

Minutes of the Dresden Finance Committee (DFC) Meeting on 7-2-07

Members present: Cheryl.Lindberg, Irv Thomae, Dick Podolec, Alvin.Converse, Henry Scheier, Karen Kayen , Paul.Tierney. Tom Blinkhorn, and William Garrity
Others: John Aubin

The meeting was called to order by acting chairman, Henry Scheier, at 4:06. Thomae moved (Tierney seconded) approval of the minutes of 5-21-07. Passed unanimously.

John Aubin presented the **financial projections** for the Dresden district. The General Fund balance at the end of the fiscal year is estimated to be \$300,000. However the food services have a projected balance of -\$40,000 at the high school and \$-15-20,000 at the middle school.

The **Dresden budget committee** is scheduled to meet 8-6-07. We plan to formulate budget guidelines at our next meeting, 7-23-07 and forward them to the budget committee in time for their meeting. The budget committee is expected to develop data on the growth rate of various portions of the budget, not just the overall growth rate.

The **Dresden building project** was discussed. The original bond issue was for \$38.6 million. This was followed by a supplemental bond issue for \$5.5 million when the steel price overrun was known and other contingencies were recognized. Of the \$5.5 million only \$4.0 was actually borrowed and it is estimated that \$1.0 million will be left unspent at the end of the project. The responsibility for the steel price overrun and the effect of the building costs on the Hanover 6th grade tuition need to be settled, and a document to explain these matters should go to the public at the end of the project.

After a discussion of the status of the Dresden building project, **Tom Blinkhorn moved** (Karen Kayen second) that we request from the Dresden school board and Administration : 1) a report of the costs and expenditures associated with the high school and middle school construction projects, including a reconciliation between the approved and actual expenditures, and 2) information with regard to the contractual obligations between the school system and the contractor with particular reference to the unanticipated increase in the cost of the steel. Passed unanimously.

From the discussion it was clear that the **reconciliation** is needed by the DFC before all the charges are paid. Paul Tierney agreed to review the reconciliation. A draft of the minutes of the current meeting are to be sent to the Dresden school board and administration after a quick (5 business days) review by the DFC members.

Interim reports of the Quality of Education Committee (QEC) and the Hanover Education Association HEA – (School) Board Committees (Compensation and Evaluation) were distributed and will be responded to (action item) at the next meeting of the DFC (7-23-07). The compensation committee will have to act quickly since the teacher negotiations begin this Fall. Dick Podolec reminded us that the DFC recommended 1-year contracts until the alternate compensation issues are resolved. Tom

commented that the QEC progress is slow and the committee is not meeting this summer. Paul, also a member of QEC was stronger in his criticism of the QEC and felt that they were not sufficiently interested in objective data on the relationship between quality and costs. The recent article published in the Valley News was discussed; members who wished to comment on the article were encouraged to make their views known as individuals since the DFC has not had time to discuss the article.

Paul Tierney presented the results of a study of the costs of education of Norwich students in Dresden compared to the average income of Norwich tax payers covering the period 1996 through 2005. The study concludes that:

1. the real per pupil cost increased from \$8067 to \$12,599, or 56.19%,
2. the real adjusted gross income per return, capped at \$150,000, increased from \$50,690 to \$52,751, or 4.07%, and
3. the real per pupil cost as percent of the real adjusted gross income per return, capped at \$150,000, was about 15% during the period 1996-2000, but has increased to about 24% in 2005-6.

Adjourned at 6:10 PM

Respectfully submitted,
Alvin Converse.