

Sturbridge Finance Committee
Meeting Minutes
April 26, 2012
Town Hall
7:00 pm

Meeting was called to order at 7:04 pm with the following members present: Kevin Smith (KS), Mike Serio (MS), Larry Morrison (LM), Prescott Arndt (SA), Patti Affenito (PA), Joni Light (JL), Virginia Stallone (VS) and Arnold Wilson (AW).

Annual Town Meeting Warrant:

Article 6 Water Department: SA makes a motion to approve the article as written, MS seconds. Vote 8-0-0.

Article 7 Sewer Department: SA makes a motion to approve the article as written, MS seconds. Vote 8-0-0.

Article 12 Betterment Committee: AW makes a motion to approve the article as written, MS seconds. Vote 7-0-1.

Article 13 Commercial Tourism District Plan: KS says estimates are between \$105,000 and \$150,000. SA asks how many bids were received; KS answers five. AW asks about the lowest properly vetted bid; SA points out that the scope is smaller. KS explains that \$120,000 will get the concepts on paper but will not pay for the engineered plans that will allow the project to move forward. KS points out that the Town cannot take any action until the funds have been approved. SA makes a motion to approve the article as amended with the amount changed to \$60,000 from \$120,000, MS seconds. JL asks why ask for \$60,000, SA answers that since most of the bids came in above \$120,000, the \$45,000 previously thought to be enough will now not be enough. Vote 7-0-1.

Article 14 Capital Improvement Plan: MS makes a motion to approve the article as written, SA seconds. Vote 8-0-0.

Article 23 General Bylaw: Regulation of Collection Receptacles: MS asks again if the Town needs to conform; the consensus of the Committee is no since the Recycling Center is not on a public way. LM points out that the IRS issues a certificate under Section 501 and the State uses this guideline. There is general discussion about who pays for the permit, was a public hearing held, and whether there is a difference between vending machines and collecting receptacles. VS feels there is too much that needs revising and it is not up to the FinCom to do the revisions. PA asks about the receptacles; MS thinks the definition of the receptacle needs to be tightened. AW makes a motion to approve the article as written but suggests it be revised. JL asks if restaurant owners need to pay for the removal of spent cooking oil. LM asks to vote the article but include the need for revision in the textbox. The motion dies for lack of a second. LM makes a motion to take no action, AW seconds. Vote 7-0-1.

Article 27 Acceptance Of Public Ways – Regep Lane: KS makes a motion to approve the article as written contingent upon approval by DPW Director, MS seconds. LM asks should we not wait for the approval of the Director; the voters should know what they approving at ATM. LM/PA asks why the position of the DPW Director is not known. KS says the FinCom could take no action but explain decision if the text box. PA asks if the DPW answer could be acquired by the following meeting. KS says he will contact the Director and Articles 27, 28 and 29 will be held for now. The motion is withdrawn.

Special Town Meeting Warrant:

Article 67 Transfer to Free Cash: KS states that the Town should start the year with a certified Free Cash balance of approximately \$492,000. MS makes a motion to approve the article as written, AW seconds. Vote 8-0-0.

Article 68 Re-Allocation of Funds – Sturbridge Tourist Association: PA questions whether there is/are task(s) that will be funded with this money; answer yes. VS asks if the full amount is not needed can the remaining amount be re-voted, answer no. AW makes a motion to approve the article as written, MS seconds. Vote 7-0-1.

Article 69 Sturbridge Police Association Contract: General discussion about wage increases and SRO funding. KS notes that the SRO position will not be filled if the schools do not want the officer. Also the date for the Quinn Bill will change as will the date of eligibility. LM asks SA about a calculation of Quinn Bill funding relative to the training/equipping of a new officer; SA says he has not seen this but it is a real concern of the Police Chief. KS is interested in knowing how other towns are funding this obligation. Also, KS feels that this money should not be included in the officer's base salary. AW points out that the Town has never approved a contract for more than one year's time. KS says these negotiations were new to the TA and he initially put this on the ATM rather than have this expense implied in the line item budget. PA asks what these amounts pay for; KS answers that this pays for the FY12 portion of the contract but he will check with the TA and will recommend the date changes for the text box (dates should read 7/1/11 – 6/30/14).

Line Item Budget: KS would like to reconsider line 176 (Reserve Fund) based on the FY 13 Revenues v. Expenditures Analysis. He outlines where the FinCom and the BOS/TA differ on personnel increases and salaries/wages. The FinCom would be at about \$250,000 for line 176; SA makes a motion to reconsider line 176, AW seconds. Vote 7-0-0. AW makes a motion to approve line 176 for \$125,000, SA seconds. Vote 7-0-0. KS says that there is a \$48,000 surplus now since we have not used the full levy capacity; he asks if it should go to roads. MS makes a motion to reconsider line 106 (Road Construction), AW seconds. Vote 8-0-0. MS makes a motion to approve line 106 for \$253,007, SA seconds. Vote 8-0-0.

KS relates receiving an e-mail from Deb Boyd (Business Manager for regional school district) asking for details about the Plan B budget. He will attempt a budget based on the Article 4 dollar figure (includes only line item budget numbers). His calculations reveal an approximate figure of \$1,172,795 that will need to be removed from the budget. KS goes on to outline how to save this money: no new personnel, no salary increases, no merit increase for the TA, reduce the

Library hours, level fund the budget for Burgess Elementary School and other cost reductions. The reduction is \$395,000 and gives Deb Boyd a starting point. MS is not sure he can support this scenario; KS really believes the voters need to see something that will illustrate the urgency of this situation. MS goes on to say that consensus cannot be built on value judgements (close the Senior Center but not the Library), and he thinks perhaps a bulleted list of cuts with justifications would be better. There is more discussion about language of the article only applying to the line item budget because of the wording. KS reiterates the need to give Deb Boyd some place to start. LM makes a few points: MS is correct in pointing out that the Plan B is full of value judgements but that these are judgements on previous value judgements; only the budget amount that concerns Burgess can be changed and the Plan B moniker is too benign, it should be changed to nightmare budget. Also, LM says the Town's credit rating will be adversely affected and our borrowing costs will skyrocket. The point is made that if Article 4 is approved, a recess would be required in order to flesh out a new budget package. PA asks if this will be presented at ATM, KS says no, it will be in the Finance Committee Report. PA goes on to say that all personnel increases, except in the Assessor's office, could be cut; and then the voters could be given a figure after the Burgess budget is revised. PA would put this decision to the voters and ask them where to make the cuts. JL suggests a 10% cut across all depts.; this would result in a \$1.9 million reduction; she also asks KS if he is trying to present a worst-case scenario, answer is, partly yes. Discussion continues on how and where to make cuts in the line item budget. LM speaks to any residents watching the meeting and tells them that the discussion is on Article 4 of the ATM and this is just an exercise to make the FY 13 budget conform to the figure listed in Article 4. VS goes to say that this will be a collaborative effort at ATM. KS will make statements at ATM. AW makes a motion to consider Article 4 prior to Article 3 at ATM, LM seconds. Vote 8-0-0.

Finance Committee Report: SA will write a section about the Public Safety complex and will mention the impending retirement of the Fire Chief; KS asks members again to give their input on past issues and any new issues that should be addressed. Final reports are needed by May 3rd for the printer.

Motion to adjourn at 9:47 pm.