

# Minutes

## **Town of Norwich Finance Committee Meeting Tuesday, July 27, 2010 Tracy Hall, Norwich, Vermont**

*Members present:* Cheryl A. Lindberg (Chair), Robert Mitchell, Stephen Flanders (Secretary), Keith Moran (Vice Chair), Ann Sargent 5:50

*Members absent:* James Dwinell, Jim Mackall

*Also Present:* Neil Fulton, Peter Webster (Town Manager), Marianne Spalding, Henry Scheier  
Chair Lindberg called the meeting to order at 4:12 PM.

### Agenda Items Discussed

#### **1. Review/Amendment of Agenda:**

Lindberg highlighted the need to address the August 4 Norwich School Board meeting.

#### **2. Review/Approval of June 15 and July 6 Minutes:**

Approval of the June 15 minutes was tabled, pending clarification of who supported flat spending and who supported funding current service levels in the first bullet of Paragraph 7.

**Action:** Flanders to query the name NFC members on their intent.

**Motion:** Moran moved Mitchell seconded approval of July 6 minutes.

**The motion passed unanimously.**

#### **3. Public Comments:**

None were offered.

#### **4. Parsonage Acquisition:**

Webster reported that the Norwich Congregational Church (NCC) has decided to sell its parsonage at 306 Main Street. He said that appraisals obtained independently by the town and the church came it at \$420K and \$425K. The town and church have agreed to use the assessed value of \$543K as the price in the purchase and sales agreement. He emphasized that action on this potential sale is dictated by the desire of the NCC to assure that the property can be put up for sale without delay. Therefore, the town must decide in September whether to acquire the property.

Webster elaborated that a vote will be held on September 14 to decide whether to acquire the property and fund its conversion to a new police station or other town use. He explained that this year offers the opportunity to use Recovery Zone Economic Development Bonds (RZEDBs) at a 45% savings over typical municipal bonds.

Webster referred to a report, prepared by Neil Fulton, entitled “306 Main Street—Background information for purchase decision,”<sup>1</sup> which outlines the status of the current police station, the options considered and the possible configuration of a new police station at this site. In addition to the \$543-K purchase price, the report estimates that additional work, totaling \$390K, would be needed for the conversion, bringing a bond requirement to more than \$933K. He recommended that NFC members attend the public forum scheduled for 28 July to learn more details about the project and participate in public input. He recommended that the NFC focus on the economics of the project.

Additional points by Webster were:

- He handed out a summary of the Town of Norwich long-term debt policy. It has three criteria. That the “net general fund bonded debt should not exceed 1% of total assessed valuation,” which currently is \$704M. That the “net general fund bonded debt should not exceed \$700 per capita,” when the 2000 census placed the population at 3,544. That the “general fund debt service (P&I) should not exceed 8% of the total general fund expenditures,” those expenditures being about \$3.9M
- By those debt-policy criteria, a \$950-K 20-year bond with the soon-to-be-retired Tracy Hall bond would represent at most 0.16% (vs. 1%) of total valuation, a \$331 per capita debt (vs. \$700) and a 3.3% of general fund budget debt service (vs. 8%).
- The loss in tax revenue by converting the property to a town use would be \$2,700/annum and \$0 in education taxes.
- A town meeting is required 10 days prior to September 14, then there’s a 30-day rescission period after a vote to allow a possible re-vote.

Other comments were:

- Fulton suggested that his priorities for real property investment would be the police station, public works facilities, then the fire department facilities.
- Henry Scheier noted that the operating expenses of the building should be included in the information. Webster pointed out that the operating expenses of the current building are high.
- Webster reported that public forums will be offered weekly, starting Wednesday 28 July.
- He highlighted that there will be public tours of the police station to highlight its inadequacies.
- Mitchell asked whether taking the property by eminent domain was a viable option at some future date. Webster said the town had that option but he personally would not favor such an approach.

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<sup>1</sup><http://web.valley.net/files/norwichvt/ParsonageProposal.pdf>

**5. Other Topics Discussed:**

- Flanders reported that Webster had agreed to introduce departmental budgets with a better narrative to give the big picture.
- Lindberg emphasized the importance of attending the 4 August Norwich School Board meeting will include a discussion of deficit, introduced by John Aubin.
- There was brief mention of Town Eating Day and the need for more NFC attendance on town meeting day to reinforce its recommendations.

**6. Summary of next agenda:**

Was not discussed

**7. Adjournment:**

**Motion:** Flanders moved and Moran seconded that the NFC adjourn

**The motion passed unanimously.**

Adjournment: 5:30 PM

**Tentative future meeting dates (5 PM in Tracy Hall):**

Tuesday, August 10, 2010

Tuesday, September 7, 2010

Tuesday, October 19, 2010