

Sturbridge Finance Committee Minutes
Meeting Minutes
March 8, 2012
Town Hall
7:00 pm

Meeting was called to order at 7:03 pm with the following members present: Kevin Smith (KS), Joni Light (JL), Patti Affenito (PA), Mary Redetzke (MR), Larry Morrison (LM), Prescott (Scott) Arndt (SA) and Arnold Wilson (AW). Members absent: Rich Volpe (RV).

Invited Guests: Sandra Gibson-Quigley (SG-Q), Heather Hart (HH): both from the Master Plan Implementation Committee (MPIC); Heather Hendrick (HHe), Don Miller (DM), and Sherri Pelski (SP): all from the Economic Development Advisory Committee (EDAC).

Mike Serio (MS) arrived at 7:04 pm.

Motion to approve as amended February 25, 2012 minutes made by MR, seconded by MS. Vote 6-0-0.

Motion to approve March 1, 2012 minutes as written made by AW, seconded by MS. Vote 6-0-1.

LM and PA arrived at 7:13 pm.

Master Plan Implementation Committee:

SG-Q and HH present a slideshow (please contact Sandra Gibson-Quigley for the presentation) that encapsulates the Master Plan for Sturbridge. SG-Q will oversee the implementation of this Plan. She reads the Community Vision Statement into the record: "Sturbridge is a community that cherishes its small town character, its vast open spaces, and the natural resources that provide numerous cultural and recreational opportunities. This rural character is the Town's core value as expressed by the many scenic vistas, the places where people gather, the open spaces, and the historical and cultural assets that residents and visitors hold dear. The Town is further defined by the design of its development and transportation system. Sturbridge believes that its identity and sense of place is what attracts people who would like to live, work, shop and play in the community. This Master Plan sets the course for the Town to protect the living spaces of its residents as well as the natural, historic, and cultural areas; create new economic opportunities for business; and enhance the design of the built environment. Through its actions thus far and ongoing implementation of the goals of the 2011 Master Plan, the Town will continue to thrive and build further upon these assets."

SG-Q feels that each committee/board should be asked how their budget and staffing requests meet the Master Plan goals, she also feels that everyone has a role in this Plan.

KS asks about the terms for members of MPIC; SG-Q says that terms are varied. KS asks how close Sturbridge is to the 10% threshold for affordable housing; answer is 6.59%. SA asks about housing for seniors, answer is approximately 6.5%. MR asks whether condominiums and duplexes are included-yes. KS asks if multi-family homes qualify, HH thinks yes, but is not sure. SG-Q states that the median income for residents is \$79,900 and goes on to explain the formula that 80% percent of that figure should allow a family of four to pay a mortgage of \$1300. KS asks about terminology/definitions; SG-Q answers that it is each chapter. PA believes much of this information is subjective. SG-Q says that narratives are in each chapter to outline these terms and there is an appendix. PA makes the point that during each iteration of this process, the goals changed as the boards changed. KS asks about the access management and traffic impact study; SG-Q says it was a collaboration between MassDOT and the Town. KS also asks about a Facilities Manager, SG-Q responds that the rationale for the position is in the Master Plan. KS asks if the intent is to modify this plan yearly or at some other pre-determined interval? SG-Q answers the general intent is to review the plan every five years. KS agrees but says that it should be reviewed initially within 1-2 years. HH makes the point that the goals are open-ended, that they are not too specific. KS asks if a yearly meeting should take place, SG-Q answers yes, saying that it will allow goals to be assessed, look at problems (if any), and to see what has been completed. HH says that a report will be furnished to Planning each year, so will be easy to also meet with BOS and Fin Com. SG-Q wants it understood that this is a policy document that should guide actions and decisions. KS praises the MPIC saying that quite a lot of work went into this plan and it is nice to see that an implementation committee exists so that this plan does not languish on a shelf. This plan will need to be reviewed in about 15 years. PA asks if each area of the Town will be assessed with respect to zoning? SG-Q answers that the bylaws are being reviewed with regards to the Master Plan and they will be changed if necessary. JL asks what the transportation system consists of, answer is the roads, not public transportation.

