

Devens Economic Analysis Team ("DEAT")

**Minutes of December 29, 2010 Meeting
7:30pm - 9:00pm
Fireplace Meeting Room, Old Library**

Orville Dodson, Clerk

Members Present: Orville Dodson, Duncan Chapman, Steve Finnegan, Victor Normand, Paul Green, and Jean Russell. Also present as an invitee was Steve Colwell of the Harvard Finance Committee.

Victor Normand called the meeting to order at 7:30pm. The primary purpose of the meeting was to discuss economic and budgeting issues with Steve Colwell who was present.

The meeting opened with the approval of the minutes for prior meetings 10/15 and 11/4. Paul moved that we accept the minutes for the 10/15/10 meeting. This was seconded and the members voted unanimously to accept the minutes. Paul moved that we accept the minutes for the 11/4/00 meeting. This was seconded and the members voted unanimously to accept the minutes.

Victor updated us on the process of getting a meeting with MassDev's George Ramirez about updated Devens assessments, planned and underway capital projects, and meeting with Devens' utilities manager. MassDev still has not gotten back to us on this request. In a related matter, Victor related that our state senator Jamie Eldridge has offered to connect us to MassDev Chairman Bialecki.

Victor related a couple of points of information and recent news. MassDev seems to expect about 250 housing units to come out of Vicksburg Square. The current deficit (revenue minus expenses) at Devens is about \$5,000,000 per year.

Victor moved on to the main subject of the meeting – the presentation of a spreadsheet of towns having a similar total assessed valuation similar to a Harvard plus Devens as they exist today (approx \$1.39 billion) and a ratio of commercial/industrial assessments to total assessments similar to that of today's Harvard plus Devens (a ratio of about 16% commercial/industrial).. Eight towns, besides Harvard, were listed. There is one column in the spreadsheet for each town. Within each column a breakdown of the town's expenditures by item (police, DPW, Education, etc.) is given. A final column gives the average across all the towns of each expenditure item (police, DPW, Education, etc.) The numbers in the spreadsheet come from the state DOR's database

Victor then made several remarks about the spreadsheet. First, he suggested that the last column (the "average of all towns" column) could be considered a very rough first estimate of the cost of the various expenditure items for a Harvard Plus Devens.

He then remarked that only Harvard plus Devens amongst all the towns in the spreadsheet will experience significant growth. This is due to the 60% of the commercial/industrial at Devens yet to be developed. He pointed out that Devens proper is rather unique – it's comm/indust to total valuation ratio is very high (71.6%) due to the fact that Devens is 90% zoned for comm/ind. Victor expects that Devens will build-out the remaining 60% of its comm/ind quickly since most of it is queued up for development, has expedited permitting, and has new and nearly complete infrastructure.

Victor then asked Steve Colwell what soft spots he sees in using the “towns average” column in the spreadsheet as a rough first estimate of the costs for a Devens plus Harvard. Steve mentioned potential new residential at Devens plus Harvard as being an unknown with large impact on the Education item. He said he'd stick with the \$11,107,000 figure in the spreadsheet for just Harvard alone.

Paul Green remarked that we could refine the numbers in the “towns average” column in several ways: 1) For police we know the current Harvard only number and the town of Harvard has a good estimate for current Devens police which it's keeping onhand in case Devens puts out an RFQ for outsourcing its police, 2) For Fire, we know the number of men Devens has now for fire and could multiply that by the average yearly wage for those men, 3) We have a good idea of current Devens education costs since Harvard is currently educating most of Devens via an outsourcing contract from Devens. Someone also noted that we have published Devens expenditure numbers, especially for prior years.

Victor asks where we should go from here.

Paul suggested that MassDev may have to file reports which will hold useful data. There was little response to this. Steve Finnegan suggested we go line item by line item and drill on each one to get better and possibly final numbers for the Devens plus Harvard. Steve said he might be able to get Ayer's estimated cost for Devens fire. Someone remarked that it looks right now like taking Devens would be a \$2-5 million/year deficit for Harvard. Victor said we need help on Devens debt servicing since much debt might be already paid up (ie. is zero debt) and it may be that the only outstanding debt at Devens is for utilities. Sandy suggested that we circulate a draft of our final report a month before its release so that our (Harvard's) Fire Chief, Chief of Police, etc. can review the report. Paul remarked that the most valuable result of our study could be just the methodology that we used to produce our estimated Devens plus Harvard costs. Such a methodology could be used by future study committees. Steve Colwell said that we need to break out and subdivide the “All Other” line in the spreadsheet. He also said that we should look at Boxford as a town like us. Sandy Duncan said Dartmouth might also be a good “similar town”.

Steve said that, in preparation for the next meeting, we should all review the spreadsheet, Steve Colwell will subdivide the “All Other” line, and everyone should try to think of other sources of information.

Finally, all members agreed that we would use the every-two-week Wednesday/Friday meeting schedule that we maintained in 2010 for 2011. Orville will create and distribute the resulting meeting schedule for 2011. The next meeting will thus be 1/14/2011 at 7:30am. It was moved and seconded that we adjourn and the meeting did adjourn at 9pm.