

TOWN OF HOPKINTON BUDGET COMMITTEE
Minutes of Meeting
Town, School District, Hopkinton Village and Contoocook Village Precincts
Wednesday, August 11, 2021
Approved September 8, 2021

CALL MEETING TO ORDER and PLEDGE OF ALLEGIANCE

Mark Zankel called the Meeting to order at 5:31 p.m. immediately followed by the Pledge of Allegiance.

BUDGET COMMITTEE MEMBERS PRESENT – There were 8 Members present and 2 absent.

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	Absent	Janet Krzyzaniak	Absent

OTHER ATTENDEES

Michael Flynn, Superintendent of Schools, Hopkinton, NH

Mark Zankel welcomed those in attendance to the meeting.

APPROVAL OF MINUTES OF May 12, 2021.

Ken Traum motioned, seconded by Norm Goupil, to approve the minutes of May 12, 2021.

Mark Zankel asked if there were any corrections needed.

Norm Goupil requested a change under Hopkinton School District Financial Update, contained in first paragraph. The line should read as follows:

There is an additional \$126,000 over in the unreserved fund balance, exceeding the projected amount in unreserved fund balance.

A vote was taken to approve the motion for the approval of the minutes, as amended, of the Budget Committee meeting of May 12, 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

HOPKINTON SCHOOL DISTRICT FINANCIAL UPDATE – Norm Goupil

Norm Goupil introduced Michael Flynn, Superintendent of Schools.

Norm Goupil distributed a packet of information to be used during his presentation. He stated that school will be opening soon and the facilities building project will be completed on time. Because the bond rates were lower than anticipated, there will be \$39,000 in interest savings that goes into reserved balance. The only thing that will not be completed is the lab at the Middle High School due to a two week delay from an abatement needing to get done. There was no issues with the roofs which was good to learn especially after all of the rain earlier this Spring/Summer. We had a flood at Harold Martin School, everything will be fine for school to reopen. Insurance is taking care of this claim.

Rich Houston questioned the \$5,000 study on air cooling. Norm Goupil stated that this will not occur until the students are in attendance. Better results are received by having them in the building to assess air conditioning. Michael Flynn noted that this is not just for the short term but what is needed long term.

Don Houston asked about the longevity of the roofs. Norm Goupil stated he will provide him with a chart sharing that information that was created from the Building Project.

Mark Zankel asked if the facilities committee will consider energy efficiency of air conditioning and Norm Goupil confirmed this will be a consideration.

Ken Traum asked whether the schools were looking at installing solar panels on roof. Michael Flynn stated that revisiting the district's clean energy goals will be a future agenda item.

Norm Goupil continued with an overview of the COVID-related federal funds received, noting that the ESR Grant has \$100 remaining and supplies will use up this balance. Regarding ESR 2 and ESR 3 he stated that this is an estimate amount – we could get more. He reviewed possible uses for these funds stating there will be discussion going forward. It will be on the school district website – allowing community to observe what we are doing. We have plenty of time to spend the new funds, as ESR 2 runs through 2023 and ESR 3 runs through 2024.

Ken Traum asked if there was any criteria as to how the funds are to be used. Norm Goupil stated that there is guidance. Michael Flynn noted that the funds are only eligible to fund unbudgeted items.

Christa Scura asked about the loss of learning issue going forward. Michael Flynn noted that this is a priority for everyone assessing and targeting students. It is not as big a gap as we thought. He stated there was an actual flip of the data – kids who did well in school didn't do as well remote, kids who had trouble in school did well remotely. The additional numeracy specialist capacity is one way to address a COVID learning gap. We can target with flexibility over three years for social and emotional and mental health student support where parents can be involved. Certainly there is value to these positions. Not sure on the length of need for these.

Tom Lipoma stated that the additional teaching FTEs are unbudgeted new hires, and asked if the positions are temporary or should we expect to see them in future budgets. Michael Flynn stated they are unbudgeted and need to be evaluated if sustainable position or temporary.

Norm Goupil asked the Committee to refer to the June 9 financial spreadsheet and memo. Norm reviewed these with the Committee noting the \$144,229 in surplus funds that was brought to the School Board to determine how to use.

Ken Traum questioned if the \$136,000 is all out of the bond proceeds and Norm Goupil responded no, these are not bond proceeds. Mark Zankel suggested that the savings on bond interest was a part of the surplus funds balance.

Norm Goupil noted that there is a difference in the financial analysis of the district funds from 1.062 million unreserved fund balance from June 9, and that of the finalized audit that was completed. It was a unique year and it is undetermined as to what would have been spent from the meeting moving forward. Michelle had to encumber all PO's and salaries and benefits.

Don Houston stated that the terminology is confusing. Michael Flynn confirmed stating the accounting terms need clarification.

Christa Scura asked if the \$42,915 at the top of one of the spreadsheets, in a cell where there should have been a date, is just an error and Norm Goupil confirmed that it was. Norm stated that the construction is done awaiting payment.

At this point, Norm Goupil welcomed Michael Flynn invited to discuss relationship of school district with town Budget Committee and goals and expectations of school district going forward.

Michael Flynn stated that he sees value in the partnership and greater discussions between the Select Board and the School District. He reported that his goal is to prepare School District budget to be done by October 31. Michael stated that in having discussions together it can be made known the priorities of both. So we all know what is coming down the road.

