

* Legislation that would try to quantify the connection between education and job growth. Since almost all members of the business community constantly advocate for a strong work force the bill's author has drawn the conclusion that, as it deals with a new budget in 2013, the legislature should be prepared to understand the relationship between subsidization of our technical colleges, our university system and our specialty schools like New Hampshire School of Law and the need for a newly constituted workforce that would support the business needs of the coming decades. If that relationship could be clarified outside of the rhetoric that attends each campaign season, the results and impact of our efforts would be significantly improved. And they would certainly suggest going in a different direction than a 40+% reduction in higher education funding, which was the action taken in last year's budget.

Many in the Legislature, including moderates in the Republican party, want to address the state's pressing needs but are forced to deal with an ideologically driven agenda that is not consistent with more centrist New Hampshire values - one typically committed to balancing the role of government with our citizens willingness and capacity to pay. New Hampshire has followed the latter path for decades under the leadership of both parties. That is how we built the New Hampshire Advantage.....and that is how we can sustain it.

Respectfully,

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REPORT OF THE FINANCE COMMITTEE

School Budget

General Position: The Plainfield School District has presented a budget that meets its stated goals as outlined during its deliberations. A line item review finds no egregious expenditures in meeting these goals. It is difficult to compare expenditures between years because of the change in grant money received. More noticeably, the budget represents an increase of 1.09% requested of taxpayers. Passage of all warrant articles, which the Finance Committee recommends, would result in an increase of 4.66% to the tax burden.

The town has been fortunate that medical insurance costs have not escalated. The school staff's usage of wellness programs has aided in keeping insurance cost increases low. However, it is unlikely to think that this trend will continue. The Finance Committee asks that the School Board and the school staff work diligently in determining a method to control insurance costs while attempting to maintain a similar service to what is provided today.

The Finance Committee is concerned with the continued increase to the special education budget, which is outpacing increases to regular education. State and federal mandates give the School Board little to no leeway in addressing this issue. The School District is

obligated to provide necessary services and they must budget accordingly. (See Article VI).

The Finance Committee notes that the pressures of declining enrollment, forecast to be a continuing trend, and increased fixed costs will enliven budget discussions next year.

Renovation Bond Article: The Finance Committee supports the bond article to complete the necessary building repairs and heating efficiency upgrades for the following reasons. First, with the final payment of the sprinkler bond coming off the books, the bond will have a neutral impact on the budget. Second, it is expected that this will be the last major bond article for some time. Third, the results from the first portion of the renovation show marked energy efficiency improvements. Fitting the 1973 wing with similar improvements will result in a reduced rate of energy costs, and in time will allow the school district to replace the existing boiler with a less costly and efficient model. Fourth, the cost of borrowing is at historically low levels. The Finance Committee would like to recognize the Facilities Committee for their efforts.

Contract Articles: The Finance Committee supports Articles IV and V, which cover the approval of the teacher and support staff contracts. With published inflation numbers coming in around 3.0%, the rise in salaries and benefits seems a reasonable increase.

Special Education and Tuition Fund: The Finance Committee supports Article VI, which would provide for an additional \$60,000 to be placed in the Special Education and Tuition Reserve Fund. The warrant article replaces funds which were spent on an unforeseen expense in the special education program. If the warrant passes, the fund will remain in the \$200,000 range. The finance committee agrees that the ~\$200,000 balance is acceptable based on current known conditions, but encourages the school board to continue to research the matter to verify their assumptions and if prudent adjust the Special Education Tuition Fund in future budgets to minimize impact to taxpayers.

Building Maintenance Reserve Fund Article: The Finance Committee supports Article VII. The reserve fund is intended to be used to cover future projects, such as boiler replacement and moisture mitigation. Funding the reserve fund helps to spread out the cost instead of shocking the taxpayers with a larger bill at the required time.

Capital Reserve Fund Article: The Finance Committee supports Article VIII. The purchase of the school van has saved the school district about twice as much as what it paid for the van had it contracted the service. Because special education transportation has more stringent safety standards, the van needs more regular replacement than a school bus might. It is anticipated that the school van will need replacement in two years. This funding will spread the cost out over the next three budget years.

It should be noted that Articles VII and VIII will be funded only if there is a surplus in the current budget. The school district anticipates this to be the case, and is working diligently to control costs. While the surplus is typically returned to the taxpayers, and typically a warrant article would represent additional tax increases, these articles are written to use existing surplus monies to fund the warrant articles. If there is no surplus, these articles would not be funded.

Town Budget

General Position: The consensus of the Finance Committee is that the budget appears reasonable for the amount of services covered by the town budget. The 2.5% increase to the budget generally reflects the increasing costs to maintain each service. The 3.6% increase in taxpayer burden is a reflection of a reduction in revenue from sources other than property taxes. Property owners should expect similar increases in future years in order to maintain the current services.

The Finance Committee reiterates its concern with the increase in the police budget, up 7.0% last year and 9.7% this year. The Finance Committee asks for more timely information regarding the amount of crime occurring in town.

Article III: The existing reserve funds help to spread the costs of expected expenses over a reasonable timeframe. The Revaluation Fund will mostly be spent this year, and the amount requested should cover this project's costs.

Without further guidance from the Library Trustees, the Finance Committee again requests the Select Board refrain from making any expenditures from the ADA Access Fund.

Article IV: The Finance Committee supports the replacement of the dump truck. The Select Board has worked with the Road Agent to establish a plan of replacing heavy equipment, and the 15-year-old dump truck has come due.

Articles V and VI: The Finance Committee supports both Gravel Pit Bond Articles. The expansion fund (Article V) should enable the town to keep its gravel supply costs significantly lower than other towns by avoiding purchase and hauling from an outside source. At some point, the gravel pit will not provide an adequate source of material, and thus will have to be closed. The Reclamation Fund (Article VI) sets aside money for that purpose.

Conclusion

There will be an approximately 4.5% increase to the taxpayer this year. The Finance Committee again asks the town to fully consider the level of service it desires. Unlike neighboring towns that have commercial centers, the tax burden falls mostly on the Plainfield resident. The Finance Committee encourages all residents to voice their opinions to the Select Board and School Board.

Respectfully Submitted, *Joe Bretton, Stephen Beau pre, Scott MacLeay, Jean Strong, Douglas Adams, Christine Danen*