**Sturbridge Finance Committee**

**Meeting Minutes: May 12, 2022**

**Veterans Hall, Town Hall**

**Call to Order**

Finance Committee (FC) Chair Kevin Smith called the FC meeting to order at 7:04 p.m.

Committee members present: Leigh Darrin (LD), Joseph Freitas (JF), Michael Hager (MH), Larry Morrison (LM), Kathy Neal (KN), Kevin Smith (KS) and James Waddick (JW). MH excused himself from the meeting from 7:29 until 7:45 p.m.

Absent: Bruce Boyson (BB), Ken Talentino (KT)

Guests: In-person: DPW Director Butch Jackson (BJ), Open Space Committee Chair Carol Goodwin (CG); Virtual: Finance Director Barbara Barry (BBa), who joined at 7:17; and Fire Chief John Grasso (JG), who arrived at 7:45.

**Reserve Fund**

*— LM moved to transfer $15,000 from the Reserve Fund to the gasoline account #19152-54800; JW seconded. Motion passed 7-0-0.*

KS noted that, as explained in an email to Finance Committee (FC) members, the Reserve Fund Balance prior to this $15,000 transfer was $119,560.

— *LM moved to transfer $30,000 from the Reserve Fund to the Fire Department Purchase of Services account #12202-52000; KN seconded. Motion passed 7-0-0.*

At 7:45 p.m., Chief Grasso joined the meeting to discuss the $30,000 shortfall generated by: re-advertising the deputy fire chief position; training; inspections; apparatus maintenance; and the increase costs of parts, maintenance and repair.

**Line Item Budget**

*— JW moved to reconsider the Town Administrator total line item; LM seconded. Motion passed 7-0-0.*

*— JW moved to recommend the Town Administrator total line item at $286,622; LM seconded. Motion passed 7-0-0.*

KS explained the revision is necessary for Town Administrator salary and car allowance costs to be increased by $9,200 bringing the total budget from $277,422 to $286,622. JF asked what impact that would have related to Proposition 2-1/2, as the budget was under 2-1/2% by just $3,325. BBa explained that the budget has a lot of moving parts, and several things may change in the budget to allow for the extra spending, including that the state’s latest contribution numbers are expected to be $80,000 higher than previously anticipated; the exact new-growth numbers are expected soon and may come in higher than estimated; and revenue estimates can always be adjusted.

**Annual Town Meeting Articles**

— KS noted that the Finance Committee (FC) was working with the version of the warrant titled ATM FY23 - Final Corrected

**— Article 37: Remove and Replace Plant Media at Water Plant (2/3 Vote Required)**

*JW moved to recommend that the Town appropriate $481,000 to pay costs of removing, inspecting and replacing iron-removal plant media, including the payment of all costs incidental and related thereto, and that to meet this appropriation, the Town Treasurer, with the approval of the Board of Selectmen (BOS), is authorized to borrow said amount under and pursuant to G.L. c. 44, §8(7A) or any other enabling authority, and to issue bonds or notes of the Town therefore; KN seconded. Motion passed 7-0-0.*

BJ explained this Article relates to the iron-removal plant near the entrance to Old Sturbridge Village, which houses three large filters. About every 10 years, the media is taken out, tanks inspected, and media replaced. If there is no problem, the cost will be $289,000; if any repair is required, as was true the last time it was maintained, the price could be up to $481,000.

MH asked why the funding for operational maintenance is being borrowed, as opposed to being paid as a capital expense. BBa replied taking out a loan, which would help reduce the immediate impact on the water rate, is allowable because it involves a piece of equipment. It will be a five-year loan if it’s the full $481,000, and a shorter loan if the costs are less.

**Article 38: Sewer Department Generator (2/3 Vote Required) (\*)**

*JW moved to recommend that the Town appropriate $220,000 to pay the costs of replacing a Sewer Department generator, including the payment of all costs incidental and related thereto, and that to meet this appropriation, the Town Treasurer, with the approval of the BOS, is authorized to borrow said amount under and pursuant to G.L. c. 44, §7(1) or any other enabling authority, and to issue bonds or notes of the Town therefore; KN seconded. Motion passed 6-0-0.*

BJ explained that the main pump station near the jug handle at the entrance to Old Sturbridge Village has a 1953 generator presumed to be original equipment. While the generator is running there is a growing risk of it failing, in which case overflow would go to the abutting river and continue flowing toward nearby wells. The town is aware of a potential grant, and the chance of receiving the grant will increase if the town is already working on a replacement. With or without a grant, the generator needs to be replaced.

