

**TOWN OF GREAT BARRINGTON
MASSACHUSETTS**

**FINANCE COMMITTEE MEETING
MINUTES**

**TUESDAY, APRIL 27, 2021
6:30 PM**

LOCATION: REMOTE MEETING
Conducted via Zoom Meeting

1. **Meeting was called to order** by Chairperson A. O'Dwyer, at 6:30 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 limitation on the number of people that may gather in one place.
2. **Attendance roll call** was called by Chairman A. O'Dwyer. A roll call verified that present at the meeting: T. Blauvelt, W. Curletti, M. Loubert, M. O'Connor, and A. O' Dwyer were all in attendance.

Also in attendance: Town Manager, M. Pruhenski; Principal Assessor, Ross Vivori; and Selectboard Chair, S. Bannon.

3. **Approval of Minutes.** Review of February 2, 2021 minutes. A. O'Dwyer informed the committee that the minutes were less detailed than usual, as a video recording for the meeting was not available (or lost), and thus she relied on her notes in writing up the minutes. M. Loubert noted several typos which were corrected. T. Blauvelt made a motion to approve the minutes; W. Curletti seconded. Four members voted to approve; M. Loubert abstained.
4. **Finance Committee member committee reports.** T. Blauvelt indicated no updates from the Community Preservation Committee at this time.

5. Update from Town Manager

- Personnel Updates. Town Manager, M. Pruhenski made his report, as well as reading to the committee some information Finance Director, Sue Carmel had shared with him, as she was not able to attend the meeting. M. Pruhenski shared with the committee that the Town Treasurer/Collector had resigned the week prior and that the Town is in the process of searching for a replacement. He noted that in the interim, the Town is redistributing the responsibilities of the position to others in the Town Hall staff, particularly Ellen Dupont, Assistant Treasurer/Collector, and brought in several consultants to help, and the Wastewater clerk is also taking on extra hours to help.
- M. Pruhenski also welcomed the new Town Assessor, Ross Vivori, who has been focusing on the software conversion to Patriot—moving the data from one system to the other, which is now complete; Mr. Vivori has also been focusing on a long list of abatements which had been deemed denied from lack of action by Board of Assessors and will be working on an executive summary regarding the Senior Tax Deferral Program for the next finance committee meeting. Members of the committee welcomed Ross.
- Updates from Finance Director (presented by Town Manager). Based on nine months of

revenues, she reported that the meals tax has taken a significant hit—down about \$20K—in Q1-Q3 compared to prior years. At the 9-month point, the Town is down about \$50K in tax revenues. Marijuana revenue—the community impact fees—are down by \$80K, but the local option is up by \$87K. Room occupancy is trending down compared to last year, although compared to the prior year (before AirBNB revenues) we’re tracking on schedule. Tax liens redeemed were up about \$230K over last year, with interest up by \$82K. Motor vehicle excise is down approx.. 10% in collections, and the overall commitment is \$30K less than last year (M. Pruhenski noted that this perhaps due to a reduction in auto sales). M. Loubert asked about the timing of when new residents convert their auto taxes to MA State, and if this results in loss of excise tax revenue. T. Blauvelt noted that a new MA resident has 30 days to change their vehicle registration, but it is true that some people delay. For real estate taxes, the Town has received slightly higher percentages to date this year than this period for the prior two years (FY 2019: 49.2% collection rate; 2020: 49.1%; 2021: 50.4%). Personal property taxes are up by 8.6% (compared to this time last year). Our commitment for personal property \$897K (up from \$874K in FY 2020). PILOTs (Payments in Lieu of Taxes) are also up this year by \$37K— we recouped the PILOT from Hillcrest from the prior year—and have made full payment for FY 2020 and FY 2021. The Town Manager shared that we have taken a hit on the alarm billing (e.g., billing residents for false alarms) this year—in the range of \$10K - \$15K, but this may balance out by the end of the year. Finally, overall total revenues for property taxes are up \$500K from last year.

