

TOWN OF HARVARD
Finance Committee
Minutes

Meeting Date: Wednesday, April 25, 2012

Meeting Place: Town Hall Meeting Room

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

Members Not Present:

Others Present: Lorraine Leonard - Finance Director

Meeting Time: 7:04 p.m. Adjournment Time: 8:20 p.m.

Discussion and Actions

- Marie Fagan opened the meeting at 7:04 p.m.

- Minutes for Wednesday, April 4, were reviewed, and approved with changes.
 A motion was made to accept the Minutes for April 4, 2012.
 The vote was 5:0 in favor (Rudy Minar and Steve Colwell had not yet arrived).
- No Public commentary

- Finance Director's Report (Lorraine Leonard)
 Lorraine Leonard passed out the current FY13 Recap of the Omnibus Budget with the House Ways & Means numbers included (new numbers for the Cherry Sheet Charges line; from .2% to -16%). Good news; there is a surplus of \$114,485.

- Liaison Reports
 Alan Frazer reported that the Energy Commission wonder if they should have a budget to pay for trainings, etc. It was suggested that they ask through the Board of Selectmen because they were the ones to appoint the Commission members.

- Preparation for Annual Town Meeting
 Lorraine reported that there were some capital changes on some Articles; #3 Free Cash; #15 Capital Planning and Investment committee (CPIC) Debt Payment; and a minor discrepancy of \$257 in the School's budget that reads correctly in the Warrant Article.

 Article #3 of Free Cash -- Bond Counsel has a policy where the money must flow from Free Cash to pay debt and then the balance to Capital Stabilization. This policy affects debt payments because the Town cannot borrow money if it appears we have sufficient funds in Stabilization.

 Article #15 CPIC Debt Payment - Lorraine and Tim refinanced/restructured some of the Town's debt including payment on 2 trucks listed in the CPIC debt payment. There is a savings of \$168,000.

 Rudy and Steve join the meeting.
 Lorraine also reported that the town has retained its AA+ rating by Standard & Poors.

- Other Business

Heidi Frank asked for a reconsideration of the vote that was in favor of Article 36, the modification of the CPA surcharge from 1.1% to 3.0%. She didn't believe enough research had been done on the effects of increasing in the surcharge. She suggested that since this was money the Town was asking from the taxpayers, the taxpayers should know where the money was going toward. In addition to having no plan for the money, she explained, the CPA money has restrictions applied to it.

George McKenna agreed and called the CPA surcharge a "tax over-ride." He said that the discussion about money that would come directly from the taxpayers usually comes from the Quad Board's meeting, so that more committee representatives could weigh in on how a move like increasing the CPA surcharge would affect the big picture.

Bob Thurston reminded the Committee that we don't control any money. Essentially, asking for money and determining how money is used, is up to the Town, and the vote at Annual Town Meeting (ATM).

Steve Colwell added that new information after FinCom's 6:0 vote to approve the CPA surcharge increase had impacted his decision. That even though we took the lead, our stance happened during a time-crunch. After FinCom voted, the Board of Selectmen (BOS) voted 3:2 against, and the Community Preservation Committee (CPC) voted 3:2:1 in favor.

Alan Frazer reported that there are account balances in the Conservation funds of \$181K; CPC Conservation Fund of \$772K; and Affordable Housing funds of \$400K.

The counterpoint was that the funds for Open Space were being collected to act as an insurance policy should the Town need to buy up large tracts of land.

A discussion happened about the timing of the current \$1M funds from the current CPA surcharge money of 1.1% that is earmarked for the Town Hall renovation. Bob said that the \$1M amount was based on what could be raised from CPC -- and that CPC was only willing to spend \$1M on the Town Hall project. There were some questions about this.

A motion was made to reconsider the Finance Committee vote on the recommendation of article 36, the modification of the CPA surcharge from 1.1% to 3%.

The vote was 6:0 in favor. (George was not present at the original vote, so could not vote.)

A motion was made to not recommend article 36, the modification of the CPA surcharge from 1.1% to 3%.

The vote was 4:3 to not recommend. Steve, Heidi, George, Alice were for not recommending article 36; Marie, Bob, Rudy opposed.

A motion was made to suggest to the Board of Selectmen to establish a task force from the relevant boards and committees to examine the issue of the CPA surcharge to the Town. The vote was 7:0 in favor.

• Next meeting – Annual Town Meeting, April 28, 2012, arrive at 8:30, Bromfield HS gym
Meeting adjourned at 8:20 p.m.

Respectfully submitted,
Laura Vilain