

Sturbridge Finance Committee
Meeting Minutes
April 29, 2014 ~ Sturbridge Town Hall
7:00pm

Call to Order:

The chairman called the meeting to order at 7:00pm with the following Finance Committee members present: Joni Light (JL), Mike Serio (MS), Kevin Smith, Chairman (KS) Kathy Neal (KN), Alex Athans (AA), and Bob Jepson (BJ)

Larry Morrison (LM) arrived at 7:26pm

Absent: Arnold Wilson (AW), Prescott (Scott) Arndt (SA)

Meeting Minutes:

Minutes of April 17, 2014 were reviewed and approved as amended. BJ moved the motion; KN seconds. Motion accepted 5-0-0.

Minutes of April 22, 2014 were reviewed and approved as amended. BJ moved the motion; KN seconds. Motion accepted 5-0-0.

Reserve Fund Transfer Request – Public Safety:

A reserve fund transfer (RFT) from Free Cash to the Public Safety Purchase of Services account (11972-52000) was made by Barbara Barry for \$12,000.00. This is to cover additional oil and electricity purchased outside the bulk contract price and now purchased at real market prices.

AA moved the motion to approve the transfer of \$12,000.00; BJ seconds to approve. Motion accepted 5-0-0.

Reserve Fund Transfer Request – Information Technology:

A reserve fund transfer (RFT) from Free Cash to the Information Technology Purchase of Services account (11552-52000) was made by Barbara Barry for \$5,000.00. This is to cover additional hours from Tantasqua IT Support in assisting the integration and migrating of fire and police systems.

KN moved the motion to approve the transfer of \$5,000.00; BJ seconds to approve. Motion accepted 5-0-0.

Reserve Fund Transfer Request – Library Building:

A reserve fund (RFT) from Free Cash to the Library Building Purchase of Services account (11962-52000) was made by Barbara Barry for \$3,400.00. This is to cover additional propane costs, related heating repair costs and additional trash services at the library.

KN moved the the motion to approve the transfer of \$3,400.00; BJ seconds. Motion accepted 5-0-1. LM abstaining.

The chairman opened discussion on the final voting of the line item budget confirming that the BOS and the town administrator voted on everything as per the finance committee votes on the line item budget. At this point the line item budget is officially complete at \$28,140,568.00.

KS moved discussion onto the final warrant review using the file 07 FY15 ATM final FINCOM. Article 7 and Article 8 deal with the water and sewer, respectively, and since the bids have not been formally closed, no action and no further details have been given to make a recommendation. The BOS did not vote for the same reason.

Article 12 is the Sturbridge Tourist Association budget. KS stated that the budget was put together for an approximate six month budget term by taking the same categories as last year and pro-rating the

total funds if the STA could hold meetings and discuss other opportunities. JL asked why the budget could be distributed such so it's specifically for the Information Center and the Route 20 restrooms only, as the original warrant states that these two items must be funded in part by the STA. The committee hasn't met in months and there are currently several vacancies, with the potential that the current chair may not continue on the committee after this fiscal year were noted as some of the reasoning made by JL. LM stated that he too, would not vote for a pro-rated six-month budget as put forth on the warrant. KS suggested that perhaps the committee approve to allocate approximately \$500.00 for the website and town owned domain names. LM asked if it was clear that this public money being given to the Chamber of Commerce is used to fund non-members, as well. JL stated no, in her experience the Chamber of Commerce tends to include only Chamber members. LM gave dialogue on the same issues that were present 40 years ago around the hotel/motel tax funding seem to be present still, and the committee may continue with this "absence of improvement" because there is no oversight of the STA programming.

JL moved the motion to approve a budget for Article 12 Sturbridge Tourist Association as follows: \$8,000.00 to the Information Center/\$8,500.00 for the Route 20 Restrooms for a total budget of \$16,500.00; LM seconds. Motion accepted 5-1-0 with BJ opposed.

After further discussion it was noted that the remaining funds for the Route 20 Restrooms came from the Betterment fund, and that Betterment had allocated \$5,000.00 for the restrooms. Since the funding is to be equally paid by both budgets, JL moved the motion to reconsider a change in the funding allocation for the restroom; LM seconds. Motion to reconsider accepted 5-1-0 with BJ opposed. JL moved the motion to approve a budget for Article 12 Sturbridge Tourist Association as follows: \$8,000.00 to the Information Center/\$5,000.00 for the Route 20 Restrooms for a total budget of \$13,000.00. Motion accepted 5-1-0 with BJ opposed.

