

TOWN OF HARVARD
Finance Committee
Minutes

Meeting Date: Saturday, February 23, 2013

Meeting Place: Town Hall Meeting Room

Members Present: Steve Colwell, Alan Frazer, Don Ludwig (Associate), Rudy Minar, Alice von Loesecke, George McKenna

Members Not Present: Heidi Frank, Laura Vilain (Associate), Bob Thurston

Others Present: Tim Bragan, Town Administrator and Lorraine Leonard, Finance Director

Meeting Time: 9:05 AM Adjournment Time: 11:40 AM

Discussion and Actions

- Meeting Minutes – Minutes of 2/13/13 approved as amended (4-0-1)
- Public Commentary – NA
- Review of current budget status
 - Lorraine distributed 2/22/13 RECAP. Highlights;
 - Excluded and Non-excluded debt lines had been updated
 - Other Warrant Articles line adjusted upwards ~\$14K, representing 25% of a late-delivered bill for ~ \$57K related to prior year Halloween storm clean-up. Should FEMA elect not to pick up the balance of 75% of that expense, the Town would incur an additional charge of ~\$43K. The \$14K increase reduced the projected surplus line to \$39,183.
 - There was a review and discussion of the Actual and Projected Debt Service Schedule that Lorraine distributed. Discussion centered on potential shifting of borrowing trigger points and application of BAN Rates (short term notes) vs. Bond Rates (commercial paper).
 - As a follow-on to George’s suggestion that we consider allocating the final surplus amount (presently projected to be \$39,183) to the Schools Reserve Fund for SPED, FinCom was reminded that the prior practice has been to allocate Free Cash in the following priority sequence; 1) to offset any 9C cuts, 2) to support a 5% Stabilization Fund balance, and 3) to CPIC. The point was further made that the practice for disposition of Free Cash also allows for individual motions to be made at ATM.
 - A motion to fund the \$157K School Parking Lot warrant article as a “capital exclusion” passed 4 - 1.
 - A motion to increase the Reserve Fund from \$350K to \$400K, with FinCom recommending a 50/50 split between the Town’s Reserve and the Schools SPED Reserve, passed 5 – 0.
 - Following further due diligence by the Finance Department, a motion to not recommend the BOH request to add \$2100 for Administrative Assistant hours passed 5 – 0.

- George shared CPIC's preliminary consideration for a capital needs override within the next couple of years. Alan suggested that as part of any future override deliberations, FinCom ought also look closely and revisit all discretionary spending/funding that may be in effect at that time; i.e., the Town's 1.1% CPA surtax that started as an annual \$100K surtax in 2002 and which, through compounding, is soon to exceed \$200K per year.
- Rudy and George departed the meeting at 10:30 AM with Don being seated as a voting member.
- Review of Warrant Articles Wording
 - Tim spent 35 minutes reviewing, and amending where noted and agreed to, his draft versions of Warrants for the ATM.
 - Tim advised that the BOS was to conclude its warrant article deliberations at their 2/26/13 meeting; the results of which to be reviewed at the 2/27/13 FinCom meeting.
- Review Articles for The Book (delegated to various FinCom members) – POSTPONED
- Town Administrator Report – NA
- Finance Director Report – NA
- Other Business – NA
- Propose Agenda Items For Next Meeting
 - Warrant article votes
 - Warrants with dollars (\$) require FinCom vote to recommend or not
 - FinCom option to comment on non-dollar (\$) articles
 - Next meeting – Wednesday, 2/27/13; Steve to chair
- Meeting adjourned at 11:40 AM