Sturbridge Finance Committee

Meeting Minutes of April 27, 2023

Veterans Hall, Sturbridge Town Hall

**1. Call to Order**

The Finance Committee (FC) Chair called the meeting to order at 7:13 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), Joseph Freitas (JF), Mike Hager (MH), Larry Morrison (LM), Kathy Neal (KN), Chair Kevin Smith (KS), Ken Talentino (KT), James Waddick (JW).

Virtual guests: Finance Director Barbara Barry (BB), Town Administrator Robin Grimm (RG).

**2. Reserve Fund Transfer(s)**

None

**3. Line Item Budget**

LD started her line-item reports by saying that, unless otherwise noted, all salaries in the budget for which she is the liaison are within Grade or COLA, and similarly, budgets that are level-funded and do not reflect significant changes will not require explanation.

**Board of Selectmen**

LD made a motion to recommend that Town Meeting approve the Board of Selectmen budget of $3,600; JW seconded the motion. Motion approved 8-0-0.

**Town Administrator**

LD reported the biggest budget increase is the additional Administrative Assistant position and a salary increase for the existing Administrative Assistant. The Merit Pay percentage is unusually high because of raises for the 10 employees not in unions or eligible for the grade-and-step increases, including the Town Administrator. The TA is capped at 2% and others are capped at 3%. Those salary increases are made up of several components — general wage adjustment, longevity pay for milestone years, and Merit Pay. MH noted that the longevity came up as a way to retain long-term employees who are maxed out on their grade and step increases. Since the most recent salary-restructuring plan, the merit pay has been added to the base salary and divided among pay-periods, not a lump-sum payout. MH feels that while the town needs to be competitive, this compounding increase is on the generous side when compared to other towns. JW calls it typical when compared to the private sector. RG noted that without such an adjustment, employees’ salaries could pass their director’s salary.

The effectiveness of new Center Office Pool Administrative Assistant position will be assessed in six months based on feedback from the public, from the Town Administrator’s Administrative Assistant who will oversee the position, and from the Center Office employees, who should see the most impact from the new position.

LD made a motion to recommend that Town Meeting approve the Town Administrator’s budget of $336,162; LM seconded. Motion approved 8-0-0.

**Finance Committee**

KS noted that the Town Administrator’s proposed budget included a $1,500 reduction in the Purchase of Services line item from $3,200 to $1,700. This is the line item that is used to print the FC reports that are distributed at Town Meeting. This reduction will result in the need to print fewer books next year and there potentially not being enough books for all that want them. The option of providing a QR code for an electronic version of the budget book was brought up for future consideration.

KS made a motion to recommend that Town Meeting approve the Finance Committee budget of $6,111; JW seconded the motion. Motion approved 8-0-0.

**Town Accountant**

Increases in Purchase of Services are related to certifications and conferences that were decreased due to COVID.

LD made a motion to recommend that Town Meeting approve the Town Accountant budget of $117,045; LM seconded the motion. Motion approved 8-0-0.

**Board of Assessors**

Increases include hikes in the costs of vendor software.

LD made a motion to recommend that Town Meeting approve the Board of Assessors budget of $171,908; LM seconded the motion. Motion approved 8-0-0.

**Finance Director**

The third-party bill printing and receiving service that the town began using two years ago is working well and was especially helpful during the period of staffing difficulties. Residents can pay by mail; using the locked box behind Town Hall; through a link on the town website; and by going in to the office in person. Collection rates continue to be in the high 90s.

The new Human Resources/Payroll position, which was needed, started in February and is working out well.

LD made a motion to recommend that Town Meeting approve the Finance Director budget of $364,949; LM seconded the motion. Motion approved 8-0-0.

**Information Technology**

Budget increases are in Purchase of Services due to costs of hardware support and vendor pricing, and in Capital Outlay to cover costs of computer equipment.

LD made a motion to recommend that Town Meeting approve the Information Technology budget of $315,745; LM seconded the motion. Motion approved 8-0-0.

**Conservation Commission**

The only significant increase is in training for the Conservation Agent, her assistant, and new Commission members. The Conservation Agent voiced concerns about the new Center Office Building Administrative assistant and preferred to have the Commission’s Administrative Assistant have more hours.

LD made a motion to recommend that Town Meeting approve the Conservation Commission budget of $126,016; LM seconded the motion. Motion approved 8-0-0.

**Town Planner**

Small increases are included for software updates in the Global Positioning Program, and in longevity.

LD made a motion to recommend that Town Meeting approve the Town Planner budget of $215,590; LM second. Motion approved 8-0-0.

**Zoning Board of Appeals**

LD made a motion to recommend that Town Meeting approve the Zoning Board of Appeals budget of $590; LM seconded the motion. Motion approved 8-0-0.

