

Harvard Devens Jurisdiction Committee Meeting
February 1, 2023

Members attending: Victor Normand, Paul Green, George Glazer, Don Ludwig (joined 11:04am), Kara Minar (joined 11:16am), Heather Knowles, John McCormack

Members absent: SusanMary Redinger, Tim Myllykangas

Others Present: Charles Oliver, Jennifer Finch, Peter Lowett (DEC)

Victor Normand called the meeting to order at 11:00am

The minutes from January 5th 2023 were approved unanimously.

Devens Finances:

Victor welcomed Charles Oliver (Select Board) and Jennifer Finch (Fin Com Chair) who have expressed an interest in the Mass Development Financials.

Victor shared that Mass Development has been more forthcoming with financial data recently, including a complete budget for Mass Development as an agency. Don has interacted with Meg Deloria (Acting Executive Vice President for Devens). The document (over 100 pages) includes information on uses of the Devens funds and expenses. Certain uses are unique to Devens including police, fire, education and the balance of the budget are shared costs included in a Mass Development.

Victor has produced a Devens budget that has been shared with the committee (see below). He has a high degree of confidence in the budget. Actual expenses for 2022 and budgeted expenses for 2023 are included.

Paul shared a list compiled from questions committee members have come up with for Mass Development to fill in any remaining gaps in the working budget being prepared/used by HDJC (see below). Devens Division on the sheet is exclusively Devens.

Members reviewed the list with Victor giving the background on each item. Don indicated that it would be good to make sure the list of questions is complete before handing it off to Mass Development.

Members then reviewed the budget Victor has prepared (see below) with Victor giving the background and information on each line item.

Victor explained that the operations budget includes expenses for Education (by far the main expense) followed by Police/Fire.

On the revenue side the majority of the \$12.8M comes from property taxes (commercial and residential). On the fee side, the costs comes from: Fire Dep't (fees); Public Works/Recreation over \$400k (recreation); Police \$4k in tickets.

Peter added that the insurance fees at Devens include terrorism insurance that would have to be covered by any municipality that assumes jurisdiction as well as insurance to cover employees, health insurance, workman's comp; buildings.

Every line item has a salaries and fringe component for everyone in every department.

Once we have a complete set of data we would want to sit down with Fire and Police chiefs to get a handle on what expenses would be if Harvard resumes jurisdiction. Fire expenses are high in Devens due to the size/nature of the buildings there. The high level of fire protection has resulted in lower fire insurance rates. Charles said that the response to HazMat incidents at Devens was discussed at their annual meeting and confirmed the high level of risk involved in the facilities at Devens.

John McCormack, thanked Victor for the great work that has gone into the financial data. He pointed out that the expenses/revenues will have to be parsed out across the 5 different entities after disposition (e.g. the various municipalities, Mass Dev't). The parsing will also require the DEC needing to maintain their own budget. He also asked about the cost to Harvard for schooling. Victor responded that there is \$3.8M in the budget for educational expenses and most of it is for the contract with Harvard. 75% of the tax base (residential and commercial) is geographically in Harvard.

Peter Lowett added that DEC is funded through permit fees, and it's set up as a revolving fund. They are in tune to the pace of development around the country. Funds going into the account even out over time. If their funds fall below \$250k Mass Dev't will make up the difference. Pays for one staff person and one admin assistant. Revenues/Expenses for the DEC are not included in the financial spreadsheet as they are an independent body.

Victor asked all HDJC members to look at the list of questions and submit any additional or clarifying questions to him asap.

The Income/Expense sheet for Devens utilities hasn't been presented yet, but Victor will bring those to the committee in March as well as the balance sheet for both Devens and the Devens utilities. Victor reiterated that Mass Dev't has been very forthcoming with the financial data. The only piece missing is the current assessments for properties as of January of last year. Lastly, on the municipal side, Mass Dev't can set their tax rate wherever they want, they are not constrained by the budget matching the level of taxation as is the case for almost all municipalities.

Victor Normand adjourned the meeting without objection at 11:17am.

