

**Sturbridge Finance Committee
Meeting Minutes
November 29, 2016 ~ Town Hall
7:00pm**

Call to Order:

**The chairman called the meeting to order at 7:00pm with the following members present: Kathleen Neal (KN), James Waddick (JW), Laurence Morrison (LM), Jared Burns (JB), Suzanne Smiley (SS), Michael Serio (MS), Joni Light (JL) and Bruce Boyson (BB).
Guests: Linda Cocalis, Director of the Board of Health (LC), and Barbara Barry, Finance Director (BBa)**

Special Town Meeting Warrant

Article 49 – Costs Associated with Southbridge Landfill Project

JW asked if the appointed legal representative for the town of Sturbridge is also representing the town of Charlton. LC answered that Charlton dismissed their previous legal representative, Kopelman and Paige, acknowledging a conflict of interest as this firm represented the town of Southbridge in 2007 and 2008 during a site assignment. LC spoke to the Board of Selectmen (BOS) to let them know of the conflict of interest with Kopelman and Paige. Joel Bard (legal representative for the town of Sturbridge) was not aware that Kopelman and Paige was representing the town of Charlton. The town of Sturbridge is not using any legal representative that Southbridge or Charlton is using.

Additionally, LC stated that if the site assignment does not require full funding of the wararnt all unused funds will go back to the town of Sturbridge. Currently there are two basins located in Charlton that are not properly zoned, and Casella has subsequently been given a Cease and Desist order by the town of Charlton. Lastly, there is a 20-day commenting period about the site suitability criteria. The Board of Health will comment that the site assignments are not suitable because they do not meet zoning requirements.

The finance committee voted on this warrant article at a previous meeting; no further action required on this article.

Bruce Boyson (BB) arrived at 7:04pm.

Article 47 – Creation of a Fire Apparatus Stabilization Fund

JW and BBa clarified that this article is strictly to open the stabilization account; not to appropriate funds. BBa explained that funding would be requested through a warrant article at the Annual Town Meeting, where a dollar amount would be determined. Any excess funds from the ladder truck purchase, if approved by the town at STM, will go into this stabilization fund; not back to the town of Sturbridge.

JW moved the motion to approve Article 47 – Creation of a Fire Apparatus Stabilization Fund as written, JL seconds; motion accepted 6-1-1. (SS opposed, BB abstained).

Article 48 – Purchase of Ladder Truck

KN stated that at the last meeting of the Finance Committee, there was significant discussion surrounding the purchase of a new vs. pre-owned ladder truck. JW stated that there was one selectman in favor of purchasing a new ladder truck. Additionally, he reminded the committee that the fire chief was not aware that buying a new vehicle was a possibility, or that it would be supported by members on the Finance Committee. BBa answered that a new vehicle wouldn't be necessary because the ladder truck is not the first responder in the case of a fire, and that there is not enough fire staff to operate all of the Fire Department's fleet vehicles. The current ladder truck has served the community for over ten years. It was purchased in the early 1990's and is a 1976 model. The issue with the current ladder truck is not necessarily increased cost of repairs, rather the safety issues involved with an aged vehicle. JW stated that the National Fire Protection Association (NFPA) guidelines are such that a pre-owned ladder truck should only be used as a primary vehicle for 15 years and used as a standby vehicle for the following 10 years. BBa answered that the fire chief, Thomas Ford, has purchased pre-owned vehicles in the past and presented specific examples that he would be comfortable purchasing. The funds need to be in place in order to bid for vehicles as they become available. The town was not awarded a recent grant request applied for last year by the town's former fire chief. As the truck must be replaced because of safety regulations moving forward, the article for \$400,000.00 seemed to be the best option to secure a needed vehicle. The intent is to keep the vehicle for ten years, more or less, and at the end of such time there would be enough funding in the stabilization account to purchase a new fire apparatus, as needed.

JB moved the motion to approve Article 48 – Purchase of Ladder Truck as written, MS seconds; motion accepted 7-0-1. (BB abstained).

JL moved to reconsider Article 48 – Purchase of Ladder Truck, BB seconds; motion accepted. 8-0-0.

JB moved the motion to approve Article 48 – Purchase of Ladder Truck as written, MS seconds; motion accepted 6-1-1 (SS opposed, BB abstained).

Article 51 – Transfer of Funds – Capital Projects Fund

BBa stated that this item was not funded in FY16, rather it was created at the Annual Town Meeting in June 2016. This article is now requesting to add funds to the account in FY17. There will likely be another warrant article next budget season to add funds for FY18, and each year going forward.

