

Minutes

Town of Norwich
Finance Committee Meeting
Tuesday, November 18, 2008
Tracy Hall, Norwich, Vermont

Members present: Alvin Converse (Chair—departed 5:30), Stephen Lajoie (Vice-Chair), Stephen Flanders (Secretary), Karen Kayen (arrived 4:34), Fred Crawford,

Members absent: Cheryl Lindberg

Also Present: Peter Webster (Town Manager) and Roberta Robinson (Finance Officer)

Chairperson Converse called the meeting to order at 4:31 PM

Agenda Items Discussed

1. Review/Approval of Minutes

- Minutes of Meeting of October 21, 2008.

Motion: Lajoie moved and Crawford seconded that the minutes be adopted with an editorial change of “principles” substituted for “principals.”

- The motion passed unanimously (Converse, Lajoie, Flanders, and Crawford).

2. Public Input:

- Chairman Converse welcomed Peter Webster, new town manager.

3. Reports:

- *Budget Status*—Robinson discussed the “October Budget Status” report, dated 19 October 2008. Some highlights are:
 - **Revenues:** BCA. \$13,202,252 total taxes billed as of November 18, 2008. Current use number is at \$95K, \$20K more than the \$75-K budget. So far, revenues are on track.
 - **Delinquent taxes:** She explained that delinquent taxes are \$70 vs. \$62K in 2007 and \$56K in 2006.

Usually the February figure ends up as less than 1% of what's billed. Webster suggested that Norwich's delinquency rate is small, compared to other towns.

- **Audit Report:** She reported that the audit report would be available, soon. Robertson will distribute copies to the NFC.
- **Encumbrances:** She reported that \$4.9K of former encumbrances was returned to the fund balance.
- **Fuel Costs:** In response to a query from the NFC, she explained that the town locked in \$3.51/gallon (about \$1 more than last year) for heating oil 2.28 for propane. Diesel is unknown until the first bill received.

4. Old Business:

- *Allocation of Vermont construction aid funds*—Converse reported on coordinating the Dresden school construction fund surplus and Vermont construction aid, as follows:
 - **Letter to Valley News:** He elected not write a letter to the Valley News because he learned that the Dresden construction funds will be returned in an as-yet to be determined fashion.
 - **Vermont Construction Aid:** Converse reviewed the payout schedules for the Dresden debt payment and the Vermont construction aid fund, as proposed by SAU 70 Assistant Superintendent for Business School Administrative, John Aubin. Aubin had proposed to apply the balance from the Vermont construction aid fund in a manner that would smooth the expected increase in the debt portion of the Norwich school tax rate during 2010 to 2014, reducing the impact of the end of the Dartmouth payments in 2009.
 - **Dresden debt payment:** The situation has changed for Norwich, in that roughly a million dollars from the Dresden construction project is to be returned to Dresden taxpayers. Converse provided a spreadsheet handout that summarized Aubin's two spreadsheets

and pointed out that return of the Dresden funds (Norwich's share of the \$1M of excess construction funds is approximately 1/3, based on Norwich's student population.) without changing the VT construction aid schedule leads to volatile overall tax rates and asked, Which should be the goal for paying back surpluses—smoothing out taxes versus giving a break in the current hard years?

- **NFC recommends:** The committee recognizes that the Dresden smoothing should happen first to the benefit of both Hanover and Norwich. Vermont funds should then be used to smooth further the overall tax rate to the benefit of Norwich taxpayers. The NFC agreed by a unanimous show of hands that bottom-line tax-rate smoothing should be the objective.
- **Aubin to visit NFC:** Aubin will visit the NFC on December 16 and recommend how to allocate construction aid. Kayen would like to see the data ahead of time. Converse will seek data from Aubin a week ahead of time.
- *Accepting credit cards for property tax payments and offering electronic ACH tax payments*—Robinson has looked at a variety of credit card options for receiving tax income and fees. Her objective is avoid having Norwich collection data to show up on a third-party website. Kayen observed that using an ACH (automatic clearing house) charge could be another useful alternative. Flanders advocated a variety of options to allow Norwich citizens convenient means of payment, as long as they are aware of any fees that pertain. Converse emphasized that the NFC would be interested in receiving updates on this topic from the Treasurer and the Finance Officer.

