

Finance Committee Meeting Minutes
May 3, 2016
Town Hall – Sturbridge, MA

Call to Order:

The chair called the meeting to order at 7:00pm with the following Finance Committee members present: Chair, Kathleen Neal (KN); Kevin Smith (KS), Michael Serio (MS), Joni Light (JL), and Suzanne Smiley (SS).

Absent: Laurance Morrison (LM) and James Waddick (JW).

Annual Town Meeting Warrant Articles (document “ATM WARRANT 6-6-2016 reconciled on 5-5-16.doc”)

Article 30 – Public Works Building Feasibility Study

KN told the committee that \$5,000.00 was added to the amount for a new total of \$45,000.00 to include funds for HazMat testing.

KS moved the motion to reconsider Article 30 – Public Works Building Study, JL seconds, motion to reconsider passed 5-0-0.

KS moved the motion to approve Article 30 – Public Works Building Study with revisions, MS seconds, motion passed 4-1-0, JL opposed.

Article 26 – Town Barn Field Project

KS suggested that the finance committee recommend that the town take no action on this article, and JL agreed and seconds the motion.

KS explained his rationale behind taking no action. The town has six capital expense projects being pursued and that adding this to the debt would not be fiscally responsible. The DPW building, Senior Center, Public Safety, Rt. 15 high cost feasibility studies, the use of 8 Brookfield Road, and the purchase of a new ladder truck for the Fire Department are all on the warrant for FY17. The town will need to compare and prioritize the projects. The Town Barn Fields are quoted at \$6.3 million dollars. Although the design they had completed was by a consulting firm, the proposal is a half measure; it's not going to attract people if the fields do not have lights and the fields are not regulation size to attract out of town team sports. There are no baseball or softball regulation sized fields in town except for the fields at Tantasqua, so the attraction of tourism due to use of the fields is debatable.

KS stated if the article passes, the debt is paid by being added as a surcharge to your property tax bill. Even though the increase in property tax is a fact of life, he maintains that there are too many high debt items being pursued by the town. He further explained that tax rate means nothing, but people should assess taxation according to the average tax bill. Sturbridge is not increasing their property taxes as much as other parts of the state with only a 1.8% tax increase in the past ten years. He confirmed that all of the borrowing for this article will come out of property taxes, including the CPA funds.

MS said he agreed in theory, but not in practice. He used the example of the building of the new Burgess Elementary School building, which was proposed in 1987, defeated in 1990, revisited and then ultimately built in 2013. He advised the committee that there is no way to predict the outcome of any of these projects. The fields were presented for funding ten years ago but did not pass because of conservation issues and if active or passive recreation was allowed. Based on an investment thesis, these fields would draw people to town and thus generate tourist revenue. He noted out of town visitors using the pools and fields at Tantasqua Regional High School following the new building's facilities, regional meets are there now instead of out of town.

MS further stated that predictions about industry and development were incorrect, such as having highly technical industries come to Sturbridge. The outcomes were reversed, these highly technical industries are going back into Boston; GE is moving to Seaport, Biotechnology companies are moving into Cambridge square. From a financial perspective the best building is an NSA building (or some such building) full of computers, which is low impact and pays the most taxes. This would be better than retail or apartments but the settlement of such companies in the town is not happening. What is happening is that Sturbridge is becoming more of a wedding destination. According to Brian Amedy of the Sturbridge Tourist Association, he said OSV is booked for 50 weddings already this year. The Public House is booked with over 100 weddings. The town possesses desirable amenities for tourism; hotels, restaurants and aesthetically pleasing photography locations. Local revenues have been growing every year and they are not a result of or impacted by tax rate change. Tourists are coming here, eating, and staying overnight, therefore he would argue that Sturbridge is a tourist town.

SS and JL asked how the proposed ball fields are going to draw people here if we do not have regulation sized fields. JL and SS said that the fields ought to be regulation sized if they are going to spend all this money to update them. JL commented that instead of trying to please everyone by having versatile fields and play areas that may appeal to young and old groups, perhaps the town should propose two or three regulation sized fields. Baseball, softball, soccer, and lacrosse are big field sports that require regulation sized fields. KN said the fields currently can only accommodate under ten year old athletes. JL emphasized that if the committee accepts a no action vote, she doesn't want the town to think that the committee is against youth sports, rather, the rationale behind a no action vote is that expenses coming up in the next few years are of considerable impact to the tax payers.

