

Devens Economic Analysis Team ("DEAT")

Minutes of January 14, 2011 Meeting

7:30am - 9:00am

Fireplace Meeting Room, Old Library

Orville Dodson, Clerk

Members Present: Orville Dodson, Duncan Chapman, Steve Finnegan, Victor Normand, and Maureen Babcock. Also present as an invitee was Steve Colwell of the Harvard Finance Committee and Ron Ricci.

Victor Normand called the meeting to order at 7:30am. The primary purposes of the meeting were to receive further feedback on Victor's spreadsheet, receive a breakdown Harvard FY11 town expenses from Steve Colwell, receive information on the school committee's NESDEC study from Maureen, and receive an update on MassDev matters from Victor.

The meeting opened with the approval of the minutes for prior meetings 12/1 and 12/29 of 2010. Steve moved that we approve the minutes for the 12/1/2010 meeting. Orville seconded and the members voted unanimously to accept those minutes. Steve moved that we accept the minutes for the 12/29/2010 meeting. Orville seconded and the members voted unanimously to accept those minutes.

Victor had no update on MassDev matters. MassDev still has not gotten back to us on our request for current assessments at Devens, for current and projected capital expenditures, and for a meeting with the Devens utility people. Ron Ricci said that he has an upcoming meeting with George Ramirez at MassDev and will check on why we are not getting more help from MassDev.

Victor brought up the spreadsheet and asked if there was any further feedback on it. There was none.

Someone mentioned that we have an Ayer Police memo from 8/26/08 giving \$821,000 as their estimate then of providing police to Devens. Steve remarked that this memo is on the Devens CD that he has distributed to all members. Victor suggested that we add a 3rd tab titled "Misc Info" to the spreadsheet. We could put numbers like the Ayer Police estimate under that tab.

There was a brief discussion of the \$11.1 million education number on the spreadsheet for the town of Harvard. This 11.1 number is monies obtained from the property tax that go to the schools. The total school budget is higher by the amount of state aid, student fees, school choice, the Devens contract, and other outside sources and is about \$15. The 11.1 number is important and is in the spreadsheet since it is the monies coming from the property tax which, after all, is the focus of the DEAT's study. It was noted that other towns often have a ratio similar to Harvard's 11.1/15.0.

Maureen then presented her information on the school committee's study titled "Harvard Demography and Population Projections" being done for it by the NESDEC. She has only preliminary numbers but said that the report is nearly completed and will be issued to the public in a few weeks. The study runs out to the year 2020. It shows a decline in student population between today and 2020. It is expecting no major new housing development in Harvard. The study also looks at Devens and sees a growth in Devens housing units from 263 to 350 between today and 2015. Steve remarked that the school committee has usually started from NESDEC numbers in its planning. The NESDEC is proficient at

population projections. Steve Colwell remarked that about a 5 year lead-time is needed to build a new school building.

Victor then moved on to Steve Colwell's breakdown of Harvard town expenses for FY11. Steve presented a two-page summary. The first page gives the breakdown of town expenses by category. The second page gives further detail on the "All Other" category. Steve had the following remarks on particular categories:

- "Other schools" is Monty Tech.
- "Other benefits" is workman's comp, education, etc.
- "Public Works" is the sum of 1) The DPW proper, 2) The Transfer Station, 3) Public buildings' maintenance, 4) the Waste Water plant, 5) Traffic light power, 6) Equipment purchases (small vehicles, plows, etc.).
- The Council on Aging, Libraries, and Parks&Rec are usually included under "All Other" but Steve broke them out separately in his breakdown.

Victor remarked that it would be nice to get a similar breakdown for the other towns similar to Harvard. Steve Finnegan said that we could get that from those towns' websites.

Victor wondered if there is a form from the state DOR that each town fills out annually to give the DOR the data it needs for its database of town expenditures. Steve Colwell said that there is such a form. He will have Lorraine give us the steps she follows in filling in that form for Harvard.

Victor said that Devens' utilities, after disposition, will either a) be sold to National Grid, etc., or b) will become a community utility. They will have electric, gas, water, and sewage. Victor asked Sandy and Paul to talk with Littleton Electric and see how a community electric utility operates. He asked Maureen to look for at further information from the school committee that might help us. Steve Colwell will refine his breakdown numbers. All of these in preparation for the next meeting.

Sandy said that we might want to include a town's credit rating in the spreadsheet. The best source for that would be Standard and Poor since many towns don't ask Moody to rate them because of Moody's higher cost. Victor remarked that the DEAT will be conservative in its numbers by including revenues (ie. Assessments) from only the Harvard part of the Devens land but including all of Devens in the expenditure numbers. Victor made a brief remark that he sees so far in our work about \$24 million per year of expenses for a Harvard plus Devens and, currently, about \$21 million per year of revenue.

It was moved and seconded that we adjourn and the meeting did adjourn at 9am.