**Sturbridge Co-op Nursery School**

There was a large increase related to the fire alarm system. ARPA funds paid for a new fire alarm system, but it still needed to be upgraded; costs of monitoring and testing the system increased.

LD made a motion to recommend that Town Meeting approve the Nursery School budget of $5,400; LM seconded the motion. Motion approved 8-0-0.

**8 Brookfield Road**

The increased funds are for testing for asbestos and lead paint; hazmat testing was done previously.

The town turned down a recent offer to buy the site, which would get it off the town’s books and cut any losses, especially those that could result from the asbestos and lead-paint testing for several reasons — the offer was not reasonable; the site is important because it is the de facto entry into Sturbridge from the west; and there are discussions of alternative municipal uses for the building.

LD made a motion to recommend that Town Meeting approve the 8 Brookfield Road budget of $5,000; LM seconded the motion. Motion approved 8-0-0.

**Building Inspector**

The Department Head budget included $30,000 for ACCELA Training which was not included in the Town Administrator’s recommended budget. RG explained that the request for training funds was not included, as it was not a well-presented request.

An FC member noted that the Building Inspector may also be listed as the Building Inspector in another Town and asked if there were any concerns with that. RG confirmed that although the current Building Inspector is also a Building Inspector in Dudley, he is working full-time for Sturbridge and is expected to work and be on-call during normal work hours.

LD made a motion to recommend that Town Meeting approve the Building Inspector’s budget of $152,059; LM seconded the motion. Motion approved 8-0-0.

**Sealer of Weights and Measures**

State costs have increased significantly but are still lower than doing the work in-house. The fees collected for the service were covering those costs, so the town may increase fees to offset the increase.

LD made a motion to recommend that Town Meeting approve the Sealer of Weights and Measures budget of $13,090; LM seconded the motion. Motion approved 8-0-0.

**Electric and Plumbing Inspector**

LD made a motion to recommend that Town Meeting approve the Electric and Plumbing Inspector budget of $53,278; LM seconded the motion. Motion approved 8-0-0.

**Tree Warden**

An Article is in the Town Meeting Warrant for $100,000 to remove trees damaged by drought and gypsy-moth damage. The town funded some $250,000 several years ago, and, unlike other towns, is able to do so because of available Free Cash.

LD made a motion to recommend that Town Meeting approve the Tree Warden budget of $38,823; LM seconded the motion. Motion approved 8-0-0.

**Department of Public Works**

MH reported level staffing with 13 full-time staff and three vacancies. All salaries are in keeping with the step grades and salaries in the union contract. There is hope that the newer wage scale and new contract will increase the number of qualified applicants for the vacant positions, as the town has struggled to find interested, qualified candidates willing to accept the past wage scale.

Purchase of Services reflects a slight reduction, as one-time costs from this year were slightly lower than last year’s.

Several major pieces of equipment need replacement, including the loader at the landfill, the street sweeper, and a crane; those will be addressed in Warrant articles. The town’s vehicle-replacement plan has been falling behind, which will also have to be addressed, as will the need for renovation or replacement of the DPW garage.

MH made a motion to recommend that Town Meeting approve the Department of Public Works budget of $1,283,293; LM seconded the motion. Motion approved 8-0-0.

**Town Road Maintenance**

The Town Road Maintenance budget pays for maintenance of private roads. It is level funded.

MH made a motion to recommend that Town Meeting approve the Town Road Maintenance budget of $6,000; LM seconded the motion. Motion approved 8-0-0.

**Snow and Ice Removal**

Other than a modest increase in overtime-related expenses, there are no changes in the budget.

MH made a motion to recommend that Town Meeting approve the Snow and Ice Removal budget of $230,157; LM seconded the motion. Motion approved 8-0-0.

**Recreation Department**

The Recreation Director’s budget reflects her additional responsibilities, including those related to the Farmer’s Market; various capital projects, including the potential for a $1 million turf field at Burgess; and potential ADA-compliance upgrades at the recreational facility at 60 Cedar Street. The Recreation Director, not Facilities Director, will be the point person for funding and scheduling those projects. The Recreation Director’s hours will not be increased, as she is already a full-time employee expected to be on-call as needed. There was confusion as the difference between that particular department head’s exemplary work and other department heads’ exemplary work, and why the salary is being reconsidered when the position has not changed since the recent re-grading. RG explained that the Recreation Director’s grade was lower than positions with similar responsibilities, and RG felt that as the Recreation Director’s responsibilities continue to compound, the position was underpaid. It was noted that when the past police chief took on the additional responsibilities of Emergency Management Director, he was paid separately. Some of the Recreation Director’s additional salary will be offset by the new farmer’s market revolving fund that will also pay for things like police coverage.

