

Sturbridge Finance Committee  
Meeting Minutes  
March 19, 2015 ~ Sturbridge Town Hall  
7:00pm

Call to Order:

The chairman called the meeting to order at 7:00pm with the following committee members present: Kevin Smith, Chair (KS); Joni Light (JL); Kathy Neal (KN); Larry Morrison (LM); Bob Jepson (BJ); Eric Perez (EP); Arnold Wilson (AW); Absent, Mike Serio (MS) and Alex Athans (AA)

Opening the meeting KS recognized LM who noted the passing of Sturbridge resident, Don Fairbrother. As a recent colleague of Don's on the TA Search Committee, LM was impressed with his compassion towards the residents of Sturbridge and his professional composure on the various committees in town – he was just an overall “good guy” and will be missed. KS concurred.

Minutes:

Motion to accept the meeting minutes of March 7 as amended was moved by KN; AW seconds. Motion accepted 5-0-2 (EP and LM abstaining).

Motion to accept the meeting minutes of March 17 as amended was moved by BJ; KN seconds. Motion accepted 7-0-0.

Budget Overview

KN had answers to questions raised at the March 17 meeting with regard to her related budgets. For Unclassified, there is still no update to the Group Insurance figures. With regard to the question on the possibility of the streetlights going to LED technology; KN spoke to Greg Morse and he told her that the town does not own the lights, and that the posts are equipped with standard lighting fixtures. KN confirmed the Reserve Fund formula as .5% of the prior year's general operating budget, less debt.

KN moved the motion to accept the Unclassified Budget line items as follows:

Line 168	19102-51750	\$25,000.00	Unemployment	<u>LM seconds; motion accepted 7-0-0</u>
Line 169	19102-51800	\$985,166.00	Worcester Retirement System	<u>LM seconds; motion accepted 7-0-0</u>
Line 170	19102-51950	\$205,000.00	Medicare Tax	<u>LM seconds; motion accepted 7-0-0</u>
Line 171	19102-52110	\$55,000.00	Street Lights	<u>LM seconds; motion accepted 7-0-0</u>
Line 172	19102-52630	\$25,000.00	Town Audit	<u>LM seconds; motion accepted 7-0-0</u>
Line 173	19102-52640	\$0.00	School Audit	<u>LM seconds; motion accepted 7-0-0</u>
Line 174	19102-52650	\$7,500.00	OPEB Study	<u>LM seconds; motion accepted 7-0-0</u>
Line 175	19102-53030	\$30,000.00	Legal Fees	<u>LM seconds; motion accepted 7-0-0</u>
Line 176	19102-53070	\$15,000.00	Tax Title	<u>LM seconds; motion accepted 7-0-0</u>
Line 177	19102-53090	\$3,500.00	Town Report	<u>LM seconds; motion accepted 7-0-0</u>
Line 178	19102-57410	\$300,000.00	Insurance Blanket	<u>LM seconds; motion accepted 7-0-0</u>
Line 179	19102-57800	\$133,000.00	Reserve Fund	<u>LM seconds; motion accepted 7-0-0</u>

Under Central Purchasing, KN confirmed that Verizon is the local telephone service provider and ATT is the long distance service provider for all town accounts. KN asked the finance director about the option for bulk purchases on supplies and was told the building budgets usually include the purchase of paper and toner, but they all use the same vendor to take up on group purchase discounts. Storage is limited within the town properties so purchasing large quantities of paper, for example, is not practical.

KN noted that the gasoline purchase for the town is done so through the state bidding, and the sewer amount in the budget is based upon actuals. In fact, the finance director and DPW director are presenting to the BOS on April 6 with details.

### Education – Arnold Wilson

#### Burgess Elementary School

AW confirmed that the Burgess School Committee voted on the budget. KN raised comments with regard to the increase in the technology budget, and whether or not sufficient time has passed to demonstrate a need to justify such an increase. KS shared her concern and noted that he and AW met with Deb Boyd, Associate Superintendent of Business & Finance, specifically to review the IT budget and what it entails. He found that the school is putting into place a replacement/rotation schedule for all their technology equipment. The computers will follow a similar rotation to that of the town (5 year plan). Smart boards are also being purchased and will be placed on a seven year rotation replacement schedule. The rest of the cost is for infrastructure, such as servers, which will follow a ten year rotation replacement schedule; the cost of which is significantly more than the personal equipment. AW noted that TRHS is also adopting a similar plan for their technology equipment. KN asked if there was such a plan in place prior to the building of the new school, which AW confirmed and has documentation of previous years to share.

