

April 23, 2004

Mr. Wayne Davies, Chairman
Board of Appeals
Town of Hopkinton
Hopkinton, MA 01748

Dear Wayne:

I am writing in response to your letter of April 21, 2004 requesting the Board of Selectmen to conduct a fiscal impact assessment analysis of the E. L. Harvey project for a comparison of revenue to be collected via either Real Estate taxes or a private facility tax.

The Board of Selectmen requested that I meet with the Financial Department Heads to conduct an analysis and to discuss what recommendations could be made to allow for the Town to audit the reports presented to the Town should a private facility fee be the recommended option.

On April 6th, a meeting was held in which the various financial officers and other Town officials met with representatives from E. L. Harvey to discuss the mechanisms that would be put in place to conduct an analysis of the funding sources.

Information was obtained at the meeting and a subsequent meeting with the Town Accountant at the Harvey Facility on April 9th, to understand the proposed operation of the new facility and projected timeline for the new facility in Hopkinton to accept tonnage over a ten-year time line.

Using the estimated tonnage presented to us from Harvey's, the enclosed comparative analysis was put together. This clearly demonstrated that even with a conservative ramping up of tonnage over a ten-year period or the more aggressive ramping up of tonnage over a five-year scenario, it would be in the best interest for the Town to accept the private facility fee versus the real estate tax on the buildings. This analysis showed that over a 10-year period the Town would collect \$3,039,300.00 in fees versus \$509,550.00 in real estate tax (see enclosed chart).

Additionally, as part of the analysis, the Town Accountant reviewed the facilities' scale records of the current Harvey enterprise and accounts receivable process. It was determined that it would be possible for financial representatives from the Town to conduct an internal

control review of the facility scale records, and verify that the monthly reports confirmed that the Town was receiving the correct compensation for the tonnage brought to the new facility.

The Board of Selectmen at their April 13, 2004 meeting voted to endorse the facility tax option and the enclosed language to allowing the Town to review the necessary documents at the facility.

If you have any future questions regarding the Board of Selectmen's recommendation, please do not hesitate to contact our office.

Sincerely yours,

Theodore D. Kozak
Executive Secretary

Enclosures

Vote of
Board of Selectmen

Moved: That E.L. Harvey & Sons, inc. shall pay to the Town of Hopkinton the private facility tax referred to in G.L.c. 16, sec. 24A and in 310 CMR 19.050, subject to all of the terms, provisions and conditions contained in said statute and regulation, as a condition of its operation of the resource recovery facility upon the premises which it owns on Wood Street and being the subject of the Site Assessment issued by the Hopkinton Board of Health.

The Town of Hopkinton, Treasurer's Office or Accountant's Office, shall have the right to conduct reviews of facility scale records during regular business hours for purposes of verifying the accuracy of the monthly reports submitted by the applicant. Such reviews may occur on site or off site, at the Town's election.