KS moved to Article 19 Tax Rate Relief article and confirmed the BOS had changed in total relief to \$250,000.00. This was based upon the 7-10% remaining in free cash in relation to the total operating budget, and all were in favor of adding more tax relief to the residents. KN moved the motion to accept Article 19 Tax Rate Relief as written; BJ seconds. Motion accepted 6-0-0.

The committee moved discussion to Article 22 Board and Committee Stipends. LM asked what the committee's view on compensation v. stipend was as compensation would be considered taxable income and wanted to be clear. KN noted that it was really going towards the full time employees who were on the eligible boards. She had spoken at length to the state's ethic's attorney and they were comfortable with the way it was written. JL moved the motion to take no action on Article 22 Board and Committee Stipends; AA seconds. Motion accepted 5-0-1 with KN abstaining.

KS asked the committee to reconsider Article 12 Sturbridge Tourist Association as he is a voting committee member on the STA, and he can only cast his vote once. KN moved the motion to reconsider; BJ seconds. Motion to reconsider accepted 6-0-0. JL moved the motion to approve a budget for Article 12 Sturbridge Tourist Association as follows: \$8,000.00 to the Information Center/\$5,000.00 for the Route 20 Restrooms for a total budget of \$13,000.00. Motion accepted 4-1-1 with BJ opposed and KS abstaining.

Article 24 Military Acceptance of Local Option Property Tax Exemption was next for discussion. KS opened the dialogue that he had no details from the assessors on how they plan to implement the policy and what will be their criteria. He also wanted confirmation that the town has done a thorough review of all the potential military personnel who live or have lived in Sturbridge who may be eligible, and until such time he was not comfortable he had all the facts to vote for or against this article. AA stated that he was comfortable with the first article, but not certain on the retroactive article (Article

25). KN suggested that there should be more details provided by the assessors on how they plan to administer this before the committee can make a well informed decision. LM agreed that the committee should take no action until such time the assessors put together criteria and present it at Special Town Meeting, and identify every person who would be affected. JL moved the motion to take no action on Article 24 Military Acceptance of Local Option Property Tax Exemption; BJ seconds. Motion accepted 6-0-0.

AA moved the motion to take no action on Article 25 Authorization to seek Special Legislation to offer Tax Exemption for Military Deployed Overseas; BJ seconds. Motion accepted 6-0-0.

Article 26 Transfer of Real Property to Conservation Commission was up next for discussion and seemed clear as to what it was set forth to accomplish. BJ moved the motion to accept the article as written but it was not seconded. Various questions from the committee were raised such the one by LM as to what would happen if the town voted no on this article, and would it even matter? KS felt the property would remain under the control of the BOS, and he would question the town administrator and finance director for guidance on whether or not these properties could be sold. The article was set aside until the Thursday meeting.

Article 27 Gateway Economic Opportunity Designation and the associated Article 28 Tax Increment Financing Agreement spawned a lot of discussion and questions from the committee. KS stated that the TIF only applies to the portion of the project being improved; the hotel is the only portion being improved. The other two on the property are not. As a matter of explanation to the committee members, LM clarified how the legislature tries to stay out of local business projects thereby designing a TIF to be used as a filter of sorts so if the business received local approval they would be more inclined to agree and offer the additional 5% relief to the property owner. KN wanted it recorded that the committee received the article at 5:15pm today, last minute, and that was not adequate time for the committee to thoroughly review. KS agreed to leave this for discussion for the Thursday meeting, and to send questions to him so he could solicit answers.

Moving onto the Special Town Meeting warrants, KS started with Article 43 Transfer of Funds for Water Department Electricity and Article 44 Transfer of Funds for Sewer Department Electricity. He further explained how both were necessary to fund electricity for the same reasons other departments requested additional funds recently for undue electricity usage and price fluctuations being off contract. JL moved the motion to accept the Article 43 Transfer of Funds for Water Department Electricity as written; BJ seconds. Motion accepted 6-0-0. JL moved the motion to accept the Article 44 Transfer of Funds for Sewer Department Electricity as written; BJ seconds. Motion accepted 6-0-0.

BJ departed at 9:49pm.

KS further reviewed the finance committee book and there was discussion around the town's exclusions, specifically Tantasqua and Burgess, and how the project tax rate is closer to \$19.67, approximately. KS also noted that the school bus article would have to be moved before the line item budget, as it could affect the total budget if it were to be defeated by the town. KN asked if the town could increase the school budget, and KS stated the town can do so; the school committee cannot.

Motion to adjourn made by AA; KN seconds. Meeting adjourned at 10:15pm.

/jml