

## Minutes

**Town of Norwich**  
**Finance Committee Meeting**  
Tuesday, September 16, 2008  
*Tracy Hall, Norwich, Vermont*

*Members present:* Karen Kayen (Chair), Stephen Flanders (Secretary), Alvin Converse, Stephen Lajoie, Cheryl Lindberg (arrived 4:30), Fred Crawford (Departed 5:50)

*Members absent:* None

*Also Present:* Neil Fulton (Interim Town Manager), Roberta Robinson (Finance Officer), Irv Thomae, John Aubin (Assistant Superintendent for Business, SAU 70),

Chairperson Kayen called the meeting to order at 4:03 PM

### Agenda Items Discussed

#### 1. **New Business:**

- a. *Update on Norwich School Issues* – Discussion with John Aubin and Irv Thomae. (This discussion followed 1b.)
  - *Schedule for using the Vermont Construction Aid funds*– Aubin reported that Thomae updated the spreadsheets detailing the scheduled expenditure of capital funds.
    - ✓ Aubin spoke first to the “Dresden Building Project—Trust fund Activity—Vt Const Aid Fund,” which is a model. Thomae emphasized the “Paid Out” column as the appropriate place to manipulate scenarios. He reported that the Dresden School District expects to receive two installments of \$1.702M in Vermont state construction aid into a trust fund to defray Norwich’s capital costs in the remodeling of the middle and high schools. That trust fund has not been drawn down according to the original plan, since Dartmouth College was contributing funds to offset capital costs up through FY2010. The approximately \$412K of under-spent trust-fund money can now be applied to smoothing future payouts when the Dartmouth contributions cease.

- ✓ Thomae spoke to the handout, “Application of Vermont Construction Aid to Norwich—Share Debt Payments,” emphasizing that column 11 is the key indicator. The smoothing of payments allows the impacts of the school upgrade projects to vary between \$0.10 and \$0.13. The \$412-K trust fund savings will be applied over four fiscal years. Thomae explained that yellow shading indicates an “educated guess,” based on assumed enrollment. Gold shading is based on a forecast of the relative distribution of pupils between Norwich and Hanover in Dresden. The further in the future, the more uncertain become the “equalized pupil” data.
- ✓ Aubin reported that there will be approximately \$1M that will be available to Dresden, as a result of under spending on the school renovation projects. He plans on offsetting the Dresden assessment with these funds. NH law requires excess funds be applied to pay down debt. Thomae advocated the alternative use for the funds would be an emergency reserve fund. Aubin illustrated this need with respect to the back yard drain repair project. Lindberg advocated reworking the assumptions with the \$1M worked in.

**Action:** Flanders to draft a paragraph summarizing the tax impact. Kayen to contact Norwich Happenings editor to publicize the avoidance of a step increase in taxes, owing to the judicious application of Vermont construction aid funds after the cessation of Dartmouth payments

- *Physical improvements at Marion Cross School*– Converse reported from the meeting of NFC members with the SAU 70 administration on the Norwich budget guidelines that the following repair projects have not yet been done: remodeling of the chimney to avoid re-ingestion of fumes and a roof insulation project. Aubin reported completion of the following projects: Three rooms of single-pane windows have been replaced. Exterior and interior locks have been replaced to enhance school security. Restroom counter tops have been replaced. All hallway carpeting has been replaced. The walls have been repainted. These improvements cost

approximately \$90K. He reported that a new hallway lighting project is anticipated.

- *Norwich School District audit* – Aubin reported that the 2008 audit starts the last week in September. They may have their report finished sometime in October.
- *Budget Guideline Meeting Report* – Flanders and Converse gave an update on budget meetings held on September 15, 2008. Flanders reported that Aubin had presented data showing that the Norwich teachers' salaries had stabilized in 2008 and that the per-pupil cost of the Norwich school is 3.4% less than comparables in surrounding Vermont towns and only 5.3% higher than the Vermont average. The ratio of Norwich teacher salaries to the state average has risen over the last ten years, however.
- *Norwich Teachers' Contract* – Aubin reported that the teachers' contract is up for negotiation. He invited NFC to give input to Norwich School Board (NSB) members, Adante and Callaghan, who will be negotiators on the new contract. The teachers will probably give notice of willing to negotiate in early October. Get to board before next regular NFC meeting.

**Action:** NFC to schedule a meeting for sometime 22 to 24 September to make recommendations to the negotiating team.

b. *Norwich Town Audit* – Update on audit of Town of Norwich and current finances from Roberta Robinson.

- *Audit* – Robinson reported that the auditors have finished their work. No known issues resulted. The auditors may have a draft report next month. The audit went smoothly, owing to a lack of major differences from last year. Aubin recommends against having two sets of auditors.
- *Current Finances* – Robinson presented an interoffice memo, "August Budget Status."
  - ✓ On the revenue side of the equation, Robinson has sent out 68 revised tax bills, reflecting approximately \$54K in increased residential tax revenue.

- ✓ On the expense side of the ledger, Robinson reported that the Kendall Station Road project is done, except for work that depends on the VAOT to complete, primarily near the railroad. A base coat has been laid; there will be a 1.5-inch top coat. Payoff for the town manager will be shown in September.
  - *Chart of Accounts* – Fulton reported that the select board would like to review and revise the chart of accounts, especially for the highway department, to make them more understandable. This would be a task for the new town manager. Robinson views the problem to be one of administering the budget.
- c. *DFC Vice Chair* – Verify Flanders as Vice-Chair of Dresden Finance Committee.

**Motion:** Converse moved and Lindberg seconded appreciation that Flanders accepted the Vice Chair position for the DFC. The vote was unanimous. The motion carried.

- d. *Succession Planning* – Succession planning for NFC.

- *Resignation of Chair* – Kayen announced that she is stepping down as chair.

**Motion:** Lindberg moved and Flanders seconded that Converse be the next chair of the NFC. The vote was five for and one abstention (Converse). The motion carried.

**Motion:** Lindberg moved and Flanders seconded that Lajoie be the next vice chair of the NFC. The vote was five for and one abstention (Lajoie). The motion carried.

## 2. **Review/Approval of Minutes:** (This action preceded Item 1.)

- a. *Minutes of Meeting of August 19, 2008* – Converse moved and Lajoie seconded that the minutes of the meeting of August 19 be approved. The vote was four in favor. One abstention (Crawford)

## 3. **Old Business:**

- a. *Norwich School District Spending Cap* – Discussion of Norwich Budget Guidelines spending cap (Flanders) – 15 minutes.

**Motion:** Flanders moved and Converse seconded that Norwich School Board budget adhere to a spending cap of 3.2%. The vote was unanimous (five for, Crawford absent). The motion passed.

**Motion:** Converse moved and Lindberg seconded that the NFC drop the recommendation that the NSD hire at the entry level. The vote was unanimous (five for, Crawford absent). The discussion acknowledged that the school board had explained their approach to hiring in the September NSB meeting.

**Action:** Chair to convey the Norwich recommendations to the Superintendent of the SAU 70.

**4. Other New Business:**

- a. *Other New Business* – The NFC members discussed the desirability of reports on the actual numbers in the past budget.

**5. Adjournment:**

Flanders moved and Lindberg seconded that the committee adjourn. The vote was unanimous. Adjourned at 6:40 pm.

**Next meeting date:** Tuesday, September 23, 2008 at 4:30 PM in Tracy Hall. The following meeting will be the third Tuesday of the month, October 21.