TOWN OF HARWICH
COMMUNITY PRESERVATION COMMITTEE

Approved May 8, 2025

Joint Meeting with Select Board and the Community Preservation Committee Minutes
April 7, 2025

Recording and Taping Notification: As required by law the Town may audio or video record this meeting.
Any person intending to either audio or video record this open session is required to inform the chair.

I Call to Order

Harwich Community Preservation Committee Meeting called to order with a quorum of committee members present by Chair Dave Nixon at 7:05 PM, on Monday, April 7, 2025, at the Harwich Town Hall, Donn B. Griffin Room. Present for quorum: Chair Dave Nixon, Vice Chair Kathy Green, Marcy Vigneau, Mary Maslowski, Emily Brutti, and Art Bodin.
Absent: Bob Doane and John Ketchum
Harwich Select Board members attending: Jeff Handler, Chair, Michael MacAskill, Vice Chair, Peter Piekarski, Clerk, Julie Kavanagh and Don Howell
ALSO PARTICIPATING: Joseph Powers, Town Administrator
Guest: Renee Davis Markum, LLC, participating remotely

II New Business

A. Presentation from Renee Davis from Markum, LLC on the results of the Community Preservation Funds Audit

Ms. Davis referred to concerns about the way the CPC funds have been recorded in the Town's general ledger. She also noted that the CPC was in agreement with the balance in their general ledger accounts as of June 30, 2019. She explained CPC funds, its revenue, how much is set aside and what those funds are used for. Ms. Davis noted that Markum, LLC was charged with and agreed to go from June 30,2019 through June 30, 2024 and trace what was voted by Town Meeting to what happened in the general ledger.
Revenue for CPC projects is derived from three primary sources: local real estate property tax assessments, interest income, and matching distributions from the State Trust Fund.
The CPC manages three Reserve Balance accounts, or “buckets” for Open Space, Historic Preservation, and Community Housing. Annually, 10% of CPA revenue is allocated to each account by Town Meeting vote, with the rest going to the Undesignated Balance. This a legal requirement. New revenue is added annually, and currently in addition to approximately 2.5M in the accounts for town approved CPA ongoing projects.
Ms. Davis gave a brief summary of the results of the data year by year. She offered that the Finance Department had personnel changes, and their practices were different in their recording process. She noted the recommendations for FY21, FY22 and FY23 to correct specific issues. She also noted trueing up revenue at the end of each year, funds that were taken from Undesignated which could have been taken from a Reserve Balance account, and she explained the reasoning in detail. In 2021 she offered that though the final numbers were accurate, the money all went into the CPC account, but we cannot always account from what funds were put into the Reserve accounts, without the supporting information in the ledger. In 2022 there are no recordings for the Reserves 10%. By the end of her review, she found the anticipated reserves, which are an estimated budget balance, those numbers were off and continued to be. The Reserve Balances accounts were too low and the Undesignated Funds too high at the end of her investigations.
Ms. Davis explained the recommended process going forward. She noted that the question is whether they go back and fix the revenues of the past or live with the assumption that, if the CPC was making recommendations on good information, they would have spent money out of those reserve accounts first. She stated that she does not think the funds overall have any issues in the balance that's recorded. The issues are definitely within the "buckets”, and they have recommendations for the Town to record a journal entry. She commented that a correction of an error doesn't need to go to Town Meeting. It needs to be recorded with proper support in the ledger. The spreadsheet will show where our town will need to make those corrections in the ledger. It would change the amounts that the CPC has going forward with when they decide where they will take funds from. The decision is, does the CPC want to change what the Reserves are and that would have to be done at Town Meeting.
Mr. Powers referred to Article 22 on page 25 of the Town Meeting Warrant which is a true-up Article which accomplishes what Ms. Davis had explained.
Ms. Maslowski noted that the CPC discussed what Ms. Davis had explained that the CPC would have to do to make those true-ups. They decided to move $351,000 into each of the three buckets.
Ms. Davis researched where the $400,000 from the L.A.N.D. grant funds are. The money is in the Undesignated. Ms. Davis recommends that that $400,000 should go to the Open Space Reserve Balance.
Ms. Maslowski also noted an issue with $166,000 from the Land Bank and Town Meeting voting twice. She asked what happened to those two votes. She asked Ms. Davis if she had tracked that information.
Ms. Davis responded with an answer to Ms. Maslowski’s question.

Mr. MacAskill commented that if the CPC is happy with the audit, he is also happy with it.
Ms. Maslowski asked Ms. Davis if she was going to supply the CPC with updated spreadsheets.
Ms. Davis replied that she would and explained what data would be included. She also noted the recommendations of a change in the CPCs process going forward.
Mr. MacAskill requested that Ms. Davis present back to the CPC and the Select Board a definite answer related to the Land Bank questions. He also suggested to Mr. Powers that the Town develop a policy so that the ledgers are only done one way, and he asked how the Town will accomplish that.
Mr. Powers replied that the Finance team reports to the Finance Director and the Finance Director is a direct report of the Select Board, while they serve.
Mr. MacAskill commented that the Select Board needs to work with CPC to create a policy so there is one way to do this.
Ms. Kavanagh commented that she is glad CPC had the audit, and that part of the problems were the transitions in the Finance Department.
Ms. Maslowski commented that the CPC had been asking if they needed to do a true up because they had been conservative in their estimates and they had repeatedly been told it was unnecessary. She noted that it is something they need to do.
Mr. Howell commented that this took a great amount of patience from the CPC. He noted for the public that this wasn't a problem of days, weeks or months and that Mr. Nixon has been talking about this for years. He noted that somehow the Board let the CPC go adrift without any help from the Board and that it is the Select Board's responsibility. He noted that the Finance Director works directly for the Select Board. He commented that the CPC should never have been put in this position.
Mr. Piekarski asked if the aforementioned Article needs to be amended on Town Meeting floor.
Ms. Maslowski replied that she would have to look to see if the $400,000 Land Bank transfer makes a difference. If it does, they may need to meet and vote to change their motions and change the buckets on Town Meeting floor. She is hoping that the numbers are close enough that it doesn't make a difference.
Mr. Powers clarified that Article 22 is a true-up Article and that Article 23 is a housekeeping Article. He noted that Article 22 includes specific numbers. His concern is that the Moderator would rule that the scope cannot be exceeded. He suggested that, if the numbers are too low, they rely on Article 23.
Mr. Handler asked Ms. Maslowski to inform Ms. Kavanagh, as the Liaison, when CPC has made a decision regarding the Articles.
Mr. Handler asked Ms. Davis for her timeline to get the information to the CPC.
Ms. Davis replied that it could be within a week. She noted that it includes a spreadsheet which has to be sent electronically and asked who it should be sent to.
Mr. Nixon responded that she should send it to the CPC.
Mr. Handler stated that he preferred that it be sent to Administration first and then sent to CPC and the Select Board at the same time.
Mr. Powers replied that it should go to the Executive Agency first.
Ms. Davis stated that she will send it to the Administration office this week.
Mr. Nixon asked Mr. Powers to send it over to the CPC as soon as possible.

III <u>Adjournment</u>
A motion was made by Mary Maslowski, seconded by Kathy Green, to adjourn.

Vote: Chair Dave Nixon – Aye; Vice Chair Kathy Green – Aye; Marcy Vigneau – Aye; Mary Maslowski – Aye; Emily Brutti – Aye; Art Bodin - Aye.
Motion passed.

Adjourned at 7:31 PM.