



Town of Harvard
Finance Committee
Minutes for Feb 27, 2019

Location: Upper Town Hall Meeting Room - 13 Ayer Rd

Present: Don Ludwig (chair), John Seeley, Mark Buell, Jennifer Finch, Charles Oliver, Siko Sikochi, Ray Marchica

Absent: Richard Fellows

Others: Tim Bragan - Town Administrator, Marie Sobalvarro - Assistant Town Administrator/HR Director

Don Ludwig (chair) called the meeting to order at 7:01pm.

Minutes:

Minutes of Dec 5, 2018 approved as amended on a motion from John and Charles.

Minutes of Feb 13, 2019 not complete and not distributed, Jennifer to follow up.

Public Commentary: None

Town Administrator's report: Tim Bragan

Supporting Document 1 - Current Omnibus Budget Draft

Line 22 - Communications - \$201,369

Line 33 - Monty Tech - \$66,220

- Supporting Document 2 - Current Financial Recap and Projection Worksheet
Deficit down to \$276,029.

- Supporting Document 3 - Current Budget Reductions and Post Submission Increases
Tim has informed Superintendent Dwight that the town is looking to cut \$150k and asked that the school also cut \$150k from their budget. After that, the budget still may need another \$50k cut. Document shows Decreases of \$193,337 and increases of \$21,455. Net of \$171,822 cut.
On a motion by John/Charles - the committee approves the budget reduction suggestions.

- Supporting Document 4 - Small Warrant Articles with Town Administrator (TA)
Recommendations
Tim's recommendations including Stabilization Fund and Rantoul Trust total \$75,552. No decision yet on life guard request of \$28,000 - not enough information, there's a meeting 2nd week of March to discuss it.

The recommendation for cutting the \$15k for mowing is a contingency if the DPW position (\$41k) is not approved.

The BOH and Finance Dept technology requests will go into a free cash warrant article.

ClearGov/Open Checkbook - Looking into a state grant for this, but currently not recommended as an article.

Water mixing is a maybe need - The well water would need chlorine treatment should another test show ecoli. Since the test this year was an anomaly the recommendation is to hold off and pay for this out of the reserve fund should it ever be needed.

The proposed COA van expenses of \$25,552 are for annual operational costs and do not meet the Select Board's guidelines put forth at the beginning of the budget season. However, it was the consensus of the committee that the COA had demonstrated need for funding. On a motion by Charles with many seconds - the committee unanimously recommended funding the COA van expenses to the Select Board.

Cuts: mower: no \$15k, no water mixing \$17.5k, server and network moved to free cash \$10,900, ballot moved to Free cash \$5k, fiber engineering moved to Free cash \$13,080, clear gov - no \$10k - total change \$78,980.

The Finance Committee unanimously approved the adjustments as presented on a motion by Mark and Charles.

- Supporting Document 5 - Local Receipts for 2008-2018

Largest variable each year is excise taxes. Average of those 10 years is about a \$30k/year increase.

Currently using 2019's budget amount of \$1,529,500. Tim suggests a \$30k increase to \$1,559,500 for the budget.

The new SMART program for the transfer station was discussed, selling bags to make up the difference in the lower sticker cost. The Transfer Station Committee will need to provide more info to the public.

On a motion by Mark/John - the committee voted unanimously to request that the school department cut \$150k from their submitted budget.

Theoretically the budget is in balance right now.

- Supporting Document 6- Financial Projections

This page goes in the warrant book and needs updating:

Section 5a - total payroll costs including merit steps, cola and personnel changes 2% to 3% - probably needs to change - 2.5% on the town side. Union contracts will be different. Recommended to change to 3%

Section 5b - Health Insurance cost increases: 8%? See Doc 2: \$5,339,050 insurance and fringe. Question is: do we change the number over FY21-FY24.

I do not have the result of this discussion - I think it stayed at 8%? -JF

Section 5d: general expenses increase 1% per year - but it's been more like 1.5%.

Section 5e: new growth - approx \$100k - stable.

Section 5f: local receipts - adding \$30k/year for the first year, then level projection. Will have more data after the first year of the SMART program.

Section 5g: assessments from the Cherry Sheet - Don suggests 3%.

Section 6: OPEB changing to \$500k/yr from \$450k/yr. The liability increased from \$22M to \$32M.

Waiting on more information from KMS the actuary, the Finance Committee will see it when it comes in.

Current OPEB balance is ~\$2.7M.

There is no update on Coil Brother's application with the state.

The Finance Committee has not been provided with an account of the school's Devens Fund as requested.

Lastly, at Select Board last night, Tim took Bruce's suggestion of reversing the order of the budget process between FinCom and the Select Board. The Select Board would still sign off, and still make the original suggestions. They seemed enthusiastic about the change. There was also a discussion on the budget date being adjusted in the Charter.

Finance Director's report: Lori Bolasevich was not present.

Liaison Reports:

Reassigned Bruce Nickerson's liaison assignments as follows:

Planning Board - Siko

Mass Affordable Housing Trust (MAHT) - Ray

Council on Aging (COA) - Charles

Other business: Bruce said before he left last meeting that he would still do the Comparison Chart for the book, Mark offered to do the comparison chart if given instruction. John reports that the CPIC portion of the book is complete.

No new information from the Town Moderator regarding FinCom member appointments.

Future agenda items: None at this time.

Adjournment:

Motion to adjourn made and approved unanimously. Meeting adjourned at 8:44pm

Supporting documents: 6 Total

1. Current Omnibus Budget Draft 2. Current Financial Recap and Projection Worksheet 3. Current Budget Reductions and Post Submission Increases 4. Small Warrant Articles with TA Recommendations 5. Local Receipts for 2008-2018 6. Financial Projections

Upcoming meetings:

March 6, 2019 7pm - Upper Town Hall Meeting Room - 13 Ayer Rd

Respectfully submitted,
Jennifer Finch