

## FINANCE COMMITTEE REPORT -2018

Finance Committee members attended all School Board and Select Board meetings and public hearings related to the budget. In addition, separate Finance Committee meetings were held which included public participation, most of which reflected concern about the proposed replacement of the Meriden Library and tax increases generally.

Proposed expenditures in the school and town budgets do increase, 1% for the Town and 2.4% for the school. However, because of increased revenues and the budget decisions made by school and Town boards and administrations, tax dollars needed to fund these budgets will not increase in 2019.

On the other hand, neither budget addresses the overall trend of an ever-increasing tax burden which inevitably affects taxpayers on fixed, or more modest incomes differently than those with higher incomes. Our tax increases are not a result of “waste, fraud and abuse”, and we cannot force changes in State funding or regulatory requirements.

However, we can control the level of service provided to our community. If we want to maintain the very high level of service provided by both our Town and School, our taxes will continue to rise incrementally. It is as simple as that. The challenge for a community with diverse incomes is to find a level of service that we all can live with. (See the conclusion of this report for suggestions to address this issue.)

Town Budget

### ***Meriden Library Bond (Article 3):***

In 2016, the Town voted to continue funding for the Meriden Library, effectively to maintain two libraries. That said, there has been ongoing concern that the existing Meriden Library building is not accessible, i.e. not ADA compliant, and not able to respond to the evolving needs of the community. At the 2018 Town Meeting, the Meriden Library Building Fund was established for the renovation or replacement of the existing building. In the past year, the Meriden Library Building Committee concluded that renovation was not a practical or cost-effective solution, and it has created and evaluated a plan to remove and replace the existing building. Half or more of the funds needed for this plan have been raised through private donations. The proposed bond represents the maximum amount needed from the Town to fund this project.

The decision before the community is whether to replace the current Meriden Library Building or to leave it as it is. This is not a decision about whether we should have two libraries, one for each village, in the Town of Plainfield. The Finance Committee heard testimony about many issues relating to this decision, including the following:

- ADA compliance, in this instance, is an ethical issue: Should the Town support a service that is not equally accessible to all of its citizens? However, the Philip Read Memorial Library is ADA compliant and fulfills the Town’s legal requirements for library access.
- The existing building is not energy efficient, but the structure is sound. In contrast, the proposed building would be exceptionally energy efficient, saving tax dollars over time as well as demonstrating our commitment to the environment and the “ready for 100” initiative.
- The proposed building includes a multi-purpose room which would be used primarily for library programs and would also be available for meetings of other groups. While that addition would increase the efficiency of the space for library

programs, accessible space is available for meetings at the school and Town Hall.

- The proposed bond would not increase taxes from their current level. The bond for the Philip Read Library addition has been repaid, and the new bond would have similar yearly costs.
- In a year when taxes have increased and at a time when the Plainfield tax rate (ranked as number 202 out of 232 municipalities) is among the highest in the state; and, with the expectation that other bonds will be requested in the future for the school gymnasium roof and town garage, should the Town fund only 'essential' services and return the cost of the previous bond to the taxpayers?

The Finance Committee is divided on this issue, but the majority of members do not support the bond issue at this time.

***Municipal Fire Department Debt (Article 4):***

Plainfield and Meriden villages have had separate volunteer fire departments for much of their history. Several years ago, they moved to have a single chief to coordinate their efforts. The move to combine the two volunteer departments into a single municipal department comes at the request of the departments, driven in part because adequate liability insurance coverage will no longer be provided if they remain as private entities. The creation of a municipal fire department will bring some additional expense to the Town as it assumes responsibility for providing and maintaining buildings, equipment and vehicles. A reserve fund to prepare for these expenses was created at the 2018 Town meeting. However, the question at hand is how the Town will pay for the assumed debt of the PVFD of \$135,200. Rather than continuing the loan payments, the proposed use of the Town's fund balance to pay off the debt and start the new municipal fire department with no debt makes eminent sense to the Finance Committee. It is an appropriate use of the fund balance.

***Town Operating Budget (Article 5):***

The Town operating budget is built to continue the level of service now provided. Overall, the \$2,258,950 requested represents a 1% increase from last year. Because of increased revenue, the tax dollars needed to fund the budget will decline slightly, -.3%. There are a few changes of note in the budget:

- The decrease in the fire department appropriation is accounted for by moving insurance costs to the insurance line and by assuming that Article 4 will pass and eliminate debt payments for PVFD.
- The increase in the Police budget results from the Town decision to provide 24hr coverage. No officer is present at the station at night so nighttime response results in significant overtime expense.
- Costs for ambulance and dispatch services continue to increase.
- Paving priorities for next year require increased support.
- This budget includes a \$10,000 increase in the pay for the community service director to more accurately reflect the level of service being provided.

Overall, the funding requested for Town operations is responsible if the current level of service is to be maintained, and the Finance Committee supports it. However, the committee also believes that the underlying assumptions about the level of services needed or desired by the community should be tested. (See the conclusion of this report for suggestions to address this issue.)

