

Town of Harvard Capital Planning Investment Committee
Minutes of Meeting
August 2, 2011, 8:00 a.m.
Town Hall – Gabe’s Office

Members Present: Cindy Russo, George McKenna, Debbie Ricci, Keith Cheveralls, Tim Bragan, Lorraine Leonard. (Debbie Ricci and Lorraine Leonard attended a portion of the meeting.) David Kassel also participated.

Selectmen Marie Sobalvarro and Ron Ricci, and DPW director Rich Nota, also attended.

1. The meeting was called to address the shortfall in the Harvard Sewer Project. The bids were received on Thursday, July 28.
2. The May 2, 2009 ATM authorized spending and borrowing on the project in the amount of \$2 million. Tim Bragan reported that the spending on the project is projected to be \$2,877,787.86 and that the borrowing required for the project is projected to be \$2,540,382.88. (See summary of project costs attached.)
3. Tim will learn today whether the additional \$540,382.88 can be borrowed at 2% interest from SRF (State Revolving Fund.) Assuming that it can, the additional borrowing will require either (a) another debt exclusion vote or (b) CPIC agreeing to finance the debt from the capital fund.
4. It is possible that the borrowing could be reduced by funding the project’s paving with Chapter 90 funds. Rich Nota stated that there are currently \$278,000 in uncommitted Chapter 90 funds.
5. The CPIC made the following requests for information from Tim and Lorraine:
 1. Will we be able to get 2% SRF funding? (Tim expects the answer to this question today.)
 2. If the incremental cost of borrowing the additional \$540,382.88 is paid from the capital fund, what would the payments on this debt be?
 3. If the amount of the additional borrowing were reduced by using Chapter 90 funds, what would the impact be on the Selectmen’s roadway improvement plan? Would the Selectmen cut back on the plan, or would they intend to use the capital plan to finance it?
 4. What is the impact of an additional \$540,382.88 in excluded debt on the calculator?
6. Lorraine reported that, at some future date, Town Meeting could vote to move a portion of the incremental increased debt to the Sewer System Enterprise Fund. However, there are questions as to whether this would be wise or financially feasible.

7. We discussed the timing of a vote for an additional debt exclusion.
8. No votes were taken, but we concurred that CPIC would do what makes sense to make this project work for the Town.
9. We need to understand how the funding of this cost overrun will impact the other capital needs of the Town.
10. The next meetings are scheduled for Thursday, August 11 and Wednesday, August 17, both at Town Hall at 8:00 a.m.

The meeting was adjourned at 9:45 a.m.