

Minutes of the Meeting of the Heath Finance Committee
November 29, 2010

Time: 7:00 pm

Place: Assessors' Office, Sawyer Hall

Present: Don Freeman, Ned Wolf, Dave Gott, and Jan Carr

Absent: Jeff Simmons

The minutes of the November 23rd meeting were approved with emendations.

Don supplied members with copies of his 11/29/10 version of "Analysis of Warrant Articles (2)-(8), McCloud Property Purchase". Seven Scenarios are given where the differences involve the number of warrant articles approved, the amounts to be transferred out of Free Cash and Stabilization and the amount to be borrowed. In Scenario One the entire amount of the McCloud purchase is borrowed. All warrant articles are approved, and their total cost of \$19,126 is paid for by transfer from Free Cash. In Scenario Two \$20,000 is transferred from Free Cash and another \$20,000 from Stabilization. Reallocations from three accounts that Tracey says can be closed yield \$4,822. A reallocation of approximately half of the Dump Closing Account yields \$6000. Reallocation from the BOH Account adds \$4,000 for a total of \$54,822 in reallocations. This financing would be complemented by a loan of \$104,304 @ 3% for 5 years with an annual payment of \$22,775, or \$.242 on the tax rate.

Don said he favored still another scenario, one similar to that suggested by Tracey in her 11/29 memo to the BOS: Reallocations of about \$15,000 from BOH, Three Accounts, Dump Closing Account, transfer of \$16,000 from Free Cash and \$16,000 from Stabilization, approve all warrants except 5 and 6 (balance: \$7,186), borrow \$100,000 (payments \$21,835, 5 years @3%, \$.232 on the tax rate). Don said he would favor Article 5.

Ned said that he favored Scenario Two with possibly more transferred from Free Cash than from Stabilization. He expressed a need to learn more about Articles 5 and 6. There was agreement that we should do our homework on 5 and 6 up until the STM.

Jan also favored a scenario similar to Two. As for Articles 5 and 6, she said that if we were to pass over 5, we should also pass over 6.

Dave's preference would be a scenario between One and Two. He noted the value of using whole numbers in financing amounts to allow people to grasp the package more readily.

The FinCom continued discussing the appropriate mix of funding sources and expressed hope that \$2000 would be available from the Franklin County Waste Management escrow fund. Jeff has been investigating that fund. For the purposes of voting on a motion the Fin Com assumed that this and other ongoing investigations are favorable. Dave moved the following: The FinCom recommends to the BOS that the Town finance the purchase of the McCloud property as well as Articles 2, 3, 4, 5, 6, 7, and 8

for \$159,126 with \$30,000 transferred from Free Cash, \$12,000 transferred from Stabilization, Reallocations from Three Accounts of \$4,822, Reallocation from the BOH Account of \$4,000, Reallocation from the Dump Closing Account of \$6,000, Reallocation of \$2,000 from Waste Management escrow, and a \$100,000 5 year loan. While this budget includes funding for Articles 5 and 6, the FinCom reserves the right to pass judgment at the STM. Jan seconded the motion. The FinCom approved the motion by unanimous vote.

Ned will follow up on Whittemore Spring and Article 5. Might this be postponed until the ATM?
Dave will look into what might be available from the Waste Management escrow fund.

Turning to the wording of Article 10, members favored beginning with "To see if the Town will vote to raise and appropriate up to \$140,000 . . .".

The next meeting of the Finance Committee will be at 6:30 pm on Tuesday, December 7th at Sawyer Hall. At 7:30 the Finance Committee will join the Board of Selectmen.

The meeting adjourned at 5:55 pm.

Respectfully submitted,
Ned Wolf, Secretary