

Minutes

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

Members present: Cheryl Lindberg (Chair), Jim Mackall (arrived 5:15), Keith Moran (Vice Chair), Evan Pierce, James Dwinell

Members absent: Stephen Flanders, Vacant Seat

Also Present: Pete Webster (Town Manager), Folger Tuggle

Chair Lindberg called the meeting to order at 5:07 PM.

Agenda Items Discussed

1. Review/Amendment of Agenda:

Chair Lindberg went over the items on the agenda. It was agreed to switch the order of the discussion on the town and school board budgets to allow Webster to discuss before he had to leave.

2. Review/Approval of November 16 Minutes

Was tabled until the next meeting.

3. Public Comments of Items not on the Agenda:

Folger Tuggle was introduced. He was asked to summarize an e-mail he had sent to Lindberg and others outlining his desire for the finance committee to take a more rigorous review of town departments. He feels that the issue that arose with the parsonage this summer illustrates the need for a more "in-depth" analysis of town budgets and spending, and perhaps oversight. He used as an example the adding of an FTE by the department of public works this year: was this necessary? Did they look at any other alternatives? He advocates a more "systematic" approach, where departments may be looked into thoroughly every few years, on a rotating basis.

Lindberg commented that she also sees a tendency towards "use it or lose it" spending patterns at fiscal year end.

Webster respectfully disagreed with Lindberg on this point, noting that often times this spending is misunderstood and the bills may all be submitted at year-end leading to the perception that money is being spent at one time, when it may not be.

Moran commented that we should look into this matter in any event, as the mere perception of impropriety merits a more careful examination.

Webster said that he has full confidence in the integrity of the public works department. He also raised the issue of the proposed purchase of a new grader and the misunderstanding of the need for the equipment.

Tuggle asked whether or not other options had been considered, i.e. studying the uses of comparable towns and/or leasing a grader. Said this was an example of the kind of analysis that the committee should be doing.

Summary: Tuggle would like to see more in-depth analysis on the part of the finance committee, and a new charge for the committee as a “barometer” for the town in terms of tolerance for spending.

Lindberg thanked Tuggle for his e-mail and comments and said that the committee would continue discussion on this topic, as it was raised at a previous meeting.

4. Statement of Purpose:

The discussion on the statement of purpose was tabled until Flanders (who has written the document) has returned from overseas.

5. Town of Norwich

Lindberg told the committee that she had been asked to attend a town department meeting by Webster, and that she did attend. She raised the issue of total compensation (noting that it is approximately 40% of the total budget), and her concern surrounding the compensation for union and non-union employees. She noted that there was no real difference between not giving a 2% raise in one year, and then compensating with a 4% raise the following year. She also disagreed with the proposal to keep non-union workers on the same salary scale as union workers, again noting that we essentially are “unionizing” those workers, to the detriment of the town.

Webster said that he agreed with the select board’s decision on compensation of union and non-union workers, saying that he did not want to see two classes of workers in the town.

The topic of the health care plan for town workers was raised, and Lindberg and Webster described the changes that have been made to the plan over the last 2 years. Webster noted that while the town cannot make people switch plans, the “subsidizing” by the town of the costs of switching to the “high-deductible” plan has saved the town money overall, and advocated no changes to the approach for the coming year. He said that in June they will begin to put out feelers for a new plan, and Lindberg commented on the timing of health care renewals, as it runs in the calendar year, not the fiscal year.

Moran said that he would like a full accounting of the different plans, and Webster said he could provide that for the committee.

Lindberg asked for a comparison of the plans on paper, and Pierce asked if there were incentives given to workers to leave the old plan and switch to the high-deductible plan.

Moran expressed some difficulty in understanding the 3.8% increase in spending on a “level-budget”, when wages and health insurance costs only account for 2.7% of the rise. He asked Webster what accounted for the other 1.1% increase in spending.

Webster indicated that some of those costs were out of his control, and noted that there was \$35,000 as part of a matching bridge grant, that needed to be budgeted for but if the grant was not received would go into a reserve fund, not to be spent recklessly.

Moran indicated that the town-wide reappraisal was looming, and likely to cost a great deal.

Webster was happy to say that the costs of this reappraisal were probably going to be substantially less than anticipated, hopefully between \$50,000 and \$70,000.

Lindberg asked Webster for bonding information on the Greater Upper Valley Solid Waste District.

Lindberg indicated that the proposed solar project was on the next agenda.

Webster passed out a Tax Rate Worksheet, indicating a tax rate of .4588 for the town for FY 2011. He also noted that this was achieved with a healthy percentage (16.5%) in the undesignated fund balance, which is desirable. He also welcomed help in putting together the "leanest and meanest" budget possible, and said that he was looking forward to the roundtable discussion on Thursday regarding the proposed grader purchase. Moran indicated that he would attend the roundtable.

Chair Lindberg thanked Webster for his appearance before the committee.

6. Norwich School District:

Mackall noted that the most recent information on the CLA was .9022, and that this brought the MCS school budget to a 3.97% increase, better than had been expected.

Lindberg noted that while step increases in teacher salaries had probably been factored into the budget, that the results of the labor contract negotiations with the teachers union could result in higher costs, and also that the Dresden budget was likely to see a tax rate increase as well.

7. Other Topics Discussed:

Lindberg noted that there was a vacancy on the committee, and that finding a qualified person who has the time and energy required for service was important. Pierce asked how long the new person would serve, and Lindberg indicated that the appointee would fill out the term, ending in March, 2012.

8. Items for the next agenda:

Lindberg said that a representative from the energy committee and the town eating day committee would be present at the next meeting in January, time permitting.

9. Adjournment:

Motion: Dwinell moved and Pierce seconded that the NFC adjourn

The motion passed unanimously.

Adjournment: 6:25 PM

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

Tuesday, January 18, 2011