

**DRAFT**  
**Dresden Finance Committee**  
**Town Hall**

**Monday September 18, 2006**  
**Hanover, NH**

Present: Athos Rassias, Peter Christie, Thomas Blinkhorn, Bill Bender, Henry Scheier, Karen Kayen, Kari Asmus, Paul Tierney, Al Converse and John Hochreiter. Also attending Robin Carpenter, Dresden School Board Member.

The meeting was called to order at 4:07 PM. by Chairman Rassias. The first order of business was to discuss the benefit and purpose of various economic indexes. Kari noted that she had e-mailed members of the committee a paper contrasting CPI and GDP Deflator. Mr. Carpenter began the discussion with a question concerning the validity of using CPI since it is a measure of a fixed market basket of goods and services and does not take into consideration that consumers will substitute products when market forces make some of the products that are measured too expensive to their tastes. Mr. Carpenter further discussed the feelings of some School Board Members who might be interested in creating a new index that would more accurately account for the items more specific and useful to the Dresden Schools. The School Board will continue to talk about various indexes. Discussion continued through those present as to the value and usability of the various indexes.

Karen reminded that we need to remember that our roll is to offer suggestions and provide financial and economic guidelines and not to presume to impose rules on the Board.

Tom stated and additionally asked for clarification in that we had previously recommended CPI as a guideline for both the Teachers Contract and as a measure for the entire budget. It seemed to be the sense of the group that our goal in previous discussions was to keep the impact to the tax payer at a level relative to inflation.

Kari told us of an additional index, the Employer Cost Index which she suggested is a more accurate measure of the pressures that school districts face in that some 60 to 70% of the budget was consumed by compensation.

Bill expressed the general feeling of the group in speaking to his leerness of creating a new index. He noted that historically the school district has a history of cost plus budgeting and that a newly created index may simply use that history as a starting point. He also noted that cost per pupil is increasing at rates far exceeding the constituencies' ability to pay. He referenced a chart in the Norwich Town Report titled "Growth in Norwich Income and Expense". Bill was quite direct in stating that "we need to infuse into the system a measure of discipline and accountability".

Tom suggested that we should have no problem in tweaking the measure that we choose but that we need to work within a short timeframe and given the Dresden

Finance Committee's pending suggestions that we remain strong in our commitment to the CPI.

Paul was fervent in his assertions that there are better and different indexes that are much more applicable to the discussion of the salary component and specific to what tax payers need to pay.

Al suggested that the Vermont cap of 125 times average cost is a much more defining and limiting index and one that we should pay attention to. Karen told us that John Aubin had additionally made a similar statement in a suggestion that an additional index was not necessary relative to discussions at the Cross School.

Henry, Robin, Karen, Al and Peter all offered questions and opinions in a general discussion on the nature, relevance and impact of new property values in the budget process. If the focus is impact on the tax payer are new properties added to the budget to give more money to spend or to reduce the impact of the property tax on the tax payer?

Athos asked the group to refocus when Henry noted that any suggestion of a particular index was not forever. Tom suggested that we restate our concern in rising costs and further suggested that a cap of some sort was essential and should be installed in the next available budget cycle. "We know it is not infallible and the administration should work to determine a more applicable index."

Henry reminded us that we continue to look at two distinct guidelines, one for the Teachers Contract and one for the School Budget. Robin asked that if we want the School Board to embrace an index we should declare which it should be.

Paul continued to express his concern and displeasure with the use of CPI and suggested that it should at least be GDP-Deflator.

Karen reminded us of the Budget Guidelines that we had prepared and are now in the hands of the School Board. Al asked for clarification as to what we were focused on, Total District, Teacher Salary or Per Pupil Costs. It was suggested that we are ultimately concerned with Total District Costs.

Athos asked for **a motion**. Paul made a motion that we suggest the **use of GDP-Deflator as the index to be used as a measure**. The motion was seconded by Henry. Discussion followed with the feeling of the Committee being that no index is perfect but the community seems to if not understand at least embrace CPI. Our goal is to provide a measure of our financial commitment to the Dresden School and infuse the budget process with a degree of discipline that seems not to be there at the moment. **Vote 2 in favor 8 opposed**.

A similar **motion** was offered **to use CPI as the guideline index**. Discussion refocused on our similar philosophy. **Vote 8 in favor and 2 opposed**.

The second item on our agenda was the reorganization of the Committee and the choice of a new Chairman, Vice Chairman and Secretary. Athos led a discussion on term periods of one year vs. two and the alternating nature of the committee chair rotation between towns. Henry had been elected to two successive one year terms followed by Athos for two successive one year terms. By practice it would now be time for the chair to come from the Norwich delegation. There was no one present who was comfortable with assuming the position and the feeling of the group was that we should table the election and wait for the Norwich delegation to offer a candidate in nomination.

The third item of business was a discussion of the Quality of Education Committee. Kari shared a document that proposed to call the committee the SAU70 Quality of Education Committee. Henry questioned the focus and the makeup of the committee as defined on the handout. It was the sense of those present, that this committee should be driven by the DFC or at the very least by the community and not be an internal product of the school. Henry suggested that we as a committee should weigh in on our thoughts at the SAU and Dresden meeting to take place on Tuesday the 26<sup>th</sup> at 7:00 PM.

The DFC focus is that the Quality of Education Committee remains a joint committee and:

- That the title should be changed to designate that it is not an SAU committee.
- That the numbers and makeup of the committee should be altered by the committee to reflect the input of the community, the parents, the teachers and administration.
- That comparative data be introduced to the process and viewed critically.
- That the committee should at its core be expected to make recommendations to address quality of Dresden education.

Karen, Athos and Henry committed to attending the SAU and Dresden School Board meeting on Tuesday September 26 at 7:00 PM to express our concern for the quality committee and to reemphasize our commitment to CPI and budget discipline in negotiations and the budget process.

Athos needed to leave the meeting at 5:55 PM and Karen assumed the chair.

There was brief discussion on the SAU budget and the fact that we have historically not offered an opinion on what is now a million dollar plus budget that pays the salaries of the central office administration and staff. That budget will be presented to the SAU Board on November 13 and adopted on December 11. It was the sense of the group that we should pay attention to this budget.

Our meeting was summarized by a statement that public perception should be one of balance relative to the quality committee and that procedures of inclusion should be adopted and appointment to the committee should be joint decisions.

The meeting adjourned at 6:10 PM on a motion by Henry and seconded by Tom and all in favor.