JW moved the motion to approve Article 51 – Transfer of Funds – Capital Projects Fund, JL seconds; motion accepted, 7-0-1. (BB abstained)

Article 52 – Transfer of Funds – Water Miscellaneous Expenses

BB stated that this article is to balance funds spent on a mandatory state water permit which is required to have renewed every 5 years. The town employed Tighe and Bond as consultation for the permit. \$10,000 was budgeted, yet the expenses totaled \$16,000. The article is to transfer \$6,000.00 from the Water Reserve Fund Balance to Water Miscellaneous Account #29450-55320 to cover the shortfall.

JB moved the motion to approve Article 52 – Transfer of Funds – Water Miscellaneous Expenses, LM seconds; motion accepted 7-0-1. (BB abstained)

Article 53 – Tax Increment Financing Agreement and Project Certification: Publick House

BB stated that the TIF can move forward in spite of the vote of the committee. The Publick House and the Historical Commission could come together to settle on terms pertaining to the TIF. If the state agrees to the TIF, the BOS can amend it, but it would still be up for approval at Annual Town Meeting.

JW asked about the full value of the project. BB stated that the assessment of the barn is \$250,200. The entire project value is \$1.8 million. The projection is that over the ten-year period there will be \$1,865,100 in savings for the Publick House over the life of the TIF. The TIF saves the Publick House approximately \$32,000 for construction alone in the first year.

BBa stated that the new structure would create 10 permanent full time jobs, employing residents in the South Central Massachusetts target area with a preference for qualified Sturbridge residents. She read from an email Michael Glick of the Publick House does not believe the project would be possible without tax incentive from the town.

JW stated that the room tax would likely balance out the loss of payments to the town through the TIF. LM and JB stated that there is not enough information to cast a vote.

JB asked if there was a different structure that would cater to the financial needs of the Publick House over times. MS stated that the TIF looks typical. MS stated that there is no real downside for the town, because of the offset from room tax revenue, and that the town has already gone forward with several small TIFs without incident.

BBa asked that the committee send specific questions pertaining to warrant articles in order for the Finance Director to be prepared with the appropriate information and representatives present. She also asked that the Finance Committee use liaisons to contact department heads about any questions pertaining to warrant articles. BBa encouraged the committee to reach out for questions before taking negative action on this article, and that the project won't move forward without the approval of the TIF. She reminds the committee that the Publick House needs to meet the requirements of the TIF to continue receiving it.

MS moved the motion to approve Article 53 – Tax Increment Financing Agreement and Project Certification: Publick House, JL seconds; motion accepted 5-0-3 (LM, JB, SS abstained).

The committee discussed the summary boxes for Special Town Meeting Warrant Articles. Review of meeting minutes is postponed until the next meeting on December 12.

No old business.

No new business.

No public access.

KN stated that the next meeting is scheduled for 6:30pm on December 12, 2016 prior to the Special Town Meeting.

*JW moved the motion to adjourn, JB seconds; meeting adjourned at 8:40pm.
Attachmenet - STM Warrant*

**TOWN OF STURBRIDGE
SPECIAL TOWN MEETING WARRANT**



**TANTASQUA REGIONAL HIGH SCHOOL
MONDAY, DECEMBER 12, 2016 @ 7:00 P.M.**

**ARTICLE 46
AMENDMENTS TO THE STURBRIDGE CHARTER
(2/3rds vote required)**

To see if the Town will vote to amend the current Town Charter by substituting the recommended draft Charter as attached to this Warrant, on display at the Town Clerk's office and as posted on the Town of Sturbridge website; or take any action in relation thereto.

Sponsor: Board of Selectmen

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

The Selectmen voted to place the article (5-0); recommendation pending.

Summary: Voting for this article would allow for this question to come before the town to vote at the next election in April 2017 for approval.

**ARTICLE 47
CREATION OF A FIRE APPARATUS STABILIZATION FUND
(2/3rds vote required)**

To see if the Town will vote to create a Fire Apparatus Stabilization Fund to be used to fund the future purchase of firefighting vehicles; or take any action in relation thereto.

Sponsor: Board of Selectmen

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

Summary: This article would establish a Fire Apparatus Stabilization Fund. This account will allow the Town to set aside a sum of money in any year for future purchases of firefighting vehicles. The creation of this account is in accordance with M.G.L. Chapter 40 Section 5(B).

**ARTICLE 48
PURCHASE OF A LADDER TRUCK**

To see if the Town will vote to appropriate the sum of FOUR HUNDRED THOUSAND AND 00/100 DOLLARS (\$400,000.00) from Free Cash for the purchase of a ladder truck, or its equivalent; or take any action in relation thereto.

Sponsor: Board of Selectmen

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (4-1)

Summary: The Board of Selectmen, in conjunction with the Sturbridge Fire Department, is seeking funds to replace the town's 1976 ladder truck. The intention of this article is to procure a used ladder truck using these funds and perhaps a combination of trade of some of our surplus equipment.