Economic Development Advisory Committee:

KS starts by asking the purpose of the EDAC. DM answers that the EDAC was created by the BOS to make suggestions for expanding the business base in Town and to work with businesses. DM asks if the Burgess budget is finished, yes. LM makes the point that the Fin Com has advisory control over only the Sturbridge portion of the budget. SA/PA both say that no changes can be made to the budget nor can any objections be made to the other town's budgets. SP asks questions about the various departments: what are the non-negotiable items, answer union contracts, the purchasing consortiums in which the Town participates and the debt. KS gives a brief outline of the budget process from creation to Annual Town Meeting. LM says that each department head meets with the Finance Director and the Town Administrator; there is no input or discussion with the BOS or Fin Com. After the Saturday meeting, the Fin Com and the BOS go their separate ways. Later in the process, they will meet again to reach consensus, if possible. SP asks about Proposition 2 ½ and how the tax pie is apportioned. KS gives a brief explanation of Prop 2 ½ and explains that if the Town does not tax to its limit (2 1/2 %), it will forgo that increase in future years. SP asks if Fin Com has a role in evaluating the school budgets. Due to State-minimum funding levels for education, as it stands now, Sturbridge has approximately 45% of total enrollment at the district level and its share of the budget is about 50% (Deb Boyd, on March 20, 2012). SP asks how new spending is proposed? LM answer that some new spending is required due to statutory requirements or criteria that would exist even if Sturbridge did not

exist. PA says that changes to the budgets can be made at ATM. SP asks if any recommendations are made about the budget; a comment is made that recommendations are made and they get carried forward until implemented or they have outlived their usefulness. Further discussion ensues around ways to consolidate and disseminate information.

New Business:

First, ...

Second, Recycling Center. KS references an e-mail that he sent to the FinCom earlier this afternoon regarding the recycling center:

Colleagues,

When Greg spoke at the Saturday budget meeting, he stated about 400 cars consistently come into the recycling center every Saturday to bring their trash/recycling. Based on the numbers provided by the Principal Assessor, we know there are 3,356 households in Sturbridge. If Greg is consistently seeing 400 households driving to the recycling center each week, it is probably safe to assume that the majority are the same repeat customers with a few outliers. As a result, it appears just 12% of our households are using the recycling center on a regular basis. That doesn't seem like an efficient use of tax dollars.

To try to verify if Greg's numbers were accurate, I went to the Mass DEP website. Below is a link to the MASS DEP website which confirms Sturbridge only takes in 359 tons of waste per year which does make Gregg's numbers sound accurate. The report has other interesting information. You'll notice there are only 24 towns out of 351 in Massachusetts who still have landfills; 19 of those 24 are running them for thousands and thousands of tons of trash – making the cost worthwhile. Sturbridge sticks out as running a landfill for the smallest amount of waste on the list, just a paltry 359 tons! If we're spending even \$200,000 to handle just 359 tons of waste per year, that's an outrageous cost of over \$550 per ton. Most towns that have contracts for waste hauling are paying about \$60 per ton. Why are we paying eight times that rate? Here is some data to consider:

DEP report confirming Sturbridge processes just 359 tons of waste per year (last year's numbers): <http://www.mass.gov/dep/recycle/actlf.pdf>

Total cost to run the recycling center is the number in the budget of about \$229,018 plus these line items which brings the total to \$245,849:

Health Insurance - \$14,000

Medicare Tax - \$1,321

Unemployment - \$ 92

Worker's Comp - \$600

Retirement - \$818

The recycling center does generate revenue of about \$40,000 per year which we use to add to the landfill cap account. Here are the revenues for the last five years:

