**Sturbridge Finance Committee**

**Meeting Minutes of April 20, 2023**

**Sturbridge Town Hall**

**Call to Order**

Finance Committee (FC) Chair Kevin Smith called the meeting to order at 7:00 p.m and read the agenda:

1. Call to order
2. Reserve Fund transfer(s)
3. Line Item Budget
4. Annual Town Meeting warrant articles
5. Special Town Meeting warrant articles
6. Report of the Finance Committee
7. Meeting minutes
8. Old Business
9. New Business
10. Public Access
11. Adjournment

Committee members present: Leigh Darrin (LD), Michael Hager (MH), Larry Morrison (LM), Kathy Neal (KN), Kevin Smith (KS), Ken Talentino (KT), James Waddick (JW).

Absent: Bruce Boyson, Joe Freitas.

Guests: In-person: Health Agent Ken Lacey (KL), Board of Health Chair Linda Cocalis (LC). Virtual: Finance Director Barbara Barry (BB).

**Reserve Fund Transfers**

None

**Line Item Budget**

Health Department representatives discussed the Landfill/Recycling Center budget.

LC explained the Landfill/Recycling Center salaries and wages line went up 13.2 percent, in part because John Booth, who has worked with the department for many years, is in the DPW union and is now salaried according to his renegotiated contract. There are no new full-time employees; everything else has been level-funded since 2022.

A recent issue has arisen since the town switched from using sand and salt on roads in the winter to just using salt. The sand that was swept up after the winter was previously used to cover the landfill. Now the town is only able to use the small amount collected by the street sweeper and what is gathered from catch-basins for that purpose, leaving a shortage. Fortunately, DPW director Heather Blakeley had the large stormwater drains cleared, which generated 50 or 60 yards of built-up material but that amount will be less in the future.

Regulations about what type of material can be used to cover the landfill are stringent and include requirements that the material be screened and tested for contamination. That is especially important in Sturbridge because the landfill abuts wetlands.

This year the town was able to get some material from one of the Brookfield’s so it is set through the end of the fiscal year. The department is considering renting a screener for compost material.

Even if the DPW director is able to broker a deal with North Brookfield to obtain North Brookfield spoils and the shared-screener plans go through, KL expects there will be an $8,000 to $10,000 shortfall in that budget in FY2024. KL noted that by changing to all salt and no sand, the DPW has saved money, but some of those savings are being offset to pay for alternate landfill-cover.

MH suggested that contractors, who have projects that generate truckloads of soil they are paying to have trucked to a facility could be potential suppliers. KL noted that all soils must be tested before being used.

KL said the requirement is for six inches of cover, but because the department has not needed to keep records of total amounts in the past, exact numbers are not available.

KL said his department is preparing a presentation that will include more specific numbers and specific needs and trends in the next 7, 10 and 15 years, and hopes to deliver the presentation once the budget season is over. He noted that the Sturbridge landfill is one of the last five landfills in the state. The town is hoping to extend the life of the landfill as long as possible.

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The Board of Health Budget came in at $4,000 less than the FY2023 budget, due in part to a decrease in the Public Health inspector salary and the elimination of last year’s $4,000 cost of a Food and Housing Software license. Training costs are up $1,500 because of training requirements for the new inspector.

KL reported that his request for 10 additional hours for his assistant, who currently works 25 hours a week, was again rejected. The increased cost would be $10,400 a year. The department has increased its permit fees — the department has made $12,000 more just on food permits since fees were raised in January, the first fee-increase since 1999. Those increased fees could be used to offset the cost of the additional 10 hours of staffing. LC noted that one event alone, a tattoo festival, necessitated inspections and permits for 130 vendors/artists, which generated $13,000. LC said adding administrative hours enables the inspector to be out of the office more.

KL discussed the loader at the Recycling Center which recently broke down. Purchasing a new loader was not expected this soon. Replacement ideas include getting the DPW a new loader and passing the DPW’s older loader to the Recycling Center. KS noted that such expenditures would be funded from Free Cash.

BB suggested the spending limit in the Pay-As-You-Throw revolving account, now capped at $20,000, be increased. KL noted that this revolving fund is the only one not capped at $35,000. KS said the limit is determined by the Board of Selectmen. KT said that in departments that generate revenue, it makes sense to consider the correlation between staffing hours and revenue generated.

MH asked if having the new “floater” position in the COB would help with his staffing. KL said that position is almost unusable for his department for several reasons, including HIPAA regulations, but that he was not asked about that prior to the new position being created. JW expects that the position will go forward the way it was proposed, and then be evaluated and, if necessary, adjusted.

Food inspections are done twice a year and include all of the bars, restaurants, donut shops, and any other place that does any food preparation. There is a total of close to 100 food places, and 10 hotels combined have just under 1,000 rooms. KL noted that in the past, hotel-room inspections were done on a catch-as-catch-can basis, or in response to complaints. Last year the department systematically went through every room, resulting in the first flea market week that did not generate a single complaint.

KS said the BOH has come a long way. KL pointed out it is the first time the department has had a full-time inspector and full-time agent, but the department is still not where it should be.

MH suggested the topic of the request for additional administrative hours for the Health Department be included in the FC’s Town Meeting Report. KS agreed that there is a serious need for additional clerical assistance.

JW analyzed the impact of the additional Administrative Assistant and noted that in addition to the $40,411 the position pays, there are the added costs of that employee’s benefits and the additional $5,000 the existing assistant will be paid to supervise the new assistant. He also noted that the Recreation Department has no assistant.

