

Minutes

Town of Norwich Finance Committee Meeting Tuesday, January 26, 2010 Tracy Hall, Norwich, Vermont

Members present: Stephen Lajoie (Chair), Stephen Flanders (Secretary), Cheryl A. Lindberg, Keith Moran , Robert Mitchell and Ann Sargent (arrived 5:15)

Members absent: Dan Weintraub

Also Present: Henry Scheier, Neil Fulton

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

Agenda Items Discussed

1. Review/Amendment of Agenda:

Lajoie asked if there were any changes to the agenda. There were none proposed.

2. Review/Approval of Minutes:

Lajoie asked for comments on the minutes of the meeting of 19 January 2010.

Motion: Moran moved and Mitchell seconded that the 19 January 2010 minutes circulated to the NFC be accepted as drafted.

The motion passed unanimously.

3. Public Comments: Henry Scheier spoke about Town Eating Day. He is looking for a sense of what the NFC will feature as a theme on 27 February's Town Eating Day. Chairman Lajoie suggested that some upcoming NFC strategic topics would be the Norwich solar project, the district trash compact, and the Town Manager's proposal for a multi-year paving project. Scheier emphasized that informality and lack of structure is the theme of the event. However, some factual material would be helpful for promoting the various groups in attendance. He said that the timing of NFC's slot is not yet determined.

4. Norwich Town Budget:

Lajoie described the need to prepare a budget statement, characterizing the NFC's position on the Norwich town budget. He passed out two sheets with some factors to consider in the formulation of the statement. Key points included:

- The proposed FY 2011 gross expenditure town budget of \$3.667M would be a 8.1% decrease from that of FY 2010.
- The proposed budget comprises a 2.2% decrease in regular and recurring budgeted expenditures. The rest of the savings are from non-recurring sources, including grant expenditures and bond retirement.

- The intent of the NFC guidance was to avoid property tax increases, which can be avoided through adoption of the proposed budget and minimal use of the Undesignated Fund Balance (UFB).

Lajoie asserted that the NFC had a choice to support:

- Avoidance of property tax increases
- Reduction in property taxes with application of the UFB.
- Further reduction of expenses and increase in offsetting revenues

Lindberg and Moran emphasized that the NFC statement should make clear that the reduction in gross expenditures was mainly the result of large, non-recurring expenditures dropping out of the FY 2011 budget and less so from actual reduction of recurring Town expenditures.

Motion: Flanders moved and Moran seconded that the Chairman Lajoie draft a town budget statement, based on the points discussed in this meeting and circulate them for feedback until he receives consensus on a final version.

Discussion – There was no further discussion.

The motion passed unanimously.

Fulton reported that the Selectboard accepted the NFC's recommendation to achieve an even tax.

5. Norwich School Budget:

Lajoie described the need to prepare a budget statement, characterizing the NFC's position on the Norwich School District (NSD) budget. He passed out two sheets with some factors to consider in the formulation of the statement. Key points included:

- The proposed FY 2011 gross expenditure Norwich budget of \$4.470M would be a 4.4% decrease from that of FY 2010, compared with the NFC's budget guideline of a 5% decrease in gross expenditure budget. Combined with the proposed Dresden assessment, this would represent a 3.4% reduction in the total assessment.
- The proposed budget includes special reserve funds to attain a 5.5% decrease in proposed assessment.

Members agreed that the NFC should take a stand on the budget

Motion: Lindberg moved and Moran seconded that the NFC not support the Norwich School District Budget.

Discussion – There was discussion about whether drawing on reserve funds was appropriate and whether the Norwich School Board had made substantial, structural cuts or relied upon reductions in non-recurring expenditures to obtain a budget reduction. Concerns focused on whether the budget for educational assistants was too great. Sargent expressed concern about lack of employee contributions to health insurance premiums, especially since the NSD subsidizes family coverage.

The motion passed with Flanders dissenting.

Motion: Flanders moved and Moran seconded that the Chairman Lajoie draft a Norwich School District budget statement, based on the points discussed in this meeting and circulate them for feedback until he receives consensus on a final version.

Discussion – There was no further discussion.

The motion passed unanimously.

Action: Lajoie to contact the NSB chair to advise the NSB of the NFC's stance on the upcoming budget.

Motion: Flanders moved and Moran seconded that the NFC further encourages the Norwich School Board and administration to take measures that will encourage increased enrollments in the Marion Cross School (MCS). The NFC encourages the Vermont legislators, representing the town, to address the rising statewide educational tax rate.

Discussion – There was no further discussion.

The motion passed unanimously.

Action: Lajoie to contact the NSB chair to advise the NSB of the NFC's recommendation on increasing MCS enrolments.

Action: Lajoie to contact the Vermont legislative delegation, representing Norwich and Windsor County to advise them of the NFC's concern about the statewide educational tax.¹

6. Other Topics:

Fulton reported that the town financial policy is on the agenda for the 27 January 2010 Selectboard agenda.

Action: Flanders to forward NFC recommendations to Fulton.

7. Adjournment

Motion: Flanders moved and Lindberg seconded that the committee adjourn.

The vote was unanimous.

Adjourned at 5:55 PM.

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

Tuesday, February 16, 2010

Tuesday, March 16, 2010

Tuesday, April 20, 2010

¹ See Appendix A

