

**Town of Sturbridge  
Finance Committee  
Meeting Minutes  
November 10, 2008  
Sturbridge Town Hall  
6:30P.M.**

Meeting was called to order at 6:30 pm with the following members present: Kevin Smith (KS), Larry Morrison (LM), Mike Serio (MS), Mary Redetzke (MR), Virginia Stallone (VS), Priscilla Gimias (PG), and Patricia Affenito (PA). Also in attendance were Jim Malloy, Barbara Barry and Selectmen: Hal White, Steve Halterman, Mary Blanchard, Scott Garieri, Ted Goodwin.

This is a joint meeting between the Finance Committee and the Selectmen to discuss FY09 Budget issues/cuts and FY10 Budget issues- general topics and goals rather than specific numbers.

**Points made:**

Non-Union Salaries total \$1.6 million: should treat union and non-union the same as far as raises.

Top level cuts could be: 3% salary increase = \$46,800; Stipends = \$15,000; Merit Pay = \$18,000; Travel & Training = \$25,000 - \$30,000

3 Economic models suggest that a turnaround would be expected mid 2010 but recovery would be very slow. Currently, telecommunications companies do not pay Real Estate taxes; however, the Governor is looking to change this for FY10.

Governor also looking at an increase in hotel tax and adding a local option meals tax from 1-3%. A 1% local meals tax would increase revenue by \$607,000/yr.

Town employee contracts are binding with no 'extraordinary circumstance' clause. Any change to salaries or benefits would require renegotiation.

#1 priority is to maintain services.

Cut stipends before people.

Schools should share in the cuts.

Our bond rating will not go any higher until we build our commercial/industrial base; look to EDC and add an EDC officer?

Jim Malloy has been asked to look into the feasibility of an EDC officer.

We need to justify everyone's position and not just new positions.

Master Plan is a priority

Possibility of a 4 day week for Town Hall

Possibility of a 4 day week for Schools but state mandates 180 days.

Should note that 1/2 of new growth for FY09 was in reval for personal property. This could be lost in appeals. Actual new growth is about \$150k.

Post employment benefits are high- about \$36 million liability.

Concluded by agreeing that we should look at FY10 budget with cuts as submitted and assume no additional revenues until March. Also, hold on any recommended FY09 budget cuts until more concrete numbers are available.

Meeting adjourned at 8:15pm.

Respectfully submitted,

Patricia Affenito