

## **Town of Harvard Capital Planning and Investment Committee Minutes October 2, 2013, Town Hall Meeting Room**

Members present: Debbie Ricci, Marie Sobalvarro, Keith Cheveralls, Alan Fraser, David Kassel, Lorraine Leonard, and Tim Bragan

The meeting was called to order at 6:15 p.m.

The purpose of the meeting was to prepare for a presentation to the Finance Committee later in the evening at 9 p.m., outlining CPIC's concerns about the viability of the long and short-term funding of capital projects in town, and to discuss possible short and long-term sources of that funding.

Using the CPIC 5-year capital plan beginning with FY 2014, Lorraine presented the CPIC with a color-coded spreadsheet identifying capital costs by actual and likely sources of funding. The sources were the Capital Stabilization Fund, capital exclusions, Town Debt (primarily excluded debt), Other Sources (such as recurring capital), and Unknown. Lorraine assumed that payments via capital exclusion would be capped at \$200,000 per year.

Marie presented a CPIC Fund Analysis diagram, which visually depicted all of the current funding sources for capital projects and outgoing uses of the Capital Investment Fund (Capital Stabilization Fund?), including direct funding of projects and approved and new debt funding. The analysis was based on a number of assumptions, starting with the need for a proactive solution to address a projected funding shortfall from Fiscal Years 2016 to 2017.

The CPIC Fund Analysis also assumed that Free Cash available to the Capital Stabilization Fund would total roughly \$250,000 per year; that projects directly funded by the Capital Fund would cost a maximum of \$100,000, and that not all capital projects would be funded via the Capital Fund.

Next, Debbie presented a spreadsheet showing a shortfall in the CPIC Fund of \$233,118 in Fiscal Year 2017. Under the spreadsheet were possible options for addressing the shortfall, including:

1. A stabilization-only override.
2. Transferring existing Capital Fund debt to the Omnibus Budget
3. Funding projects planned for Fiscal Years 2016 and 2017 exclusively through warrant articles and capital exclusions
4. Re-bundling existing Capital Fund debt as excluded debt.

CPIC members agreed the Finance Committee should be informed that the Capital Fund will need a stable revenue source totaling from \$400,000 to \$600,000 per year to fund all expected projects. Either that, or there will be a decrease in the number of projects that

can be approved. Moreover, the shortfall must be addressed either this year or next in order to avoid the coming shortfall.

The CPIC then met with the Finance Committee at ... p.m.

Minutes respectfully submitted by David Kassel