Outline for other stakeholders. Victor forwarded that to the SB after amending it based on input from the previous meeting(s). The SB hasn't taken it up yet as an agenda item. SusanMary had suggested and Kara agreed that we should get the green light from the SB before sending it out. The SB would also like hear what other possible forms of government are being considered by other stakeholders. The by-product of this could be that we find that included within the list are many areas where there is consensus. Victor asked Don and Kara to help move this forward with the SB so we can get the document out to the other stakeholders.

Other Business:

The town has asked for an annual report entry from the HDJC which Paul Green has prepared. The report included an outline of our work and background information. Victor is hopeful the entry will be included as it was not last year.

Public Comment: Jim DeZutter pointed out that the option for Devens to remain as an independent entity is still one of the options on the stakeholder document. Victor affirmed that is the case.

The meeting adjourned at 10:40am by unanimous vote.

Respectfully submitted,

SusanMary Redinger, recording secretary

HDJC ¶

FY 2023 Devens Budget – General Questions ¶

¶

10-Office of the President -- \$318,407 ¶

Does this account end when redevelopment work ends? ¶

¶

30-Legal Expense -- \$548,329 ¶

Seems very high. I assume this too is associated with redevelopment. ¶

What exactly are they used for? ¶

¶

40-External Affairs -- \$200,498 ¶

What is this? ¶

¶

72-Asset Management -- \$10,199,560 ¶

Land sale revenue accounts for most of the \$5.5 increase in revenues. Are there any projections for land sale revenue going forward? In the aggregate, how much land is available for sale and at what price per acre? ¶

¶

74-Engineering -- \$1,218,839 ¶

Are most of these expenses non-recurring? What is \$535,907 interest expense for? ¶

¶

82-Finance and Accounting \$2,959,311 ¶

Can you explain Salaries and fringe at \$511,966? I assume Depreciation and amortization at \$2,371,609 flow through to a balance sheet. Is that correct? ¶

¶

84-Information Technology -- \$547,634 ¶

Explain the \$164,163 for administrative expense. ¶

¶

96-Risk Management \$924,346 ¶

Is this property insurance? ¶

¶

¶

¶

¶

¶

Harvard/Devens Jurisdiction Committee



The attached file represents the most complete Devens financial picture the Harvard/Devens Jurisdiction Committee (HDJC) has received from MassDevelopment. The data was taken from a larger agency wide report called the "Operating and Capital Budget for the Fiscal Year Ending June 30, 2023." The only additional information not included in the HDJC compilation from the larger document is salaries by job title.

This spreadsheet has been prepared by consolidating financial data from three sections of the larger report. They are: Devens Division (Operating, Fire, Public Works and Recreation, and State Police); Devens Utilities; and Other Divisions. Other Divisions is the name the HDJC has given to all other financial sub-headings used in the report where Devens revenues and expenses are included as part of other financial activities and projects of the MassDevelopment. Whereas the accounts within the Devens Division and Devens Utilities are unique to the Devens project, accounts within Other Divisions are shared with other Agency projects and activities, but clearly identified as "Devens Funds" or "Devens Utilities."

The budget as it relates to the Devens project is prepared administratively by MassDevelopment staff and approved by their Board of Directors. The HDJC is not aware of any review through a public process though the Directors meetings are public meetings. Devens residents pay property taxes but have no control over how those funds are used.

Devens operates as both a redevelopment project and as a provider of municipal services. Presently, both functions are almost entirely funded internally from the existing property tax base and other local taxes and fees. One goal of the HDJC is to have MassDevelopment clearly identify the scope of the remaining redevelopment activity. The development of a combined Harvard/Devens omnibus town budget remains the challenge going forward as well.

Consider the following:

	Harvard	Devens*
Population	6,610	850
Acres	17,273	4,426
Valuation (FY 2022)		
Residential	\$1,332,340,490	\$68,525,000
Commercial/Industrial	\$45,270,562	\$394,806,300
Budget (FY 2022)		
(Excluding Education)	\$16,291,994	\$14,508,300

Your comments and questions will be compiled with those of others asked to review the Devens budget and made available to MassDevelopment for a response.



*Entire Enterprise Zone