



Town of Harvard
Finance Committee
Minutes for September 12, 2023

The Finance Committee Regular Meeting was held virtually in accordance with the Governor's Executive Order Suspending Certain Provisions of the Open Meeting Law, G.L.c.30A. S.20.

FinCom Members Present: Eric Ward, Mike Derse, Jennifer Finch, Noyan Kinayman, Bob Thurston

FinCom Members Not Present: Vikram Sampige, Hady Lattouf

Others Present: Jared Mullane, John Osborn, Don Ludwig

Meeting called to order at 2:03pm.

Committee Liaisons

Eric talked about liaisons assignments to the other committees. Mike is a part of CPIC and Jennifer is a part of personnel board. Eric covers the Select Board. One liaison position that the committee needs is for the CPC.

Meeting Minutes

Meeting minutes from March 8th and March 22nd were approved without any objection.

Department Budgets

Jared talked about the budgets that were received. Department of Public Works and Tree Warden sent their budgets so far.

Other Postemployment Benefits (OPEB)

Jared talked about the Town's OPEB liabilities. He presented a spreadsheet showing the breakout of results by department. The Town's total OPEB liability is \$20,365,829. The Town transfers between \$500,000 and \$550,000 into the OPEB trust fund in the last couple years. The fiduciary net position is \$6,778,818. The net OPEB liability is \$13,587,011. A few questions and comments were raised indicating whether our contributions are sufficient to keep up with the rate of increase.

Pension Assessments

Jared talked about the Town's pension assessments. He presented two spreadsheets. In the first spreadsheet, retirement assessments were shown since 2014. The assessments have been going up at least 10% about every year which is expected to continue. Second spreadsheet showed the pension shares of the Town and Schools in the year of 2023. In 2023, the WRRS assessment was \$1,241,423. Of this amount, \$709,384.57 relates to the schools and \$532,038.43 relates to the Town. A question was raised asking whether calculating these shares based on the number of people (instead of actual pension payouts) was representative.

Jared talked about the pension plan of the Massachusetts teachers. He presented a section of the Massachusetts Teacher's Retirement System Independent Auditors Report. This plan is not directly funded by the Town of Harvard through the budget process. It is funded by the Commonwealth by the income tax and any other taxes or fees are remitted to the state. The Commonwealth provided \$2,667,848 on behalf of Harvard in 2022.

Meeting adjourned at 2:36pm.

Respectfully submitted,
Noyan Kinayman