

Minutes

Town of Norwich Finance Committee Meeting Tuesday, October 19, 2010 Tracy Hall, Norwich, Vermont

Members present: Cheryl A. Lindberg (Chair), Stephen Flanders (Secretary), Jim Mackall, Keith Moran (Vice Chair), Evan Pierce.

Members absent: James Dwinell, Ann Sargent

Also Present: No-one

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

Agenda Items Discussed

1. Review/Amendment of Agenda:

Chair Lindberg asked whether reports from the Norwich Finance Officer should be a point of regular discussion. Flanders and Moran suggested that, since they are distributed to the NFC, there is no special need to devote meeting time to them unless the information reveals a problem that requires a mid-fiscal-year revision of the town budget.

2. Review/Approval of September 21, 2010:

Chair Lindberg asked whether the NFC was ready to approve the minutes of September 21, 2010.

Motion: Mackall moved and Pierce seconded that the minutes of the September 21, 2010 meeting be accepted as presented.

The motion passed unanimously.

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

4. Election of Officers:

Lindberg introduced the question of election of officers to coordinate with the DFC schedule of elections. Flanders noted that past practice has been to elect officers after Town Meeting when new appointees join the NFC. It was decided by consensus that the NFC would continue its past schedule for timing of election of officers.

NFC members discussed the roles of Chair and Vice Chair. After some discussion it was affirmed that the Chair is expected to be the spokesperson for NFC decisions and recommendations, relying at times on prepared statements agreed upon by the NFC. It was further agreed that the Chair may draw on expertise from other NFC members to explain and substantiate positions taken by the NFC in public presentations.

5. Time of Meetings:

Lindberg asked about maintaining the current NFC pattern of meeting at 5 PM on the second Tuesday of each month. After some discussion, the consensus was that this pattern should continue.

6. Statement of Purpose:

Lindberg explained that it was the time that the NFC reviews its statement of purpose (SOP). She outlined the history of this statement and noted that with the changeover from an all-elected membership to a largely appointed slate of members, the SOP needed review and revision.

Flanders had provided an update that included two appendices, one describing the expectations of the committee as a whole and the second proposing standards that the NFC might use as a basis for its assessment of budgets. He emphasized that the appendices should serve as information to members, but are not the core of the SOP. Several members endorsed the value of such additional information.

The members present discussed elements of the SOP and drafted the text seen in Appendix I for further review and possible adoption at the next meeting. Flanders emphasized giving the Appendix on budgetary assessment special consideration.

Action: Members to review the draft SOP in Appendix I.

The question of terms arose. Review of who was appointed to whose unexpired terms pointed to the following list of membership terms and their current incumbents:

- Lindberg (Elected Treasurer) 2011
- Flanders 2011
- Mackall 2011
- Pierce 2012
- Sargent 2012
- Dwinell 2013
- Moran 2013

Action: Flanders to confirm with Nancy Kramer that this schedule is consistent with her records and that the Selectboard will solicit NFC candidates for the positions to be filled by the expiration of these terms at the end of February of the year shown.¹

Action: Flanders to assure that the current membership receives e-mails from town officials intended for the NFC and that members are included on the "World List."

¹ The elected Treasurer's term expires on the eve of Town Meeting Day. Subsequent communication indicates that appointed terms end on 31 March.

7. Norwich School District:

Lindberg reported being the sole NFC attendee at the October 6 meeting of the Norwich School Board (NSB).² At that meeting, she presented both the NFC's budgetary guidelines for the Fiscal Year 2011-12 and its teacher contract negotiation guidelines. She noted that the NSB adopted the guidelines that had been recommended by its Budget Committee. She further reported that:

- The DSB discussed the anticipated budget deficit for the current and following fiscal years.
- NSB Vice Chair, Linda Addante, made mention of the NFC's thought processes and their potential value in NSB deliberations.
- The NSB feels that the NSD³ should be exempted from the Vermont State's "Challenges for Change" program because much of our budget is constrained by decisions that take place in an inter-state district.

8. Other Topics Discussed:

None were discussed.

9. Items for the next agenda:

- The NFC Statement of Purpose.

10. Adjournment:

Motion: Moran moved and Pierce seconded that the NFC adjourn

The motion passed unanimously.

Adjournment: 6:05 PM

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

Tuesday, November 16, 2010

Tuesday, December 21, 2010

² DRAFT minutes: http://www.sau70.org/boards/minutes/norwich/10-06-10_nor_draft.pdf

³ Norwich School District

Appendix I: DRAFT Revised Statement of Purpose

NORWICH FINANCE COMMITTEE

Statement of Purpose

The Norwich Finance Committee (NFC) is composed of seven Norwich residents: the elected Town Treasurer and six who are appointed to serve on the NFC by the Selectboard. The Selectboard annually fills two positions to serve for staggered three-year terms.

These seven along with the seven appointed members of the Hanover Finance Committee comprise the Finance Committee for the Dresden School District and SAU 70. The NFC has advisory oversight responsibilities in the creation of annual budgets for the Town of Norwich, the Norwich School District and, together with the Hanover Finance Committee, the Dresden School District. The NFC researches budgets, policies, contracts, and practices that affect Norwich town and school finances. It renders nonbinding advisory recommendations, based on its findings. The NFC provides input in formulating the request for proposal (RFP) for an independent auditor of the town's finances and reviews the resulting report.

The NFC elects a Chair, Vice-chair and Secretary from among its members. Vacancies of the NFC are filled by appointment of the Selectboard.

Members of the NFC serve without compensation.

Appendix A describes the expectations of the committee, as a whole.

Appendix B describes the standards by which the NFC judges budgets.

October 2010

Appendix A:

NORWICH FINANCE COMMITTEE

Expectations

This comprises a set of expectations for Norwich Finance Committee members that would improve the effectiveness of the committee. The combined committee membership should have the ability to:

- Attend a minimum three hours of late-afternoon meetings and four hours of evening meetings per month over a term of three years.
- Discuss controversial matters with fellow NFC members, constructively.
- Connect with town residents on their town and school-spending priorities.
- Research on-line material.
- Follow national economic conditions and trends
- Connect economic conditions and trends to the Norwich-Hanover footprint.
- Understand the many elements of town and school budgets and how they are determined.
- Understand both town and school business practices, e.g. services provided, staffing levels, reserve funds, etc.
- Understand how taxes are determined from budgets and the grand list.
- Read an audit report.
- Analyze financial material, using on-line sources and spreadsheets.
- Develop useful town and school financial recommendations
- Write reports.

Appendix B:

NORWICH FINANCE COMMITTEE

Budget Guideline Principles

In considering budgetary guidelines or assessing the appropriateness of budgets, the Norwich Finance Committee applies the following general principles in question form:

1. **Does the budgetary item benefit the community?** If voters have supported it in the past, that's a solid indication. If it's a new capability, what was the tenor of remarks in public discussions?
2. **Is the budgetary item affordable?** If voters have supported the item, that's an indication. The NFC looks at future trends of voter finances and budgetary costs to predict affordability. The NFC seeks budgetary proposals that will achieve a substantial majority when voted upon.
3. **Is the budgetary item cost-effective?** Even if questions 1. and 2. have been satisfied, the budgeted goods or services may not be offered in a cost-effective fashion. The NFC uses comparables and other analyses to establish cost-effectiveness.
4. **Is anyone disadvantaged by adoption of the budgetary item?** Just because a majority of voters approve of budgeted goods or services, doesn't mean that there is no adverse impact on some members of the community. The NFC attempts to identify such impacts and determine their seriousness and means to mitigate them.