**Finance Committee Meeting Minutes**

**Town Hall ~ April 12, 2018**

**Sturbridge, MA**

**Call to Order:**

The Finance Committee chair called the Finance Committee meeting to order at 7:00pm. The following committee members were present: Kathy Neal (KN), Michael Serio (MS), Joni Light (JL), James Waddick (JW), Mike Hager (MH), and Jared Burns (JB). Bruce Boyson (BB) arrived at 7:05.

Absent: Karen Davis (KD), and Larry Morrison (LM).

Guests: Leon Gaumond (LG), Barbara Barry (BBa)

**Review of FY2019 Board of Selectmen Budget**

LG stated that this budget is level funded except for increase in advertising.

**Review of FY2019 Town Administrator Budget**

LG said that there are no changes to this budget. KN asked about merit pay; LG replied that there are performance based incentives; the department heads have the opportunity annually to earn up to 2% of their salaries based on performance and meeting goals. There was lengthy discussion about the merit based incentives, as well as cost of living adjustments, step increases, and pay scales. LG stated that he is open to conversation about keeping, changing or eliminating the merit system.

**Review of FY 2019 Accountant Budget**

LG said that it is level funded with an increase in registration fees.

**Review of FY2019 Finance Director Budget**

Level funded.

**Review of FY2019 Town Counsel Budget**

KN noted that the budget is decreased. LG stated that the past year was a miserable one for litigation but that most of the major court cases have been resolved.

**Review of FY2019 Information Technology Budget**

LG said that when he arrived, there were two major problems: facilities and information technology (IT). Tantasqua has been helping the town with IT problems, but some of their long time employees have moved on. The new position is needed to deal with an approximately three year backlog of IT issues. LG explained that the town needs to be more proactive with its IT needs. BBa explained that the lack of an IT person means that everything falls on her. She listed issues that she is dealing with and stated her need for someone else to handle these complex, complicated and time consuming IT issues. JB stated that it is a reasonable salary and that IT specialists are up to date on legislation, threats, and keeping employees trained. BBa stated that the town wishes to keep a relationship with Tantasqua as they will provide project management and coverage for sick time and vacations for the IT Specialist. LG said that Tantasqua will incorporate the IT Specialist into their team approach.

**Review of FY2019 Economic Development Budget**

Level funded.

**Review of FY2019 Facilities**

LG explained that the Facilities Manager position is being retooled into a full time supervisory position. BBa stated that it will be a 35-40 hour position. LG stated that there are many buildings, open different hours and days. The Facilities Manager will have handyman skills but not be licensed and will act as a go between with contractors and the town.

**Review of FY2019 Town Hall Budget**

LG stated that the budget is basically the same excluding electricity. BBa said that there are HVAC issues. KN asked about the Charter increase. BBa stated that the town hall switched to fiber which was another IT issue.

**Review of FY2019 Senior Center Building**

JW commented on the decrease in fuel oil. BBa stated that actual expenditures are nowhere near this year’s budget. LG said that he was told that the new windows had an immediate and noticeable effect on the way that the building felt. MH asked about the study group. LG said that it is still meeting; the space needs analysis. The group will look at properties that the town owns, tour properties and report findings. There will a public meeting on Wednesday, April 18, 2018 at 2pm at the Senior Center.

**Review of FY2019 Council on Aging Budget**

LG said that there is a decrease in the personnel line item.

**Review of FY2019 Veteran’s Agent Budget**

LG stated that this budget is level funded. JB asked about software. BBa stated that it will be a yearly cost once the agent moves forward with it.

**Review of FY2019 Unclassified**

LG stated that health insurance and retirement are large numbers. JW asked about the line item for streetlights. BBa stated that is for the actual streetlights, which must to be reported separately. LG reminded the public to report lights that are out to the DPW as the town is billed whether the light is working or not. JL asked about the town audit increase. BBa said that the three year contract for the audit has expired and the price increase is the first one in a while.

**Review of Central Purchasing**

JB asked about the E-Z Pass; BBa explained that all of the town vehicles have transponders. KN noted that electricity is new to this budget. LG explained the solar projects that generate benefit to the town. KN asked for specifics; LG stated that it is too early to have solid figures. BBa said that there is a need to readjust Schedule Z to allocate the revenue to the right electric accounts. BB asked if there is an anticipated increase in rates. BBa stated that the rate is locked into a multiyear contract.

MH stated that the budget is level funded as directed by LG. He questioned if the town is adequately providing services to the people of Sturbridge. LG explained that it is important to know what the revenues are first so that you know how much you have to spend. KN stated that the motel and meal taxes are beneficial to the town. LG agreed; he said that municipal financing is not intuitive. He explained the Five Year Forecast and the predicted shortfall. This led to a discussion regarding Prop 2½ and the subsequent limits on property tax increases. BBa stated that the town budgets conservatively so as not to make a deficit. LG explained that it is not likely that revenues will meet current levels of spending and that there are big decisions to make as a community. He listed several projects including 8 Brookfield Road, Senior Center, the McGilpin Road water issue, Public Safety Complex, DPW building, and HVAC systems. LG stated that services and programs improve the quality of life of our residents. JB asked if last year’s Five Year Forecast predicted the same shortfall. LG stated that it did. BBa said that the town’s enrollment at Tantasqua tipped the town again this year; local revenues are flat and state aid is flat. She added that Sturbridge does not rely heavily on state aid and that the town is fiscally sound. LG stated that this is why he asked for a level service budget. He asked for a wish list and then he prioritized.

There was a discussion of playing fields and other projects. MH asked if recreational marijuana would create revenues and if there were other financial opportunities with medical marijuana. LG stated that this is a hot topic of discussion at town meeting. He said that there would be revenues associated with recreational marijuana and that costs associated with it – none of the costs are built into the current budget. MH asked if there would be a revenue stream from those facilities. LG explained that they are not built into the budget until the revenues are actually realized. BBa stated that the town cannot count for tax revenues from things that are not built yet. She said that the town offers a very good service level to residents and should sustain what is currently offered. She reminded the committee that Betterment Funds are not available in other towns. BB asked about the playing fields. LG stated that the schools are one of the top reasons why people move to town. New playing fields could be used for tournaments.

**Warrant Review**

LG reviewed the articles on the warrant. BB asked what the percentage is of residential taxes versus business taxes. BBa stated that residential is 80%. JL, LG, BBa discussed a typo in the Betterment and STA article.

**Special Town Meeting Warrant**

LG said that there is a snow and ice removal deficit; he hopes to have a final number soon. MH asked about the Title 5 inspector funding coming from the Revolving Funds and being handled differently than the plumbing and electrical inspectors. LG stated that it is not as parallel as it seems. He said that town counsel, the board of health, BBa and LG have discussed this issue. BBa said that the plumbing and electrical inspectors receive flat fees per inspection; the Title 5 fee changes with each inspection. More discussion followed regarding retirement eligibility for the inspector and the possibility of using an independent agent. LG stated that there is an independent contractors law which would not allow the town to dictate hours, times, and schedules for jobs whereas the town would control an employee’s schedule. MH asked about the fund to remove abandoned buildings in town. LG stated that it could be added to the warrant. MH asked when the warrant will be closed. LG stated that the final warrant will be available before the end of the month.

**No New Business/Old Business/Public Access**

MS moved the motion to adjourn. JW seconds. Motion accepted 7-0-0 and meeting adjourned at 8:46pm.

/jme