

### **KIMBALL UNION ACADEMY STUDY COMMITTEE**

The charge of this committee is to meet with representatives of the Kimball Union Academy (KUA) administration to maintain an ongoing review of the relationship between the academy and the town, and to report its findings at annual town meeting. This year's committee held four meetings between November 2016 and January 2017.

#### **SUMMARY OF THE COMMITTEE'S FINDINGS:**

The town of Plainfield and KUA's historic relationship includes the longstanding and often controversial vote at each town meeting where, for more than 30 years, the town decides whether to grant an optional tax exemption to KUA. New Hampshire RSA 72:23 allows a town, at annual meeting, the ability to tax or not the value of kitchens, dining hall and dormitory property of private schools. Per the allowance in the RSA, KUA receives a standard exemption of \$150,000 in value; kitchens, dining hall and dormitory property in excess of that amount is taxable, unless such an exemption has been granted at town meeting.

This annual vote at Town Meeting is intended to lower KUA's property taxes and to help more local students attend the private academy. As this town/private school relationship has been somewhat unique, Plainfield has had 20-30 kids attend the private school, a number much greater than is typically found in other New Hampshire communities with private schools.

KUA has been able to offer a significant amount of financial aid to Plainfield students because of the tax exemption. When a Plainfield student attends KUA, the Town of Plainfield does not have to pay tuition to Lebanon High School in the amount of \$14,609 for fiscal year 2017 and \$15,249 for fiscal year 2018 per student.

KUA & the KUA Study committee have agreed, in principle, that the declining enrollment at our elementary school, the increasing cost of a private school education and the broadening of our tax base; over the years the value of kitchens, dining halls and dormitory property has become a relatively smaller slice of the tax base pie. Plainfield is now primarily a residential community with the number of homes and their value increasing. This was all making the annual vote at town meeting a less effective tool for getting large numbers of local kids to consider the private academy. At the same time, KUA recognized that accepting the tax relief often put them in the situation of having their gifts to the town viewed as entitlements rather than gifts.

This year's committee recommends that the tax exemption remain at the 50% level for 2017 as it was for 2016, but will not be offered on the warrant for 2018. The reality of this approach is that KUA will pay more property taxes, and likely offer less financial aid to local students.

Further, the Committee believes that the annual tax exemption for the value of KUA kitchens, dining halls and dormitory property above the statutory amount set by NH RSA 72:23 should be phased out in 2018. Both parties believe this 'phase out' will improve transparency and general relations between the town/community/KUA. The 'phase out' would be set to coincide with a previously schedule d town property reassessment in 2018.

Through many hours of discussion, both KUA and the committee recognize that:

1. KUA's kitchens, dining halls and dormitory assessments seem to be higher than other private schools they compete with;
2. KUA's cost structure must stay competitive within the private school market in New Hampshire for it to continue to be a vibrant part of Plainfield; &
3. Placing an accurate market value on illiquid assets (like dorms and dining halls) is difficult.

As a result, going forward with this new arrangement, the town will ask its property assessing team to review all KUA kitchens, dining hall and dormitory property valuations to ensure they are accurate. The hope of the committee is that the reassessment process will generate a valuation that is fair and will allow KUA to maintain a competitive position in the Independent School market.

KUA & the KUA Study committee will continue to meet and work together over the next 2 years to explore new ways to ensure that KUA remains an affordable and practical option for the children of Plainfield.

**COMMUNITY RELATIONSHIP:**

1. The Post Office lease is currently under a renewal (extension) option that runs until 8/31/2020. KUA currently leases the building to USPS and plans not to renew its contract. KUA and the town are considering options to relocate the Post Office before the end of the lease extension period. In a meeting with Chairperson Dewey Jones of the Meriden Library/Village Study Committee, the KUA Study committee recognizes the likely continued village shift to the east of Route 120. The Committee feels the best location is near the Meriden Library.
2. There is continued concern of KUA student safety given that students are living in dormitories along Main Street located from the top to the bottom of the hill. New sidewalk lights at the bottom of the hill that KUA installed have been a tremendous improvement. The town is likely to remove the final three streetlights on Main Street in the near future. The new KUA lights have made them obsolete. Given the opening and popularity of the new tavern on Bean Road, KUA is also discussing safety issues relating to crossing Route 120. Member John Yacavone indicated that he also serves as the town's representative to the Upper Valley Lake Sunapee Regional Planning Commission (UVLSRPC). John has become aware that there may be funds available to assist the town with road safety concerns. The KUA Study committee in conjunction with the UVLSRPC will continue to address this issue.

Respectfully Submitted,

*Stephen Beaupre, Robert Blake-KUA, Myra Ferguson, Christian Forman-PES School Board, Steve Halleran-Town Administrator, Rob Hewett-Chair, John Yacavone, Andrea Bueno Keen*

Plainfield KUA Study Committee 2016/17