

TOWN OF HARVARD
Finance Committee; ALL BOARDS MEETING
Minutes

Meeting Date: Saturday, February 16, 2013

Meeting Place: Town Hall Meeting Room

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

Members Not Present: George McKenna, Bob Thurston

Others Present: Tim Bragan, Town Administrator; Ron Ricci, Lucy Wallace, Marie Solvobarro, Bill Johnson representing BOS; Joe Connolly – Schools Superintendent; SusanMary Redinger, Pat Wenger, Keith Cheveralls, Kirsten Wright and Bob Sullebarger representing School Committee; Debbie Ricci and David Kassell (Volunteer) representing CPIC

Meeting Time: 9:17 AM Adjournment Time: 11:35 AM

Discussion and Actions

- Meeting Minutes - NA
- Public Commentary – NA
- Review of current budget status
 - Alice provided an overview of FinCom’s deliberations to date on the FY14 Budget. Included was a brief summary of those items submitted as “priorities beyond Level Service” that FinCom had voted to recommend either as warrant articles or to be included in the FY14 Omnibus budget
 - During a conversation regarding the Library’s budget, Keith advised that an effort is already underway to address the surge in after school hours Library attendance, on a community wide-basis. Key participants will be The Schools, Library, Park and Recreation and The Center on the Common.
 - Alice communicated FinCom’s intention to recommend \$250,000 be allocated in FY14 for OPEB; details to follow.
 - To a question posed by Ron Ricci, Tim clarified recent media confusion regarding Town Counsel’s opinion of FinCom’s proposal to support, partially, funding of a part time Town Planner by transferring \$20,000 from last year’s approved Master Plan warrant article. Town Counsel’s initial disapproval stemmed from an erroneously worded question. Upon learning the actual details of FinCom’s proposal, Counsel determined FinCom was acting properly in this regard.
- Review of current Capital Plan
 - Deb Ricci distributed and spoke to two handouts; The Capital Plan for Fiscal Years 2014-2018 and CPIC’s “Capital Fund Balance and FY14 Requests Impact.” Highlights;
 - Deb advised that the submissions process to CPIC has continued to improve with solid cooperation from all involved
 - Deb walked us through the results of CPIC’s FY14 ratings process defining projects that CPIC proposes to support, advising where alternative funding is to be secured, as well as identifying requests CPIC declined to recommend.
 - The concluding point made was that CPIC’s Fund Balance, if all supported articles were to be approved, would be \$642,300. Given that the projected CPIC

debt service for FY15 – FY18, only for prior approved warrant articles, is projected to be \$423,135, it is CPIC's view that there will very soon be a need for long term funding of the Capital Stabilization Fund; i.e., an override. In response to Lucy's question of the likelihood of such an override article being presented at this year's ATM, the answer was negative. CPIC informed that it expects to move into the planning phase of this issue in the coming year, engaging FinCom in the process.

- Town Administrator Report
 - Tim spoke to the “generally negative” response to Gov Patrick’s proposed budget as well as sharing his understanding of the state’s budget process timeline.
 - Tim advised that Local Aid was projected to be \$899M with an additional \$31M allocated in FY14, only this time the incremental \$31M to be allocated based on “community income levels.” In other words, means testing will play a role in dispersal of the \$31M to be added to Local Aid in FY14.
- Regarding OPEB, Tim advised that the current actuarial study still underway involved the collection and analysis of an enormously greater amount of data as compared to the prior two OPEB actuarial studies conducted by the Town. Tim also advised that the OPEB working group’s report is targeted for completion on 2/25/13.
- Finance Director Report
 - Lorraine conducted an overview and breakdown/analysis of the Draft FY14 Level Service Omnibus Budget RECAP dated 2/15/13. In addition to explaining the details and corresponding offsets of Revenues vs. Expenses, Lorraine explained that the current projected “surplus” of \$52,499 is “not truly a surplus” as the budget process has yet to be completed, other debt issues may arise, FinCom might recommend these funds be directed to OPEB, etc.
- School Budget Commentary
 - SusanMary gave an overview of the School’s FY14 \$11,894,000 budget commenting on the close collaboration with CPIC, Lorraine (Finance Dept) and FinCom throughout the budget development and review process.
 - Keith reviewed the Schools Capital Budget submission
 - Joe spoke to the specifics regarding “textbook funding” describing the \$36K of level service in the Omnibus Budget as well as the \$21.8K funding being supported by FinCom via a warrant article
 - To a question posed by Marie, the amount of \$9.375M was advised as representing Total Salaries
 - Joe also addressed Laura’s concern/question regarding SPED forecasting, advising that \$50K may yet be required this year and that \$175K still seems an appropriate number for FY14, stressing the inherent difficulties in projecting SPED funding projections.
- Board of Selectmen Commentary
 - Lucy advised that the BOS intends to finalize its warrant article recommendations on 2/26/13.
 - Lucy also advised that the ZBA hearing on the Town Hall variance request had been continued to 3/13/13.
- Other Business – NA
- Next Meetings – FinCom to meet Saturday, 2/23/13 and Wednesday, 2/27/13 (Steve to chair)
- Meeting adjourned at 11:35 AM