T. Blauvelt asked for an update about the Town audits. M. Pruhenski indicated he would update regarding this at the next meeting. A. O’Dwyer wondered if there were specific operating budget lines to discuss. She wondered why the Historic District had not spent funds out of their FY 2021 budget. M. Pruhenski indicated that the increase for next year is for a special project. A. O’Dwyer noted that from her review of the March 2021 operating budgets, the Town is where it would expect to be at this time of year.

6. Finance Committee business

- BHRSD School Budget – Town Assessment – Discussion/Vote. The Chair noted that usually the Finance Committee votes at the Budget Hearing on the Town’s assessment toward the district school budget, but that vote did not occur at the hearing, thus she had brought this to the current meeting. She shared the total assessment – of \$18,432,398 (up 4.9% from prior year). She noted that she had attended the school budget hearing held in February, and noted that the increase was in part due to the fact that Great Barrington is projected to have a higher percentage of students attending the district schools in the coming year. She also noted that the district had secured numerous grants (approx. \$2.7 million in grants); State funding was reported at that meeting to be relatively flat; they are funding their capital projects through their E&D (excess and deficiency) fund; they are also noting a slight increase in transportation costs, as well as in technology expenses. She also shared that the District has been busy developing contingency planning for the fall—preparing for potentialities associated with Covid-related restrictions. T. Blauvelt made a motion to approve the FY 2022 BHRSD School District Assessment. Roll call vote – all approved.
- Senior Tax Deferral Program – Presentation & Discussion. V. Orłowski made a presentation to the committee regarding the MA State Senior Tax Deferral Program (her summary, “Elderly Tax Deferral Safety Net Pilot Program” was included in the meeting packet). She suggested that town residents’ taxes are not increased by this program and highlighted what she believes are the primary goals of the program: (1) To enable elderly residents to stay in their home while ensuring the Town tax revenues, keeping the

community more stable; (2) To reduce real-estate turnover and increases in property valuation increases resulting in higher tax expenses for residents of the town during stressful economic times, noting that these increases have been state-wide;

V. Orlowski reported on her research—she has spoken with the town assessors in Newton, Norwell, and Sudbury and researchers at Boston College—suggesting that there been no increase in tax rates in towns where this program has been implemented. She suggested that Town consider a “5-year Pilot program” to allow for ongoing review and flexibility. She suggested that Great Barrington is fiscally healthy and thus in good shape to implement this program, and is likely to receive additional funds from relief programs in the near future. She suggested that this program can be viewed as an investment program, as the funds are guaranteed in the future, and the interest rate is generally higher than it gets—or can reliably expect—from other investments of town reserve funds, such as CDs. She further noted that a taxpayer cannot defer more than 50% of the assessed value of their home (although this amount is rarely met, as the average length of the deferral is 5 years and residents do not always defer the full amount of their taxes); the BC report, she noted, indicated that 127 towns in MA participate in this program; 10 towns in the Berkshires had, in the past, adopted the program, but none have the program currently active; small towns that have implemented the program have used the State’s ‘circuit-breaker’ guidelines for eligibility and rates. V. Orlowski also noted that she looks forward to the Assessor’s report at the next meeting.

V. Orlowski asked the committee to consider recommending to the Selectboard that they encourage the State legislature to include Berkshire towns in MA Senate Bill 1894—which would establish a State pilot project to establish a fund to reimburse towns that implement a Senior Tax Deferral Program. She noted that Berkshires State Senator Adam Hinds is chair of the committee charged with advancing this bill.

A. O’Dwyer thanked V. Orlowski for her extensive work on this proposal. She further noted that she acknowledges that the program sounds very good, but does want to wait for the new town assessor’s report and recommendation. She noted that if Great Barrington would implement this program, we would need to set our interest rate for the program and the maximum income requirement—and if we would go with State guidelines and circuit-breaker amounts. V. Orlowski indicated the Town may consider if the program is intended for seniors with very low income or also moderate-income senior residents and the length of a pilot program would be voted on by the Town and/or Finance Committee and Selectboard. A. O’Dwyer also noted that State assistance in implementing senior tax relieve programs are certainly worth investigating for potential Town support.

