

**Town of Sterling
Finance Committee Meeting
February 29, 2016
Butterick Building, Room 205**

Chairman Joe Sova called the meeting to order at 6:00 PM.

In Attendance:

Joe Sova, Bob Brown, Gerry Kokernak, Cynthia Secord, Mary Cliett and Barbara Bartlett

Absent: Ed Sweet

Also in attendance: Town Administrator Michael Szlosek.

Approval of Prior Meeting Minutes:

A motion to approve minutes of the February 22, 2016 meeting was made by Gerry Kokernak and seconded by Barbara Bartlett. All were in favor and the motion carried.

A motion to approve minutes of the February 24, 2016 meeting was made by Cynthia Secord and seconded by Gerry Kokernak. Joe Sova and Bob Brown were in favor and the motion carried. Mary Cliett and Barbara Bartlett abstained as they were not present at the meeting.

Mary Cliett made a motion to approve minutes of the February 27, 2016 meeting and Cynthia Secord seconded the motion. All were in favor; the motion carried.

OPEB Discussion and Presentation:

Two representatives from Bartholomew and Company attended the meeting to discuss OPEB and provide assistance in determining how to move forward with investments for maximum growth. Documents for review were provided:

- Portfolio Review
- Town of Sterling Capital Investment Fund Investment Policy Statement - Sample
- Determining a Long-Term Target Rate of Return Worksheet

After the discussion the Finance Committee made the decision to make a recommendation as follows:

- Annual Distribution Rate Target Return - 1.5%
- Expected Inflation Rate - 3.0%
- Purchasing Power Growth Rate - 1.5%
- Long-Term Target Rate of Return - 6.0%

A motion to move on this recommendation as noted above for the capital account investment policy was made by Gerry Kokernak and seconded by Bob Brown. With all in favor, the motion carried.

A vote was also taken on the current Town of Sterling OBEP Account, recommending a 70/30 aggressive return on investment. Bob Brown made a motion in support of this recommendation and it was seconded by Gerry Kokernak. All were in favor; the motion carried.

Review DPW 5-Year Plan:

This review is on hold until the March 14, 2016 meeting, as the DPW will not have the Chapter 90 plan available until March 9, 2016.

Other Committee Business:

Building Inspector Sarah Culgin attended the meeting and presented a Building Department Salary & Wages Shortfall Including ZBA Wages, FY2016 spreadsheet. The projected shortfall which will need to be voted on at the May 2016 Town Meeting is \$6,683.85.

Sarah suggested a Revolving Fund be established for \$20,000 for FY17 to be used to pay Wiring Inspector wages per inspection.

Barbara Bartlett made a motion to recommend the addition of a Revolving Account for Wire Inspector Wages to the Warrant for FY17. Mary Cliett seconded the motion. All were in favor and the motion carried.

Discuss Capital Plan Warrant Article and Vote Recommendations:

Capital Items Reviewed:

- DPW Street Sweeper - \$215,000. Gerry Kokernak made a recommendation in support of this appropriation. It was seconded by Cynthia Secord. With all in favor, the motion carried. Cynthia Secord made a motion that certified Free Cash be used as the funding source for this allocation. Gerry Kokernak seconded and all were in favor. The motion carried.
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- DPW Backhoe - \$65,000. Mary Cliett made a motion to recommend support of this item, and Barbara Bartlett seconded the motion. All in favor; the motion carried. Mary Cliett made a motion that the funding source for the backhoe be from certified Free Cash. Gerry Kokernak seconded. All in favor and the motion carried.
- Facilities - \$85,000. Grant Match: Roof Repairs at the 1835 Town Hall. This item will be left as a separate article. Gerry Kokernak made a motion recommending \$85,000 from stabilization for this repair, contingent on obtaining the grant match. Barbara Bartlett seconded the motion. All were in favor and the motion carried.
- Facilities - \$92,000. Roof Repairs at the Fire Station. Cynthia Secord made a motion recommending support of this appropriation, seconded by Mary Cliett. All were in favor and the motion carried. A recommendation to use certified Free Cash as the funding source was made by Mary Cliett and seconded by Cynthia Secord. With all in favor, the motion carried.

- Fire Department - \$4,250. Grant Match - Air Compressor. Contingent on receipt of the grant match, Bob Brown recommended support of this appropriation. Mary Cliett seconded the motion and all were in favor. The motion carried. A recommendation to transfer \$3750 from last year's unused article and \$500 from certified Free Cash was made by Bob Brown and seconded by Barbara Bartlett. All were in favor and the motion carried.
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- Police Department - \$38,000. Replace 2006 Detective Car. A motion to recommend passage of this appropriation was made by Gerry Kokernak and seconded by Mary Cliett. All were in favor and the motion carried. Gerry Kokernak made a motion to use certified Free Cash as the source for this allocation, with Mary Cliett seconding the motion. With all in favor, the motion carried.

Discussion of STM Articles/Warrant:

Special Town Meeting warrant articles were reviewed and discussed with Town Administrator Szlosek, who also presented a spreadsheet which will be attached to the Warrant to aid in clarification of articles for voters.

Reserve Fund Transfers:

None

Set Next Meeting Date:

Per Chairman Sova, the next meeting of the Finance Committee will be on March 14, 2016, at 6:00 PM in Room 205 of the Butterick Building. Gerry Kokernak, Chairman of the Capital Fund Committee, scheduled a meeting for the same day, at 5:45 PM, preceding the FinCom meeting.

Adjourn:

A motion to adjourn the meeting was made by Mary Cliett and seconded by Barbara Bartlett. All were in favor and the meeting adjourned at 8:23 PM.