

REPORT OF THE FINANCE COMMITTEE

School Budget

General Position: The Plainfield School District continues to face many challenges, and the School Board and Administration should be commended for the many hours they have spent on multiple revisions and then the final preparation of this budget. They have an ongoing need to address staffing levels with respect to the declining enrollment at the elementary school. On the other side, there has been an increase in the number of students attending Lebanon High School. Despite the additional high school tuition costs, and continued increases to employee benefits, the total expenditures decreased 1.6%.

However, reductions in the surplus and out-of-district sources, primarily the NH Adequacy Grant, result in a net increase of 2.3% of property taxes required to fund the budget. The uncertainty surrounding state and federal grants will continue to pose a budgeting question in the coming years.

The Finance Committee has some reservation regarding approximately \$12,000 in additional professional development costs. With the experience gained from this year of a multi-grade classroom, the Finance Committee believes that experience will be more effective this year in preparing the faculty for any further multi-grade configurations.

With the specter of reduced non-district funding and escalating benefit costs, the School Board will have to develop innovative revenue streams and usage of funds in order to maintain the same level of programming if it does not want to continue asking taxpayers for additional tax increases in the future.

A.R.E.A. Agreement: The Finance Committee strongly supports Article 3 with regard to the A.R.E.A. Agreement. The School Board should be complimented for its negotiation efforts to control high school tuition costs. Failure to pass this article could result in an increase to the budget of at least \$200,000. Passing of this measure does not guarantee such savings, as both Lebanon and Grantham must pass similar warrant articles.

Special Education and Tuition Fund: The Finance Committee does not support Article 4, which would provide for an additional \$40,000 to be placed in the Special Education and Tuition Reserve Fund. Out-of-district placements can cost upwards of \$100,000 per year. While the committee appreciates the School Board's desire to build such reserves in case of an influx of special education requirements, it is the position of the committee that, with the reserve fund standing in excess of \$200,000, this year is not the right time to increase the fund. The committee believes that should an emergency situation arise, a special meeting and additional budgeting in the next fiscal year could meet the increased cost to the town.

Building Maintenance Reserve Fund Articles: The Finance Committee supports Article 5, which will be covered by utility rebates secured by the Facilities Committee during the installation of the new heating system. The Finance Committee also supports Article 6, which helps build a small buffer in case of any further emergent capital equipment repair or loss.

Town Budget

General Position: The 0.78% increase in the town budget maintains the same levels of service. The Finance Committee appreciates the work done by the town administration, staff and Select Board to renegotiate contracts in order to reduce their impacts on the taxpayer. The economy has also provided a hit to the town revenues in the form of reduced car registrations. This has led to the proposed 3.38% tax increase.

The Police Department has one of the largest year-over-year increases on the town budget. As with any change in leadership, there is a period of transition. The Town and Finance Committee are beginning to realize the amount of time and level of service provided by Chief Gillens. The Finance Committee recognizes that Chief Roberts has challenges in two primary areas of the Police Department budget; managing patrolman hours to meet the level of service expected by the Town and Select Board and addressing upcoming equipment requirements to provide a safe and effective department. The Finance Committee requests that the Select Board and Town Administration continue to monitor and contain future police expenses.

The Finance Committee recommends fully funding the Re-Evaluation Fund. The cost to complete the property revaluation in 2013 is roughly known, and the reserve fund is currently underfunded. To that end, the Finance Committee recommends taking \$10,000 from the Road Projects line item and placing it in the Revaluation Reserve Fund.

Article 3: The Finance Committee recommends passage of Article 3. The reserve funds are a known cost to the town, and prevent large one-time costs from suddenly impacting the taxpayer.

Conclusion: The Finance Committee has only provided guidance from a fiduciary sense. It is up to the residents of the town to consider if the levels of service meet or exceed their needs. The Finance Committee encourages all residents to involve themselves early in the budget process so that they may provide their guidance to the Select Board and School Board.

Respectfully Submitted, *Joe Bretton, Stephen Beaupre, Scott Macleay, Jean Strong, Douglas Adams, Maryellen Sullivan*