LD made a motion to recommend that Town Meeting approve the Recreation Department budget of $136,477; LM seconded the motion. Motion approved 6-1(KS)-1(KN).

**Trails Committee**

The Trails Committee receives funding from Betterment and from grants, but it is the various groups of dedicated volunteers’ labor that keeps taxpayers’ contribution low. Maintaining the trails without those volunteers would result in a huge cost to the town.

LD made a motion to recommend that Town Meeting approve the Trails Committee budget of $300; LM seconded the motion. Motion approved 8-0-0.

**Historical Commission**

LD made a motion to recommend that Town Meeting approve the Historical Commission budget of $2,050; LM seconded the motion. Motion approved 8-0-0.

**Debt Service Principal**

The debt service budget reflects short-term borrowing for costs incurred to date for the Senior Center renovation, in addition to all other debt service incurred by the Town. Once final costs are determined, long-term funding will be secured.

LD made a motion to recommend that Town Meeting approve the Debt Service Principal budget of $1,073,800; LM seconded the motion. Motion approved 8-0-0.

**Debt Service Interest**

LD made a motion to recommend that Town Meeting approve the Debt Service Interest budget of $286,078; LM seconded. Motion approved 8-0-0.

**Unclassified**

Notable increases in the Unclassified budget are related to the Worcester County Retirement System contributions and a post-employment benefits study.

LD made a motion to recommend that Town Meeting approve the Unclassified budget of $5,128,870. LM second. Motion approved 8-0-0.

**Central Purchasing**

The significant increase in Water and Sewer use is because the leachate treatment costs have been added to the account and the Town pays the same rate as private users; also increased is outsourcing for slate-roof maintenance. The electricity budget also increased, though resolution of the confusion regarding allocation of the town’s solar credits should bring it down. The town will be going out to bid for electricity because the town’s rates are due to expire and will use Beth Greenblatt as its energy consultant.

LD made a motion to recommend that Town Meeting approve the Central Purchasing budget of $436,800. LM second. Motion approved 8-0-0.

**4. Annual Town Meeting Warrant Articles**

The Committee is working with the most recent version of the Town Meeting Warrant, which was sent out earlier in the day. That includes “The Sturbridge Charter Review Committee Recommendations as Attached,” which is the official version.

LM announced that because he has voted as a resident/member of the Charter Review Committee (CRC), he will not vote as a FC member, or as a resident at Town Meeting, on any CRC matters. LM is awaiting the response from the CRC chairman regarding whether he and/or other CRC members would like to speak at a FC meeting. Among topics the FC would like to request is a proposal to change the date of the Annual Town Meeting from the first Monday in June to the fourth Monday in April.

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The FC discussed Free Cash, which is currently at $4 million, but will be $3.4 million if everything in the Warrant is approved. Discussion included:

— Whether residents should have a say how much Free Cash should be saved for Capital Projects and/or how much should be returned to taxpayers; and whether it makes sense to return some of the Free Cash if it may mean having to borrow money or ask for a Proposition 2½ override if emergency equipment or other capital needs arise, or if there were another event like the 2011 tornado.

— The FC discussed, in light of the fact that the town’s financial policies say the combined balance of Free Cash and Stabilization Funds should contain 10% to 12% of the budget with a certified Free Cash balance equal to 3% to 7% of the General Fund balance and Stabilization Fund balances equal to 7% and 9% of the General Fund balance but there is significantly more than that, whether the town should change the policies, or live within the policy guidelines, which could leave the town strapped if the town suddenly had to replace, for example, a Ladder Truck.

— How decreasing Free Cash would impact the bond rating.

Members agreed this discussion should be continued at a separate meeting after Town Meeting.

KS noted that all Warrant Articles were placed and supported by the Board of Selectmen, except for articles that were only placed: water and sewer rates; funding sources for sewer line replacements; and funding the new street sweeper. The Warrant will be reopened so the BOS can vote to support or not support those items.

**Article 1: Town Reports**

MH made a motion to recommend that the Town vote to approve Article 1 as written; JT seconded the motion. Motion approved 8-0-0.

**Article 16: Road Construction, Repairs and Maintenance**

Although there is $3.6 million in existing Chapter 90 funds, FC members believe the $150,000 allocated to Road Construction, Repairs and Maintenance is too little. The town previously allocated up to $400,000 a year, which helped build up the fund. There is $179,000 in that budget now. BB is aware the town needs to bring the fund up to pre-COVID numbers and is working toward it. The DPW director has a road-improvement plan, which is five years old and will be updated.

