

Sturbridge Finance Committee
Meeting Minutes
May 10, 2012
Town Hall
7:00 pm

Meeting was called to order at 7:10 pm with the following members present: Kevin Smith (KS), Mike Serio (MS), Larry Morrison (LM), Patti Affenito (PA), Virginia Stallone (VS) and Arnold Wilson (AW). Members absent: Prescott Arndt (SA) and Joni Light (JL).

Audience member: Don Miller (DM), resident.

KS starts with comments about the Finance Committee Report; notes that the figures (expenditures v. revenues) from all three bodies (Principal Assessor, Finance Director and FinCom) are equal. KS also states that the Town budget is \$112,375 below the Proposition 2 ½ levy limit and he explains the last page of the Report. There is a brief discussion about the FY 13 budget that outlines the Proposition 2 1/2 levy limit and the debt exclusions.

PA arrives at 7:18 pm.

KS says he used the figure of \$300,000 only because it is a round number; property taxes increase by \$119 per \$100,000 of property valuation. DM asks whether the \$100,000 reduction in the Burgess budget will be used for property tax rate relief, KS says no, it will go to the Reserve Fund and pass back into Free Cash next year. At this point, KS gives a brief history of the reasoning for the seven percent figure that the Town tries to keep aside for extreme events. Basically, this money is the Town's rainy day fund and will allow the Town to cover expenses without the need for raising taxes or cutting personnel. LM makes the point that this is the money with which expenses can be met when revenues cease. Comments are made about the Community Preservation Act, Standard and Poor's rating system, and the value of the Town's general and conservative fiscal policy.

DM wants to clarify his statement from the previous meeting about the likelihood of an article similar to Article 4 being presented again. There are many people who believe that the Town has been over-spending for several years. He does believe that there is likely to be another petition that advocates for lower spending. AW notes that the impacts of projects around Town have been real and substantial. DM says there is a general desire to learn more about the process and to be more involved. PA notes that perhaps in the past some of these impacts were not felt so keenly, but that is not the case any longer. MS notes that many data points have been distilled to get to this point. VS notes that participation at meetings would allow people to get more involved. DM feels that getting information sooner, even piecemeal, is perhaps better than waiting for the entire picture. Both KS and LM strongly disagree. MS points out that since meetings are now televised residents can now watch the meetings, rather than attend; he describes a new project at his workplace that allows personnel to access information/projects from a remote source to see the progress. DM goes on to reiterate the need for in-depth understanding of the budget and the working of the Town.

KS runs through the Finance Committee Report for any last changes; PA would like the genesis of the \$112,375 made more clear to residents as well as the destination of this money.

There is general discussion about the Plan B budget, the figures on the last page of the Report and the bulleted list on page iv that lists possible cuts to the Town's budget if Article 4 is approved.

Motion to adjourn at 9:20 pm.