

TOWN OF HARVARD
Finance Committee
Minutes

Meeting Date: Saturday, March 17, 2012

Meeting Place: Town Hall Meeting Room

Members Present: Marie Fagan (chair), Steve Colwell, Heidi Frank, Alan Frazer (assoc.),
Alice von Loesecke, George McKenna, Bob Thurston,
Laura Vilain (assoc.)

Members Not Present: Rudy Minar

Others Present: Tim Bragan - Town Administrator, Lorraine Leonard - Finance Director;
Debbie Ricci, Capital Planning and Investment Committee (CPIC), Keith Cheveralls (CPIC),

Meeting Time: 8:00 a.m. Adjournment Time: 11:55 a.m.

Discussion and Actions

- Marie Fagan opened the meeting at 8:00 a.m. inviting members of CPIC to present their report. George McKenna noted that the agenda listed Public commentary as first.

- Public commentary

Debbie Ricci, East Bare Hill Rd.,
discussed the CPA 1.1% increase to 3% saying that the increase will never be used for funding the bond for the Town Hall (TH) building project. It'll be used to pay down the Town-side of the bond, thus the increase is not going to be helpful to the TH project.

Marie Sobalvarro, St. Johns Lane,
in discussions with Stu Stagnor, Steve Browse, and Tim Bragan, said the timing of the CPA 3% increase is an issue, but with a request to only fund the detail design, it may be possible to bring this to the Annual Town Meeting (ATM). Also, the stated goal of the Board of Selectmen has been to increase the CPA to 3%. Marie talked about the files on the stage, water running inside the building during rainstorms, and she showed pieces of the TH that had fallen off the building.

Stu Sklar, Scott Rd.,
said the TH was over 140 years, and as noted by the Municipal Building Committee, is in need of significant repairs. He referenced the '*CPIC Recommendation Proposed Additions and Renovations to Town Hall*' report highlighting the work needed (not fully ADA accessible, structural issues, not energy efficient, needing more meeting space, etc.) Stu indicated a problem with 6.ii. (in report noted above) - having to do with the suggestion that the Statement of Intent limit the scope of the TH renovation to only code compliance. He contends that the Statement of Intent was never voted on and has no legal standing according to Town Council. Stu argues against 6iii. which focuses on parking, saying that 'we can do it.' For 6vi. which states that the philanthropy monies have not been specified, Stu disputes this saying that a final plan is needed before "commitments" are made (the new Library worked this way.) And in conclusion, Stu suggested that with interest rates at a historic low, the TH project is affordable.

Don Busiek, 18 Bowers Rd.,
showed support for the TH, saying "Do it."

Tom Horrell, Bowers Rd.,
said that the TH defines the Town, and it's "too bad" that it's deteriorating. He's lived in Town for over 40 years. He suggested that maintenance had been deferred time and time again. And that with the overall economics, the Town was now in a position to make a difference.

Peter E. Warren, Lancaster County Rd.,
said TH was beginning to become like Vicksburg Square.

- Finance Committee discussion

George McKenna requested the Finance Committee make a decision regarding the recommendation for or against the MBC Town Hall article. Marie Fagan said that the dollar amount was so big that she would like discussion, including more perspectives. There was some confusion as to whether members of other boards who were in the room, as the MBC or the Board of Selectmen, could be asked to join in the discussion if clarification was needed. George withdrew his original request about the TH decision, and recused himself from the CPIC presentation. There was no longer a quorum. The meeting was stalled.

Steve Colwell, Finance Committee member, joined the meeting. There was now a quorum. The meeting resumed.

- CPIC discussed recommendations re: MBC;
FinCom makes recommendations for or against MBC article

Debbie Ricci and Keith Cheveralls (CPIC) discussed the '*CPIC Recommendation Proposed Additions and Renovations to Town Hall*' report.

Debbie Ricci summarized the methodology behind report, and suggested the report identified factors the Town residents might consider. (The report will be in The Book.) Issues addressed were the performance area on second floor, parking, relocation costs for Town employees, and what are alternatives to the current project.

Keith Cheveralls discussed affordability, noting that the MBC never had a budget. He explained that CPIC took a "No Position" vote because of the long-term impact and "lack of thought" regarding all 3 buildings (TH, Hildreth House, Old Library). He questioned "what will the real cost be?" Currently, he said the Town's population is not growing, and the commercial base has shown no real growth. He noted that the Town and its employees have shown restraint during the economic downturn, and that spending such a large sum of money on the TH project would send the wrong message to those who work for the Town.

When Marie Fagan asked if staged timing of the TH project might work. Keith Cheveralls answered 'yes', but that they haven't seen it. When asked about the CPA surcharge change from 1.1% to 3%:-- Debbie said 'net-net the individual would have a higher tax rate', Marie

Fagan countered by pointing out that more money from the State (un-taxed) would be better for the taxpayer in the long run. Bob Thurston said at the bottom line, 100% is available to the Town. Heidi Frank asked how volatile were the terms of getting CPA money. Debbie answered that the amount of money available would be dependent on how many towns signed on and strength of the economy.

Regarding cost alternatives to the TH project, Ron Ricci (BOS) said painting the exterior was budgeted at \$42,000 and exterior woodwork at \$500,000. Doug Coots (MBC) said repairing the exterior and finding solutions so that rotting did not continue would cost more. Asbestos removal also needed to be considered. Bob Thurston understood that the current TH addition was not "renovate-able", and would include a tear-down with more costs.

