

REPORT OF THE FINANCE COMMITTEE

School Budget

General Position: The School Board and District Administration have clearly worked hard to control increases in spending, while maintaining existing educational programs. Major mandatory cost increases from contractual obligations (including the unexpected retirement payout next year), special education requirements, and retirement funding, more than offset the \$71,000 reduction in high school tuition costs resulting from fewer students attending Lebanon High School. Passage of all warrant articles, which the Finance Committee recommends, would result in an increase total of \$225,755 or 4.71% in the tax revenue required to be raised.

Noteworthy line items:

Enrichment: Because of a reduction of in-house special education requirements, some time was made available and has been allocated to a new position of enrichment coordinator (\$18,500). It is important to note that this role repurposes the hours of current staff without requiring a new hire. The Finance Committee appreciates the Administration's creative effort to use existing highly qualified staff (retaining a valued employee and saving hiring costs) while adapting to changing needs. It will also provide an opportunity to explore how enrichment opportunities might be integrated into the existing curriculum.

SAU: The Board is requesting the addition of ½ day per week to the superintendent's position, (about \$16,400), citing several projects which will require additional time to research and allocating additional time to work with the Board and School administration to develop a longer range vision of the town's educational needs. While the Committee supports this expenditure for the coming year, it is unclear at this time whether the need will extend beyond that.

Technology: The proposed budget also includes investments in technology in the form of smart boards and in-class iPads (about \$18,000). The school has had success in integrating technology into the classroom, and these purchases will extend that integration into additional classrooms. This will enhance the educational experience and provide additional technology exposure which our students need to be properly prepared for high school and beyond.

As with any proposed expenditure we would expect the Board and Administration to monitor these items and report back to the community on the results, both to celebrate the successes and to insure that appropriate adjustments are made if the outcome was less than anticipated.

Special Education and Tuition Reserve Fund: The Finance Committee supports Article III, which would provide for an additional \$25,000 to be placed in the Special Education and Tuition Reserve Fund. The Finance Committee appreciates the research the School Board has done with respect to determining an appropriate "rainy day fund" to prepare for unforeseen high school tuition or special education requirements. The reserve fund is designed to mitigate potential shocks to taxpayer bills. The increase will bring the current total to approximately \$235,000, or \$15,000 shy of the goal of \$250,000.

Building Maintenance Reserve Fund: The Finance Committee supports Article IV. The reserve fund is taking a rather large deduction (an estimated \$75,000) with the replacement of the ancient, inefficient boiler and corresponding removal of the oil tank in finalizing the energy improvements brought about by the roof and insulation project. The \$15,000 request would bring the reserve fund back to approximately \$50,000, which should insulate the taxpayer from any unexpected building maintenance issue.

Capital Reserve Fund: The Finance Committee supports the return of the Capital Reserve Fund to the taxpayers. The purchase of the school van had provided significant savings over contracting the service. However, increased special education requirements this year made it more cost effective to sell the van and contract the service again. This transportation arrangement appears to continue for a few years. The Finance Committee commends the School Board for its creativity in providing a required service at less cost to the taxpayer.

Looking Ahead: The Finance Committee hopes to continue to see the creativity applied with the van purchase/special education transportation as the school faces continued enrollment reduction.

While the committee joins the district in hoping that the adequacy grant amount of \$23,320 withheld this year, will be returned early in the next fiscal year, the State's action highlights our budget's vulnerability to financial pressures at the state and national level. These pressures are unlikely to diminish over time and we, as a community should work to identify and to the extent possible, buffer ourselves from the effects of these trends.

This year's discussions brought up items that will be coming before the town in the upcoming years: The failing intercom system, larger bandwidth requirements, all-day kindergarten, contract negotiations, pension funding, and health insurance increases. The Finance Committee encourages all residents to voice their opinions to the School Board.

Town Budget

General Position: The town budget increased 1.8%, with a projected increase in dollars to be raised from taxation of 2.9% due to reductions in taxes and fees outside of property taxes. There is no change in the level of service. Article III provides for the continued funding of known expenses to the taxpayer in the year the purchase is made. Typically the reserve funds are set aside for recognized large expenses (dump truck, re-evaluation).

It has become clear that, at the current level of police service, there are police equipment needs. We ask that the Selectboard and police staff make a concerted effort this year to establish a clear vision to the town so that the proper dollars go into the proper basket, whether it be through a budget line item or the Police Equipment Fund.

Article IV: The Finance Committee supports the goal of making all town facilities ADA-compliant. We are looking forward to the ADA Study Committee's report.

Looking Ahead: The Selectboard is looking into what the town buildings might require for maintenance. The Finance Committee recommends that the town form a volunteer facilities committee to research what is required. The process of using volunteers to determine which maintenance was essential served the school well, and we believe that this option should provide knowledgeable guidance to the town.

Respectfully Submitted, *Joe Bretton, Stephen Beaupre, Ranji Keen, Jean Strong, David Grobe, Christine Danen*



Neighbors and Conservation Commission members learning about a planned timber harvest for the Annie Duncan State Forest. Photo: Peter Stettenheim