

**TOWN OF HARVARD**  
**Finance Committee**  
**Minutes**

**Meeting Date:** Saturday, January 12, 2013

**Meeting Place:** Town Hall Meeting Room

**Members Present:** Alice von Loesecke, Laura Vilain (Associate), Steve Colwell, Alan Frazer, Heidi Frank, George McKenna, Rudy Minar, Bob Thurston

**Members Not Present:** Don Ludwig (Associate)

**Others Present:** Tim Bragan – Town Administrator; Lorraine Leonard – Finance Director; Joe Connelly – Schools Superintendent; SusanMary Redinger – School Committee Chair; Pat Wenger – School Committee; Keith Cheveralls – School Committee

**Meeting Time: 9:07 AM      Adjournment Time: 12:15 PM**

**Discussion and Actions**

- Meeting Minutes - NA
- Public Commentary - NA
- Schools Department 2014 Budget Review (9:15 AM – 11:40 PM)
  - Responding to FinCom’s 23 questions regarding the Schools earlier submitted FY 14 Draft Budget, personnel from FinCom and The Schools conducted a lengthy discussion that included a number of clarifying and follow-up questions. Highlights include;
    - Enrollment – On October 1 of each year, to kick off the budget, grade-by-grade enrollment projections are established and issued to “budget heads” across the Schools to allow optimal budget forecasting. The budget projects a continuing decline in enrollment through 2021. Currently, 11% of the student population is represented by Devens and Choice students. In the opinion of the Schools Superintendent, 11% is an ideal ratio of students from outside the Town. Going forward, the mix of Devens and Choice students will be managed very carefully as and if projected enrollments declines occur. Salary (teachers) and Supplies are the two areas of greatest financial impact tied to enrollment. Forecasts for potential post-FY14 impacts were discussed. The School Committee has a sub-group in place specifically tasked to understand and plan for varying levels of possible enrollment changes/reductions over the next 10 years.
    - Joe Connelly stressed that his team has not submitted a “Draft 1” budget loaded with wish list items that need to be pared down. In their opinion, the budget as submitted has already been scrubbed.
    - Regarding the current FY13 projected surplus of approximately \$100,000, Joe commented that there is still a long way to go in the fiscal year. To the extent that the surplus is realized, the Schools’ intention is to use those excesses for “open capital needs.” Lorraine elaborated that the practice has been to almost always utilize year-end surpluses for “one-time expenditures” to avoid implementing permanent increases to the budget base. Most of the potential FY13 surplus is driven by teacher resignations that have been replaced with lower step and grade replacements. Keith offered that these savings tied to resignations should not be viewed as wholly serendipitous but in fact is the result of ongoing,

proactive tracking and management of staffing levels so that contingency plans are in place when the unexpected happens.

- Curriculum – While discussing the budget request for HES’s “Reading Textbooks and Supplies (K-5)” for \$130,000, the point was made that this is a “mandate driven by the new Common Core Standards being mandated by the Massachusetts Department of Elementary and Secondary Education.” Joe further elaborated that statewide mandates of this sort began in Massachusetts with school reform initiatives in 1992, and further, at present at least 46 States have adopted the same Common Core standards. Essentially, there is little local control over curriculum. Accordingly, “all future state assessments (of school systems) will be based on how well aligned our grade level curriculum is with the state frameworks.”
- Bridges Program – The Schools are experiencing a drop in enrollment and revenues from before and after school child care programs. The downturns in the economy, declining elementary enrollments as well as “no-cost” availability of the adjacent Library are all causes. Large numbers of students, a significant portion from 6<sup>th</sup> grade, are descending on the Library mid-afternoon. This in turn has caused a staffing problem at the Library that they are attempting to address. The Schools and the Library have had discussions about this and all agreed those discussions must continue, ideally including collaboration with Parks and Recreation as well as The Center on the Common. There is both an overlap of services for after school activities as well as an opportunity for collaboration among these four “service providers” to address this issue while offering relief or support to the Library.
- Town Administrator Report – NA
- Finance Director Report – Lorraine spoke briefly to; salary range for new Schools Superintendent, update on bus contract coming due and health insurance contract rate
- Liaison Reports – NA
- Other Business
  - FinCom reviewed and assigned member responsibilities for The Book, the annual report that is prepared annually for the ATM. Following were the assignments;
    - Table of Contents – Tim
    - Finance Committee Address – Alice
    - FY14 Schedule of Changes in Revenues and Expenditures – Lorraine
    - State of our Town – Rudy & Alan
    - Town Department to be profiled – We agreed on COA with Laura responsible
    - Schools – Steve & Lorraine
    - Reserve Transfers – Lorraine
    - Capital Planning and Investment Committee Report – George
    - CPIC Recommendations – George
    - CPC Report – Steve to request CPC prepare and submit a report
    - EDC Report – Rudy to request EDC prepare and submit a report
    - Capital Debt Impact Analysis – George, move report to after Calculator
    - Financial Projections – FinCom
    - The Calculator – Tim
  - Draft submissions for The Book to be submitted 2/6/13
- Meeting adjourned at 12:10 PM