

Minutes

Town of Norwich Finance Committee Meeting Tuesday, September 7, 2010 Tracy Hall, Norwich, Vermont

Members present: Cheryl A. Lindberg (Chair), Stephen Flanders (Secretary), Jim Mackall, Keith Moran (Vice Chair), James Dwinell (Left at 6:20), Ann Sargent (Arrived at 5:10).

Members absent: Vacant position (Robert Mitchell resigned)

Also Present: Roberta Robinson, Neil Fulton, Priscilla Vincent, Roger Blake (Chair, Selectboard), Pete Webster (Town Manager), and Ann Day (Chair, Norwich School Board)

Chair Lindberg called the meeting to order at 5:05 PM.

Agenda Items Discussed

1. Review/Amendment of Agenda:

Flanders suggested moving the bulk of the school topics to a later meeting on 21 September, the regular time for the NFC's annual meeting.

2. Review/Approval of August 10, 2010 Minutes:

Flanders mentioned that he had corrected attributions of Robert Mitchell's input to NFC deliberations in the minutes.

Motion: Dwinell moved Flanders seconded approval of August 10, 2010 minutes.

The motion passed unanimously.

(Sargent arrived at this point.)

3. Public Comments of Items not on the Agenda: No-one offered a comment.

4. 306 Main Street Acquisition:

Lindberg noted that the choices discussed by the NFC in the August 10 meeting were not the same as the options that the Selectboard offered to the voters. Accordingly, the NFC vote to recommend simply purchasing the property was overcome by events.

- Webster explained that there would be three articles: The first authorizes a \$580-K bond to purchase the property and make some minor improvements to adapt the building to municipal use. The second would add \$370K for a total of \$950K for additional improvements to other town structures. The third redirect \$25K in existing funds for conceptual designs. He emphasized that the decisions would be subject to committee study and citizen input. The average annual tax impact on a \$400-K property would be \$18 for option one and a total of \$30 for option two. (Option three has no tax impact.)
- Sargent expressed that she felt the purchase was not prudent since it had no specific purpose and added to property tax burdens at a time when the economy is down and taxpayers are stressed.

- Moran supported the minimum bonding option. He advocated using it as an income property until the town needs the additional capacity.
- Mackall said that he would not have voted to support the purchase, had he been present in August. He felt that the purchase would compete against needed school expenditures.
- Dwinell felt that the parsonage property is too intertwined with Tracy Hall to not purchase it. He felt that the use of the property should be decided at a later point.
- Lindberg expressed concern that the contract price was more than the appraised price. She and others suggested that purchasing at market price or not at all would be preferable.
- Flanders advocated supporting all three options. He noted that the town has several additional capital investment needs between the police station and the fire station. He noted that the borrowed money is highly discounted. Voting for all three articles would incur a maximum payment on an average Norwich property of \$40/year. He advocated using the parsonage footprint maximally, which might entail a private/public partnership that would put retail space on the street and the police station in the back. In this scenario the parsonage would be torn down or moved. This would allow for low-income housing at the current police station site.
- Lindberg took a straw poll of the members present. Flanders and Dwinell indicated that they would support all three articles. Moran indicated that he would support article one only. Lindberg, Mackall, and Sargent indicated that they opposed all three articles.

Motion: Sargent moved not recommend the purchase of the Parsonage at the present time, with the effect of releasing the town of its obligation to purchase at above market value a property the town has no pressing need for, Mackall seconded the motion.

The motion failed with three having voted in favor and three opposed.

5. Norwich School District:

Lindberg handed out and summarized draft guidelines from the Norwich School Board. The guidelines call for avoiding the Vermont excess spending penalty, using creative staffing to achieve fewer FTEs, addressing the 2009-10 negative fund balance and providing information that documents budget decisions.

(Ann Day, Chair, Norwich School Board joined the discussion at this point)

- Sargent highlighted item FTE reduction as relevant to the upcoming teacher contract negotiations. She cited the health benefits as an area that could yield savings by providing 100% coverage for teachers, but co-pay for additional family would be fairer and saving money. Day said that she'd be interested in examples used in other districts or corporate practice to provide established practices that would be acceptable to the teachers.
- Ann Day arrived and explained that the "administration" includes Gersen, Aubin, and the MCS principal. Day mentioned the possibility of multi-grade class rooms that would allow the reduction of FTEs.
- Flanders and Dwinell asked about how many and the qualifications of applicant for the jobs in March and August.

- Dwinell asked about the basis for the Vermont Department of Education's (VDOE) calculation for reducing most school budgets under its "Challenges for Change" guidelines. Day volunteered to follow up. She had drafted a letter to the VDOE's commissioner, explaining the Norwich School District's situation and why Norwich was unlikely to be able to conform to that challenge.
- Lindberg deferred finalization of the NFC Budget Guidelines, teacher contract guidelines and the FY 2009-10 deficit until the regular NFC meeting on 21 September.
- Lindberg highlighted upcoming Dresden and Norwich meetings, emphasizing the 14 September meetings of the Budget and Finance Committees for Norwich at 8:30 and Dresden at 9:15 at the SAU 70 offices.

(Day left the meeting at this point)

6. Town F/Y 2012 Budget Guideline Discussion:

Lindberg highlighted the town budget guidelines for FY 10-11, distributed by Fulton. That guidance asked for side-by-side budgets that offered the minimum expenditure budget that would maintain the current level of services and a budget that would provide an overall reduction of 5% from the current budget. They added a guideline of no increase in the town tax rate.

- Lindberg emphasized the need to make a statement to the Selectboard for their meeting directly after the NFC meeting.
- A discussion arose around the guidance that the Selectboard used for FY 10-11.
- Webster emphasized that there were not non-recurring items that would be part of the equation in the next budget.
- Special mention was made of public works as being the largest element of the expenditure budget.

(Dwinell left the meeting at this point)

Motion: Flanders moved and Moran seconded that the Selectboard ask the Town Manager to present two side-by-side budgets, one with the minimum budget necessary to maintain the current level of services, the other with an overall reduction of 5% from the current year expenditure budget all with a goal of no increase in the Town Tax Rate.

The motion passed unanimously (Dwinell absent).

7. Other Topics Discussed:

Lindberg indicated the need to finish the school budget discussions on 21 September before the 22 September Norwich School Board meeting.

8. Summary of next agenda:

- The NFC Budget Guidelines, teacher contract guidelines and the FY 2009-10 deficit until the regular NFC meeting on 21 September.
- In October, the NFC Statement of Purpose will be an agenda item.

9. Adjournment:

Motion: Flanders moved and Moran seconded that the NFC adjourn
The motion passed unanimously (Dwinell absent).

Adjournment: 6:45 PM

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

Tuesday, September 21, 2010

Tuesday, October 19, 2010

Tuesday, November 16, 2010