AW also confirmed the enrollment this year for pre-school through grade 6 is 982 students, which is close to the planned capacity of the building. Teacher contract negotiations are now complete and within the budgeted amounts. Next year will begin the contract negotiations for custodial and secretarial positions. Additionally, AW noted some thoughts for next year are to include cameras for the buses, while there was also discussion around seat belts in the buses. BJ stated that he is not in favor of the cameras on the buses and was curious to know if there were any issues now that may have initiated this request. AW was not aware of any incidents. LM stated that it would not come as a surprise if when there is a problem the question will come up as to why there were not cameras on the buses. KS noted that by owning the bus fleet, as compared to other towns who lease their school buses, the town saves approximately \$175K annually. He also noted that 53% of the Burgess budget this year is for the technology budget and the special education placement. JL commented to confirm that the special education budget can fluctuate as it's dictated on demand/need; KS and AW both confirmed that to be correct.

AW moved the motion to accept the Burgess Elementary School Budget, line 100 account 13002-53200 for \$5,987,748.00; LM seconds. Motion accepted 7-0-0.

#### Tantasqua Regional High School – Town Share

AW noted that the total TRHS school budget is \$21,100,155.00. This is a 3% increase over FY15. The net operating budget is \$11.6M, or 2.76% increase over FY15. Sturbridge town share is an increase of 1.96%, or \$5,870,542.00. Enrollment for Sturbridge is up 1.57% which is the reason for the majority of the budget increase.

AW explained the debt assessment to the committee and noted that Tantasqua is close to completing their teacher contract. The regional school agreement is currently being re-written but will not be ready for this year. KS was curious to know what details were being discussed or re-written. The section on how the towns are represented is the main justification for the review. He also noted that the Tantasqua School Committee approved the set-up of a post-employment trust fund, although it is not yet funded.

Also included in the budget are two teacher positions. AW noted that these were positions previously eliminated that they are reviving. The school is also cutting down on electricity with night-time lighting of both buildings. Most lighting will be shut down after the last activity of the day.

AW moved the motion to accept the Tantasqua Town Share budget line items as follows:

Line 101	13002-53200	\$5,987,748.00	Tantasqua Town Share	KN seconds; motion accepted 7-0-0
Line 102	13002-53210	\$191,578.00	Tant. Transportation Assessment	KN seconds; motion accepted 7-0-0
Line 103	13002-53220	\$0.00	Tantasqua School Committee	KN seconds; motion accepted 7-0-0
Line 104	13002-53215	\$52,296.00	Tantasqua Debt Assessment	KN seconds; motion accepted 7-0-0

### New Business

Regarding the recent emails on the "MOU" article due from the BOS, KS told the committee that a resident expressed concerns over this apparent MOU between the BOS and the Chamber of Commerce, and that this resident stopped over to the town hall at last meeting just as the meeting adjourned. KS further communicated this resident's trepidations to the MOU as it reads more like a contract, yet it does not include a lot of precautionary and/or enforceable tasks to protect the town and ensure the funds are being administered lawfully. Other matters that are not enforceable in this MOU is the non-biased and equal opportunity in dispersing of the funds to non-Chamber members and/or residents seeking to use the funds. KS has additional concerns around the ownership of the town's STA logo and website; no mention of ownership.

JL commented that she was happy to hear residents coming forth with concerns over the management of the funds and status of the committee. She further expressed to the committee that the STA chair was never approached or otherwise notified by the BOS that a budget was required for the warrant. Curiously, the BOS liaison to the STA never advised the committee of the March 15 deadline but is in contact with the Chamber who she asked to attend that last BOS meeting to discuss the MOU. In fact, JL noted that Alix McNitt, the chamber director, is in regular contact with the BOS yet no guidance has been given to the committee even after repeated questioning from the STA chair. JL stated that the last STA meeting, while her vote was not in the majority, the committee voted to fund \$10,000.00 to the chamber for "discretionary" funding from their \$40,000.00 marketing plan. JL's concerns over the management of this fund by the chamber if this MOU is passed. KN voiced concern over the BOS not adhering the state law, and she feels the BOS is going around it. The legislative vote that put this fund in place was voted by the town and the BOS cannot arbitrarily take it into their own hands to eliminate.

Further concerns not addressed in the MOU for KS is that there is no mention about the Open Meeting Law guidelines and therefore opens up many concerns as to whether or not this money will really be available to other entities on an equal plane. There is not even any mention of how the meetings will be publicized so residents and business alike can attend.

AW provided the committee with the FY16 Betterment request. KS asked if any consideration was made to the Joshua Hyde Trust that exists specifically for the maintenance of the trees on the common, as the Betterment funding included funding town common tree maintenance. There would be a potential of \$21,000.00 to be made available to other projects. JL asked who was managing that trust and how one would go about getting the funds. AW thought it would be a follow up question to the TA.

KS also questioned the request from the Board of Health for two "WinWams". It turns out that the \$5,600.00 includes the cost of software, device and training as documents were provided by AW.

KS wanted to confirm budget presentations for the following weeks. JL will present on March 26, and LM may be ready to present on March 31. BJ will know more after his conversation with Chief Ford but he can present the Fire Department and Safety Complex budgets.

Motion to adjourn the meeting was moved by BJ; EP seconds. Motion accepted 7-0-0. Meeting adjourned at 8:26pm.

/jml