



Town of Harvard
Finance Committee
Minutes for Oct 2, 2019

Location: Upper Town Hall Meeting Room - 13 Ayer Rd

Present: Don Ludwig (chair), John Seeley, Mark Buell, Jennifer Finch, Siko Sikochi (7:18)

Absent: Richard Fellows, Ray Marchica

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

Don Ludwig (chair) called the meeting to order at 7:06pm

Minutes:

Minutes of Sept 11, 2019 were approved as amended on a motion by John/Mark.

Public Commentary: None

Town Administrator's report: Tim Bragan reports that the Town received \$37,483 from FEMA/MEMA for relief for the March 2018 storm.

Supporting Document 1: Current draft of the Oct 28, 2019 Special Town Meeting (STM) Warrant.

- One easement article is still pending. Capital requests may wait depending on Capital Planning and Investment (CPIC)'s meeting on Oct 7.
- Chlorination study is Article 11: Water chlorination system design, permitting, bidding and construction administration services. Well #5 was positive for bacteria again. Skillings and Sons (a pump and well company) is working with the Department of Public Works (DPW) on the well issue.
- FinCom will need to make recommendations for warrant articles at the next meeting, Oct 16.
- The Select Board is expected to sign the warrant on Oct 8th.

Document 2: Excerpt from Dude Solutions municipal buildings report 2019-2020-2021

- Report is based on life expectancy and date of installation.
- Boat House report due separately (due to oversight) and expected Oct 7, 2019.
- HVAC contractors are coming in soon and they will be asked to examine some of the items on the list.
- If we had a Facilities Manager - this would be part of their job.
- Estimated costs from this data:

- 2019 - \$252,435
- 2020 - \$146,786 (not adjusted for inflation)
- 2021 - \$1,440,504 (not adjusted)

Document 3.0: Email from John Seeley to Tim Bragan regarding Debt Service Discussion (with attachments)

- John's observations noted and presented:
 - Harvard's debt service in the past 5 years has been between 3.8% and 4.8% of our total budget.
 - Adding debt for the new school will put us over 10%.
 - **Document 3.1:** Only 21 of the 352 towns in the state had debt service over 10% of their budget in 2018.
 - **Document 3.2:** 5 year trend of debt service for surrounding communities.

The committee discussed best practices and analysed data presented. Sudbury, Rowe, and Carlisle have their debt limits set to 10%. Harvard is over this now, and one projection presented last year, the debt service will not be below 10% until 2028, if there is no new borrowing beyond the current Capital 5 year plan.

The committee would like to review the data further and discuss a policy by year end. A policy may have to go to Town Meeting for approval. The Finance Committee, Select Board, and CPIC should work together to formulate any debt service policy.

Document 4: Massachusetts Municipal Association (MMA) article titled "Borrowing and Debt Policy Discussed" dated 11/1/2011

Document 5: MMA slides for presentation "Your Community's Credit and Bond Rating" dated 1/25/2013.

Document 6: Town of Dedham Debt Management Policy (revised 2/5/2003)

Document 7: Town of Sudbury Budget and Financial Management Policies (undated)

Document 8: Town of Rowe Debt Management Policy (undated)

Document 9: Town of Carlisle Debt Management Policy (undated)

Rating sheet discussion: Don to work off of John's notes and will consolidate to a single rating sheet for next meeting.

Liaison Reports:

Jennifer reported briefly on schools and Parks and Rec. The school will be presenting a request to Community Preservation Committee (CPC) for \$110,000 for a study and re-surfacing of the tennis courts and outdoor basketball courts behind the Bromfield School. Parks and Rec has submitted the warrant article request for \$15,000 for spring maintenance for the fields.

Don reported that the new Hildreth Elementary School building is on time and on budget. The steel frame is going up quickly and Fairbanks street exit has been paved in preparation for vehicle access to the north.

Other business: None

Future agenda items: Make recommendations on warrant articles for Oct STM at next meeting.

Adjournment:

Meeting adjourned at 8:15pm

Supporting documents (11 Total):

1. Current draft of the Oct 28, 2019 STM Warrant
2. 4 page spreadsheet excerpt from the Dude Solutions municipal buildings report
3. Email from John Seeley to Tim Bragan with observations regarding debt service
 - a. Spreadsheet detailing debt service for 352 communities in the Commonwealth
 - b. Spreadsheet detailing the most recent 5 year trends of surrounding communities
4. MMA article titled "Borrowing and Debt Policy Discussed" dated 11/1/2011
5. MMA slides for presentation "Your Community's Credit and Bond Rating" dated 1/25/2013
6. Town of Dedham Debt Management Policy (revised 2/5/2003)
7. Town of Sudbury Budget and Financial Management Policies (undated)
8. Town of Rowe Debt Management Policy (undated)
9. Town of Carlisle Debt Management Policy (undated)

Upcoming meetings:

Oct 16, 2019 7pm Upper Town Hall Meeting Room

Respectfully submitted,
Jennifer Finch