

## AMENDED

### MINUTES

#### FINANCIAL PLANNING COMMITTEE

January 18, 2007

Present: Chair Jason Perreault  
Vice Chair James Halpin  
James Casella  
David DeVries  
Michael Hodge  
Roger Leland (arrived 7:03 p.m.)

Also Present: Town Administrator

Meeting convened at 7:00 p.m. in the Selectmen's Meeting Room.

#### Approval of January 11, 2007 Meeting Minutes

Approval of minutes of the January 11, 2007 meeting was moved by Jim Casella, seconded by David DeVries, and carried unanimously.

The Chair provided an update on the debt issue for the Regional High School Addition/Renovation project.

#### Review goal to measure debt position and define "affordability"

Committee discussed "affordability" and the role of the Committee.

Mike Hodge indicated that affordability varies from resident to resident. He suggested that we stay within debt credit worthiness and change the dollar amounts used in the model. He suggested using 4½% versus 2½%.

The Committee reviewed the draft Summary of Options prepared by the Chair.

#### Debt Policy Model A ("Affordability Model")

The Committee discussed changing the 10-year projection timetable to 6 years and a consensus was reached to use 6 years.

Jim Halpin moved that the Committee begin each planning year using a calculation of the historical 5-year average as a starting point for determining the annual tax rate increase projection for the 6-year plan, this process would also allow input from the Town Administrator to the Committee for consideration of a modifier to the increase used for the projection.

Motion was seconded and approved [(vote 5 yes, 1 no (Jim Casella opposed))].

Gross Debt as Percentage of Annual Budget

Net Debt as Percentage of Annual Budget

Committee discussed and Chair suggested that calculations of the history of the previous 4 years and the 6-year projection be included in the Committee's Report to show trends.

Jim Casella indicated that credit worthiness is not "affordability".

Jim Halpin indicated that credit worthiness is "indirect" affordability.

By consensus, Committee agreed to include.

The Committee only intends that metrics *Gross Debt as Percentage of Annual Budget* and *Net Debt as Percentage of Annual Budget* be included in the Committee's annual report.

Net Debt as Percentage of Assessed Valuation

Committee discussed. Committee agreed to include "Net Debt as Percentage of Assessed Valuation" as information in the Committee Report.

The following metrics will be considered by the Committee in its deliberations, but will not be included in the report: *Net Debt as Percentage of Assessed Valuation; Dollar on Tax Rate; Median Household Impact.*

Dollar on Tax Rate

Committee discussed. Committee agreed to include "Dollar on Tax Rate" as information in the Committee Report.

Median Household Impact

Committee discussed. Committee agreed to include "Median Household Impact" as information in the Committee report.

The Meeting adjourned at 9:05 p.m.