

FINANCE COMMITTEE REPORT-2016

In addition to the public hearings on the school and Town budgets, members of the Finance Committee have attended meetings of the School Board, Select Board 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 needs of our municipal and educational organizations with the expectations and financial capacity of our community members.

In spite of those efforts, we are concerned about the burden that ever increasing property taxes place on our community, especially on our most vulnerable citizens. Out of respect for all community members we ask that both the School Board and Select Board increase their effort 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. The time has passed when good intentions and best guesses are sufficient reasons to add to the tax burden.

Proposed School District Budget

Special Education Expenses

Each year for the past decade, the School Board asked the community to add to the Special Education and Tuition Reserve Fund in order to prepare for any possible extraordinary expense. As of this year, the District has \$291,000 in that fund. However, beginning this year we have special education out-of-district placements costing approximately \$340,000 per year, potentially for the next decade or more. The State's Special Education Catastrophic Aid program will refund a portion of current out-of-district expenses at the rate of 60% to 80% in the FY17 budget cycle and in each year thereafter. The remaining costs must be funded locally and will have a significant impact on the school District's budget. Within this frame, we offer the following comments.

Article II – Operating Budget

The proposed operating budget of \$6,185,016 shows an increase of \$209,769 or 3.51%, not including warrant articles. However, a decrease in non-tax revenue will result in an increase of \$234,727 in tax dollars needed. The current proposal includes a reduction of two teaching positions (based primarily on enrollment declines), the reduction or elimination of proposed purchases of computers, library books, and other materials, a suspension of the floor maintenance program (Terrazzo floors in place of carpets), and a reduction in co-curricular spending. The budget does include \$40,000 to begin the process of upgrading the fire alarm panel and gymnasium entrances to meet current fire-safety codes as directed by the State Fire Marshall. The School Board and school administration believe that further budget reductions would result in significant program changes. As always, it is up to the community to determine the level of service it wishes to support; however, the finance committee is not recommending further reductions.

Article III - Support Employee Contract

The School Board and Plainfield Support Staff Association (PSSA) have approved a two-year contract including increases to the salary scale (step & track grid) of 2% in FY17 and 2.5% in FY18 (plus a 4% step increase) for instructional employees. The agreement also includes a 3% raise each year for non-instructional support staff. In addition, all employees are moved to a consumer driven health care model which includes higher deductibles and health savings accounts.

While recognizing that the change in health care coverage is a positive step, the Finance Committee is divided with respect to this article. However, we are in agreement that the step and track salary scale seems outmoded in the current economic environment, and we urge support employees and the School Board to explore alternative, performance-based compensation models.

Article IV - Teacher Contract

The School Board and Plainfield Education Association have approved a two-year contract including a 2% raise to the base salaries each year. About half of our teachers are at the top step of the salary scale and will receive a 2% raise. The remainder will also receive a longevity step increase of 3.5% for a total of 5.5% each year. This salary increase is consistent with the increases in surrounding districts. However, Plainfield teachers' entry and top salary levels will continue to rank in the lower half of our cohort districts' salaries.

The new contract will reduce health insurance costs for both teachers and the District by changing the insurance model used to a consumer driven system which includes higher deductibles and the use of health savings accounts. In addition, the parties agreed to reduce future retirement bonuses by 50% for new and recently hired teachers.

While recognizing that the changes in health insurance and retirement systems are positive steps, the Finance Committee is divided with respect to this article. However, we are in agreement that the step and track salary scale seems outmoded in the current economic environment, and we urge the teachers and School Board to explore alternative, performance-based compensation models.

Article V - Special Education and Tuition Reserve Fund

This fund has shown its value this year. It is fiscally responsible to maintain a base amount in this reserve fund to protect the school district and taxpayers from unanticipated expenses. The Finance Committee supports the School Board's recommendation to add \$35,000 to the fund.

Article VI – Building Maintenance Reserve

The School Board has proposed adding \$25,000 to the Building Maintenance Reserve Fund because of the required improvements to the fire alarm panel and gym entrance to meet current fire safety codes. However, the proposed budget includes funds for approximately one third of the costs anticipated for a three-year implementation. Given the other budget increases proposed, the Finance Committee recommends that this increase be deferred and re-evaluated next year.

Proposed Town Budget

Article III – Operating Budget

The Town's proposed budget of \$2,198,099 represents a 4.6% increase of \$96,167. For the most part, this increase results from fixed costs. In particular, costs for the Lebanon ambulance service and for Casella's solid waste collection (recycling) service have increased for next year. Increased costs for the Highway Department include additional road maintenance and making a part-time position full-time to reflect the actual hours being worked. In addition, the budget includes hiring a part-time facilities manager to oversee the development of a long-term plan for the maintenance and repair of Town owned buildings and increasing library staffing is to insure employee safety and provide adequate supervision on two floors in each library. Overall, the Select Board has produced a responsible budget which the Finance Committee supports.

Article IV – Trust Funds

The Trust Funds have served the Town well as a way to manage major expense liabilities. The proposed fund additions total \$180,500 which is an 18.5% decrease from last year. The Finance Committee supports these expenditures.

Article V – Loader/Backhoe Purchase

The Select Board is proposing to withdraw \$90,000 from the Highway Equipment Reserve Fund to purchase a Loader/Backhoe. While the Select Board has the authority to expend funds for this kind of purchase, bringing major purchase decisions to the community for approval is a long standing practice which we support. That said, the existing backhoe continues to require excessive time and money for maintenance. We support the purchase of a replacement.

Article VI – Meriden Post Office and Library

The committee has concerns about this article. Asking whether it is feasible to move the current building, renovate it and rent it to the US postal service may be a good question to answer. It could be a cost effective way of addressing the ADA needs of the Meriden library. However, there seem to be more basic questions such as whether this use is the best use for the available Town owned land or whether the Town should take responsibility for an old building and be a rental agent, even if it is possible. If approved, we urge a full discussion with the community before these funds are expended.

Conclusion

As previous Finance Committees have noted, our school and town continue to struggle with the difficult task of balancing the community's expectation for excellent services with the ability of our taxpayers to carry the financial burden those services create. 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, Ranqi Keen, Eric Brann, Dan Lapan, David Grobe, Brad Atwater