

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

**Meeting Date:** Saturday, February 2, 2013

**Meeting Place:** Town Hall Meeting Room

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

**Members Not Present:** - NA

**Others Present:** Tim Bragan – Town Administrator

- Community Preservation Committee (CPC) – Debbie Ricci, Didi Chadran
- Capital Planning and Investment Committee (CPIC) – George McKenna (Chair), Keith Cheveralls (Schools), Marie Solbovarro (BOS)

**Meeting Time: 9:07 AM      Adjournment Time: 12:05 PM**

**Discussion and Actions**

- Meeting Minutes – NA
- Public Commentary – NA
- CPC FY14 Budget Review; 9:07 AM – 9:18 AM
  - Debbie and Didi spoke to the requests CPC received for FY14 and the CPC’s current approval status “being considered for a 2013 Annual Town Meeting vote.” Following is CPC’s planned recommendation for ATM:
    - \$200K for Open Space
    - \$16K for Historic Preservation, Document Preservation (state mandate)
    - \$55K for Historic Preservation, Bromfield Stone Wall Restoration
    - \$100K for Affordable Housing
  - In response to a query about expected FY13 CPA receipts, Debbie estimated \$190K will be raised by the 1.1% CPA surtax and \$45K from the state CPA match
  - Regarding the Town Hall project, Debbie estimated that the initial impact, at this time, is expected to occur in FY 15 in the approximate amount of \$95K
- CPIC FY14 Budget Review; 9:19 AM – 10:03 AM
  - With input from Keith and Marie, George summarized CPIC’s FY14 Capital Request Rating Grid results. Following are highlights;

▪ CPIC fund balance as of 2/1/13	\$790,887
▪ 2012 “soft estimate” Free Cash; Geo and Lorraine	\$200,000
▪ Projected fund balance	\$990,887
▪ 11 of 20 capital requests recommended	(\$373,654)
▪ Projected fund balance	\$617,233
  - An additional 4 projects to be supported by “alternate funding”
    - \$175K for sewer connections and \$157K for the TBS Pond Road parking to be funded by debt load interest of \$20K/year that CPIC will request of FinCom
    - \$15K for Ambulance Chest Protectors to be funded by ambulance receipts reserves
    - \$29K police cruiser to be funded by recurring capital

- Regarding the preliminary projected CPIC fund balance of \$617,233, George reminded the room that annual free cash is unpredictable and that over the next four years (FY15 – FY18); projected CPIC debt service alone will be \$535,200. For these reasons, George suggested CPIC “may look at an override,” timeframe unspecified.
- Discussion of “Additional Budget Requests and Warrant Articles” 10:05 AM – 12:00 PM  
Using FinCom’s recently adopted FY14 Budget Priority Ratings Schedule, we worked through a process to review and decide how to deal with the 17 “Additional Budget Requests” and 6 “Warrant Articles” yet to be addressed;
  - Votes Taken
    - Allocate \$40K for a PT Town Planner Passed 4-2-1
    - Recommend \$8000 B allot Box warrant article Passed 7-0
    - Not recommend \$5K Boat Supplies/Park&Rec Passed 7-0
    - Not recommend \$5K EDC Website Passed 7-0
      - Instead recommend securing volunteer technology effort
    - Create and recommend warrant article; \$21,280 TBS text books Passed 5-2
    - Reduce local receipts \$800 to remove age 70+ Dog License Passed 7-0
    - Create and recommend warrant article; \$5K Fire Brackets Passed 6-1
    - Not recommend \$50K Park and Rec Director, new position Passed 7-0
    - Increase \$70K Police Overtime Passed 7-0
    - Increase Fire Stipends by \$8650 & \$16,704 Passed 7-0
      - Requires BOS approval
    - Allocate \$55,671 K-12 Counselor Passed 6-1
    - Increase \$5600 Schools Nurse Hours Passed 6-1
    - Increase \$3800 COA Receptionist Hours Passed 6-1
    - Restore 9C cuts to Finance \$10,159 FTE Hours Passed 7-0
    - Increase \$25,500 Schools FTE Stipends Failed 3-4
    - Increase \$8500 Schools Summer Guidance Hours Failed 3-3-1
  - Heidi Frank departed meeting at 11:30 AM
    - Increase HES Secretary \$7000 Passed 3-2-1
    - Increase Schools Dept Head Stipends \$10,000 Passed 4-2
    - Increase BOH Admin Support \$2100 Passed 5-1
  - Decisions taken without a vote
    - Reduce Free Cash by \$265 to pay 2011 BOH bill
    - Reserve Fund Transfer to resolve *potential* \$27,445 Finance Debt Principal
  - Summary
    - Following recommended adjustments, transfers and reallocations;
      - \$74,280 budgeted for small warrant articles
      - \$194,684 budgeted for additional budget requests
      - Leaving a current projected Omnibus budget surplus of \$134,920
- OPEB Discussion
  - Though the OPEB Working Group has yet to conclude its work and make its recommendations, a brief discussion was held concerning funding alternatives for OPEB. George suggested a scenario in which \$100K of the latest (and far from finalized) projected budget surplus of \$134,920 be allocated to OPEB, which would leave a \$34,920 for “Unknown Budget Issues.” \$150K might also be allocated to OPEB from the Stabilization Fund generating \$250K for OPEB. George also presented data to suggest that the Stabilization Fund Analysis, post-transfer of said \$150K to OPEB, suggests an acceptable remaining coverage ratio of 4.85% (Stabilization balance to

Omnibus less Capital). Tim added, again preliminarily, that the OPEB working group is likely, as part of its recommendations, to propose investing OPEB funds into a dedicated, irrevocable trust. Were that to occur, it is also possible that those funds would be invested in PRIT, which requires a minimum initial investment of \$250K. It was agreed that the question of OPEB will continue to be closely monitored and this is consistent with the FY14 budget guidelines and process laid out at inception of this budgetary planning cycle.

- Town Administrator Report – NA
- Finance Director Report – NA
- Liaison Reports – NA
- Other Business – FinCom received and reviewed Police Chief's response regarding \$70K overtime budget request
- Meeting adjourned at 12:05 PM