

Town of Harvard
Finance Committee

Meeting Minutes Apr 4, 2018

Members present: Don Ludwig (Chair), John Seeley, Mark Buell, Steve Colwell, Bruce Nickerson, Charles Oliver, Jennifer Finch, Peter du Bois

Not present: Richard Fellows

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

Location: Town Hall Meeting Room - 2nd floor - 13 Ayer Rd, Harvard, MA

Don Ludwig (Chair) called the meeting to order at 7:03pm

Minutes:

- Oct 18, 2017 minutes (Peter) - to be reviewed next meeting
- March 8, 2018 minutes (Jennifer) - to be reviewed next meeting
- March 14, 2018 minutes (Jennifer) - to be reviewed next meeting

Public Commentary: None

Town Administrator's report: Tim Bragan presented the 1 year BAN and 25 year bond scenario to the committee. A scenario using an 8 month BAN using perfect timing on the expense side was explored, we would need a cash flow projection from the OPM. An arbitrage fine would likely exceed the potential \$1.2M savings.

The interest rates are considered fairly accurate, taking into consideration where the Fed rate is, and what information David has received from bond counsel.

Mark asked if we can ask NV5 to do a risk analysis on using an 8 month BAN with their cash flow projection.

Debt smoothing sheet. \$250k is the max CPIC and SC want to contribute per year. Using the 5 year contribution spread, in year 6 there is a gap - another \$.20 on the tax rate increase.

Alice is doing modeling that shows we've gotten from a 16% tax increase down to 11%.

Tim's sheet shows that front loading \$1M = savings at the end of the loan of \$500k.

Sheet #4 - Savings on the tax rate - the savings on the tax rate is for the first year only

If Article 25 - HES debt exclusion fails at Town Meeting, but passes at the ballot - the town may opt for a Special Town Meeting later.

If Article 25 - HES debt exclusion passes at Town Meeting, but fails at the ballot - the SBC has to talk to the MSBA, explain why they thought it failed, they may make minor changes within 10 business days, and try again within 120 days of Apr 10th.

The school spotlight numbers in the warrant book are incorrect. An addendum will not be mailed, but the school may opt to spend their own money to send a mailer. The April 10th numbers are considered final for the warrant. Likely will be updated on the floor at Town Meeting.

The invoice from Monty Tech came in, confirmed at \$76,572.

There will be a reserve fund transfer request coming for excess costs in printing and mailing the warrant book this year. The book was 96 pages, 2500 copies, and cost \$1.80 to mail.

Mark suggested we move the book to digital only as a cost saving measure. BoS would need to approve.

HCTV - Bill Johnson would like to adjust the Culture and Recreation FY19 budget by \$3500. BoS would need to approve, and the budget would have to be changed on the floor. Changing from raise and appropriate to offset. Alternate and easier option would be to make this change at a Special Town Meeting - with all indications showing that we will have one in 2018.

HCTV - reserve fund transfer request for fixing the panel in the 2nd floor meeting room of Town Hall. Request for \$3420, panel is proprietary and other company's estimate was \$11k-12k. Discussion on how to adjust the budget or potentially go negative on the tech budget. Decision was to cut the check for the panel fix now and do a reserve fund transfer later. Don suggests getting a longer warranty after this fix.

Bruce moved to do the repairs now and do a reserve fund transfer at the end of the year. Seconded by John, approved unanimously.

Reserve fund expenses so far:

\$160,216 Snow removal

\$9,500 - water pump replacement

\$4,715 - Charter commission expenses

\$4,250 - paying former town clerk Janet to return during emergency

\$6,252 - Veteran's benefits - these are 75% reimbursed by the state

\$7,200 - tree - roadside (overage)

A reserve fund request for \$20106.27 for the water treatment plant was presented to the committee. Don moved to approve, Mark seconded, approved unanimously.

The BoS approved in their meeting on 4/3/18 to surplus the old ambulance. Anticipated price to be around \$3k-\$5k.

Finance Director's report: David Nalchajian reports that the Bond is a 10 year callable bond, built in. Cannot call it before, and can still only call it 1 time during the loan.

Liaison Reports: None

Other business: Finance Committee warrant article finance committee member assignments:

#2 - Don
#3 - Don
#5 - Charles
#6 - Don
#7 - Steve - Reserve
#8 - John - Fire hose
#9 - Don - Mowing
#10 - Don
#11 - Bruce
#12 - Dick
#13-23 CPIC, John as FinCom Rep
#25 - Charles - School
#38 - Jennifer - Revolving Funds
#39 - Jennifer - senior means tested tax abatement
#40 - Jennifer - Clause 41A - senior tax deferral income limit increases
#42 - 44 – Don (If needed)

Don/Bruce/Mark discuss revisiting the school debt recommendation for article 25. Members agreed that it would not be appropriate to vote without all members present.

Motion to adjourn made, and approved. Meeting adjourned at 8:47pm

Upcoming meetings:

May 2, 2018 - Upper Town Hall Meeting Room, 13 Ayer Rd, Harvard, MA.

Supporting documents: Warrant for Annual Town Meeting 5/5/18, Bond Scenarios sheet, Debt smoothing sheet, savings on tax rate sheet, emailed HCTV request from Bill Johnson, HCTV request for reserve fund transfer.

Respectfully submitted,
Jennifer Finch
Associate member, FinCom