

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

**Minutes of February 23, 2012 Meeting  
7:00 PM – 9:00 PM  
Fireplace Meeting Room, Old Library**

**Paul Green, Secretary**

Members Present: Duncan Chapman, Steve Finnegan, Paul Green and Victor Normand.

Guests Present: Ron Ricci.

Members Absent: Orville Dodson.

Victor Normand called the meeting to order at 7:00 pm.

The members read, corrected, and approved the minutes of the meetings of September 7, September 14, and October 28, 2011. The spelling of Duncan Chapman's name was corrected.

Victor passed out copies of last year's report to the Harvard Annual Town Meeting for discussion. He then reviewed the report, which explained our methodology for estimating the costs and expenses should Harvard take back its portion of Devens. He explained that the heading "CIP" in the report stands for "Commercial – Industrial – Personal" and relates to the sources of taxes paid to the towns.

The committee discussed the advisability of including income from Devens utilities in our 2012 report. This information was omitted last year due to uncertainty over the future structure of the utilities after disposition. The issue is how much revenue the town can conservatively estimate would flow to it as "payment in lieu of taxes" (aka PILOT). Victor explained that PILOT payments from Massachusetts utilities range from 1% to 4%. In our meeting last year with Jim Moore, Manager of Devens Utilities, he suggested using a range of 1% to 2%. According to the FY2010 financial statement from Mass Development, the utilities are presently paying 4%, amounting to approximately \$1.5 million per year, back to Mass Development. After disposition, assuming that the 3 towns retain their historic boundaries, the PILOT payment would be split between the towns. Therefore, Harvard would receive only a share of the full amount. Financial considerations suggest that all of the utility services will be kept together, because the storm water, fresh water and wastewater operations lose money, while the gas and electric operations turn a profit. Victor stated that the utility could also be given the task of maintaining the roads on Devens. Assuming that the utilities are indeed kept together as a single entity to ensure viability, the committee felt that it is reasonable to presume that Harvard will get some level of payment in lieu of taxes. The committee felt that we could comfortably use a figure of 1% to 2% for the total PILOT to the 3 towns, leaving open only the matter of the need to estimate the percentage that would flow to Harvard.

Victor proposed that we update our financial data from FY2010 to FY2011. We will use the federal government inflation figure to bump up the Police and Fire costs by 4 years of consumer price index data. Steve Finnegan volunteered to update the town data to use FY2011 values.

Victor will ask Mass Development to have the Devens Assessor update the list of property values and assessments.

Paul will contact Jim Moore to see if there are any updates to last year's utilities data, and to schedule a meeting. Duncan asked to be included in any visit. We also want to know if any new capital improvement projects are underway or planned.

Victor will ask to sit down with the Mass Development finance people to understand their budget. He will repeat our inquiry about planned capital budget items, and will ask for the balance of the Devens Fund, which is the primary funding mechanism for work at Devens. Finally, he will inquire about how much bonding capacity remains.

The discussion then turned to Vicksburg Square redevelopment. The committee asked Ron for guidance on taking a position on the Vicksburg Square proposal. Ron said that his personal recommendation is that we stay focused on the financial aspects and not take an overall position. The committee discussed the matter at length and agreed with this advice.

The next meeting is in 2 weeks, Thursday, March 8 at 7pm, in the same room.

The meeting adjourned at 9pm.