

Devens Economic Analysis Team ("DEAT")

**Minutes of March 17, 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.

Victor Normand called the meeting to order at 7:30am.

Victor reviewed the couple of tunings he had made to last week's numbers for the Harvard plus Devens expense items. He noted that he had increased the Health and Pensions items by 10%, making them now be the 2010 Town of Harvard numbers plus 10%. Victor noted that he is awaiting the current assessments at Devens.

The meeting then moved on to a broad ranging discussion of various topics with our final report being kept in mind. Utilities at Devens got particular attention. Some of the important points from this discussion now follow.

Victor took the Devens 2008 assessments which total \$400million, \$350 commercial/industrial and \$50 residential. He noted that other towns in the state with \$350million in commercial/industrial are all large towns and cities. These 2008 assessment numbers at Devens are the true assessments, prior to any abatement or tax holiday factors.

Victor and Duncan noted that Devens' infrastructure is near complete. No roads or large capital projects remain to be done. This state of near completion is a big plus when Devens tries to attract new business investments.

Duncan brought up the revenue side at Devens. Currently, the revenue side at Devens is about \$4.4 million which, after our estimates for the items in the expense side are deducted, yields a current deficit of about \$1.4 million per year at Devens.

Victor reported that he had told the Harvard Board of Selectmen at his preliminary presentation to them last week that there are two things for sure that they can expect about Devens: 1) Revenue will grow over time from the property tax, and 2) There are definite savings that can be gotten from regionalization.

Victor did meet with our state rep Jen Benson last week over coffee. She said that her two priorities at Devens are: 1) Putting the preferences of the towns (Harvard, Ayer, Shirley) and the Devens residents foremost in any considerations about Devens, and 2) Protect the state's investment in Devens.

It was remarked by one of the members that Benson's second point could come back to bite Harvard – the maintenance of Devens' infrastructure to current levels could be a costly item. Also, new law is requiring towns to include depreciation in their town budgets which, were Harvard to assume Devens, could be a large expense item.

Victor said that he had told the Harvard BOS that we have taken Devens utilities off the table since it will be revenue neutral or, more likely, revenue positive. To be conservative, we are assuming it to be revenue neutral.

Paul mentioned three things that we should make the town aware of in regards Devens utilities: 1) There are part(s) of Devens which have not yet been developed and providing utility infrastructure for them could be a large future cost, 2) Were Devens utilities to make an “in lieu of taxes” payment to the town it would be on the order of 1-2% of utility's revenue which is a negligible amount and needn't be considered, and 3) It is in the interest of the town to keep Devens utilities as one entity for stability and efficiency reasons. Victor agreed, especially with the third point.

The discussion came to an end. It was moved and seconded that the meeting adjourn. The meeting did adjourn at 9am.