FY07	\$ 40,621
FY08	\$ 49,542
FY09	\$ 47,667
FY10	\$ 36,768
FY11	\$ 45,244
FY12	\$ 38,163 (YTD)

If instead of spending \$245,000 or so to run the recycling center, I wonder if we'd be better off taking \$45,000 in tax dollars each year and adding that sum to the cap fund and then taking the remaining \$200,000 that we usually spend on the recycling center and see what it would cost to do curbside recycling and trash pickup. Here's an article from just 3 months ago discussing the town of East Hartford and their new trash contract:

<http://www.remindernews.com/article/2011/12/16/town-trash-and-recyclables-get-a-new-destination>

You'll see they pay under \$60 per ton (compared to our over \$550 per ton). In addition, you should note they don't lose out on recycling revenue. Their contract refunds them \$22.50 per ton for recycling. You would think having curbside pickup would also greatly increase the recycling rate in any Town since it makes it far more convenient, particularly for certain demographics like the elderly and young, busy families. As a Town, it seems it might be possible for us to make a lot more money on recycling with a curbside program that refunded us per ton rather than relying on the meager 400 cars that come to the recycling center each week.

If the Town actually studied all of this, I'm wondering if we could save \$100,000 or so each year if we went with a Town wide contract with a private hauler. \$100,000 per year in savings is not a one time savings, but a savings we could count on to pay for some of the salaried positions everyone wants but we fear we can't afford (School Resource Officer, extra DPW staff, etc.). I'd be curious what kind of discounted price we could get from a private hauler or what type of "monopoly" fee we could get them to pay us upfront each year for the privilege of being the only hauler in Town. Those residents who are already paying a private hauler probably wouldn't mind paying the hauler the Town contracted with, especially if the Town was able to negotiate a discounted rate. The only group that would feel disenfranchised are the 400 cars who chose to go to the recycling center each week with their trash. Currently, they are probably paying at least \$10 per month for trash bags or at least \$120 per year, in our new "Pay As You Throw"

program. If we had some sort of income based assistance, we could help those few households out.

While I always thought there are savings to be had if we were to study alternatives to the recycling center. As a Committee, we've run into a brick wall every time we've attempted to bring up this topic. It concerns me that the recycling center seems to be considered an "off-limits" topic. We've never been given good numbers to work with when we've inquired. I shouldn't have had to do all of this research on my own, the numbers should have been provided to us when requested. This lack of transparency is a bit alarming. After doing the research, I now understand why we've had such a hard time getting numbers – they don't look very favorable to the recycling center. Who knows, maybe I'm missing something here and we do a study and find the recycling center is cheaper to run than I ever expected. Either way, I think a study should be done just in case there is the potential to save significant tax dollars.

We can discuss any thoughts you may have related to this topic at our meeting tonight or on Tuesday.

RV responds to KS's e-mail:

Kevin , i am meeting with Linda again next Wednesday on this subject. What I am trying to find out if and it is real if we closed the recycling center tomorrow are their still cost to be paid for next x years. You can not shut it and walk away. That is what I am trying to get a handle on. As far as everything else on your e-mail-I use a private company and maybe 1-2 people on Allen road use the dump. I will push the issue - Rich

KS would like to know how many hours a DPW person spends landfill. MS asks if any towns have curb-side pick-up of trash and recycling? KS responds Ayer/Gardner (from Shaun Suhoski, TA) and possibly Palmer. MR asks about the requirements to close the landfill? MS asks LM about the Library, he relates that he read a recent article about a library that installed a mini bookstore. LM will investigate; MR relates that the Friends of the Joshua Hyde Library is selling better quality used books through eBay. JL asks if the funds stay at the Library? MR answers yes, they fund different programs.

Reminder that the March 20 meeting will be at the Tantasqua Regional Junior High School to attend the school committee public hearing that begins at 6:30 pm.

Motion to adjourn at 10:04 pm.