JW made a motion to recommend that Town Meeting approve the Landfill/Recycling Center budget of $394,163; MH seconded the motion. Motion approved 7-0-0.

JW made a motion to recommend that Town Meeting approve the Board of Health budget of $125;612 LM seconded the motion. Motion approved 7-0-0.

JW made a motion to recommend that Town Meeting approve the Community Health budget of $5,000; LM seconded the motion. Motion approved 7-0-0.

JW made a motion to recommend that Town Meeting approve the Inspections/Testing budget of $49,140; LM seconded the motion. Motion approved 7-0-0.

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The Town Counsel budget is $40,000 less than ’FY 23.

KT made a motion to recommend that Town Meeting approve the Town Counsel budget of $70,000; JW seconded the motion. Motion approved 7-0-0.

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The Town Clerk’s budget is up $5,288, with salaries being the only increase. KT said the Town Clerk had asked for a bigger increase, but did not receive the amount requested, as the approved increase is commensurate with that of other town employees.

KT made a motion that Town Meeting approve the Town Clerk budget of $136,339; JW seconded the motion. Motion approved 7-0-0.

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KT reviewed the Elections and Registration budget, noting that the “poll iPads” have saved a lot of time, and that the Town Clerk was very informative about tapping into technology. The budget is substantially less because there are fewer elections in the upcoming year.

KT made a motion that Town Meeting approve the Elections and Registration budget of $21,173 for the Elections and Registration budget; JW seconded the motion. Motion approved 7-0-0.

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KN reported that she spoke with Senior Center Director Leslie Wong regarding the Senior Center Building budget. The budget is level-funded, and, depending on the outcome of the Senior Center plans, may not all be used.

KN made a motion that Town Meeting approve the Senior Center Building budget of $28,300; MH seconded the motion. Motion recommended 7-0-0.

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KN discussed the Public Safety Complex, which has a proposed budget lower than last year’s, due in part to decreased fuel costs and the absence of some of last year’s one-time costs, like power-washing, shades and the custom refrigerator.

KN made a motion that Town Meeting approve the Public Safety Complex budget of $97,890; MH seconded the motion. Motion approved 7-0-0.

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The Fire Department asked for a 15.8 percent increase and was given 7.1 percent.

The department is asking for two additional firefighters through the Safer Grant, not through the town budget. MH cautioned to consider not only the first three years, but the subsequent years when the town will have to absorb the full costs of these firefighters.

KN noted that the number of times the town calls on mutual aid is high and far exceeds the number of times it provides mutual aid to other towns. Sturbridge’s emergency-response needs are much higher than those typical of a town Sturbridge’s size because of its high number of travelers, visitors, and tourists. Another factor for higher mutual-aid need is because when ambulances take patients to Worcester hospitals, the ambulance is on the road for much longer than when it takes patients to nearby Harrington Hospital. KN added that if residents want the level of service they expect, it will take more personnel.

BB advised against looking at just the Fire Department’s percentage increase, especially in salaries, as some of that increase is from the two firefighters hired in January, so only required a half-year salary. The FY2024 budget includes their full year’s salaries. Plus, employees at the top of their steps, including several people in the Fire Department, are not eligible for step-increases and are getting COLA and longevity increases; additionally, the union is in the first year of a new three-year contract, which is the year with the biggest increase. The second year’s increase is less, and the third year the least.

KN made a motion that Town Meeting approve the Fire Department budget of $2,094,332; MH seconded the motion. Motion approved 7-0-0.

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LM made a motion that Town Meeting approve the Education budget of $21,740,253; JW seconded the motion. Motion approved 7-0-0.

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KT made a motion that Town Meeting recommend a Veterans Agent budget of $78,288; JW seconded the motion. Motion approved 7-0-0.

**Annual Town Meeting and Special Town Meeting Warrants**

KS is still waiting for the new version of the Warrant to come out.

The bid packages for the Senior Center renovation are scheduled to be opened the afternoon of May 18, which will allow the FC to vote on the proposal and finalize the Warrant, as the FC meets that evening for its last meeting.

It is unclear what would happen if the bid came in more than the additional $1.78 million the CPC is allocating to the renovation. If the bid comes in higher, it will be up to the Board of Selectmen to determine the next step.

**Meeting Minutes**

KN made a motion to approve the minutes of April 6, 2023 as written; LM seconded the motion. Motion carried 7-0-0.

**Old Business**

None.

**New Business**

KS regretfully announced that Bruce Boyson is stepping down from the FC, and that Joe Freitas will not be seeking reappointment when his term expires in June. KS expects a new appointee, John Michael (Mike) McGlone, to be appointed in May.

Rolling discussion about the pros and cons of higher and lower Free Cash balances included:

— The town’s guidelines are 10 to 14% of the total budget, but the amount it has in free cash is closer to the state’s recommended 18 to 22%.

— Any unanticipated expense that can be paid for with free cash gives taxpayers a tax break.

— The town’s high Free Cash balance is a major factor in its enviable AA+ bond rating, and any Free Cash that is given back to residents will cost more in bond costs than was returned.

— Higher Free Cash amounts will be needed in the near future, as multiple high-priced capital projects need to be funded.

— Using free cash to benefit future years is unfair to residents who pay taxes now but are not here in future years.

— Free Cash is increased with money that is turned back at the end of the fiscal year, from things like unexpended salaries during employee turnover.

— The town should consider keeping its Long-Term Capital Needs Plan updated and detailed.

**Public Access**

None.

**Adjournment**

MH made a motion to adjourn at 9:35 p.m.; LM seconded the motion. Motion approved 7-0-0.