***Reserve Funds (Articles 6 & 7):***

The use of reserve funds to prepare for predictable expenses has served the community well by preventing large fluctuations in the tax rate. The proposed use of \$155,000 from the Highway Equipment Fund to purchase a new dump truck is evidence of the funds' value. The \$242,500 requested to fund the reserves is a good investment. However, there has been discussion that the Town has too many funds, multiple equipment and building maintenance funds for example. Combining related funds makes sense, and we look forward to Select Board proposals in that regard at the 2020 Town Meeting.

***Tax Exemptions for Elderly, Disabled and Deaf: Articles 8, 9 & 10):***

The Finance Committee believes that it is appropriate to provide tax relief to community members with limited financial resources and limited ability to increase those resources. These articles increase the dollar limits of eligibility to reflect changes in wages and inflation. We support these changes.

**School Budget**

The school budget is focused on supporting and implementing the adopted school vision. The proposed 2019 budget of \$6,960,357 represents a 2.4% increase from the current budget. However, because of increased revenue, the tax dollars needed to fund the budget will decrease by -1.77%. If the warrant article for floor maintenance passes, the tax decrease will be reduced to -.97%. There are a few changes of note:

- In the last three years, the special education services provided to students who require placement in an out-of-district facility are the largest driver of increased expenses in the school budget. The proposed budget includes out-of-district expenses of nearly \$600,000. Of that amount, approximately \$375,000 is funded through local taxes. (See the conclusion of this report for suggestions to address this issue.)
- The rate of increase in benefit costs has slowed since the negotiated adoption of a high-option, consumer-driven health insurance plan. Benefit expenditures in the proposed budget increase by 3.3%.
- A new category of Curriculum Adoption includes \$37,402 for math and reading materials / resources. Both areas of the curriculum are being revised, and an additional \$10,500 in professional development is largely focused on this change as well.
- An additional \$20,000 for instructional technology supports chromebooks for library and classroom use to replace aging and more expensive Apple products and supports Promethium Boards to replace more expensive 'Smart Boards'.
- As a result of our cooperation with Cornish, Technology services for PES will now be provided by the Windsor, VT school district's technology team. Additional services will be provided at a lower cost than the District would pay with the current provider.
- The trust funds established for building maintenance, LHS and special education tuition, and benefits are now fully funded so no additional tax dollars are requested this year.

Although taxes will not increase, there are additional investments in this budget. The difference from past years is that the resources requested - technology, curriculum

materials and professional development - are integrated and focused on a common goal: to create a 21<sup>st</sup> century program and teach future-ready skills. The majority of Finance Committee members support this budget request.

*Floor Maintenance (Article 2):*

This article continues the process of replacing carpeted areas with Terrazzo epoxy to address moisture issues in the classrooms. In addition, it includes funding for asbestos abatement in area to be renovated. The Finance Committee supports this request.

**Concerns and Recommendations**

*Overall there are two related Issues:*

1. Increasing participation at School District and Town Meetings is a critical need if our Town is to continue with this form of governance.
2. Our school and town budgets reflect a very high level of service provided by both entities. The tax resources needed to support this level of service places an unsustainable burden on a number of our residents. We request that the Town support an effort to get an organized response from as many of our citizens as possible about these issues. It may take the form of a Charrette or survey or other process to determine what services need to be continued or improved and what services can be reduced or eliminated. The results should shape our budgets and Town organization as we move toward a more clearly defined future.

School Issues

*Special Education Funding:*

The combined expense for programming and transportation for two students with out-of-district placements now approaches \$600,000. State formulas require the district to pay approximately \$55,000 for each student and then promises to reimburse the district for 80% of eligible expenses above that amount if funding is available. However, State catastrophic aid is normally 60% to 70% of the amount needed. The result is that our community funds nearly \$375,000 for these students. The Finance Committee and our community fully support the right of students to receive an education appropriate to their needs and abilities. However, it is not reasonable to expect that a small district like Plainfield can continue to provide this level of financial support. We encourage community members to urge our legislators and governor to provide adequate support for special education out-of-district placements and/or to explore alternative funding models.

*Program Evaluation:*

When appropriations are approved for new programs, we recommend that a District or School report be produced at the end of the year to update the Finance Committee and community on the status of the programs and their effectiveness. Parents may be informed, but the majority of our community members do not currently have students at PES.

Town Issues

*Trash & Recycle Collection:*

Providing curbside trash and recycle collection is expensive (\$170,500), and costs are increasing. Anecdotally, it seems that fewer people are using this service, preferring instead to take their refuse directly to the landfill in Lebanon. Since the contract with

Casella will soon be up for renewal, the Town should assess whether the current level of service is needed and should explore alternatives including the re-institution of a local drop off, providing a reduced level of collection as a Town service or making refuse disposal a personal responsibility.

*Road Maintenance:*

Road maintenance, especially plowing and sanding in the winter, is a major expense. The Town should explore potential cost savings by privatizing some of that work through local contractors. It should also assess the community's tolerance for a less aggressive plowing, sanding and road treatment program which would focus on 'after-the-storm' cleanup rather than the current effort to pre-treat roads and keep them bare throughout a storm. Both approaches have costs, risks, and benefits.

*Dispatching and Ambulance Service:*

We encourage the Town to continue the evaluation of alternatives to the current service providers.

**Mike Sutherland** Chair, Finance Committee