

FINANCE COMMITTEE

In addition to the public hearings on the school and Town budgets, members of the Finance Committee have attended meetings of the School Board, Selectboard and Library Trustees as the FY17 budgets were being developed. We appreciate the diligence and thoughtfulness of the members of each of these bodies as they have worked to balance the community's expectation for excellent services with the ability of our taxpayers to carry the financial burden those services create. And we continue to be concerned about the impact of an ever-increasing tax burden on our community, especially on our most vulnerable citizens. That said, we have noted an increased effort on the part of the School Board and Selectboard to make data-based decisions, that is to make purchases or implement programs only when the need and expected benefits are clearly defined and to insist that the departments responsible define and gather the data needed to evaluate their success. We strongly encourage them to continue in that effort.

Proposed School Board Budget

Plainfield School's budget continues to be driven by multiple factors: The school's enrollment which has risen slightly; contracted increases in salary and benefits for school staff; special education costs; the maintenance of our school building, and the continued decline in state and federal funding.

In addition, the School Board has struggled with the appropriate use and funding of technology at PES. As digital materials become increasingly important resources for students and staff, it is apparent that many of the existing devices in the school are well past their expected life-spans and inhibit access to these materials. The School Board is establishing a regular replacement cycle which will even out expenditures for computers and other devices and will insure that the students and staff have the equipment they need. At the same time, the Board is insuring accountability for those expenditures by requiring that the school have clear expectations and guidelines for the use of technology in ways which improve student learning. The Finance Committee supports both efforts. The Plainfield SAU is now providing administrative services to Cornish. Funding for these services comes from Cornish so there is no financial impact on Plainfield. We believe that this relationship has the potential to grow in ways that will benefit both communities, both financially and educationally. We strongly encourage the Plainfield SAU and School Board to continue exploring opportunities for cooperation and resource sharing with Cornish.

Finally, while the number of teachers proposed for 2017-18 remains at current levels, the traditional, grade-level organization combined with State requirements continues to generate very small class sizes at the middle-school level. We encourage the school staff, administration and Board to explore different organizational and content-delivery models which would allow a more efficient and effective use of the school's resources.

Article II – Operating Budget

The proposed operating budget of \$6,448,252 shows an increase of \$211,307 or 3.4%, not including warrant articles. These figures include the expenses related to Cornish and mask the fact that the proposed budget for Plainfield School has actually increased less than that. When revenues are factored in, this budget reduces the tax dollars needed by .5%. Given the non-discretionary increases for salary, health insurance, retirement contributions required by the State, costs resulting from the State's underfunding of special education Catastrophic aid, and other operating expenses, we believe that the School Board and administration have developed a very responsible budget. The Finance Committee supports it.

Article III – Floor Resurfacing

The program to resurface the floors in classrooms with an epoxy-urethane composite was suspended last year to reduce expenses. This program was developed by the Facilities Committee to create a moisture barrier which will improve classroom health and reduce maintenance costs. The Finance Committee supports this program as a long-term benefit to the school. However, with each funding request, we encourage the Administration to review market options to ensure that the product being used is the most cost-effective for our needs.

Article IV – Special Education and Tuition Reserve Fund

This fund is designed to protect the community from unexpected expenses resulting from increases in high school enrollment and/or from extraordinary special education tuition expenses. The fund served us well and was significantly reduced to pay for the first year of an out-of-district special education placement. It is in the community's interest to fully replenish this fund, and the Finance Committee supports this article.

Proposed Town Budget

The Selectboard and Town Administrator have worked hard to develop a budget which supports the level of service which our community seems to expect. It includes funding for two libraries, three police officers, regular pick-up of trash and recycling, and roads which are sanded in winter and sprayed for dust control in the summer. Any of these services could be reduced, with immediate impact on the budget, if the community so directed; however, at the meetings and budget hearings which finance committee members attended, community members generally favored maintaining services at their current level.

