

Approved Minutes
Norwich Finance Committee (NFC)
18 Dec '07

The meeting was called to order by the Chair at 8:05 AM.

Members present: Karen Kayen, Chair, Paul Tierney, Henry Scheier, Irv Thomae and Al Converse

Members absent: Cheryl Lindberg

Also present: Dennis Kaufman, Watt Alexander, Gerard Chapdelaine, Roberta Robinson, and Alison May at some time during the meeting.

1. Minutes of Nov. 12 were approved as presented.
2. Watt Alexander addressed the committee about the plans for what is to known as "Town Eating Day" (because lunch will be served) on March 1. The NFC agreed to host a discussion meeting entitled "Can we afford Norwich?" Several other Town organizations will also hold discussion sessions. Irv and Al, with help from Paul, agreed to prepare a fact sheet on how much Norwich does cost.
3. Irv Thomae reported on the expected impact of the scheduling of payments from School Construction Fund on the tax rate. (Print-out of the work sheet provided.) During the discussion, the figure for the equalized number of pupils in 2011 was questioned. Overall it is estimated that the "Residential school tax rate for debt service" will increase from the current value of about \$0.10 per \$100 assessed property value to \$0.13 in 2010, to \$0.165 in 2015, to \$0.18 in 2024, when it drops to \$0.04 in 2025 when the construction bond is paid off. (Such long-term projections are of course subject to unanticipated effects.) In 2009, it drops to \$0.072 for one year. Because of this the NFC recommends that the \$154,000 of construction aid that is available in 2009 be held for expenditure in 2010.
4. Dennis Kaufman presented a preliminary "Tax rate calculation" (hard copy distributed.) for the 2008-9 school year. He estimated that the resident school tax rate would drop from \$1.4579 to \$ 1.4154 and that the non-resident school tax rate (which is set by the State and is not affected by the school budget) would increase from \$1.3267 to \$1.3863. Since the Dresden portion can not be set until teacher and support-staff negotiations are concluded, it was recognized that these values will change.
5. Roberta Robinson presented a memo on debt policy (hard copy distributed). Three options have been proposed:

1. Debt to be less than 1 % of the assessed property value in the Town, i.e. < \$6,770.262. (This is only 10% of the debt limit set by State Statute Title 24, Section 1762.)
2. Debt per-capita < \$700
3. Debt service per year < 8% of the General Fund expenditures.

For current capital expenditures under consideration, these measures are:

	Current	Current + NORCAP Includes PD, FD, & DPW	Current + PSF
Debt	\$435,181	\$5,480,000	2,230,000
Debt as % Of Assessed Value	0.06	0.74	0.33
Debt per Capita	\$ 123	1542	627
Debt Service as % of Expenditures	3.39	10.7	7.28

In discussion, the NFC was inclined to include school as well as Town debt. The NFC will return to this topic at the next meeting.

6. Paul Tierney presented a spreadsheet (hard copy distributed) which showed that the total Town expenditures had over the past 10 years increased at a rate 3.4 times faster than the rate of increase of the Consumer Price Index. While impressed with this information, the NFC requested that he also evaluate the rate of increase of the net expenditures. Paul also presented the following summary information

Department	Ave Rate of Increase, %/yr.
Recreation	17.7
Police	8.9
Fire	12.3
Highway	7.0
New Articles	71.8

7. Roberta Robinson presented Version 5 of the Proposed Town Budget for 2008-9. The NFC generally was not pleased with the 4.16 % increase over the present year's budget, given that the guideline was 3%. Furthermore there were objections voiced over the procedure followed by the Selectboard in formulating it.

Meeting adjourned at 10 AM

Next Meeting moved to 11 Jan '08 at 8 AM from 15 Jan '08