

**Town of Harvard Capital Planning and Investment Committee Minutes
March 17, 2014, Bromfield High School Faculty Lounge**

Members present: Keith Cheveralls, Debbie Ricci, Alan Frazer, Marie Sobalvarro, David Kassel, and Tim Bragan

The meeting was called to order at 6:35 p.m.

The minutes of March 13 were approved as amended.

The CPIC discussed a recommendation by Joe Connelly, interim superintendent of schools, to use an expected one-time savings of \$291,720 in the town's special education budget to offset the cost of the School Department's capital warrant articles that are scheduled to be voted on at Town Meeting on April 1.

Keith said the School Committee will consider the recommendation at a meeting on March 24.

The use of the special education savings would eliminate the need for a recommended Capital Exclusion to finance the repair of spalling concrete at the high school for \$115,000. This is one of the six school warrant articles.

This would leave one remaining project recommended by the CPIC to be financed via a capital exclusion in FY '15 -- a \$160,000 front-end loader for the Department of Public Works. Alan asked whether the CPIC should consider using the Capital Stabilization Fund to pay for the front-end loader, which would eliminate the need for any Capital Exclusions next year.

Marie and Keith maintained that the CPIC has adopted a policy of using a certain level of Capital Exclusions each year, and that the elimination of the need for Capital Exclusion financing of the spalling concrete project should not affect that policy. Also, paying for the front-ended loader via the Capital Stabilization Fund would speed up the depletion of that Fund, leading to an earlier need for an override of Proposition 2 ½ in order to keep the Fund solvent.

Tim provided an analysis comparing the cost of financing the front-end loader via capital exclusion financing, a five-year Bond Anticipation Note, and a 10-year bond at 4 percent interest. The analysis showed that:

1. Financing the \$160,000 front-end loader via a capital exclusion would increase the town's property tax rate by 0.151 mills, from the current rate of 17.09 mills. This would cause a one-year, one-time increase in property taxes owed on a \$250,000 home by \$37.73. The one-time increase would be \$75.47 on a \$500,000 home; \$113.20 on a \$750,000 home, and \$150.93 on a \$1 million home.
2. Financing the vehicle via a five-year BAN would result in a payment of \$9,600 in interest over the five-year period.
3. Financing via the 10-year bond would cost \$35,200 in interest.

The CPIC then discussed the presentation of the capital warrant articles at Town Meeting. The Committee subsequently voted on individual letters drafted by Debbie and Alan to town departments, boards, and commissions, explaining actions taken by the Committee on their capital submissions for FY '15.

1. Letter to Police Chief: Motion by Marie to approve, second by Alan. Carried unanimously.
2. Letter to Fire Chief: Motion by Alan to approve, second by Marie. Carried unanimously.
3. Letter to Cable Television Committee: Motion by Debbie to approve, David seconded. Carried unanimously.
4. Letter to Ambulance Crew: Motion by Marie to approve, second by David. Approved unanimously.
5. Letter to Park & Rec. Commission: Motion by Alan to approve, second by Marie. Approved unanimously.

A motion was made and seconded to adjourn the CPIC meeting at 8 p.m.

Minutes respectfully submitted by David Kassel