**Sturbridge Finance Committee**

**Meeting Minutes of May 18, 2023**

**Veteran’s Hall, Sturbridge Town Hall**

**Call to Order**

Finance Committee (FC) Chair Kevin Smith called the FC 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

**Members present**: Chair Kevin Smith (KS), Leigh Darrin (LD), Joe Frietas (JF), Michael Hager (MH), Michael McGlone (MM), Larry Morrison (LM), Kathy Neal (KN), Ken Talentino (KT), James Waddick (JW) (arrived at 7:53 p.m.).

**In person-guests**: Senior Center Building Committee Chairman Charlie Blanchard (CB), Council on Aging Director Leslie Wong (LW).

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

**Line Item Budget**

KS noted the FC is using the 05 ATM Warrant FINCOM.

JF discussed the Police Department budget, which is the final line-item budget to be reviewed:

— Chief Earl Dessert feels the department is supported by the FC and the town, feels that he has a good relationship with the new Town Administrator, and understands the town’s budget limitations.

— Some of the police budget increase is due to contract-dictated costs, such as replacement of tasers, which expire this year, and a clothing-allowance increase. The increase in the salaries line item is in part related to the additional sergeant. Excluding that, the remaining increase is about 2.6 percent.

— The number of outgoing calls, which was unusually high in 2021, dipped a little bit in 2022. The 2023 figure so far appears to be similar to the 2022 number.

— Chief Dessert continues to be concerned about department members’ mental health, as the stresses and pressures of police work continue. RG said that all police officers are being encouraged to get a mental-health checkup on the town’s time, allowing officers to identify and deal with stress issues early on. She also noted that all town employees are getting up to $300 for general health and wellness, which can be used for things like yoga and massage therapy.

— KT asked why the addition of another sergeant is not decreasing the overtime budget. JF said that while that will ease some of the forced overtime, the number of calls is expected to keep the overtime similar. MH set up hypotheticals with different staffing combinations that require overtime that demonstrate how there will always be a need for overtime, especially to cover absences or during major events.

— MM asked if the Police Department had any unexpended overtime funds in last year’s budget. BB reported that in Fiscal Year ’22 the department spent 92% of its overtime budget, with a turn-back of $37,000. As of the date of the meeting, 77% of the current overtime budget had been spent.

JF made a motion to recommend that Town Meeting approve the Police Department budget of $3,811,280.00; MH seconded the motion. Motion approved 8-0-0.

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KS noted the Line-Item Budget is complete.

**Annual Town Meeting Warrant**

**Article 7, Community Preservation Senior Center Renovation (2/3 Vote Required):**

KS and RG explained the bid opening for the Senior Center Renovation, originally set for earlier that day, was delayed until next week, but that the amount in the Warrant Article will be “up to $1.78 million” from Community Preservation Act funds regardless. Any further spending would have to go back to Town Meeting vote.

KS expressed confusion over the wording of the article as far as what is being included in the borrowing for the renovation and whether it is coming from CPA funds. RG and BB understood the confusion, but said the wording was prepared by the town’s bond counsel and should remain as is. BB reiterated that the motion only addresses the CPA borrowing/funding, which will not increase tax bills.

MH expressed concern that the bid will come in higher than anticipated, which would mean that even with the original $11.45 million and this $1.78 million, the town would have to go back to taxpayers for yet more funding. MH does not want the FC to be in the position of having to answer “We don’t know” when asked what the final amount is and having to go back a third time for additional funding.

KT asked why there was only one design, as opposed to doing what most homeowners do when the costs exceed estimates — ask for ways to fit the renovation to the budget, as opposed to fitting the budget to the renovation. MH assumed that if the amount does come in higher than anticipated, the Senior Center Renovation Building Committee would revisit the plans. RG said the questions that would ensue are significant, but not germane to the Warrant Article at hand.

CB explained that the $11.45 million approved for the Senior Center Renovation two years ago at Town Meeting and the subsequent debt-exclusion was based on a feasibility study conducted three years ago. After COVID and other time-related price increases, the estimate for the same plan went up 20 percent. The first schematic design came in at over $15 million, which was pared to $11.45 million, which the Senior Center Renovation Building Committee believed was a minimum and that anything less would no longer be the same type of project that was approved and funded.

CB reiterated that the CPC has already approved the $1.78 million, and that the funds are specifically earmarked for very specific historic features of the renovation that qualify under CPA guidelines. The Warrant Article being voted on simply asks if the town wants to use that source to pay for those portions of the renovations.

CB said the most recent estimate came in at $9.7 million for construction. The rest of the $11.45 million is earmarked for architect and other peripheral fees. Whether the bids will be in the same range remains to be seen.