Alice von Loesecke joined the meeting.

Pete Jackson (MBC) explained that the MBC looked at the TH project at the "conceptual level" and that separating out costs for cost alternatives was not feasible. He and Alan Fraser talked about ADA compliance issues, and that not being in compliance may open the Town up to lawsuits. Doug Coots (MBC) mentioned other Life Safety Code violations such as failing egress from second floor, no sprinklers, stairways not being in code, electrical and plumbing systems needing to be up to code. And the lack of insulation was a comfort issue. He stated "...this has been a conventional and complete process."

George mentioned that there was excess space capacity at the Old Library for meeting space. With renovations including an elevator and bathrooms, the Town Hall offices might be relocated there. Ron Ricci (BOS) agreed.

Marie Sobalvarro (BOS) suggested that the next stage for funding the TH project might include only design, and that this might be funded out of excluded debt. Ron Ricci said this was the first he had heard this. The idea of staged funding will be talked about at the BOS meeting next Monday night.

The Finance Committee discussed affordability, other Town buildings needing maintenance and repairs, the long-term impact of not going ahead with the TH project, and the debt impact. The Finance Committee thanked CPIC for its work.

A motion was made to recommend in favor of the Town Hall project, Article 36, as written, with \$2.9M raised through exempt debt, and that \$1M to be paid from CPA funds. Discussion: Marie Fagan was concerned that if the CPA surcharge was changed from 1.1% to 3% could the funds be used retroactively - if not, would the Town lose its CPA share of funding? She noted the circular logic of trying to fund TH with money not yet cleared for funding because we were looking for more money.

The motion was withdrawn until there was more information.

- Minutes for Wednesday, March 14, were reviewed, and approved with changes.
A motion was made to accept the Minutes for March 14, 2012.
The vote was 5:0:1 in favor, Steve abstained, not having finished his review.

- Discuss DPW "Needs Assessment"
CPIC worked with Rich Nota, Department of Public Works, and Weston and Sampson, an engineering consulting firm, to look at all the DPW buildings needing maintenance and renovation. Weston and Sampson did a feasibility study that will be going to the BOS for a small warrant article on Monday night. (FYI to FinCom)
- Vote any remaining Warrant Articles, capital or other budget decisions
Regarding Facilities Director - the grant did not come through; so the warrant article will be revised.
- Warrant for Super Town Meeting 3/28/12

Finance Committee Discussion: Devens rezoning of Vicksburg Square will be voted on at the Super Town Meeting on Wednesday 3/28/12. The impact on Harvard is hard to figure. If passed, 246 units would be added to Devens, financed in part by tax credits. The target population is outside Harvard's 'local' area, including Fitchburg, Leominster, etc. Most of the zoning would have Vicksburg Square in Ayer, with the remainder in Harvard. One building out of four would house the elderly, 55 years and older; and 80% would house low-income renters.

Concern lies when the tax credits go away and don't cover costs, with Vicksburg Square ending up in bankruptcy. Ayer's Finance Committee recommended against. There could be an increase in students coming to Harvard (77-120 students), but if boundaries change or when MassDev goes away, the situation will change. The Committee asks what is the benefit to the Harvard taxpayer?

**A motion was made for Finance Committee to take "No Position" on the Devens rezoning of Vicksburg Square warrant article.
The vote was 4:2 in favor of "No Position". Marie and Steve were opposed.**

- Review Book Assignments

**A motion was made to accept the four submissions of CPIC for the Book.
The vote was 6:0 in favor.**

Steve's draft warrant article was reviewed. Tim Bragan has been tasked to ask the BOS to split out the military from elderly from the deferred tax option in article #50.

Tim Bragan had to leave.

The Committee noticed a differing of views between the School Committee's reports and the Finance Committee's reports. It was decided that there are many ways to look at things, and that a variety of points of views is useful.

**A motion was made to accept the 2012 report of CPC to include in the Book.
The vote was 6:0 in favor.**

- No Town Administrator report (Tim)

- Finance Director's report (Lorraine Leonard)

In answer to the motor vehicle excise tax question - which was has there been an increase? -- It was "yes", the Town has had just over a 3% increase this year.

Lorraine asked for a reserve fund transfer for the Finance Department for two items: \$1,196.30 overage for the Massachusetts Water Pollution loan fee of \$1,000 and increased fee for a bond agent from \$1,500 to \$1,700.

A motion was made to approve \$1,196.30 for debt expense to the Finance Department. The vote was 6:0 in favor.

The DPW truck was going to be in FY13, but will now be paid from the Reserve Fund this year. DPW has already spent \$49,000 of the \$70,000 for recurring capitol.

A motion was made to approve \$70,000 reserve fund transfer for a new dump truck. The vote was 6:0 in favor.

The new Recap is balanced at \$0.

- Liaison Reports

The HEAC material was received by FinCom, and is available on-line.

- Other Business

Next meeting the Committee will look at all warrants, vote any lose ends, have MBC submission for The Book, have the Calculator for The Book. Future meetings will be Wednesday, March 21; Wednesday, April 4; and Wednesday, April 25.

- Next meeting – Wednesday, March 21, 2012, 7:00 p.m., Town Hall meeting room
– Town Meeting, April 28, 2012

Meeting adjourned at 11:55 a.m.

Respectfully submitted,
Laura Vilain