

TOWN OF HARVARD
FINANCE COMMITTEE
Minutes

Meeting Date: October 7, 2009

Meeting Place: Town Hall

Members Present: Steve Colwell, Marie Crowley Sobalvarro, Marie Fagan, John Sullivan, Bob Thurston, Lori Granville

Others Present: Lorraine Leonard, Finance Director; Tim Bragan, Town Administrator.

Meeting Time: 7:10 pm

Adjournment Time: 8: pm

Discussions and Actions

- Fin Comm Chair opened meeting 7:10 pm; sought public comments (none offered).
- No minutes to approve. There was not a hard copy available. Will approve next meeting
- 2010 budget status and possible 9c cuts
 - Tim reported on the state budget – He indicated that the MMA reports that it could be at least \$500,000,000 or more.
 - In response to the shortfall Tim reported that the MMA has sent out an Action Alert calling for the following municipal reforms:
 - Health insurance plan design - MMA's plan to give cities and towns the power to update municipal health insurance plans outside of collective bargaining, which is what state government does, and would save tens of millions of dollars statewide.
 - Telecom loophole - End the telecom property tax loophole on equipment, which would generate \$25 million locally (the state ended the loophole on poles and wires last summer).
 - Quinn Bill unfunded mandate - Fix the Quinn Bill mess by passing legislation to clarify that cities and towns are NOT responsible for paying the state's share of the police career incentive program – police unions are in court trying to force cities and towns to make up the \$48 million that the state cut from its share, which would represent an outrageous new unfunded mandate on municipalities.
 - Pass Pension funding relief - Pass legislation allowing cities and towns to extend their pension funding schedules by 10 years, to 2040, to protect local taxpayers from unnecessarily high assessments during this time of fiscal crisis – unless the funding schedules are extended, market losses due to the recession will trigger steep increases in annual pension payments and force budget cuts to key municipal and school services.
- Tim pointed out that 2 numbers should stand out: the \$1.5 billion in one-time federal funds used to balance the budget and the fact that Chapter 70 was cut by 2% (this was made up with a grant from federal dollars).
- Tim indicated that it is unknown what the 9C cuts will be this year. It is also unknown how big the cuts will be to local aid and chapter 70 in FY 2011.
- There was a discussion led by Bob on what the size of the 9c cuts will be.
- Lorraine commented that vehicle excise tax receipts should go up (clash for clunkers) small amount of cash could be realized.
- Bob presented a proposed meeting calendar for the remainder of the fiscal year.
- General discussion on budgets
 - Goal for having the book ready for April 1
 - Budget letter out to departments Nov 18th.
 - 1 month to get their budgets back
 - Question was discussed whether to ask department to submit budgets with a 2%.

- How to allocate insurance in various departments.
- Is there a budget cut target that we should give each department?
- When to bring town dept heads in front of finance committee, probably after November 18th letters go out
- January 6th budgets will be due
- End of January, Finance Committee should start meeting with depts.
- Bob made comment we are in probably pretty good shape to cover any 9c cuts. Should be covered by free cash.
- Survey status
 - Today was the last day that surveys could be submitted. Collyn will shut down the web site on Friday.
 - Manual submissions need to be typed in.
- Budget format
 - Bob lead discussion on health insurance – We should give departments a target of what their bottom line is and then they go out and build their budgets. Follow this format versus have them figure out %'s.
 - Bob suggested we take a conservative approach to further build our reserve.
 - Bob proposed an amended budget format and shared it with the team
 - General discussion around what level of detail we want from each dept.
 - Should we require a list of outside funds that each dept brings in?
 - Bob spoke about the FC book and wants to give more visibility to the outside funds for various depts.:
 - Schools
 - Library
 - Wetlands (Conservation)
 - Cemetery
 - Police
- Discussion on budget format to give to depts.:
 - Actual FY08/09
 - Budget FY10
 - Request FY11

Show % change and leave space at right-hand margin for comments
- Bob is looking for a recap/summary at end of Omnibus Budget showing any changes with dates and amounts.
 - Such changes are made at Town Hall by Tim & Lorraine
- Marie S. is looking for a new recap sheet at the next FC meeting.
- Steve gave out handouts from the 9/29/09 SC meeting.
- Lori asked about liaison assignments for the upcoming budget cycle. Maybe we will discuss at the next FC meeting.
- Re: SC negotiations - Tim/Lorraine reported that the chairman of the BOS is on the SC negotiating team, along with Supt. Jefferson, and SC outside counsel, as well as those members of SC selected internally. (Chairman Cheveralls recuses himself from negotiations due to conflict of interest).
- No liaison reports.
 - Next Fin Comm meeting Oct 21st, 7:00 pm, Town Hall. Future meetings will be first and third Wednesdays every month, 7:00 pm, at Town Hall.
 - Move to adjourn at 8:45 PM.