Within this framework, the Select Board continues to look for ways to make efficient use of the Town's resources. Upon the recommendation of the Town Garage Study Group, the Selectboard has contracted with the NH Municipal Association to evaluate the staffing, equipment and facilities of the Highway Department to ensure that future decisions about the facility on Stage Road reflect the Town's needs. In addition, the Board is evaluating alternatives to our current dispatch, ambulance, and solid waste collection services.

Article II – Town Budget

The proposed expenditures of \$2,254,618 represent an increase of \$78,618, or 3.6%. With a slight increase in projected revenue, the projected expenditures will require an additional \$42,902 in tax dollars. The increases in the budget are largely related to personnel changes as explained below.

In the police department last year, an officer was on disability leave which reduced direct expenses. The 2017-18 budget funds that position at full-time and includes changes in elected insurance coverage by a new employee. The significant expenses related to this disability case will also result in a rate change for the Town's disability insurance; the anticipated cost increase is reflected in the Insurance line item of the budget.

An additional \$7,000 expense for the police vehicle lease agreement will result if the oldest police vehicle is replaced with a third Ford interceptor. This replacement would result in having three identical vehicles, one for each full-time officer. The benefits of this approach include increased reliability, reduced response time in off-hours, and equipment uniformity for the officers. That said, Finance Committee support for this item is not unanimous.

A second personnel expense is reflected in the Library budget. The library trustees have increased the hours of the Director position from twenty-eight to thirty-four. While this seems reasonable for a position tasked with the oversight of two facilities which, combined, are open 48 hours a week, Federal standards require that health insurance be provided to any employee working 30+ hours per week. As part of the discussion about this change, the Finance Committee became aware that the Town policy regarding an employee who elects not to take the insurance provided is to pay the employee an amount equivalent to the Town's cost for single coverage which is approximately \$8,500. While we want to ensure that Town employees are compensated fairly, this practice seems outside the norm when compared to benefits offered by area municipalities.

The third personnel expense is minor, but it provides an important benefit to the Town. Mid-year, the Town hired a part-time facilities manager to oversee the maintenance and repair of Town buildings: two libraries, two town halls, and the highway department complex. The Selectboard feels that the benefits from repairs and preventative maintenance more than offset the costs of this program which is approximately \$12,000 per year; the Committee agrees.

Finally, the Finance Committee is recommending two additional actions. First, in an effort to reduce the cost of our solid waste collection, we encourage the Selectboard to solicit bids for this service when the current contract ends. Second, to ensure that our Town employees are compensated appropriately, we recommend that the Selectboard evaluate the Town's compensation model (salary and benefits), in comparison to regional municipalities of similar size and report its findings to the community. Overall, the Finance Committee supports this article.

Article III – Capitol Reserve and Trust Funds

The Capitol Reserve and Trust Funds have served the Town well to accumulate funds for known future expenses and to protect tax payers from unexpected obligations. The proposed fund additions total \$167,500 which is a 7.2% decrease from last year. The Committee supports this article.

Article IV – Cemetery Wall

The repair of the stone entrance wall at the Plainfield Cemetery is essential if the wall is to be preserved. Approximately 1/3 of the wall was repaired this year. The requested \$7,000 installment will complete another section, leaving one section still undone. Spreading the remaining work over two years is financially prudent and will not impact the quality of the repairs. The Committee supports this article.

Article V – KUA Tax Abatement

KUA has proposed that the KUA tax abatement program be discontinued after this year. The KUA Study Committee supports ending the tax abatement program after the 2017-18 budget, and the Finance Committee concurs.

Conclusion

As previous Finance Committees have noted, there are no right answers to where we should draw the budgetary lines except the answers provided by the community itself. It is ever more important that all of us support the many volunteers on our Boards and committees by attending meetings, giving them input and participating in the decision-making process. We urge all community members to come to the School and Town Meetings and vote!

Mike Sutherland, Brad Atwater, David Grobe, Mark Morgan, Sarah Gillens