KS asked if ARPA funds could be used. BBa replied the current ARPA funds have been exhausted and added that plans for this purchase won’t move forward until the town learns whether it will receive the grant.

(\*MH stepped away from the meeting at 7:29 and returned at 7:45.)

**Article 34: Transfer of Land on Cedar Street**

*LM moved to reconsider the FC’s vote to take no action on this Article. LD abstained. The motion failed for lack of a second.*

KS explained that although the FC previously voted 6-0-1 to take no action on this Article, which calls for turning over 14 acres of property at 70 Cedar Street to the Conservation Commission. The Open Space Committee requested to be heard on the Article. CG wanted the FC to know she cared about the matter, and that neighbors are concerned about the property. CG invited the FC to walk the property, and to see for themselves the hilly topography, and what impact any development changes in that topography would have on Cedar Lake. CG was told the intention of the developer who turned it over to the town was for conservation, and that it would be ideal for trails, adding that more than 77,000 people used Sturbridge’s trails, which was especially beneficial during COVID. CG asked the FC to reconsider its vote.

KS clarified that there are currently no town trails on the property, and that every project proposed for this property have involved only a small section of the property. Turning over the parcel to the Conservation Commission would prohibit the town from using any part of it for any purpose, including a place for a future well if needed, and for ball fields.

LM talked about the significance of the role natural habitats play in the “web of life” and in the life of a community.

**Article 36: Repair and Replacement of Library HVAC System**

*KS moved to recommend that the Town transfer from Free Cash the sum of $1,100,000 for the repair and replacement of the heating, ventilation and air-conditioning system at the Joshua Hyde Library including the payment of all costs incidental and related thereto, which costs may include, but are not limited to, the costs of installing building sprinklers as may be required to carry out the project, or take any action relative thereto; JF seconded. Motion passed 7-0-0.*

The FC jumped to Article 36 so JG could answer questions about the sprinklers that may be required as part of the HVAC replacement. JG explained that it doesn’t appear that sprinklers will be necessary, but that won’t be definite until the project is underway. JG recommended budgeting $1.1 million, with the intention of returning the $230,000 earmarked for the sprinklers to free cash if sprinklers are not required.

KS wondered if it would be prudent to include sprinklers even if they are not required and asked if library sprinklers use water or chemicals. JG replied it would be water. LM suggested that the plans from the library addition 30 years ago might help design the new HVAC system.

MH asked what triggers the need for ADA modifications and/or sprinklers. JG explained that ADA modifications are required when the scope of work exceeds 30% of the assessed value of the building; the need for sprinklers is triggered if “major” work is being undertaken, but there is no definition of what constitutes “major” work.

MH suggested the summary box include more details, including adding that the heating system hasn’t been replaced since 1987 and has been having problems for the past five or six years. LM added that there have been days where heating failure forced the library to close. BBa suggested the motion include that the costs include the cost of sprinklers.

* Later in the meeting (8:26 p.m.), BBa clarified that the library HVAC will be electric, not propane. Electric heat and air conditioning, and that the fossil fuel will be in line with Massachusetts Green Community.

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KS noted that in the final version of the Warrant, numerous placeholder Articles were removed, including one asking to use Free Cash for tax relief.

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The FC reviewed pending Warrant Articles 11 and 32, which are related and necessitated additional information from Town Planner Jean Bubon.

