

**Town of Harvard Capital Planning & Investment Committee Minutes**  
**Monday March 27, 2017**  
**Town Hall - Volunteer Room**

Meeting called to order at 8:15am.

Attendance: Debbie Ricci, Teresa Jardon, John Seeley, Alice von Loesecke

The minutes of February 27 were approved (3-0) as amended with minor changes (von Loesecke motion, Jardon 2<sup>nd</sup>). The minutes of February 23 were approved (3-0; Jardon motion, von Loesecke 2<sup>nd</sup>).

Hildreth Elementary School Renovation Update (Marie)

The OPM recently informed the committee the state would reimburse construction costs at a maximum of \$312 per square foot up to a maximum of 75,000 square feet (their size requirement for the school), or about \$23 million maximum in construction costs. The state reimburses soft costs at 20% and does not reimburse the cost of portable classrooms. The targeted completion date is Fall 2021, which moves up debt service payments in CPIC's current schedule.

Currently there are three alternative plans: 1) replace K-wing and envelope of 80's building, insulation and code work, 2) replace K-wing, envelope of 80's building, cafeteria and gym, insulation and code work, 3) construct whole new school

CPIC would like to meet with the committee in May to discuss the financial impact on other projects and the impact on overall debt load. The HES debt will cause the Town's debt service to approach the 10% of expenses limit that bond rating agencies prefer and it will also increase the average maturity of the Town's overall debt (another ratings parameter).

Free Cash (David)

The state will not be reclassifying any portion of free cash. The original calculation already considered about \$350,000 in items Dave uncovered, so \$1,664,000 ± \$20,000 will be certified. Key sources of the FY16 free cash include:

- Local receipts \$235,000 over estimate
- Omnibus budget returned ~\$900,000 including a missed payment of \$175,000 for health insurance
- Special articles close outs
- Revolving funds swept

Hildreth House

The June 2016 STM moved to debt fund about \$188,000 in additional costs for construction, but inadvertently, this amount was not actually included anywhere in the omnibus budget or to be paid off from the Capital fund. The next payment will zero out the original appropriated amount. CPIC recommends moving \$190,000 at a planned fall Special Town Meeting to pay for it.

Annual Town Meeting

The committee discussed how to present the concept of using debt instead of cash for some Capital funded articles. Speakers to articles were assigned and topics to cover for each article.

Snow/Ice Deficit

The snow/ice deficit is at least \$220,000. In May and June, interdepartmental transfers can be done to cover the deficit, or the reserve fund can cover it, or a combination of both. Free cash would have to be moved by June 30, 2017 in order to use it this coming fiscal year.

Other topics

- Letters to departments – Debbie and Alice will split up the non-school items
- HES renovation – try to schedule a meeting in April or May

- Review of past year – upcoming meeting
- Review of Policies and Procedures – upcoming meeting

Meeting was adjourned at 9:33am.

Respectfully submitted,  
Alice von Loesecke