5. New Business:

- *Assignment of board members to cover school budget meetings*—Meetings with the budget committee are in the Superintendent's office; meetings with the Board are in the Cross School. The NFC agreed upon the following assignments for board member coverage of meetings.

- Nov. 26, 10 AM, Discussion with budget committee—Lajoie
- Dec. 2, 12 PM Final discussion with budget committee—Lajoie
- Jan. 8, 7 PM Presentation to the Board—Converse
- Jan. 15, 7 PM Review with Board—Converse
- Jan. 22, 7 PM Adoption by the Board—Converse.
- *Assignment of board members to cover town budget meetings*—These meetings are to propose and finalize departmental budgets. The NFC agreed upon the following assignments for board member coverage of meetings.
 - 19 November—Flanders. Meeting is 4:30-7:30 PM.
 - 24 Converse November—Converse. Meeting is 4:30-7:30 PM.
 - 3 December—Kayen
 - 10 December—Kayen
- *Discussion of school compensation statistics* —Flanders and Kayen represent an informal subcommittee, looking into how to assess the appropriateness of the terms negotiated in the new teachers' contract, when they are announced. They explained the origin of the choice of comparables, presented on a spreadsheet provided by Flanders that uses UVM education data from <http://crs.uvm.edu/schlrpt/>. They made the following observations:
 - **Comparables:** They identified the following comparable K-6 schools in our region:
 - Bethel Elementary School*
 - Chester Andover US #29*
 - Reading Elementary School*These choices represent communities that generally don't approach Norwich's statistics in per-capita wealth. In addition, other comparable schools in wealthier communities include:
 - Vergennes UES #44*
 - Albert Bridge School (West Windsor)*

*Woodstock Elementary School
Cambridge Elementary School
Jericho Elementary School (K-8)
Newport City Elementary School*

- **Per-pupil cost indicators:** NFC members noted that per-pupil compensation should be calculated, based on a different overall school cost. Members noted that per-pupil spending in Norwich is reasonable, compared with other towns.
- **Alternative statistics:** Members recommended that the subcommittee look at audited numbers from town reports Norwich school district reports.
- **More data needed:** Members felt that we need the correct compensation numbers for the current step and track for Norwich to understand what the differences will be in the new contract and how they compare with other, comparable districts. The NFC also agreed that it was important to know how many teachers are at each location in the step and track matrix. We also would like to know how different types of instructors are weighted in the per-pupil cost for instruction?

Action: Converse to contact Aubin to obtain specifics about the step and track matrix.

- *Discussion of all-day kindergarten*—Lajoie introduced a proposal for optional full-day kindergarten that was proposed to the Norwich School Board (NSB) in October.
 - **Proposal:** The proposer, Ben Jones, suggested that optional full-day kindergarten would improve the Marion Cross School's services to parents of kindergarten parents.
 - **Considerations:** NFC members suggested that such a concept could provide competitive advantage, compared with other private schools. Lajoie questioned whether the state would increase its aid to Norwich, based on longer hours. He reported that the

NSB rejected the proposed tuition concept, based on public equity.

- **NFC recommends:** NFC members agreed that they recognize the benefit of attracting more students. Members advocated doing that in a cost-neutral manner and suggested obtaining marketing data on why parents are sending children to private schools.

Action: Lajoie to contact Gersen on how to bring the sense of the NFC forward in the absence of a know chair of the NSB.

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

- Kayen emphasized that there will probably need to be more than one meeting in December.

7. Adjournment

Motion: Kayen moved and Crawford seconded that the committee adjourn. The vote was unanimous. Adjourned at 6:05 pm.

Next meeting date: Tuesday, December 16, 2006 at 4:30 PM in Tracy Hall.