SS suggested that the town consider changing the Town Fields plan to generate additional tourism, publicity, and revenue. If the town is paying someone to market Sturbridge, having regulation sized fields could be something worth marketing.

MS said that the attraction of visitors to use the facilities we have now is visible on the weekends because of the amount of athletes that are at the businesses in town. The school charges \$500.00 to non-Sturbridge teams for using the gym or pool at Tantasqua. Youth sports have been growing for decades. At the very least, the children in town will benefit from the Town Barn fields. The town has not built any new fields in years. Although there are numerable capital expense proposals this year, in practice it will take a long time to sort out the logistics of actually building the fields. MS believes that KS makes a good theoretical argument, however, if the committee thinks the fields should eventually be built, now is as good a time as any. They are trying to make it as versatile as possible. MS concludes that there's more of an investment than expenditure.

KN voiced concern about the article; the fields are needed but it seems like a considerable amount of debt to put on the tax payers. She is also not supportive of borrowing from Community Preservation Act funds. KN asked SS to abstain due to a conflict of interest, as she is a resident that abuts the town property.

KS moved the motion to take no action on Article 26-Town Barn Fields, JL seconds, motion passed 3-1-1 (SS abstaining; MS opposing)

MS asked why the committee does not explain all article votes through a summary box rather than the no action votes only.

JL talked to the Town Administrator, Leon Gaumond, about properly recording motions. KN said that practice is to not record a defeated motion. KS also said that there is no Board of Selectman recommendation as it the motion was defeated, and that it will have to be provided at the Annual Town Meeting. The BOS voted 2-2-1.

Annual Town Meeting Summary Boxes in the Finance Committee Report

KS and KN notified townspeople watching the meeting on Public Access that the committee will not vote on anything further and that the remainder of the meeting will focus on revisions of the Annual Town Meeting Warrant summary boxes.

The committee discussed amendments to language in the summary boxes of the Annual Town Meeting Warrant Article portion of the Finance Committee Report. JL makes amendments as discussed and works on formatting details.

No Old Business

New Business

KS referenced an email that KN sent out regarding the pre-town meeting, which is proposed for May 11. The Finance Committee report will not be ready by this date, and he feels it would be a disservice to the townspeople without having the confirmed budget book available to discuss. KS asked KN to suggest that the meeting be moved.

Finance Committee Report

KN reminded the committee about their responsibilities to document topics for the Finance Committee Report section of the warrant. KS and KN agreed that topics will include a summary on capital expenses. KS suggested that the town consider a process, policy, and plan for the control of invasive species as a topic of discussion. KN discussed the need for a continuous and steady HVAC company contract. KS also noted that the committee's Memorandum of Findings (MOF) had previously introduced a need for a facilities management, and that it is now being funded in FY17. KN suggested that a possible MOF topic could be the lease on the town owned public restrooms building. JL and KN agreed that the committee should include a proposal concerning the salary structure. MS notified the committee that Town Administrator, Leon Gaumond (LG) has a recommendation addressing the pay structure of the department heads and policy concerning fair compensation and increases. MS goes on

to explain that LG felt that the merit based incentive should not be based exclusively on the achievement of goals, and that circumstances out of the employees control should be allowed for consideration. The changes are being implemented in FY18. KN feels that the committee should include the Fire Chief's suggestion that privately owned fire hydrants need to be maintained and inspected. MS and JL stated that privately owned fire hydrants need to be inspected as part of their property insurance to prevent liability. KN economic development coordinator should focus on using CPA funding and other funding for open trails. KS feels that it should be part of this economic development coordinator's responsibilities to be cognizant of where funds for economic development are coming from and available funding opportunities.

Public Access – none

Motion to adjourn the meeting was moved by JL; KS seconds. Motion passed 5-0-0. Meeting adjourned at 10:22pm.