

Minutes

Town of Norwich Finance Committee Meeting Wednesday, September 2, 2009 Tracy Hall, Norwich, Vermont

Members present: Stephen Lajoie (Chair), Stephen Flanders (Secretary), Keith Moran (arrived 4:55 PM), Cheryl A. Lindberg (Vice Chair), Dan Weintraub, Robert Mitchell, Ann Sargent (arrived at 4:40.)

Members absent: None

Also Present: Henry Scheier, Roberta Robinson (Finance Officer)

Chairperson Lajoie called the meeting to order at 4:30 PM.

Agenda Items Discussed

1. Review/Approval of Agenda:

Lajoie reviewed the agenda. Then NFC agreed to change the order of the agenda to address Norwich Policies first in order to maximize access to Robinson's presence at the meeting.

2. Review/Approval of Minutes:

Lindberg briefly alluded to changes in the original draft version the minutes of the meeting of August 18, 2009, which Flanders circulated prior to this meeting. Flanders explained that he had added footnotes to reference Vermont law on open meetings and public documents.

Motion: Lindberg moved and Weintraub seconded that the most recent draft minutes circulated to the NFC be accepted as presented.

The motion passed unanimously.

3. Public Comments:

No members of the public volunteered a comment in this segment.

(Sargent arrived at 4:40.)

4. Town of Norwich Policies – Follow-up to Selectboard Roundtable:

The chairman provided the following policies to the NFC, prior to the meeting:

- *Financial Management Policy*—Several topics were covered:
 - *Frequency of Review*—Robinson explained that the town Financial Management Policy is reviewed biennially. Most recently amended 19 June 2008.
 - *Policies versus Procedures*—Lindberg asked which policies are those of the Selectboard and which are procedures for execution by the town

manager. Lindberg asked that the Selectboard make this distinction clear with appropriate titles i.e. “Policies” versus “Procedures.” She recommended a properly ordered, numbered booklet of policies.

- *Section 7*—Reference was made to the 21 July 2009 NFC motion on reimbursement, obligation and per diem. The NFC voted that “*The Town of Norwich Financial Management Policy, General Financial Policies & Procedures*, Section 7 address:
 - 1) barring town employees from incurring or obligating the town to expenses without prior approval,
 - 2) requiring that each employee report to a higher level for approvals for incurring expenses and their reimbursement, and
 - 3) that there be a system of per diem for travel expenses.”
- *Workers Compensation Waivers*—Mitchell noted that the example waiver in Appendix A appeared to apply to the Recreation Department only. Members agreed that Workers Compensation practice should be made more general to other departments and reflect current practice, as provided for by the town’s underwriter of workers’ compensation, the Vermont League of Cities and Towns. The “Contract Policy Summary Table” reflects applicability across departments.
- *Workers’ Compensation Liability Exposure*—Moran observed that there appeared to be significant legal and financial exposure to workmen’s compensation claims by contractors to the town. Lindberg observed that withholding final payment, pending receipt of the waivers is an effective way to obtain the required paperwork. Flanders suggested that would not suffice, if a worker suffered an injury during execution of the work without a waiver in place. He advocated obtaining the waiver before signing the contract. All agreed that a review of the town’s exposure to workers’ compensation claims should be conducted.
- *Summary*—Selectboard policy versus town manager implementing procedure is not clearly delineated. Authority to commit and authorize the town to expenditures should be more clearly delineated. Workers’ compensation procedures and protections should be strengthened.
- *Expense and Mileage Forms*—These forms were not commented on in detail.
- *Capital Asset Policy*—Lajoie noted that this item is not numbered. This policy was not commented on in detail.
- *Debt Management Policy*—Lajoie noted that this item is not numbered. This policy was not commented on in detail.
- *Tax Collection Policy*—Several topics were covered:
 - *Formatting and Organization*—Lajoie noted that this item is not numbered. Lindberg noted that this appears to be a procedure.

- *Small Balances*—Lindberg suggested that the policy should encompass the collection or payment of small balances. Consider what is the right number for an inconsequentially small balance—currently it's \$2.00.
- *Payment Schedules*—Robinson observed that current payment plans don't necessarily achieve the objective of Item 7 that "An installment plan must be in writing" and that "the payment schedule must liquidate the total delinquency...before the next due date for payment of taxes."