MH made a motion to recommend that the Town vote to approve Article 16 as written; JW seconded the motion. Motion approved 8-0-0.

**Article 17: Public Access Department**

KN made a motion to recommend that the Town vote to approve Article 17 as written; MH seconded the motion. Motion approved 8-0-0.

**Article 18: Sturbridge Tourist Association**

This provides the other half of the Economic Development Coordinator’s salary.

KN made a motion to recommend that the Town vote to approve Article 18 as written; LM seconded the motion. Motion approved 8-0-0.

**Article 19: Betterment**

This Article includes a $3,500 display case enhancement in the Center Office Building (COB). During the COB renovation planning, the subject of the display case and display-case locks were the subject of much debate. The $3,500 is to pay for new doors, hanging rails, additions to the display case and preservation of the items in the display case. BB will ask Robyn Chrabascz about the locks, as it was a controversial issue during the renovation.

MH made a motion to recommend that the Town vote to approve Article 19 as written; LD seconded the motion. Motion approved 7-0-1(KN).

**Article 20: Capital Improvement Plan**

The wording in the Summary Box regarding funding categories will be changed to the same wording as last year.

JW noted that $36,000 requested for a new fence at Turner’s Club Field seems excessive, as the fence could be repaired for 1/10th of that cost. The fence is needed only to designate over-the-fence home runs, and preventing any ball that reaches it from rolling into the river or woods. Even in the men’s league, there are only a few home runs or balls that reach the fence. The Article is being held until next meeting when more information is available.

**Article 21: Sewer Department Crane Truck**

MH made a motion to recommend that the Town vote to approve Article 21 as written; JW seconded the motion. Motion approved 8-0-0.

**Article 22: Front End Loader Purchase**

The summary box for this Article will reflect that the front-end loader purchase will be used for town operations including at the Landfill and the Recycling Center.

MH made a motion to recommend that the Town vote to approve Article 22 as written; LM seconded the motion. Motion approved 8-0-0.

**Article 23: Ambulance Stabilization Fund**

MH made a motion to recommend that the Town vote to approve Article 23 as written; KN seconded the motion. Motion approved 8-0-0.

**Article 24: Capital Stabilization Fund**

The Capital Stabilization Fund is $1,251,223, to which the allocated $202,000 will be added.

MH made a motion to recommend that the Town vote to approve Article 24 as written; JW seconded the motion. Motion approved 8-0-0.

**Article 25: Fire Vehicle Stabilization Fund**

This $80,000 will bring the fund to $137,000, to be used toward a vehicle that costs $750,000. The amount was reduced to $80,000 when the budget was adjusted because of a decrease in state aid.

KN made a motion to recommend that the Town vote to approve Article 25 as written; MH seconded the motion. Motion approved 8-0-0.

**Article 26: OPEB Trust Fund**

Actuarial studies are being done to see if the town is on track. The town is commended by Standard and Poor’s (S&P) for, unlike other towns, continuing to put money into the Fund, which is another factor in the town’s AA+ rating.

MH made a motion to recommend that the Town vote to approve Article 26 as written; JW seconded the motion. Motion approved 8-0-0.

**5. Special Town Meeting Warrant Articles**

KS noted that the Special Town Meeting Warrant is closed.

**Article 51: Transfer of funds from Free Cash for Opioid Program**

This $54,639, which is the amount the town received for the program, will fund a new Opioid Prevention and Recovery program, which will be led by a team made up of the library director, recovery professionals, Fire Chief, Recreation Director, Police Chief, Police Department social worker, and other staff and community members. The program would supplement the schools’ preventive work by educating parents and senior citizens about opioid addiction. Eventually, the legislature will allow towns to have Special Revenue funds; until then, the funding will have to move through the General Fund.

JF made a motion to recommend that the Town vote to approve Article 51 as written; JW seconded the motion. Motion approved 8-0-0.

**Article 52: Transfer Funds from Free Cash to the School Department**

This $200,000 request is to help fund a $400,000 shortfall in the school budget due to Special Education costs. FC members noted that it is rare to have the School Department coming back for additional funding.

JW made a motion to recommend that the Town vote to approve Article 52 as written; LM seconded the motion. Motion approved 8-0-0.

**6. Report of the Finance Committee**

No updates.

**7. Meeting minutes**

The FC reviewed the minutes of 4-13-2023 and made two minor revisions.

LM made a motion to approve the minutes of 4-13-2023 as amended; MH seconded. Motion approved 7-0-1(JW).

**8. Old Business**

No old business.

**9. New Business.**

No new business.

**10. Public Access.**

No public access.

**11. Adjournment**

MH made a motion to adjourn at 9:53 p.m.; LM seconded the motion. Motion approved 8-0-0.