

## **Devens Economic Analysis Team ("DEAT")**

**Minutes of March 11, 2011 Meeting  
7:30am - 9:00am  
Fireplace Meeting Room, Old Library**

**Orville Dodson, Clerk**

Members Present: Orville Dodson, Duncan ("Sandy") Chapman, Steve Finnegan, Victor Normand. 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 meeting opened with the approval of the minutes for the prior meeting (2/11/2011). There was a discussion of the paragraph covering Steve Finnegan's summary of the School Committee population forecast report (the paragraph beginning with "Steve Finnegan distributed to all members....."). In the end, it was decided to leave the paragraph unchanged. Steve moved that we approve the minutes. Duncan seconded and the members voted unanimously to accept.

Victor reported that he had given a preliminary summary of our findings to the Devens JBOS (Joint Boards of Selectmen) at their meeting in the prior week. They had only a few questions and raised no major objections. They seemed to be ok with the report.

Victor then moved on to our upcoming presentation before the Harvard BOS (Board of Selectmen). The primary focus here was upon getting some actual numbers for the cost of a combined Harvard plus Devens, broken down by budget item. Victor distributed the two sheets he will be presenting to the BOS at the presentation. One sheet was our spreadsheet with the "Harvard/Devens" column left blank. The other was a blowup of the basic statistics (population, budget per capita, school age children, land area, miles of road, etc.) for Harvard, Harvard/Devens, and for the average and means of the towns shown in the spreadsheet. The majority of the meeting was devoted to developing the numbers for the "Harvard/Devens" column of the spreadsheet. Our discussions and the methods we chose to produce each budget item's number for this column now follow, item by item.

For education, Steve Colwell provided a number (\$12,900) for current Harvard per pupil cost. This is the total cost coming from all income sources. Steve will get a more precise number for our next meeting. We decided that, for the education number in the Harvard/Devens column, we will use the precise Harvard per pupil cost times number of students five years out at the combined Harvard plus Devens. We might break this down year by year as total population fluctuates due to a decreasing Harvard component and an increasing Devens component.

We quickly did Fire and Police. We will probably use the current Harvard costs for these items and add the 2008 estimates for Devens from the Ayer fire and police chiefs and then bring the total up to current dollars. The result was \$1,876,664 for police and \$1,329,135 for fire.

For Public Works (DPW), we will take the current Harvard cost (approx \$1,200,000) and scale it up by the ratio of miles of road at Harvard plus Devens divided by the miles for Harvard alone. The result was \$2,505,893.

For Debt Service, we will simply copy over the current Harvard number since Devens has no debt

except for its utilities and that debt is self-financed by those utilities themselves.

For Health Insurance, we will simply copy over the current Harvard number. This is for several reasons. For Devens fire and police, the Ayer 2008 estimate numbers did include health insurance. For Devens utilities, all operation and maintenance (O&M) is subcontracted out so Devens utilities has only a small number of employees and their effect upon health insurance is negligible. For schools, the per pupil cost number does include health insurance costs. Finally, for town office operation, very few (if any) new employees are anticipated for a Harvard plus Devens.

For Pensions, the same as for Health Insurance and for the same reasons. So we will simply copy over the current Harvard number.

Finally, for All Other, we will take the current Harvard per capita "All Other" number and multiply it by the total population at the combined Harvard plus Devens. We took this total population to be the current Harvard population (6156) plus the estimated Devens population at build-out (1319) which is 7475 persons. The result which we will use for All Other is \$2,956,429.

To begin to wrap up the meeting, Victor asked Steve Finnegan to get the school committee population forecast report's chart of projected population year by year. Victor asked Steve Colwell to obtain a fairly precise current Harvard per pupil total cost. Victor noted that, plugging in a big number for education, he gets an approximate total Harvard plus Devens expenses of \$27,000,000 which is an increase from the current Harvard-only of about \$7,000,000. That would yield a current budget deficit of \$3-4,000,000.

It was noted by the members that, in addition to the expenses numbers in our final report, we should also provide revenue numbers in that report.

Victor mentioned that we will be on the Board of Selectmen's agenda for their March 15 meeting. Steve Colwell noted that we should include revenue numbers in our report. He also noted that we can probably refine the Police and Fire numbers via input from our own police and fire personnel. Duncan noted that we should stay conservative in the revenue numbers that we produce. Finally, Victor noted that warehouse operations are being gradually replaced by manufacturing at Devens which may improve revenue numbers coming from Devens.

It was then moved and seconded that the meeting adjourn. All members voted in the affirmative and the meeting did adjourn at 9am.