

Community Preservation Committee Minutes

Date: August 24, 2022

Time: 7:30 PM

Place: Zoom Virtual Meeting

Members Present: Mark Morin, Pam Marston, Beth Williams, John Lee, Charles Oliver

Absent: John Mark Walker, Jo Ward, Arielle Jennings, Doug Thornton

Meeting was convened at 7:32 pm.

1. Roll Call, Sound Check were done. Preamble, Rules for Participation, and Reminder that meeting materials are available online and that this meeting is being recorded were read by Beth Williams.
2. Public Comment Period – No Public comment.
3. Review Minutes from 7/27/2022 Meeting – Minutes were approved as written.
4. Treasurer's Update – John Lee has finalized last year's budget. He is currently working on estimated FY2024 budget for the September meeting. John presented spreadsheet of last year's grant requests vs. what was funded. The \$130,617.00 will be carried forward to FY2024 budget.

	Community Preservation Fund		
	FY 2023 Budget 8-25-22		
Unreserved Fund Balance Carried Forward	\$88,270.00		
FY 22 Town Collection	\$274,924.00		
FY 22 State Match	\$115,892.00	43.84%	
FY 22 Town Collection plus State Match	\$390,816.00	10% minimum \$38,879.00 based on estimated Town Collection	
Total	\$479,086.00		

FY 23 Requests	Amount Requested	Voted to Spend	
CPC Expenses	\$2,500.00	\$2,500.00	
Town Hall Debt	\$48,000.00	\$46,988.00	
Affordable Housing	\$36,700.00	\$38,879.00	
PHCO	\$150,000.00	\$100,000.00	
Still River Woods	\$50,000.00	\$50,000.00	
Fire Department Record	\$11,495.00	\$11,495.00	
Civil War Tablets	\$11,775.00	\$11,775.00	
Shaker Herb Shed	\$58,000.00	\$0.00	
Town Records	\$21,480.00	\$21,480.00	
Harvard Park Playground	\$36,000.00	\$10,352.00	
Moorings & Anchors	\$30,000.00	\$30,000.00	
Docks	\$25,000.00	\$25,000.00	
Total	\$480,950.00	\$348,469.00	
Difference	-\$1,864.00	\$130,617.00	

5. CP-3 Project Report Status – Due to the Commonwealth by September 15th. John will take care of submitting paperwork next week. He has received the bill from Harvard Press for advertising the availability of the CPC application. He will submit the bill to Town Hall for payment.
6. Select Board's Strategic Goals – Explore CPA Increase – Charles Oliver explained the Select Board's reasoning of this goal. Looking for funding sources for Sports Complex project. Real Estate Transfer fee would go towards Open Space and/or Affordable Housing. John Lee explained that currently CPC receives approximately 80% of the Commonwealth CPA funds in 1st round funding. 3%

surcharge would get 2 extra rounds if funds are available. Sliding scale. Beth Williams sent Tim Clark's 2014 evaluation of raising the surcharge to the Committee for informational purposes (Attached).

7. New Business

- a. CPC is still seeking an open seat member for the Committee.
- b. Conservation Committee Historic Funding – According to the minutes of the June 26, 2001, CPC meeting “There is a consensus that for this fiscal year the committee would respect the clear intention of the vote of Town Meeting, giving priority to up to \$100K funding for Conservation projects. It was also the consensus that for the future, contributions to the Conservation Fund should be in the Annual Town Budget.”

8. Adjourn – Meeting was adjourned at 8:01pm

Upcoming Dates

History

- Adopted in 2001 as a way to gain access to state matching funds for open space and preservation projects, the annual appropriation to the Conservation Fund of \$100,000 was replaced by establishing the CPA surcharge of 1.1% on the annual property tax bill (after exemptions). No Exemptions to valuations were adopted.
- 2002 Town meeting vote to raise the surcharge to 3% and adopt exemptions for low income and moderate income senior households. The measure was narrowly defeated 48% yes to 52% no - failed primarily because it was announced that ballot question would not have been valid as it was not 35 days before an annual town election as required by statute and that the scope of future projects was unclear.
- 2002-2007 State matched 100% of locally raised surcharge (as collected in prior fiscal year). CPA fund revenues peaked at \$68 million. Harvard earned \$1 million in matching state funds and \$1.26 million in local receipts.
- 2008-2013 State match declined to a low of 26%, and bounced back to 52% in 2014 due to a \$25 million surplus investment from the state legislature. This decline was attached to collapse of housing market, reduced revenues and increase in participating communities.
- 2008-2014 \$540,000 raised locally plus \$200,000 in state matching funds.
- Total Raised by surcharge = \$1,821,382 Total state matching funds = \$1,168,596
- Had Harvard adopted a 3% surcharge in 2001 an estimated additional \$3.15 million would have been raised locally and potentially \$2.7 million in matching funds.

Looking Forward – Demands on the CPA fund

- CPC has been over-subscribed since the first year, grant requests are getting larger.
- The Conservation Fund has received many grants of \$100,000 meeting the original intent of the CPA.
- The Affordable Housing Trust has been funded almost entirely by the CPA fund.
- Four significant historic buildings are/will be demanding funds for their restoration – Town Hall, Hildreth House, Bromfield House, Old Library.
- CPC committed to a bond issue to finance \$1 million of the Town Hall Project. More will follow...
- Harvard is unprepared for a major land acquisition (think Still River) to protect significant resource areas and viewsheds per the Master Plan and Open Space and Recreation Plan.

Why Increase the surcharge to 3%

- Fiscally responsible to define a savings plan for these major projects. Harvard can self-finance significant portions of the project costs – Avoiding interest payments (borrow ceiling depends on amount of annual surcharge receipts not matching funds). This is a sound investment plan for restoring and retaining Harvard's unique architecture and landscapes.
- Setting the surcharge at 3% will make Harvard eligible for second and third round funding (we could get up to a 90% match of the remaining funds based on our ranking – 6th decile shared by 74 towns) from the state CPA fund – Currently our distribution is from the 80% pool shared by 148 cities and towns.
- The CPA fund is the only source of matching state funds that are self directed and appropriated by town meeting – the investment decisions are controlled 100% by the town NOT some state agency. Historically Harvard has averaged a state grant of 64 cents for every dollar Harvard invests via the surcharge.
- Adopting 3% will allow for exemptions for first \$100,000 of all property tax valuations, PLUS exemptions for low income eligible families and moderate income senior households. (\$77,040 max income for low income family of 4 and moderate income senior (one member 60 yrs or older) household of 2)
- Comparing 1.1% to 3%: The current 1.1% surcharge for average residential tax bill (2013 town report): (16.68% per \$1000 of property tax valuation) (1.1%). Example Avg Residential Value = \$547,036.

At 1.1% the current surcharge is $(16.68) (547,036)/(1000) = (9124.56)*(.011) = \text{\$100}$.

A proposed 3% surcharge: $(16.68) (547,036-100,000)/(1000) = (7456.56)*(.03) = \text{\$224}$

Current Borrowing of \$1,000,000 costs the town \$100,000 in principle/interest cost/1600 households = **\$62/year**

Path to adoption

STM by simple majority vote to adopt amendments OR a petition of 200+ signatures (5%) of registered voters to place a ballot question before the voters at least 35 days (actually 42 days if by petition) but not 90 more days before a regular town election. Must be 60 days prior if ballot is at a state election (approved by Secretary of State) but not more than 120 days. Ballot approval is by majority vote.