Ken Traum asked about the health insurance as in the past the School District was different than the town's plan. Michael Flynn stated that it will have continued evaluation. It is not status quo until State allocates funds for schools. He sees that need to work with the Town.

Discussions were held regarding labor efficiency and Michael Flynn noted that it may be not so much total staffing as hiring practice. He likes to hire diamonds in the rough. Hiring practices will be evaluated.

Christa Scura asked of the possibility of obtaining salary breakdown for teachers. Tom Lipoma stated that in the past a tier breakdown was given. Don Houston stated that providing compensation packages can be very revealing. This has been discussed for many years. Mark Zankel stated that before asking for salary data, the Budget Committee should discuss the what, why, and how we would use this information. We should be clear on our purpose in obtaining the information.

Norm Goupil reiterated the importance of dialogue between the School District and the Budget Committee.

Mark Zankel stated the following have been topics of discussion over the years, and these have been touched on tonight:

- 1) Timeliness of draft budget – October would be a great step forward.
- 2) Managing tax rate increases – the Superintendent indicated he is hoping for a flat operating budget.
- 3) Comprehensibility – it appears there is a commitment to reworking the budget materials to make them easier to understand.

Michael Flynn stated that the recent purchase of E-Finance software will help the School in producing more understandable financial reports.

At this time, Michael Flynn and Steven Ready left the meeting.

TOWN FINANCIAL UPDATES

Ken Traum stated that the 2021 Budget Expense Summary and Revenue Summary were emailed to members previously. He began his review with the Revenue Summary stating the one issue troubling. Line 3 Payment in Lieu of Taxes, where one of the property owners has been delinquent on payments for multiple years. Mark Zankel asked how much is at risk? Ken replied over \$100,000.

Next Ken reviewed the Expense Summary noting one item of interest – long term debt-principal and long term debt-interest. He stated that it was overspent by \$106,000, as the town refinanced its bonds resulting in a larger near-term payment but <\$300,000 in savings over the life of the bonds.

In reference to the monies expected from the American Rescue Plan there has not been any discussions. Much more limited than school district in terms of allowed use.

Mark Zankel asked about opportunity to invest some of these federal funds in ways that could help to grow our tax base.

CONTOOCCOOK PRECINCT FINANCIALS UPDATE

Don Houston reported that the meeting was postponed. Nothing unusual going back to end of May and everything going as planned.

HOPKINTON VILLAGE PRECINCT FINANCIALS UPDATE

Thomas Lipoma reported that everything is on track for the Village expenses. Nothing new to report.

PUBLIC COMMENT

No comments

ANY OTHER BUSINESS

Mark Zankel distributed a handout on a 2021 Budget and Finance Virtual Workshop. Ken Traum stated that he had attended one in the past and it is a valuable workshop. He noted that Town will cover cost for anyone interested. Reach out to Neal Cass if you would like to attend.

Thomas Lipoma recommended a preemptive analysis – project targets for total tax rate impacts prior to January. This will provide a feel for determining increase points. Mark Zankel noted this would include developing indicators or metrics to offer some assistance for determining what levels of spending and tax rate impacts we can support.

Thomas Lipoma stated that as this was an unusual year we are not aware of the affects of it.

Norm Goupil suggested the Budget Committee present and bring to the School District to meet those targets and meet the goals of the Budget Committee. Christa Scura discussed how having information on economic trends and infrastructure needs, etc. would help to determine what the community can absorb better than the average community. Mark Zankel stated it would be beneficial to collect data to have a feel of where we can be in 2 – 5 years, such as property level trends, valuation, income, price indices, inflation, social security, percentage of retirees, age breakdown by zip code, etc.

Thomas Lipoma volunteered to put together historical trends, and Mark Zankel indicated this will be placed on the agenda for the next meeting.

Discussion was held regarding road bonds from increasing the budget for maintenance and CIP allocation to taking out a bond and hold and invest the money until needed. Following the discussion, it was noted by Mark Zankel that there are different scenarios and would be helpful to analyze which are the most cost-effective to handle long-term financing of roads and bridges.

Norm Goupil motioned, seconded by Ken Traum, for the Committee to enter into non-public session based on RSA 91-A:3IIa Personnel. A vote was taken for the approval of the motion.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approved	Rich Houston	Approved
Norm Goupil	Approved	Thomas Lipoma	Approved
Ken Traum	Approved	Christa Scura	Approved
Mark Zankel	Approved		

Mark Zankel motioned, seconded by Norm Goupil, to come out of the non-public session. A vote was taken for the approval of the motion.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approved	Rich Houston	Approved
Norm Goupil	Approved	Thomas Lipoma	Approved
Ken Traum	Approved	Christa Scura	Approved
Mark Zankel	Approved		

The next meeting of the Budget Committee will be on September 8.

Norm Goupil motioned to seal the minutes of the non-public meeting and adjourn the meeting, seconded by Ken Traum. A vote was taken for the approval of the motion.

Committee Member	Vote	Committee Member	Vote
Don Houston	Approved	Rich Houston	Approved
Norm Goupil	Approved	Thomas Lipoma	Approved
Ken Traum	Approved	Christa Scura	Approved
Mark Zankel	Approved		

The meeting was adjourned at 8:10 pm.

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