**ARTICLE 49
COSTS ASSOCIATED WITH SOUTHBRIDGE LANDFILL PROJECT**

To see if the Town will vote to appropriate the sum of SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$75,000.00) from Free Cash for the Board of Health to obtain legal and/or consulting services for possible litigation, advisement, and engineering consulting services relative to any site assignment, or change thereto, and study any health effects on the residents of Sturbridge from the Southbridge landfill; or take any action in relation thereto.

Sponsor: Board of Health

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

Summary: This article seeks \$75,000.00 from Free Cash as requested by the Board of Health. They are seeking this funding in order to obtain legal services, advisement and consulting services relative to the Southbridge landfill and any health effects on Sturbridge residents. This article supplements an earlier appropriation of \$30,000.00 which was voted at the Special Town Meeting held on February 22, 2016 (Article 35).

**ARTICLE 50
UNPAID BILLS OF A PREVIOUS FISCAL YEAR
(9/10th vote required)**

To see if the Town will vote to appropriate the sum of SEVEN THOUSAND THREE HUNDRED FORTY-SEVEN AND 34/100 DOLLARS (\$7,347.34) from Free Cash for the purpose of paying unpaid bills of a prior fiscal year; or take any action in relation thereto.

Sponsor: Finance Director

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

Summary: There are four outstanding of prior year bills: for a police officer medical case (\$752.12), for energy consulting work (\$1420.23), for motorcycle repairs (\$544.98), and for street lights for previously unbilled lights on Regep Lane (\$4,630.01).

**ARTICLE 51
TRANSFER OF FUNDS – CAPITAL PROJECTS FUND**

To see if the Town will vote to appropriate the sum of ONE HUNDRED FIFTY-TWO THOUSAND AND 00/100 DOLLARS (\$152,000.00) from Free Cash to the Capital Projects Fund; or take any action in relation thereto.

Sponsor: Board of Selectmen, Finance Department

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

Summary: This article will continue funding of a Capital Projects Fund as required by our financial policies. The purpose of this fund is to maintain an equipment replacement and facilities maintenance schedule. The Town's Comprehensive Fiscal Management Policies provide for annual funding of a minimum of 0.5% of the General Fund Operating Budget. The current balance in this fund is \$146,600.

ARTICLE 52
TRANSFER OF FUNDS – WATER MISCELLANEOUS EXPENSES

To see if the Town will vote to appropriate the sum of SIX THOUSAND AND 00/100 DOLLARS (\$6,000.00) from the Water Reserve Fund Balance to Water Miscellaneous Account #29450-55320; or take any action in relation thereto.

Sponsor: Board of Selectmen, Department of Public Works

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

Summary: This article transfers \$6,000.00 from the Water Reserve Fund Balance to cover expenses related to a mandatory Water Management Act Permit that is required every five years.

ARTICLE 53
TAX INCREMENT FINANCING AGREEMENT AND
PROJECT CERTIFICATION: PUBLIC HOUSE

To see if the Town will vote to approve the Project Certification Application submitted for a hotel facility located at the project site situated at 283 Main Street, as shown on the Project Certification Application, and to authorize the Board of Selectmen to enter into a Tax Increment Financing Agreement, pursuant to the provisions of M.G.L. Chapter 40, section 59, with Resurrection Real Estate, LLC, or its acceptable designee, all in substantially the form submitted to this Town Meeting, such approval serving to confirm the information contained in the Project Certification Application that (1) the project as proposed is consistent with the Town's economic development objectives and can reasonably be expected to benefit significantly from the Tax Increment Financing Agreement; (2) the project will not overburden the Town's infrastructure and utilities servicing the Economic Opportunity Area; and (3) the project, as described in the Project Certification Application, will have a reasonable chance of increasing employment opportunities; and to authorize designation of the project as a certified project for a term of ten (10) years and a tax increment financing plan of not more than ten (10) years at the following exemption rate on the added value resulting from the project:

1 st Year	90%
2 nd Year	90%
3 rd Year	90%
4 th Year	60%
5 th Year	60%
6 th Year	40%
7 th Year	40%

8 th Year	20%
9 th Year	20%
10 th Year	10%

Or take any action in relation thereto.

Sponsor: Board of Selectmen

RECOMMENDATION OF THE FINANCE COMMITTEE:

RECOMMENDATION OF THE BOARD OF SELECTMEN:

That the Town vote to approve the article as written (5-0)

This article would authorize the Board of Selectmen to offer a TIF to the Publick House, or its acceptable designee, for purposes of facilitating the construction of a new hotel facility. In receiving a TIF, the Publick House may also be eligible for the state's 5% Investment Tax Credit.

Note that the TIF does NOT exempt the room tax revenue that the Town of Sturbridge would receive.