



**Joint Finance and Capital Budget  
Committee  
BUTTERICK MUNICIPAL BUILDING  
1 PARK STREET, Room: Conservation  
January 9, 2024  
Minutes**

**Finance Committee (7):**

George Handy (Chair)

Joseph King, Vice Chair (FinCom)

Members: Paul Austin, Christina Lashua, Lynne Sheppard, Ezequiel Ayala, Mark Gauthier

**Capital Budget Committee (6):**

Lynne Sheppard, Chair (CBC)

Liz Pape, Vice Chair (CBC)

Members: Christina Lashua, Paul Austin, Joseph King, Ezequiel Ayala,

Recording Secretary: Valerie Handy

**I. PRELIMINARIES**

- Finance Committee and Capital Committee Meeting called to order 6:30 pm
- Attendees: Lynne Sheppard, Liz Pape, George Handy, Mark Gauthier, Paul Austin, Ezequiel Ayala, Christina Lashua, Joe King

**II. AGENDA ITEMS**

**Congrats and Welcome to Mark Gauthier as of 12/20/2023!**

**Discussion on usable revenue expectations and Levy Limit and depleting excess levy capacity:** It was considered that the increase Levy Limit for FY25 would allow an operating budget increase of \$800,000 over the FY24 Budget without further impacting the excess levy capacity.

**School Budget Impact:** The Regional school assessments make up approximately 50% of the town's annual budget. It is therefore critical to understand how they are established. The school budgets are primarily dictated by the DESE calculation of the Minimum Local Contribution (MLC), transportation and debt service. This total represents approximately 80% of their total budgets and is fixed each year. The variable parts of their budgets (20%) would increase \$94,000 if increased by 4%. As the DESE has not published their MLC figures currently, we have no understanding of the final budgetary impact. The FinCom of Holden had sent a letter to the school superintendents and their town administrator requesting that any budget increases be limited to 3.1% or less. This would be a sound perspective for Sterling to take regarding this budgetary cycle.

**Municipal Spending and specific growth by department:** The preponderance of Municipal spending is salary and wages. The combined wage increases of an average of 7.4% over the previous 4 years has had a negative impact on the town's excess levy capacity. This increase has been driven by additions to the fire and police staff, contractual obligations and implementation of the new wage study approved in FY23.

The Fincom will be looking at the Headcount growth financial impact. Specifically, Fincom will be asking: Breakdown by Department of Fulltime and Part-time headcount; Breakdown by Department of Health Insurance, Family and Single; What is the Town's obligation for Pension Contribution; What retirees pay as a percentage of their health care costs.; What are the special revenues, i.e. Inspections Services or Permit dollars received by department.

**Discuss/decide how, when and who should have access to the user license to the town's financial software in order to run Finance and Capital Committee reports:** As a result of several Report Subcommittee meetings reviewing a long list of reports, the committee identified six (6) reports Fincom needed from the Town Accountant and Administrator. Subsequent to our request, the Fincom was told to run the reports ourselves and was given a Single User license, without any instruction manuals or Software Liaison contacts. Joe King has volunteered to research the program and identify any training or instruction required.

**Discuss Fincom Report for inclusion in Town Annual Report due Feb 2, 2024:** George H. will prepare a draft.

**Discuss and consider Sterling Bylaw wording and provisions; impact on FY25 planning or ATM Warrant.** In Paragraph 180 of the Bylaws, include the use of "Clickers" to record votes. Paragraph 70, replace "tax rate" with "tax levy". The committee will forward this request to the Select Board for inclusion in the ATM warrant.

**Discuss any additional Liaison updates:** Liz Pape stated that the COA will revise their capital requests down approximately \$3500. George Handy reported that the BOH will be revisiting their operating budget.

**Brief report of the abbreviated New Member Training Handbook** – Liz Pape reported that she is continuing to refine the handbook and is confident the page count can be reduced.

**Next Meeting** January 16, 2024

**No Public Session questions.**

**Motion to adjourn meetings at 8:20pm:** Motions made, 2<sup>nd</sup> and unanimously approved.