

Minutes

Town of Norwich Finance Committee Meeting Tuesday, June 15, 2010 Tracy Hall, Norwich, Vermont

Members present: Cheryl A. Lindberg (Chair), Robert Mitchell, Stephen Flanders (Secretary – left at 6:30), Keith Moran (Vice Chair), James Dwinell, Jim Mackall (arrived 5:06) Ann Sargent (arrived 5:09)

Members absent: Vacant Position

Also Present: Neil Fulton, Pete Webster, Brion McMullan

Chair Lindberg called the meeting to order at 5:00 PM.

Agenda Items Discussed

1. Review/Amendment of Agenda:

Lindberg reviewed the agenda. She recommended that the previously scheduled items, 6, 8, 9, and 10 be deferred to the next regular meeting.

2. Review/Approval of May 18 Minutes:

Lindberg asked for comments on the minutes of the meeting of 18 May 2010.

Motion: Moran moved and Mitchell seconded that the 18 May minutes circulated to the NFC be accepted as drafted.

The motion passed unanimously.

3. Public Comments of Items not on the Agenda:

No comments were offered.

4. Greater Upper Valley Solid Waste Management District: Brion McMullan,¹ Norwich's representative to the GUVSWMD² briefed the NFC on the following points.

- The GUVSWMD has invested a total of \$5 M over 15 years in landfill site in Hartland including purchase of the land, construction of a bridge over I-91 to gain access to the site and engineering to support an Act 250³ permit and an Act 78⁴ permit.
- The district has decided that the market for trash is insufficient to open the landfill at this time, yet the district has obligated itself to pay for a bridge to the site. The bridge, which

¹ <http://www.guvswd.org/BOS>

² <http://www.guvswd.org/>

³ [http://en.wikipedia.org/wiki/Act_250_\(Vermont_law\)](http://en.wikipedia.org/wiki/Act_250_(Vermont_law))

⁴ No. 78, { 3; 24 V.S.A. 2202a(c). } Act 78 requires that generators of waste should pay disposal costs that reflect the real costs to society of waste management and disposal.

was funded by Lebanon Sand and Gravel on behalf of the district, cost \$2M. If the district does not pay its share of the cost, the ownership and access to its land would revert to the note holder. Norwich is responsible for 20% of the investment. McMullan anticipates an August bond vote.

- Since the landfill is not expected to open, owing to a lack of trash, tipping fees are unavailable to pay for the bridge.
- The size of the bond will be subject to discussion on 17 June to consider a bigger bond. The district has been looking at private operation of the landfill.
- Chair Lindberg pointed out that the website has a lot of useful information.
- As long as Lebanon is open and available, it's redundant to open the landfill. 50K tons/year is the threshold for operation. It has capacity to accommodate that rate for 40 years. Currently \$68/ton is the going rate at Lebanon, which enjoys a profit margin. At the GUVSWMD site, that fee would have to retire debt on the bridge.
- In order to leave the district, Norwich would have to pay its share of the \$5M, which has been invested in a site worth \$15M, when it becomes a landfill. The site encompasses 175 acres. The site is fully permitted as a landfill under Act 250 for the next three years.
- There will be a significant shortfall in the next year's town budget, owing to this change.

5. Non-profit monetary articles:

- Lindberg introduced the guidelines (Appendix A), which Flanders had prepared.
- The discussion revolved around whether voters passively accept the value of the ballot items and whether it is appropriate for the vote of a few to compel the many to pay for charitable enterprises.
- The total support for non-profits is \$250K, of which the Library is \$140K.
- Fulton observed that the Selectboard has struggled with the issue in the past. At one point they required a petition from a non-profit, but the organization petitioned for an amount much higher than the guidelines, which subsequently received a favorable vote.
- Lindberg pointed out that there has been a precedent for when the town financial support exceeded 50% of the annual operating budget of the entity, the town considered taking over the entity. She cited the fire department as an example. She offered to discuss this past policy with the Selectboard.

Motion: Sargent moved and Moran seconded that the "NFC Recommendations for Town Support of Non-Profit Organizations" be forwarded to the Selectboard for consideration in their deliberations on the subject.

The motion passed unanimously.