**Article 11: Community Preservation Housing Consultant**

*JW moved to recommend the Town approve Article 11 as written; MH seconded. Motion passed 6-1-0 with LD opposed.*

MH summarized that three years ago the town adopted Mass General Laws that established a Housing Trust and set aside money for an initial housing inventory plan. Jean Bubon worked with the Housing Partnership Committee, and they are now ready to hand control over to the trustees of the Housing Trust. If the article is not passed, the existing Mass General Laws will abide. Those laws allow the BOS to appoint Trustees, who would use the existing funding to move forward. The town can also opt to choose their own appointing authority and composition of Trustees by adopting a bylaw. LD pointed out that the only thing that appears to change is the “who” of the Trustees. MH pointed out that the housing being considered is not low-income housing, but more-affordable housing, like smaller homes that enable young couples to move into starter homes in town, and elderly couples who can’t afford their existing larger home. JW pointed out that the impetus for this Housing Trust is because Sturbridge has not been fulfilling its state-required obligation to provide more-affordable housing, and that the Housing Trust allows the town to have some control over the distribution of the money set aside to facilitate affordable housing.

**Article 32: Affordable Housing Trust By-Law**

*MH moved to recommend the Town approve the Article as written; LM seconded. Motion passed 7-0-0.*

KS reiterated that Article 32 takes the state Affordable Housing Trust bylaw and makes it specific to Sturbridge as far as the composition of trustees and noted that the BOS voted to place the Article on the Warrant.

**Special Town Meeting Articles**

KS noted that the Finance Committee (FC) was working with the version of the warrant titled “STM June 2020 — Final Corrected.” MH noted that some of the Article numbers were updated.

**Article 55: Betterment Payoff — Dissolving of Betterment**

*JW moved to recommend the Town approve the article as written; LD seconded. Motion passed 7-0-0.*

KS explained this Article clarifies that the money for this article comes from the

Fund Balance reserved for Sewer Betterments.

**Article 56: Snow and Ice Removal Deficit**

*KS moved to recommend the Town approve transferring $142,754 from Free Cash to fund the Fiscal Year ’22 Snow and Ice Removal deficit. KN seconded. Motion passed 7-0-0.*

KS explained this Article gives a specific, final amount for the Snow and Ice Removal Deficit.

**Report of the Finance Committee**

KS hopes to get the report to FC colleagues by the following Tuesday, May 17, in anticipation of discussion at the Thursday, May 19 meeting.

KS suggested items for possible discussion, exploring the pros and cons of outsourcing ambulance services versus the current in-house ambulance services; construction of Electric Vehicle facilities and Green Power initiatives; Capital Stabilization funding and financial policies; and a more active Capital Planning Committee. KS solicited input on any other items FC members think the public should be informed about.

LM suggested recommending that the Selectmen conduct an analysis of the impact of foreseeable additional residences and commercial establishments, focusing on whether the town’s infrastructure is sufficient to accept them. The tendency is to look at proposals individually, but not look at the impact on infrastructure such as plowing, police and fire responses, and schools. Already, those needs outstrip the capacity, as is evidenced by the fact that Sturbridge’s Police and Fire Departments are well below recommended staffing. Falling further behind could detract from the town’s attractiveness. KS added to that list the cost of inspections for new business. JF agreed with the value of getting messages out to voters in the Finance Committee report.

JW suggested that the FC meet in late summer with BBa and the incoming Town Administrator Robin Grimm to see what more the FC can do outside of budget season.

KS recalled that in addition to the Finance Committee Report, the FC used to submit at the end of the budget season a “Memorandum of Findings,” which noted things the FC thought the town was falling short on, and was sent to the BOS and Town Administrator

LD has an interest in the Ambulance Service and will try to submit a suggestion for the Finance Committee report.

**Meeting Minutes**

JW moved to accept the minutes of the April 28, 2022 meeting as amended; KN seconded. Motion passed 6-0-1. LD abstained.

MH, JW and KN pointed out changes that needed to be made to the draft minutes.

**Old Business**

KS shared the invitation to attend the Charter Review Committee (CRC) meeting Tuesday, May 17 at 6:30 p.m. in Veterans Hall for BOS and FC members who may not have been able to attend the previous CRC input meeting, which was earlier in the day and difficult for some to attend. KS pointed out that the FC was well-represented at that previous meeting, with four in attendance. KS will be unable to attend the May 17 session but invited anyone else interested to attend either to give input or listen to others’ input.

**New Business**

KS thanked department heads and everyone else who answered the many questions throughout the budget process, especially BBa.

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JW moved to adjourn the meeting at 9:05 p.m.; LD seconded. Motion passed 7-0-0.