

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, January 22, 2020
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Ginni Haines, Debbie Norris, Bill Chapin, Mark Zankel, Jonathan Cohen, Thomas Lipoma, and Rich Houston.

SCHOOL REPRESENTATIVES PRESENT

Hopkinton School Board Member: Norman Goupil.

Hopkinton School Administration: Steven Chamberlin, Superintendent; Michelle Clark, Business Administrator; and William Carozza, HMS Principal/Director of Curriculum Development.

PUBLIC PRESENT

Anna Wells and James Newsom

CALL TO ORDER

Janet Krzyzaniak called the Budget Committee Meeting to order at 5:30 pm, at the Hopkinton Town Hall. Steve Chamberlin led the Pledge of Allegiance.

JAMES NEWSOM, MODERATOR FOR THE SCHOOL MEETING

Janet Krzyzaniak asked James Newsom, Moderator for the Annual School Meeting, to attend the Budget Committee Meeting so that he could explain the presentation process that will take place at the School Meeting in March, if the Budgets are not agreed upon.

Mrs. Krzyzaniak explained that she would like to have an opportunity for the Budget Committee to present the budget if it is different than that of the schools, and the reasons they arrived at the number they did, using perhaps a power point at the beginning of the meeting. She explained, the Budget Committee is the only committee reviewing all the budgets and they are responsible for determining a manageable tax rate for the town's taxpayers. The March School Meeting is the easiest time to talk to a larger group of taxpayers because very few attend the Public Hearing on all the Budgets in February.

Mr. Newsom explained that it is the Budget Committee's Budget numbers that are placed in the Warrant Article. Mr. Newsom explained that the Budget Committee Representative could give their presentation, after Warrant Article I, if the audio/visual presentation is ready prior to the meeting. Steve Chamberlin asked to have the Budget Committees presentation by Thursday, March 12, 2020. Mr. Newsom expressed his hopes are that these questions do not mean that there will be a possibility of not coming to an agreement with the School Board.

Don Houston asked if giving a global look at how the Budget Committee arrived at their budget(s) at the Public Hearing, could it be tailored and presented at the School Meeting? This would show how the Budget Committee arrived at their manageable tax rate and would show the Town's needs and the School's needs. He explained that this would show the taxpayer where their tax money is going.

APPROVAL OF JANUARY 15, 2020, DRAFT MINUTES

Ken Traum motioned to approve the January 15, 2020, Meeting Minutes. Jonathan Cohen seconded the motion. Mrs. Krzyzaniak asked for any corrections or discussion. A vote was taken to approve the January 15, 2020, minutes. The vote passed.

STEVE CHAMBERLIN CONTINUED PRESENTATION OF THE SCHOOL BUDGET

Steve Chamberlin began his presentation with a breakdown of the employer’s share of the health insurance costs for the school and for the town.

Group	Employer Cost
HSD	S: \$ 9,033.80 T: \$18,067.60 F: \$24,541.44
Town	S: \$ 9,848.95 T: \$19,697.80 F: \$26,592.08
Difference	S: \$ 815.15 T: \$ 1,630.20 F: \$ 2,050.64
S=Single, T=Two, F=Family	

Mr. Chamberlin explained that the Hopkinton School District has competitive salaries and compensations. He explained the two salary schedules – 8 Steps vs 15 Steps. The Tracks are: RN, BA, B+15, M, M+15, and M+30. The base salaries for these are: B, Step 1: \$40,766; M, Step 7: \$58,547, and M+30 Step 15: \$78,173. Mr. Chamberlin explained that advancement course reimbursements are budgeted for in the School Budget. Mr. Chamberlin explained that the Hopkinton School District has no Evergreen Clause. If the School Budget does not pass on March 14, teachers won’t receive any raises or steps. He explained that, in order to be properly funded, all three years of the contract amounts need to be listed in the Warrant Article.

The Special Education Percentages for students with Disabilities in 2018-2019 in Merrimack County school districts, according to the NH Division of Education website are:

- NH - 17.65%
- Hopkinton - 18.06%
- Concord – 16.97%
- Bow – 14.68%
- Kearsarge – 12.13%
- Pittsfield – 23.8%
- Merrimack Valley – 18.79%

There are slides from the presentation, available at <http://www.hopkintonschools.org>, that show Special Education Percentages by Identification and by Grade Level. Mr. Chamberlin explained that the School District only received reimbursement for those with disabilities; not for those with 504 plans.

Mr. Chamberlin explained that the School District’s CIP Maintenance Trust Proposal is a fluid document (<http://docs.google.com/spreadsheets/d/1CIVRauzYNAK0HILVhScrLuZLHx2Cvrog4AuR5oz6rHA/edit#gid=1944687076>)

STEVE CHAMBERLIN CONTINUED PRESENTATION OF THE SCHOOL BUDGET, continued

that is used as planning and funding tool. He indicated that the paving at the schools has be moved out due to construction vehicles being at the locations.