Action: Flanders to forward finalized document to the Selectboard. Lindberg will present it when it becomes a Selectboard agenda item.

6. Statement of Purpose:

- Two revised versions were discussed, editorial changes were offered and it was agreed to defer it to the next regular meeting.

7. Budget Guidelines: Lindberg introduced this topic, explaining that it had been brought to her attention that the Selectboard will be seeking input from the NFC on framing the development of the FY 11-12 budget. She asked for input on the topic from each NFC member in turn. She received the following range of input:

- *In support of maintaining current levels of service:* Budget for the current level of service and see what expenses would be foreseen (Mackall, Flanders, and Dwinell). Avoid cutbacks in paving and other infrastructure maintenance, which lead to more expensive problems, later (Moran, Dwinell). The public has high expectations for service levels (Dwinell).
- *In support of maintaining the current expenditure budget:* Sargent and Lindberg spoke in favor of maintaining the current expenditure budget.
- *In support of minimizing tax impact:* The economic outlook affecting Norwich residents remains bleak. Minimize or even reduce the tax impact (Mitchell and Moran).
- *In support of avoiding new or unnecessary expenditures:* The time is not right for expensive new projects like the acquisition of the parsonage (Mitchell and Lindberg). Furthermore the town should avoid expensive lawsuits (Dwinell and Lindberg).
- *Impact of past budget austerity:* Webster noted that he had achieved cost savings that allowed flat or reduced budgets for the past two cycles. He said that this was a rare occurrence among Vermont towns. He noted that the consequence was a morale problem among town employees, who have seen no raises, who have to pay more for benefits out of pocket and, as a result, whose buying power has not advanced much over 25 years.
- *Advice to the Selectboard:* Flanders suggested that, rather than make a formal motion, it would suffice that the NFC chair communicated the range of opinions within the committee to the Selectboard.

Action: Lindberg to present the range of NFC input when budget guidance becomes a Selectboard agenda item.

8. Other Topics: Discussion/Action

- No other topics were discussed

9. Summary of Next Agenda:

- Winter maintenance proposal
- Statement of Purpose
- Budget presentation format
- Communication of concerns with budgets to the public and the town boards
- Review of Town Eating Day
- Property next door.

10. Adjournment: Discussion/Action – 5 minutes (6:30)

Motion: Sargent moved and Moran seconded that the meeting be adjourned.
The motion passed unanimously.

Adjournment: 6:40 PM

Upcoming meeting dates (5 PM in Tracy Hall):

Tuesday, July 6, 2010 (Special Meeting)

Tuesday, July 13, 2010

Tuesday, August 17, 2010

Tuesday, September 21, 2010

Appendix A: NFC Recommendations for Town Support of Non-Profit Organizations

Town Appropriation Ballot Items:

Vermont statute governs which organizations qualify to provide social services for town residents and receive town appropriations such sums of money as the Selectboard and voters deem necessary for the support of social service programs and facilities within Norwich:

Rationale for Approving:

1. Organizations seeking town appropriations must demonstrate that all of the money sought is to be spent in support of social service programs and facilities within Norwich for its residents, per 24 VSA § 2691 (see below).
2. Organizations must provide written evidence to the foregoing criteria and answer questions before the Selectboard.
3. The Selectboard shall determine annually which organizations meet the foregoing criteria and certify those that qualify for inclusion on the Town Warrant.
4. The funds sought would be subject to annual budget guidelines from the NFC.
5. The town may request, but not compel, that organizations receiving more than 25% of their total funding from town appropriations seat appointees of the town Selectboard on their governing board in proportion to the town funding received.

Vermont Statute 24 VSA § 2691

24 VSA § 2691. Aid to social services for town residents At a meeting duly warned for that purpose, a town or incorporated village may appropriate such sums of money as it deems necessary for the support of social service programs and facilities within that town for its residents. Social service programs, for which a town or incorporated village may appropriate sums of money, include, but are not limited to: transportation, nutrition, medical, child care, and other rehabilitative services for persons with low incomes, senior citizens, children, disabled persons, drug and alcohol abusers, and persons requiring employment to eliminate their need for public assistance. The authority herein granted is not in derogation of other local powers to allocate funds.