

Minutes

Town of Norwich Finance Committee Meeting Tuesday, September 21, 2010 Tracy Hall, Norwich, Vermont

Members present: Cheryl A. Lindberg (Chair), Stephen Flanders (Secretary), Jim Mackall, Keith Moran (Vice Chair), James Dwinell (Left at 5:50), Ann Sargent (Arrived at 5:10).

Members absent: Vacant position

Also Present: Harry Roberts, Henry Scheier, Megan Brendel, and Linda Addante (Vice Chair, Norwich School Board)

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

Agenda Items Discussed

1. Review/Amendment of Agenda:

Because of the need of some members to leave early, Flanders suggested deferring approval of the minutes to a later meeting.

2. Review/Approval of September 7, 2010 Minutes:

Approval was deferred to the next meeting.

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

4. Norwich School District:

Lindberg requested input on what order to discuss the topics at hand. She asked Flanders to provide a brief recap of the status of the Norwich School District deficit.

F/Y 2010 deficit – Flanders summarized the status of the deficit as a result of attending a 14 September meeting at the SAU 70 offices, hosted by Superintendent Wayne Gersen, which included Assistant Superintendent for Business John Aubin and Norwich School Board (NSB) Budget Committee member Carey Callaghan. Flanders reported that Aubin explained in that meeting that some Special Education services that should have been billed to the State of Vermont for reimbursement to the Norwich School District (NSD) had not been done so. Addante clarified that this was owing to a change in personnel in the Dresden schools that caused the lapse. Flanders reported that the added billings, plus use of the special reserve fund for special education should bring the NSD deficit down to approximately \$60K from the initial value of \$280K.

Teacher contract negotiations/NFC guidelines – Lindberg turned next to the topic of providing NFC guidelines for negotiating the next teachers' contract at the Marion Cross School (MCS). She made reference to draft material that Flanders had circulated prior to the meeting.

- Flanders summarized a proposed guideline, diverging from the text that he had circulated to allow for varying student populations by proposing a constant ratio of total teacher compensation to MCS student population.

(Ann Sargent arrived at this point)

- Moran highlighted several factors that make running the school more expensive to taxpayers and should be offset by economies within the school budget, including teacher compensation. His list included the increased tax rate between FY 2009-10 and FY 2010-11, the changes in state rules on equalized value, and the potential diminution in income-sensitivity tax credits. He recommended that teachers should expect to be subject to the same forces in the economy that town taxpayers experience.
- Sargent emphasized health insurance as an aspect of compensation. She explained that providing subsidized health insurance to the teacher, but requiring teachers to contribute to the cost of other family members would enhance the equity of having the same insurance rights to both married and single teachers. She suggested that this would provide a means to negotiate the next contract in a manner that assures the teachers that they are appreciated.
- Addante explained that, as a member of the NSB negotiating team, she would like input for formulating a negotiating position on behalf of the NSD in time for the next NSB meeting on 28 September. There was some discussion of the staff-to-student ratio at the Marion Cross School. Addante clarified that the most recent kindergarten teacher was hired at Track 6, Step 6.
- Scheier emphasized that Norwich teachers received no increase in the pay base, although they continued to receive step increases during the current contract. He suggested that an unintended consequence of using a ratio of compensation to student population could result from younger teachers being less-compensated than older teachers.
- Mackall emphasized that teachers should not be regarded as the only group that expects a raise in this environment, whereby they consider themselves to be a "protected class." He pointed out that virtually all organized (union) employees negotiate for raises when their contract is up regardless of the environment.
- Brendel recommended increasing the level of teacher contributions to health insurance premiums. She emphasized that teachers received step increases in salary whereas most workers did not receive automatic increases during the period of the current contract. Across-the-board school budget cuts should include teacher compensation.

Motion: Flanders moved and Dwinell seconded that "The Norwich Finance Committee (NFC) recommends to the Norwich School Board that negotiations yield an agreement that costs no more than the number of dollars budgeted for total compensation in Fiscal Year 2010-2011 over the life of the Norwich Teachers' contract that follows the current one."

The motion passed five to one with Mackall voting against.

Action: Flanders to circulate the guideline text for input and finalization. NFC members will review the suggestions and commentary sections.

(Dwinell left the meeting at this point.)

Finalize NFC Budget Guideline(s) and Review NSB Guidelines – Lindberg introduced this topic with draft budgetary guidelines, prepared by the Budget Committee of the NSB. She asked for discussion on NFC budgetary guidelines for the NSD.

- Sargent emphasized that NFC should recommend budgets that a substantial majority of the taxpayers can support, yet avoid making taxes so unaffordable for some that they must leave town. She noted that voters with school age children have a substantial voice in the community and good representation at the polls. She felt that the NFC should keep the entire community need in mind by not proposing what “what taxpayers would tolerate” for an education tax, rather what is prudent and balanced across the community.
- Roberts emphasized the likelihood of an increased level of income for eligibility for income sensitivity. This would affect many Norwich taxpayers.
- Brendel suggested that constraining the school budget would foster creativity in budgeting.
- Flanders presented a proposed alternative guideline based on the budgetary impact on the tax on a typical property. He explained that the “reverse tax calculator” allows one to set a percentage change in education tax on a given property, input assumptions on student populations, Vermont tax rate, and CLA and project a net assessment that achieves the target change in education tax.

He emphasized that, whereas the NSB’s interest is in pricing the quality of education that the public expects, the NFC’s interest is in achieving a tax rate change that will meet the approval of a substantial majority of voters. He pointed out that he was willing to preserve the current level of taxation, which had received a strong town vote, but wanted to stem the increase in taxation, as may have been a motive behind the strong vote against the purchase of the parsonage.

Owing to how the State of Vermont levies taxes, he said it was possible that Norwich education taxes could remain constant on a give property, yet allow for an increase in the NSD assessment, especially with the increase in students at the Marion Cross School.

Motion: Flanders moved and Sargent seconded that “The Norwich Finance Committee requests that the Norwich School Board achieve a budget in the Norwich School District that causes no increase in education taxes on a given property.”

The motion passed unanimously.

5. Other Topics Discussed:

None were discussed.

6. Summary of next agenda:

- Discussion of attendance and success in achieving quorums.
- The NFC Statement of Purpose will be an agenda item.

7. Adjournment:

Motion: Mackall moved and Moran seconded that the NFC adjourn

The motion passed unanimously.

Adjournment: 6:30 PM

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

Tuesday, October 19, 2010

Tuesday, November 16, 2010

Tuesday, December 21, 2010