- Maintenance Trust - current level is \$192,054
- Planned: \$217,268
 - Classroom furnishings (all schools)
 - Bleacher repair (HMHS)
 - Double steamer replacement (HMS)
 - New walk in refrigeration (HMHS)
 - SAU windows
 - Performance contract payment (district) - \$42,500
- Additional Funding Proposal: \$142,500
 - \$0.18/\$1,000
- Concerns – Air-conditioning R22 Transition
 - HMHS AC - \$210K
 - MSS RTU - \$68K

Mr. Chamberlin explained that the Teamsters Local #633 Contract tentatively agreed upon includes:

- 7 full-time and 3 part-time custodial staff, and 1 full-time maintenance person who take care of 160K square feet in the District.
- 5-year contract
- Percent Increase:

Older Salary Schedule	Newer Salary Schedule	
○ 2020-2021	2.5%	3.5%
○ 2021-2022	2.5%	3.5%
○ 2022-2023	3.0%	4.0%
○ 2023-2024	3.0%	4.0%
○ 2024-2025	3.0%	4.0%
- Health Insurance:
 - Years 1 and 2: 100% coverage
 - Cost share beginning year 3 with 2%; year 4 with 4%; and year 5 with 6%.
 - 70%-30% split on a “buyout” (with proof of being covered by other insurance)

Debbie Norris asked if there was any concern that they would take the buyout and not be insured? What is your responsibility to ensure that they are insured somewhere?

Steve Chamberlin explained that they need to sign an affidavit and show proof that they have insurance, that’s a Federal Law; they can’t just take it and not be insured. Michelle Clark further explained at Health Trust she learned that the proof required is as strict as some other communities do. They ask for a current, active, card - some cards don’t have the active dates on them, so they also ask the HR Department to give them a letter stating that they are covered. She explained that they don’t want to run into thinking that they are complying with the Affordable Care Act, giving anyone any sum of money from District funds without making sure that their insurance is currently active.

- Benefit Changes:
 - Bereavement benefit increased to 5 days (instead of 3)
 - Staff will receive paid holidays during their probationary period
 - Beginning in the 3rd year of the contract, staff who have been in the District 10 or more years will receive a 4th week of vacation.

STEVE CHAMBERLIN CONTINUED PRESENTATION OF THE SCHOOL BUDGET, continued

- Cost of the contract warrant:
 - 2020-2021 \$12,436.58
 - 2021-2022 \$10,750.74
 - 2022-2023 \$13,896.06
 - 2023-2024 \$ 9,175.10
 - 2024-2025 \$12,192.29
 - TOTAL \$58,450.77
- Tax Impact: \$0.02/\$1,000

PUBLIC COMMENT

There was no public comment.

Questions answered by the School Board

Debbie Norris asked what the 8% change in Information Management encompassed.

Michelle Clark explained that there is going to be a change in staff. The current staff member is not a full-time FTE. The new hire will be a full-time FTE, they always anticipate that they will need a family insurance plan.

Debbie Norris asked - what is the purpose for the change and why?

Steve Chamberlin explained that a person retired, and they are moving someone in. He explained that when someone does a job for a long time, they get so efficient. He explained that this was a part-time position going back to a full-time position. He explained that some of the Board goals for this position is for increased tracking data. They hope they can leverage this position for even more data for tracking graduates and other for other areas.

Steve Chamberlin explained that they would look into the CIP appropriation for the 2021-2022 Air Conditioning replacement.

Bill Chapin explained that Mr. Chamberlin was tasked with reducing the budget by \$300,000 after the School Board meeting, and this budget is what he came up with as he went through the tiers. Mr. Chamberlin explained that the decreased 6th grade teacher (FT) was due to class size - this is only temporary, next year the numbers will go back. He explained that he couldn't cut \$100,000 someplace else without impacting or maintaining the programmatic class size in 6th grade.

Mr. Chamberlin explained that Numeracy Assistant (.20) is a significant number of intervention hours for students that are struggling in math. He explained that Literacy is critical. They have still maintained their FT Numeracy Specialist Instructor and a FT Teacher for Numeracy. Mr. Chamberlin explained that staff have approached him expressing disappointment in this decision.

Mr. Chamberlin explained that if the \$150,000 in the Contingency Fund passes, in October the new Board will then allocate and prioritize needs according to what they feel is necessary.

BUDGET COMMITTEE DISCUSSION ON SCHOOL BUDGET

Don Houston presented the Budget Committee with his updated Estimated Budget Forecasts. He is concerned that the taxpayers won't know what has been allocated in the budgets for this year and

BUDGET COMMITTEE DISCUSSION ON SCHOOL BUDGET, continued

the coming years. Some of the committee members felt that this forecast shows the worse case scenarios.

Mr. Houston then presented an alternate to the Estimated Budget Forecast that showed what the School Budget would look like if the increase was changed to 6% instead of the proposed 8.95%, showing that there would be a \$423,000 (\$0.54/\$1,000) reduction.

Discussion took place about the Budget Committee needing to decide what the community can bare, and if further cuts would be detrimental and be impactful to the schools.

