



Town of Harvard
Finance Committee
Minutes for October 3, 2018

Location: Hildreth House - 15 Elm St

Present: Don Ludwig (chair), John Seeley, Mark Buell, Richard Fellows, Jennifer Finch, Bruce Nickerson, Charles Oliver, Siko Sikochi

Absent:

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

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

Minutes:

Minutes of 9/5/2018 - On a motion/second from Bruce/John approved as amended

Public Commentary: None

Town Administrator's report: Marie Sobalvarro - Originally the Finance Committee set budget parameters, now per the Charter, the Select Board does.

Supporting document 1: FY20 Budget Memo coming from Select Board ideally going out on the 9th.

Shaded areas are last years goals. SB goals "summary" are **supporting document 2**

The purpose is to give instructions to boards/cnty/depts - on how to prepare their budgets, the guidelines for submitting, and asking them to provide more complete narratives so that there might be fewer questions from Fincom/Select Board and that they be held to the section: "specific guidelines for budget development."

Need FC's input for a combined document and by the 9th so it can go out. Marie will send memo out as a electronic document for us to submit edit suggestions back to Marie and Don.

Goal is to reduce the document significantly (from 5+ pages to 2).

Oct 11 - CPI coming out, Personnel Board will meet on the 18th to set the tails of that distribution.

Rough estimates for FY20 have come in close to the calculator in last year's warrant book.

Supporting document 3: Budget Calendar FY20

Note: Jan 26th meeting is joint with Fincom, Select Board, and the School Committee and is a Saturday.

Supporting document 4: Park and Rec Audit Draft

David: for over 6 weeks now, Park and Rec has had the audit draft, they were supposed to sign it 3 weeks ago, signing it doesn't mean they agree with it. They met with the auditor so that they understood it. David has not received a signed copy and the auditor has not been paid. Cost is around \$2500. Bob O'Shea has been a conduit, as Wyona Lynch-McWhite (chair) has not communicated to David - she has not responded to his emails or phone calls.

The issues as presented by audit: currently P&R with their town budget money and their own income - is not covering expenses. Annually they are negative ~\$25k. John noted the auditor said they were undercharging for services when compared to other local towns. One of the recommendations in the audit is that safety personnel be paid for by the town and not out of the P&R budget.

David stated that there is a potentially an outstanding fee of ~\$10k due to P&R from Bare Hill Rowing. There may be field rental fees outstanding as well.

Marie notes that as of Jan 1, 2019 MA minimum wage will become \$12/hr, which could impact costs of lifeguards.

David adds that revolving funds need to be dollar in dollar out - if not, they need an appropriation. We're not reserving the money collected in May and June - for July and August. They're not really collecting enough money to cover expenses. P&R called for the audit, not the town. They were using a different collection system that did not have adequate accounting, using a single transfer of money with no transaction information.

P&R uses a revolving fund per M.G.L. Ch 44, § 53D. Revolving funds should have a balance at the end of the FY that is less than \$10k. The way P&R accounts over the FY needs to change, and has been remedied starting FY19. How was not mentioned.

Dick, Don, David state that getting out of the situation cannot be a reserve fund transfer, or general fund - appropriation only. Warrant article needed. Can use free cash. Town is on the hook for the deficit no matter what, and it has been coming out of the general fund.

John with a CPIC update: Old Library Accessibility Committee: Estimate was \$472k last fall. Plan was to apply for grant. Town approved debt funding - they did get a grant from Mass cultural council. In the last two months, they have gotten firm estimates have gone from \$472k to \$672k for various reasons including: small project, timing, contractors are busy.

The roof now need replacing, \$405k is one estimate, another estimate is pending.

Annual costs for the building are ~\$15k, rent is \$7200 currently. CPIC recommended warrant Article 3 - John the only dissenting vote on CPIC, he opines that the roof is higher priority than accessibility.

FinCom to recommend to table the article to ATM - with the expectation that we will have a budget for the total work needed on the building by then.

Motion to recommend that the town delay Article 3 until we have a final quote including the roof. Along with requesting that the SB - decide the future use of the building. (not part of motion) - Bruce/John - Jennifer opposed, Don, Dick, John, Bruce, Mark approve motion, Jennifer opposed. Charles was not present for this vote.

The warrant is sealed - signed by Select Board already. It is posted online and in 3 locations. No printing and mailing of copies.

Supporting document 5: Warrant for STM of Oct 22, 2018.

Articles 1 and 2 - basic implementation of the bylaws committees recommendations.

Article 3 - OLAC \$200k additional funding, see above discussion and vote. This requires $\frac{2}{3}$ approval at STM.

Article 4 - Fire Dept Personnel - Fire Chief's contract has not been finalized, should be on Oct 16. Partly funded from Article 42 from ATM, other is from projected surplus of approximately \$30k. On a motion/second from Don/John - FinCom recommends supporting this article unanimously.

Article 5 - Paper compactor for DPW \$37,500. CPIC has recommended this article. On a motion/second from John/Bruce - FinCom recommends supporting this article unanimously.

Article 6 - Current HES field for softball is not regulation sized, but with the construction of the new elementary school, there will not be any field until the new building is done, and then it still won't be a regulation sized field. Ann Lee was a field before, and a regulation sized field can fit there. Rough estimate cost of \$40k - \$30k is work, estimated \$10k for labor and prevailing wage. It was noted that baseball has 2 regulation sized fields and softball does not have any full size fields yet. This requires a $\frac{2}{3}$ approval at STM. On a motion/second from Bruce/John - FinCom recommends supporting this article unanimously.

Finance Director's report: David Nalchajian had no updates

Liaison Reports: Don states that there is a SBC meeting tomorrow Oct 4. So far the Historic Commission has been in agreement with the plans.

Other business: None

Motion to adjourn made and approved unanimously. Meeting adjourned at 8:58pm

Upcoming meetings:

Nov 7, 7pm Upper Town Hall Meeting Room, 13 Ayer Rd

Supporting Documents:

FY20 Budget Memo from Select Board, SB goals summary, Budget Calendar FY20, Park and Rec Audit Draft, Warrant for STM of Oct 22, 2018.

Respectfully submitted,
Jennifer Finch