

Town of Harvard Capital Planning Investment Committee
Minutes of Meeting
August 11, 2011, 8:00 a.m.
Town Hall

Members Present: Cindy Russo, George McKenna, Keith Cheveralls, Tim Bragan, Peter Warren, Lorraine Leonard. David Kassel also participated.

1. We will consider the minutes at the next meeting and devote this meeting to a discussion of the sewer project.
2. There was more discussion of the project costs. The FY11 engineering costs of \$255,145.63 included the redesign of the system as required by DEP and borings for ledge. The borings determined that there was more ledge than expected but resulted in less uncertainty so that the contingency was decreased to 5%. The \$321,000 in engineering costs shown in FY12 includes the preparation of bid documents and the bidding process, which has already been incurred, as well as project management.
3. Tim reviewed the answers to our questions from the meeting of August 2. We will be able to get 2% SRF funding for both the additional debt of \$540,385 and the Town's connection fees. The increased debt will be non-excluded and will be repaid by betterments through the Enterprise Fund.
4. The repayment of loans by the Enterprise Fund was a part of the legislation. The number of units paying betterments must be determined by the Sewer Commissioners; Sewer Commissioners have not yet been appointed. Tim and Lorraine are estimating 85 units at \$18,530 per unit, for an estimated total betterment of \$1,575,050.
5. The Committee discussed the \$337,405 that was paid from the reserve fund for engineering costs and will not be a part of the borrowing. Some members felt that this should be acknowledged as a part of the project cost. Lorraine reported that \$100,000 was added to the reserve fund by Town Meeting specifically for this purpose. A concern was expressed that the balance of \$237,405 would have been available for the capital fund if it had not been expended on the sewer project.
6. The current projected net cost to the town (ie. the tax base) of the sewer project is \$1.1 million, plus the \$337,405 already spent, for a total of \$1,437,405. The original projected net cost to the town was \$700,000. If the project goes forward, the costs will be split approximately 50/50 between the users and the taxpayers. It was noted that the town's maintenance costs for the system are expected to fall because the new users will pay a portion of those costs.
7. The next meeting will be Wednesday, August 17 at 8:00 a.m. A vote will be taken at that time. A meeting with the homeowner/users will be held on Monday, August 15, and the Special Town Meeting is scheduled for Thursday, August 18.

The meeting was adjourned at 9:30 a.m.