(Moran arrived 4:55 PM)

- *Penalties and Interest*—Moran asked whether the tax non-payment penalty was too harsh. Lindberg explained that the penalty is widely practiced and few people repeat the mistake of late taxes. The change would have to be on the warrant article. She further explained that it is up to individuals to address their personal finances, the town's finances are not a vehicle for addressing problems with the finances of individuals.
 - *Tax Abatement*—Lindberg explained that, in the case of a taxpayer being unable to meet his/her tax obligation, they can appeal to the Board of Abatement, which can waive taxes, interest and penalties, according to specific criteria, defined by statute
 - *Forms of Payment*—Recommend incorporating a reference (in Section 6) to the third-party process by which Norwich allows taxpayers to use credit cards in paying their bills. Robinson pointed out that Automated Clearing House (ACH) automated debits are also acceptable. Split the language into currency (US dollars only) and method (cash, check ACH, credit card, etc.)
 - *Summary*—Lindberg recommended that the Selectboard clarify what is a statutory requirement for tax collection and what is at the Selectboard's discretion within the policy and further what is the town manager's procedure within policy. Payment schedules appear not to conform to policy or procedure. The Section 6 on payment currency and method should be updated.
- *Capital Budget Policy*— This policy was not commented on in detail.

Recommendations—In addition to the summaries of issues for the Financial Management Policy and the Tax Collection policy, detailed and summarized above, NFC members made the following general observations:

- *Policies*—Policies should reflect the discretion of the Selectboard within the bounds of Vermont statutes. They should be organized and collated as a body and signed and periodically reviewed by the Selectboard.
- *Procedures*—Procedures should reflect the discretion of the town manager within the bounds of Norwich Selectboard policies. They should implement Selectboard policies and Vermont statutes, as appropriate. The Selectboard should assure that the town manager and the department heads follow procedure or where

procedures have overtaken written procedures, that the procedures be revised appropriately.

Action: Lajoie to summarize the discussion of policies and convey recommendations to the Selectboard.

5. NFC Housekeeping, Committee Structure and Meeting Timetable:

Lindberg introduced the topic to address the question of the strength of representation of Norwich in the Dresden Finance Committee (DFC). She was concerned that Lajoie, who is DFC chair-elect and current NFC chair might become overburdened with responsibilities. Flanders noted that, while he had anticipated succeeding the Hanover chair, Podolec, he felt that the research he hoped to do on behalf of the NFC and DFC would be a sufficient burden and a better fit. He suggested that if both roles became too burdensome for Lajoie, then the NFC could choose a different chair person.

Lindberg would like to have more discipline on the handling of finance committee input from the audience, which she felt should be a second priority to NFC discussion. Flanders questioned whether too much time was being spent on topics at the expense of covering the items in the agenda. Moran felt that the meetings should allow for sufficient discussion for full airing of topics. Lajoie and Flanders observed that too many long meetings were a burden.

6. Other Topics:

Flanders reported having circulated a spreadsheet, entitled "Norwich Town Expenditure Budget History.xls" to the NFC. He explained that the Norwich Selectboard had requested such a product from the Norwich Finance Committee. Flanders had explained in his cover e-mail to the NFC that the spreadsheet delineates a five-year history of expenditure budgets by department, rolled up into the categories of "compensation," "non-labor," and "total" and plotted in a graph, together with the average annual increase for each. In the meeting he asked for a show of hands whether he could forward the spreadsheet on behalf of the NFC with the message that there was no warrant of its accuracy and no comment on its content from the NFC. There were no objections.

Action: Flanders to forward the spreadsheet to the Selectboard, town manager and NFC with a letter of transmittal.

(Weintraub left at 6:25)

7. Adjournment

Motion: Sargent moved and Moran seconded that the committee adjourn.

The vote was unanimous.

Adjourned at 6:30 PM.

Upcoming meeting dates (4:30 PM in Tracy Hall):

Tuesday, September 15, 2009

Tuesday, October 20, 2009

Tuesday, November 17, 2009