

Minutes

Town of Norwich
Finance Committee Meeting
Tuesday, October 21, 2008
Tracy Hall, Norwich, Vermont

Members present: Alvin Converse (Chair), Stephen Flanders (Secretary), Karen Kayen, Cheryl Lindberg (arrived 4:40 PM),

Members absent: Stephen Lajoie (Vice-Chair), Fred Crawford

Also Present: Neil Fulton (Interim Town Manager), Roberta Robinson (Finance Officer), and Keith Moran (Member of the Public)

Chairperson Converse called the meeting to order at 4:40 PM

Agenda Items Discussed

1. Review/Approval of Minutes

- Minutes of Meeting of September 23, 2008.

Motion: Lindberg moved and Kayen seconded that the minutes be adopted.

- The motion passed unanimously.

2. Public Input:

- Keith Moran observed that Norwich has high taxes. Kayen recommended that he attend the Dresden and Norwich School boards for good opportunities to observe meetings where budgets are developed.

3. Report of Town Finance Officer:

- *Outside Auditors Report*—Robinson observed that the audit was an accurate reflection of the town's financial activities. She has a list of minor changes.
- *Questions about the Budget Status Memorandum*—Lindberg asked about the tree insurance issue, described in Robinson's memorandum, "September Budget Status", dated 22 October, 2008, which was circulated to the NFC. Robinson reported that an insurance reimbursement for an incident where a motorist had destroyed some town trees at Huntley Meadow has been

credited to the Tree Warden's account, augmenting his budget above the approved level. Lindberg requested that discussion of financial reports be a regular part of the Norwich Finance Committee (NFC) agenda.

4. Old Business:

- *Letter on changes in tax rate to cover increased debt service*—Kayen reported that the letter is complete and forwarded to Warren Thayer for inclusion in the *Norwich Happenings*. She recommended that a copy of the *Norwich Happenings* final version be sent to the *Valley News*.
 - Lindberg felt that Thayer's observations would have best been minimized to better reflect the NFC's work.
 - Kayen felt that it was important to emphasize the uncertainties of the future tax rates.

Motion: Flanders moved and Lindberg seconded that the NFC chairman be empowered to write a letter to the Valley News to explain the issue.

- The motion passed unanimously
- *Develop NFC guidelines for negotiating upcoming labor contracts*—Flanders asked about follow-up response from Norwich School Board (NSB) recipients of guidelines. Converse reported that the NSB thanked the NFC for its "thoughtful" suggestions. Flanders reported on Chairman of the Dresden Finance Committee (DFC) Dick Podolec's recommendations that the NFC publicize its recommendations and mobilize a team of people to promote the guidelines. Discussion ensued:
 - Kayen revisited the question of recommending a 15% premium in compensation for Norwich teachers over the state average. Flanders said that it was modeled after the fact that in 2000 Norwich teacher salaries were 15% more than the state average and that did not seem to be a problem for recruitment and retention. Converse noted some ambiguity regarding mention of salaries versus compensation in the guidelines.

- Kayen suggested that the guidelines will be a useful point of reference for both the negotiating team and the NFC to judge whether the taxpayers' interests have been sufficiently taken into account.
- Fulton explained the constraints that prevent the negotiators from discussing the details of the negotiations within anyone outside the negotiations.
- Converse emphasized a need to obtain current comparisons between Norwich and similarly situated schools. He suggested that the NFC identify the distribution of salaries and compensation in Vermont. He also suggested that the NFC at times consider holding joint meetings with School Board.
- Flanders emphasized that compensation is the biggest factor in setting taxes, so it is important to establish appropriate principles for negotiations. He further emphasized that Norwich's negotiations could set a precedent for those in Dresden. Converse reminded the committee that the NFC will likely brief its guidelines to the DFC.
- Flanders summarized the reality that the NSB negotiators may not be contacted by the NFC on the matter of negotiations nor may the negotiators report out anything about the negotiations, until a proposed agreement has been reached. Therefore, Flanders suggested that he and Kayen to pursue a study of the comparable statistics for other school districts to be prepared for assessing the results of the negotiations.

Action: Flanders and Kayen to identify comparable school districts and provide compensation statistics to the NFC.

5. New Business:

- *Security of deposits*—Converse asked Lindberg to provide information on the security of the town's deposits in Mascoma National Bank. Lindberg, who is both town treasurer and an employee of that bank, explained that Mascoma bank collateralizes municipal deposits in investments with investments in U.S. Government-backed securities, which are

extremely secure. Lindberg reported that the Norwich Select Board decided through a request for proposals which bank would hold the town's funds. In response to Moran's question, Lindberg emphasized that Norwich's \$2.2-M bank deposit is fully protected.

- *Credit cards and electronic payments*—Lindberg introduced the idea of accepting credit cards for property tax payments and also accepting electronic ACH tax payments. A credit-card system would charge the user a "convenience fee," so no town funds would be required to implement this system, beyond a nominal start-up fee. Electronic ACH tax payments would allow direct withdrawal of taxes from an individual's bank account, as authorized by the account holder. Converse agreed to cover this topic further at an upcoming meeting.

6. Other New Business: Matters arising after publication of the agenda.

- Converse asked for input on the choice of meeting time (4 PM vs. 4:30 PM). Those present agreed that 4:30 was an acceptable time.
- Fulton reported on the departmental budgets. The total of budgetary requests came up to about 3.6% above last year's budget. After review by the interim town manager, he expects the total budget to achieve the 3% guideline, recommended by the NFC.

7. Adjournment

Motion: Flanders moved and Kayen seconded that the committee adjourn. The vote was unanimous. Adjourned at 5:45 pm.

Next meeting date: Tuesday, November 18, 2008 at 4:30 PM in Tracy Hall.