

FINCOM
Meeting Minutes – November 19, 2014

Members Present: Alice, Rudy, Don, Steve, Laura, John
Not Present: Bruce, Heidi, Alan
Others: Tim, Lorraine
Location: Town Hall Meeting Room

Alice opened the meeting at 7:06 PM.

Minutes of the November 4 meeting were corrected (Alice opened the meeting and a typo in OPEB) and the minutes were approved unanimously.

Public Commentary: None.

Pumper Truck Update: Lorraine confirmed that the bid is out on the system for repair of the truck. It was also emailed directly to four repair shops the Chief has identified. The deadline for submissions is mid-December. We are concurrently pursuing purchase of a new truck...using the MA State contract will save about 4-6 weeks.

Long Term Debt Discussion: Tim distributed spreadsheets of projected revenues and expenses through FY2024. He walked the Committee through his assumptions and answered questions about specific numbers. Overall, we agreed that Tim's assumptions generally seem realistic to low on future revenue and realistic to in some cases high on future expenses, resulting in a conservative forecast. His forecast assumes the maximum 2.5% levy increase per year, and stable Cherry Street funding at \$3.553 million through the period. History shows state funding has only declined during severe recessions. Bottom line shows essentially a balanced budget with a modest \$20,000 to \$40,000 surplus through FY2020.

Budget Process Update: Lorraine said that Park and Rec, Agriculture, EDC, Cemetery, and Sewer Enterprise have yet to submit a budget. The school budget is expected in early-December. The process is on schedule to provide the Committee with all budget requests with questions/changes prior to our December 17 meeting.

Town Administrator Report: Tim updated the Committee on the state's project budget shortfall. The Patrick administration has projected it to be \$330 million, but the MA Taxpayers Association believes the figure is closer to \$700 million. Alice read a report that detailed where the state plans to cut expenses and their 1.5% cuts are mostly to programs that will not impact Harvard significantly.

Finance Director Report: We briefly discussed the revised audit of OPEB that Lorraine distributed, and confirmed the version dated November 19 includes answers to our previous questions. Alice pointed out good news—in the audit that was done in 2012, the town's unfunded liability was projected to be \$27.1 million, but the 2014 audit now projects our unfunded liability at \$21.9 million.

Liaison Reports:

--Schools: Steve attended the last school committee meeting and had nothing of substance to share with the Committee.

Other Business: There was a brief discussion but no decision on whether we will need an All-Boards budget review meeting.

Next Meeting: We will meet at 7PM on December 3 at Town Hall.

The meeting adjourned at 8:55 PM.

Respectfully submitted,

John W. Seeley, Secretary