- Bill Chapin explained that the School Board has already taken some risk by reducing their budget before presenting it to the Budget Committee. He expressed his concern that the numbers being presented in Mr. Houston's Estimated Budget Forecast would be detrimental and very impactful to the schools.
- Mr. Chapin explained that the Budget is going to have to go to the voters and they will need to decide how much they value the public education in this school district.
- Mark Zankel expressed that this budget is a program cutting budget and it will increase the strain on the existing teachers. He feels the School Board has presented a fiscally responsible budget, given how regulated they are.

BUDGET COMMITTEE DISCUSSION ON SCHOOL BUDGET, continued

- Ginni Haines asked if there has been any discussion about athletics, explaining that several years ago, the school took on the responsibility of middle school athletics, which was previously privately run by HYSA. She is concerned about the number of sports offered, the cost of transportation, and the cost to the Town for the maintenance of the fields.
 - Mr. Chapin explained that there hasn't been too much discussion. There are many students who play athletics, keeping them active after school, sports play such a big part in the overall learning, it allows students to participate in sports that are affordable. He explained that the costs aren't extraordinary, the coaches don't get paid a lot, and the assistants are needed for safety reasons.

Don Houston shared his yearly update on the Hopkinton Budget Committee Discussion Material explaining that the statistics are from the Division of Revenue and Department of Education as of December 2019. He explained that this information shows where Hopkinton ranks in the state with the tax rates, cost of education, and cost per student.

Tom Lipoma shared his concern that the School's actual Operating Budget is 4.2%, take out all the Warrant Articles, and increase students, that's a net decrease of dollars per student. His concern is if they are asked to cut the total down to 6% from 9%, where does that come from? They are already losing money per student; this can't be taken out of the Operating Budget. He explained that the only way to get the to the percentage requested would be to say no to all the Warrant Articles.

Bill Chapin explained that if the HEA Article doesn't pass, new negotiations would take place next fall, this budget stays, and you have teachers who are losing an FTE and there won't be any increase in salary.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Status of Hopkinton Roads

Don Houston shared another handout that summarizes the status of Hopkinton roads. He explained that Hopkinton has nearly 100 miles of roads; 60 miles of paved roads and 40 miles of dirt roads. He explained that Dan Blanchette, Director of Public Works, documented the following information for the annual budget process. As of November 2019, there are \$7,963,838 worth of road construction projects in need of funding now:

- Chip Sealing 17 paved roads, estimated cost \$ 371,613
- Shim & Overlay of 17 paved roads, estimated cost \$1,217,252
- Reclaim & Rebuild 20 paved roads, estimated cost \$3,733,738
 - Total Current Road Projects \$5,322,603
- Culvert & Bridges, estimated cost \$2,200,000
 - Total of identified projects (list available at Town Hall) \$7,522,603

To address the above list of identified projects, the current Proposed 2020 Budget includes the following funding:

- Shimming & Paving \$ 370,000
- Road & Bridge CRF Warrant \$ 100,000
- Road Bond Warrant \$2,200,000
 - Total \$2,470,000

Status of Hopkinton Roads, continued

Mr. Houston shared Mr. Blanchette’s concern that if no new money is voted for the Warrant or Bond, the only thing that the Highway Department will be able to construct with this year’s total budget would be fixing the culvert on Kearsarge Avenue; and there would be no other projects done in town.

Mr. Houston is concerned that unless more money is put towards the roads, there will no funding of the \$5,322,603 that has been put off for 3 years.

- Ken Traum explained that this is a dilemma that the Select Board has faced – How much can we do, recognizing the affordability. That’s how they came up with the combination of the \$2.2M bond and the \$100,000 in an additional Warrant Article.

Mr. Houston’s concern is that in order to get any of the work done, in two more years, the Town could be asking for another \$6M bond. Mr. Traum explained that most of the big work projects are bid out because they are not staffed to build roads. Mr. Houston explained that in the report, it is Dan Blanchette opinion that his crew and equipment can do \$600,000 of construction work a year.

MOTION TO ADJOURN

Ken Traum motioned to adjourn at 7:45 pm. Don Houston seconded the motion. There was no further discussion. A vote was taken. All Board Members approved. The vote passed.

UPCOMING BUDGET COMMITTEE MEETINGS

- Wednesday, January 29, 2020, 5:30 pm, Town Hall
 - Follow up discussion to the School Budget Presentation/ Budget Committee deliberations
- Wednesday, February 5, 2020, 5:30 pm, Town Hall
 - Budget Committee deliberations, if needed

UPCOMING BUDGET COMMITTEE MEETINGS, continued

- Wednesday, February 12, 2020, 6:00 pm, HMHS Auditorium
 - Public Hearing on all Budgets
- Thursday, February 13, 2020, 6:00 pm, HMHS Auditorium
 - Snow Date for Public Hearing on all Budgets
- Friday, February 14, 2020, TBD, if needed
 - Final Budget Committee Deliberations, if needed

Respectfully submitted,
Tammy Clay