

**TOWN OF GREAT BARRINGTON
MASSACHUSETTS**

**FINANCE COMMITTEE MEETING
MINUTES**

**THURSDAY, MAY 20, 2020
6:00 PM**

LOCATION: REMOTE MEETING

Conducted via Conference Call

1. **Meeting was called to order** by Chairperson A. O'Dwyer, at 6:00 pm. The meeting opened with a reading aloud of Remote Meeting Guidelines provided in response to Governor Baker's March 12 and 15, 2020 Orders Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A §18, in response to strict limitation on the number of people that may gather in one place.
2. **Attendance roll call** was called by Chairman A. O'Dwyer, at 6:00 pm. A roll call vote verified that present at the meeting: A. O' Dwyer, M. Loubert, T. Blauvelt, W. Curletti, and M. O'Connor.

Also in attendance: Town Manager, M. Pruhenski; Finance Director, S. Carmel; Selectboard Chair, S. Bannon; and E. Abrahams, Selectboard Member.

3. **Approval of Minutes**

Minutes of April 30, 2020 FC meeting. T. Blauvelt made the motion to approve the minutes, M. Loubert seconded. Roll call vote: all in favor (5 - 0).

Amended minutes of February 18, 2020 joint SB/FC budget meeting. T. Blauvelt made the motion to approve the minutes, W. Curletti seconded. Roll call vote: all in favor (5 - 0).

4. **Finance Committee member committee reports:**

Community Preservation Committee. T. Blauvelt indicated that there was nothing new to report from the CPC.

Economic Development Committee. A. O'Dwyer (at-large member of the EDC) reported on the most recent meeting of the EDC on May 19th (M. O'Connor was not able to attend the meeting). She reported that the EDC was still working out how to function; there was a presentation on what she recalled as "e-government" – using technology to enhance communication in the Town. The EDC plans to meet once a month during the summer.

5. **Update from Town Manager.** M. Pruhenski shared that 12 of the 14 employees originally furloughed (in response to Covid-19 restrictions) remain on furlough at this time; 2 highway department employees have been brought back to work, as activity in outdoor work is ramping up. He also reported that he and his staff are finalizing the Town Meeting Warrant, and he is working to see if the Warrant can be limited to "essential" articles at this time [he had also shared this with the Selectboard at the SB meeting on Monday, May 18, 2020]. The plan, he suggested, is to continue

with an outdoor meeting on June 22nd. He indicated that the plan/timeline is to meet with moderator and school (re: location) and come back to the SB on June 8 with the final warrant and meeting plan, both as reviewed by council.

6. **Update from Finance Director.** S. Carmel reviewed with the committee the April 2020 budget reports. She noted that not much has changed since the March 2020 updates—all still is looking pretty good for staying within budgets for the current fiscal year. One piece of good news, she noted, is that, due to lower than usual expenditures for snow and ice, the Highway budget will have some funds left over (approximately \$70,000); she noted that this is the first time since FY 2016 that the Town did not have a deficit in this budget line.

A. O'Dwyer thanked S. Carmel for breaking out the Covid-19 expenses in a new budget line. S. Carmel noted that this budget is two lines: general supplies (currently at approx. \$1,600) and overtime (approx. \$400). This allows us to easily identify Covid-19 expenditures. She hopes that we may be able to cover these additional expenses with under-expenditures in other budgets. A. O'Dwyer asked if the Covid-19 Budget Line expenses likely increase and if there may be savings in other budget lines, as some services are less utilized due to the Covid-19 restrictions. S. Carmel indicated that the line would likely go up a little, but she is optimistic that as the State and Town opens up that there will be less need for these unanticipated expenses. She also suggested that there may be some savings in other lines, but that we have not yet seen the technology costs related to Covid-19 accounted for.

S. Carmel also indicated that she expects that at least two departments (Town Clerk and Fire Dept) will be coming before the joint FC and SB to request end-of-year budget-line transfers. Possible dates for the joint meeting were discussed, although still yet to be determined.

T. Blauvelt asked about the FY 2020 revenues – wondered if there were any shortfalls [given Covid-19]. S. Carmel indicated that she had recently looked into this question on April 30. She shared that there is some good news re: local receipts (motor vehicle excise, dept revenues, local option taxes). She compared this year to the prior FY (removing cannabis revenue from the analysis for comparison), and found that we are actually up \$2,000 from where we were at this time last year. Regarding taxes (personal property) is tracking to where we were last year (even though the deadline was extended this year). She noted that real estate taxes comparisons will not be clear until in June.

S. Bannon asked about the cannabis revenue to-date this fiscal year (last two quarters from 2019 and first quarter -- through March – of 2020). S. Carmel reported that there is approximately \$2.3 million in revenues (approximately \$1.15 million in general local sales revenue and the same for the Community Impact Fees).

7. Finance Committee Business

Email/letter to Finance Committee – Great Barrington citizen, Patrick Hollenbeck's letter to the Finance Committee was acknowledged. The letter asked regarding the Ramsdell Library HVAC system in the FY 21 Capital Expenditures budget – wondering if this expenditure was necessary given the library closing due to Covid-19 at this time. P. Hollenbeck was in attendance at the meeting to respond to any questions. A. O'Dwyer asked for an update on the Town libraries openings/re-openings. M. Pruhenski indicated the libraries will be reopening for curbside pickup along with the State's reopening schedule. She also indicated that Sean Van Deusen had indicated

the repairs were for both heating and cooling the building. P. Hollenbeck wondered about what would make the most sense for the building in the coming months—both being fiscally prudent (spending so much to repair heating and cooling) and safe. He also indicated that he thought the Housatonic Community Center could be a good place for general services to residents during social distancing requirements, as it has multiple entrances/exits and a large open space.

