michael Flynn stated no, what was done was a total reevaluation of cause and effect.

After further discussion on subject of staffing, Mark Zankel stated that he would like to remind everyone the purpose of the Budget Committee is the prudent appropriation of public funds, understanding what is in the budget, what are the priorities and whether we can agree. More than just the tax rate. More about intention and priorities and being open about that.

Norm Goupil stated this is a whole new budget process and it is a budget that will allow Michael Flynn to run the district. Not the year to say what we want – but within budget find monies for what is needed.

Thomas Lipoma asked question regarding the funding of Food Service and wanting a better understanding of how it works.

Michelle Clark addressed the question stating the school district needs to budget at 100% to pay the deficit. Discussion followed.

Jim O'Brien was then introduced. He reviewed the changes to Collective Bargaining Agreement of Hopkinton Educational Support Staff (HESS) and Hopkinton Education Association (HEA). The new contracts were negotiated realizing changes were needed that will help to keep staff and to obtain staff. He stated that this makes Hopkinton competitive with other towns. It was agreed that not only do the new contracts make Hopkinton competitive but it is the right thing to do.

Michael Flynn stated that these contracts brings them back up to where they should have been.

Norm Goupil proceeded to review the Summary of 2022-2023 Estimated Tax Income spreadsheet.

He began his review with Article X stating that it is used to help reduce the tax rate during the budgeting process.

Mark Zankel stated some may not be familiar about Article X and asked if an explanation could be made.

Norm Goupil invited Michelle Clark to provide a response.

Michelle Clark stated that most districts do not have an Article X because you need to go to full district meeting and ask for authority to set aside funds and carry it over year to year instead of just having fund balance at end of year which needs to go back to the tax rate. The fund balance can be added to Article X.

Norm Goupil then continued with the Summary of the Estimated Tax Income. The number that changes which is reported to the Budget Committee is the fund balance. As we don't know what will happen over time it can be applied to other areas. We can use money from the fund balance to apply to the budget, warrants that we approve, the maintenance trust, special education trust, benefit trust, and technology trust. Taking fund balance and applying to the warrant and asking Town to raise a lesser amount.

Norm Goupil asked Michael Flynn to explain the new Benefit Trust being implemented to the District.

Michael Flynn reported on the Benefit Trust which is a Warrant article. He stated that due to the pandemic we had a return from our benefits and we sought legal advice on how to help us for multiple years. Creating this trust from monies coming back and putting it in there will help us to not have huge swings in costs.

Michelle Clark stated that the benefit trust is not just for health insurance it is also for retirement and this money can be used for both.

Norm stated the goal is to fill these warrants and be respectful to the tax payer.

Thomas Lipoma and the Committee had questions regarding the food service budget.

As a result of the questions, Mark Zankel suggested to have discussion as a separate item at the next meeting or provide in a memo and provide what is the total expense and how do the revenue breakdowns come in. This would help the Budget Committee to understand and support it.

Discussion was held regarding the fund balance and how it can bring your tax rate down each year. Michael Flynn stated things have changed so if you budget appropriately you will have a balance any way.

In summary, the following will be provided by Hopkinton School District on or before the next meeting: food service explanation, redo chart with tax rate impact (add columns) flow chart (collaborate with Don Houston) and answers to lawsuit questions.

Michelle Clark noted members have a package that includes a programmatic budget document that Budget Committee requested be provided and a budget bulletin.

Mark Zankel stated what the Committee was interested in when this was first developed is how investments in these programs might be changing and what are the trends. Mark requested that columns be added for 2021-2022 and 2020-2021 totals to those program areas.

Mark Zankel requested review by the School District at the next meeting to be Article by Article.

Public Comment

Mark Zankel opened up Public Comment session. Start with those present.

Loren Clement, 86 Maple Street, Contoocook, NH

Loren Clement stated he initially came in for the food service portion. He questioned the advantages/disadvantages of not staggering it over 2 years. Norm Goupil responded and Loren stated that as it is requested to provide further explanation at the next meeting, he will check back for a better understanding.

Loren Clement questioned if HSA with higher deductible was ever considered for teachers health care.

Loren Clement stated in regard to meeting in the auditorium he wanted to note that the power points are difficult to read.

Mark Zankel asked for any comments from those in attendance on line. There were no comments.

Mark Zankel closed the public comment session.

School District Financials

Michelle Clark reviewed the November financial statement that was included with the member packets.

Norm Goupil noted that closing in on the Strategic Planning survey estimated to go out this week. The Strategic Planning Committee will review and report findings.

Norm Goupil reported on a RFP for a sustainable energy resource for Harold Martin is being developed. As discussed in previous meeting this was done with anticipation of money from the bond to use.

Deb Norris asked if any information will be brought to the community once Committee agrees on how to proceed with the boiler or alternative fuel.

Michael Flynn stated that the public would attend the school board meeting and weigh in their opinion.

CONTOOCCOOK PRECINCT FINANCIALS UPDATE – Don Houston

Don Houston reported there are no major changes. He reviewed the Income and Expense Proposal that was made available to members.

HOPKINTON VILLAGE PRECINCT FINANCIALS UPDATE – Thomas Lipoma

Thomas Lipoma reviewed the financials and the budget for next year.

PUBLIC COMMENT

Mark Zankel opened the public comment session noting two persons in attendance online. The two attendees did not comment.

Mark closed the public comment session.

OTHER BUSINESS

Mark Zankel discussed the budget process going forward. Public Hearing scheduled February 9 at the school in the auditorium. He will confirm the meeting to start at 6:00 PM. We have a meeting on the schedule for next Wednesday, January 19.

Ken Traum requested that the Town be first on the agenda at the January 19 meeting.

Norm Goupil stated the School District will present follow up on questions of this meeting and then proceed Article by Article.

Norm Goupil asked about safety protocols for the February 9 meeting. Mark Zankel will inquire about this and report back.

Motion by Ken Traum, seconded by Christa Scura, to adjourn the meeting.

There being no further discussion, a vote was taken on the motion to adjourn.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approved	Thomas Lipoma	Approved
Norm Goupil	Approved	Christa Scura	Approved
Ken Traum	Approved	Jonathan Cohen	Approved
Steve Reddy	Approved	Deb Norris	Approved
Mark Zankel	Approved	Rich Houston	Approved

The meeting was adjourned at 8:45 pm.

Respectfully submitted,
Cindy Brown, Budget Committee Minute Taker
Town of Hopkinton