CB stressed that the $1.78 million would only be used if the project went forward. Otherwise, the money would go back to the CPC.

CB noted that if the bids come in a few hundred thousand dollars above the funded amount, the plans could be adjusted to accommodate that. But if the bids come in substantially higher, the Building Committee would have to go back to Town Meeting, which would likely also require another bidding process.

KS repeated that the funds under discussion are being borrowed under the CPA, not through the town.

KS asked if additional funding that may be requested at Town Meeting would also be subject to a separate debt-exclusion vote. CB said any additional amount approved at Town Meeting would be covered by the original debt-exclusion because the debt-exclusion does not have a number attached to it. RG noted that any request for extra funding would have to go through the normal process of Board of Selectmen, Finance Committee and then Town Meeting.

JW arrived at 7:53 p.m.

MH reiterated that it will be better to have a specific cost ready to tell voters at Town Meeting. KS added that people should also know that any additional spending will be subject only to Town Meeting approval, not a debt-exclusion vote.

MH made a motion to recommend that the Town vote to appropriate the additional sum of $1,780,000 to pay costs of designing, engineering, constructing, equipping, and furnishing a renovated and expanded Senior Center to be located at 480 Main Street, and for the payment of any and all incidental and related costs, including, but not limited to, demolition and site preparation, and that to meet this appropriation, the Treasurer, with the approval of the Selectmen, is authorized to borrow said amount under and pursuant to G.L. c. 44, §7(1), c. 44B, or any other enabling authority, and to issue bonds or notes of the Town therefor. The Board of Selectmen and any other appropriate officials of the Town are authorized to apply for federal, state, or private grants, enter into any agreements and execute all documents including contracts for a term in excess of three years as may be necessary to effectuate the purposes of this article, and to accept any gifts or grants provided to the Town for such purposes; JF seconded the motion. Motion approved 9-0-0.

**Article 15, Town Budget**:

MH made a motion to recommend that the Town vote to approve Article 15 as written; KN seconded the motion. Motion adopted 9-0-0.

Regarding **Article 46, Amendments to the Sturbridge Charter**, KS will estimate the cost of printing the Charter and see if there was sufficient funding in the budget to allow for inclusion in the Finance Committee Report.

**Special Town Meeting Warrant**

KS reviewed the Special Town Meeting Warrant articles and confirmed that all had been acted on by the FC.

**Report of the Finance Committee**

KS will write the Report of the Finance Committee’s first section, which gives a general overview of the Warrant and Line-Item Budget and will ask fellow FC members, especially JF who was very helpful last year, for input, clarification, and edits.

KS will also incorporate all of the FC members’ suggestions that were submitted to him into the “Issues for Your Consideration” section, which includes things that members want to bring to the public’s attention. LM recalls that the past two years the FC offered limited Issues essays. KS recalls that last year there was just one issue, which was regarding future growth, and that the previous year there were none.

Issues brought to KS’s attention by FC members this year for possible inclusion:

— public service training for new board and committee members;

— municipal aggregation options for electricity;

— tech foresight;

— analyzing grant opportunities and consequences;

— effects of a split tax rate, which the town had from FY 2005 to FY 2010;

— use of Free Cash.

MH suggested the FC limit the number of items in the Report of the Finance Committee and suggested the topic of a split tax rate be left to the Board of Selectmen, under whose jurisdiction such a decision falls.

KS noted that the Report of the Finance Committee is only to raise awareness of issues that have come to the FC’s attention, not to persuade.

Regarding training for board/committee members, especially new members, BB noted that each department has funding for training for new members, and many have guides for new members; any confusion about training may be due to the lack of distribution of the information or training opportunities. Accordingly, BB will send examples of helpful links or training opportunities to FC members.

KS invited FC members to pick a topic they feel strongly about and write a paragraph about it for the Report, which KS will put together. LD offered to wordsmith the topic of analyzing grant consequences.

KT asked about having an off-season meeting, such as the one originally planned for last off-season, to discuss some larger topics. LM suggested the FC be cautious about whether it is assigning itself to be the town’s think tank, and if so, do it knowingly. MH assumes the off-season discussions would be limited to things relevant to the FC.

LM, KT and KS discussed and debated the FC’s role in the budget process, the FC’s influence over the budget and its role in the budget process.

KS will prepare the Report of the Finance Committee with input from LD and LM and will bring it to the printer.

**Meeting Minutes**

No meeting minutes.

**Old Business**

No old business.

**New Business**

No new business.

**Public Access**

No public access.

**Adjournment**

LD made a motion to adjourn the meeting at 8:54 p.m.; MH seconded the motion. Motion approved 9-0-0.