Covid-19 Discussion – A. O’Dwyer reported that a GB resident had shared with her—but was not able to make the meeting—that he is concerned not only about operating expenditures, but also capital expenses. She thanked S. Carmel and M. Pruhenski for their work with their staff already to keep expenses down, but noted that—especially as we see the impact on Covid-19 on the town’s local revenue--we may need to revisit expenses approved in the FY 21 budget as the year progresses. M. Loubert noted that at the recent state-wide Finance Committees meeting, it was indicated that the full impact of Covid-19 would not be known until later in the coming FY.

M. Loubert also reminded the committee that while we have to be aware of the effect on businesses, we also have to be aware of the impact of Covid-19 on our citizens, many of whom are losing their jobs (which means loss of salary and often health insurance). She shared that a GB resident she had talked to indicated that she had said, “I am not sure what I am going to do [to survive financially].” We need to be careful to consider—when voting on budget items--what is not needed, as we know that many are not working at this time.

The committee discussed other plans for supporting businesses during this time, and thanked the town staff for its efforts already to take initiative (e.g., re: outdoor seating). W. Curletti reported that he anticipates that the Covid-19 deficits in revenues will be double that which was felt at any time before. Is hoping to be able—as a business-owner—to serve the community and safely open his business this summer. He noted that this would not be the first time the downtown businesses have faced hardships (noting the limited traffic on Main Street due to construction in the prior year).

A. O’Dwyer asked about the coming year, thinking about how the projected loss of revenue from local receipts due to Covid-19 might make it difficult to replenish the Free Cash budget line, but if the marijuana revenue might help in reducing this negative impact on other revenues. S. Carmel suggested that it is too soon to make projections on what these revenues will be or how they might be used. T. Blauvelt reminded the committee that the town had recently created a Stabilization Fund, although it was noted that it is a fund for capital expenditures, not operating expenses.

Review of 2018 Town Audit. A. O’Dwyer brought to the committee the opportunity for further discussion of the 2018 Audit, which had been presented at a FY 21 budget meeting. T. Blauvelt indicated that the he felt the auditor did a good job of explaining the basics of the audit. He asked about the statement (on p. 3 of the auditor’s report): “We were unable to secure sufficient audit evidence to allow us to assess the receivables as presented in the financial statements are materially correct. We cannot measure the impact, if any, of this scope limitation to the financial statements as presented.” – and wondered what precipitated this statement. S. Carmel indicated that she would take this to the auditor for clarification.

A. O’Dwyer stated that her take-away from the audit was the recommendation regarding the Town getting more on top of OPEB liabilities, and that while Great Barrington is not alone in having considerable OPEB liabilities (lots of towns are struggling to manage OPEB), that the town should develop a plan and fund for managing these.

A. O'Dwyer also noted that the auditor noted various operating concerns, but that the auditor and the report both indicated that the town (via S. Carmel) has addressed many of the material concerns. S. Carmel thanked the committee for the opportunity to comment on the audit. She reminded the committee that she started in GB in late January 2018 (halfway through the 2018 fiscal year), and that many of the concerns raised in the 2018 audit have already been addressed or corrected. E.g., the budgetary tracking of capital expenditures was addressed by the end of FY 19, so most of the findings in the FY 2018 have long been addressed.

A. O'Dwyer asked about the FY 2019 audit. S. Carmel indicated that the FY 19 audit has already been underway; Covid-19 has made the work more difficult, but the audit is still ongoing and the auditors are working remotely. Due to Covid-19, there is no specific anticipated date of completion of the FY 2019 audit. S. Carmel remains in communication with the auditors re: the FY'19 audit.

Southern Berkshire Ambulance Squad. A. O'Dwyer indicated that she had reviewed the materials forwarded to the committee from M. Pruhenski – particularly their tax statements. She wondered who is doing the review of the documents—is it the Finance Committee or members of the Town staff? M. Pruhenski asked if the documents were sufficient for the review. Bill Hathaway, from SBAS spoke. A. O'Dwyer indicated that she had questions and indicated that she was challenged with what appeared to be inconsistencies in the SBAS documents and the materials from the SBAS powerpoint presentation at the joint budget meetings. She presented the revenue/expenses chart from the prior presentation, noting the deficits shown were about \$75,000 - \$100,000 each year, but the amount requested from the Town was over \$100,000. B Hathaway indicated that the SBAS's request to the town was to manage a cumulation of deficits over the years, and to account for the hiring of new staff in the recent years (although not this year). He attempted to further explain the SBAS financial challenges, but his audio was not clear and thus asked to sit down with those doing the review to explain the deficits. M. Loubert expressed concern that the Fire Chief had expressed concerns with the request. A. O'Dwyer indicated she would come back to the committee with more of a report.

8. Finance Committee Members Comments < no comments or questions >

9. Citizen Speak < no comments or questions >

10. Media Speak < no comments or questions >

11. Adjournment. Motion was made by T. Blauvelt at 7:03 PM to adjourn the meeting; M. Loubert seconded; vote 5-0, all in favor.

Respectfully submitted by

Anne O'Dwyer

Approved June 16, 2020