M. Loubert asked about property co-ownership: if one of two (or more) owners of property are not at the minimum age (of 65), are all property owners eligible for the program? V. Orlowski indicated she had not seen any information regarding this. M. Loubert also expressed concern how the Town’s operating budget is affected by the deferrals—how the deferred amount is handled in a town’s budget. She noted that Sudbury had published a recent report, which stated, “...while tax deferrals do not throw our annual budget ‘out of balance’ they do represent an impediment to using available reserves as necessary, or on building balances for the future.” She wants to be sure that the Town examine both the best- and worst-case contingencies associated with this program, and researchers what other towns have set as a residency (years of residency requirement), and how to stay on top of ‘qualifying events’ associated with a resident’s participation in the program. M. Loubert expressed much concern that the consideration of this program is rushed, and would like more time to review and consider it, and would like to see a Town committee review this program, and that time be given to review this

program before any vote on it is taken.

Town resident, P. Orenstein, asked if the interest rate for the program is fixed or changeable and if it is considered deferred revenue or reduction or debt associated with the town's given year's revenue; V. Orłowski indicated that her research suggests that the rate is fixed when the resident enters the program—if a resident begins the program at 2% then even if the Town increases its interest rate for the program, their original rate would be fixed and that it is considered deferred vs. reduced revenue.

All indicated that these and other questions all require further research. R. Vivori thanked both V. Orłowski and M. Loubert for their questions and research into this program and indicated he would be looking into in the weeks and months to come. M. Pruhenski asked that all those interested to email questions to himself and/or the town assessor. M. Loubert indicated a committee to respond to questions would be quite helpful and beneficial.

7. Finance Committee Member Comments.

A. O'Dwyer shared that the Reserve Fund Transfer Request for repairs at the Housatonic School—which had been requested at the recent Budget Hearing—had originally been on the current meeting's agenda. However, in conversation with Sean VanDeusen, DPW Superintendent just prior to the agenda posting, she learned that the work was at an expense amount that it would need to be put out for a bid, and that the bid and contract could not be secured before end of the current fiscal year, so any FY 2020 reserve funds could not be used for this work.

M. Pruhenski acknowledged that this amount cannot be requested from next year's Reserve Fund and would need to be voted—at the Annual Town Meeting—into the coming year's operating budget. M. Loubert agreed that she was disappointed that this is not on the agenda for this year's budget (from the reserve fund) and would be very willing to put it on as an amendment to the FY 2022 annual operating budget (Public Works) that will be brought to the town residents. M. Pruhenski indicated that he is still asking for a recommendation from the Housatonic Improvement Committee (HIC)—and is hoping that they will recommend these repairs. M. Loubert noted that she was under the impression from recent HIC meetings that they did support it, so she hopes that this communication between the HIC and the Town Hall can occur soon, and she has been in touch with HIC Chair, Dan Bailey. She noted that the building continues to fall into more and more disrepair, including broken glass on the ground around the building. E. Mooney resident asked when the decision was made to remove the request for funds for these repairs was removed from the agenda; A. O'Dwyer noted that this was a last-minute change to the Finance Committee's agenda for the current meeting. M. Loubert asking that the Town consider getting a minute-taker for the Finance Committee moving forward, as this would support the workings of the committee considerably.

8. Citizen Speak Time/Media Speak Time.

Trevor Forbes, town resident, expressed his concern about the safety at the Housatonic School, including around the playground. Discussion ensued regarding the proximity of the school to the playground and the challenges of keeping children who are at the playground from not going in proximity to the school building. Town resident Eileen Mooney asked if the school district had any interest in acquiring the building, and M. Pruhenski reported that they had received a few queries about the building in the past six months.

A. O'Dwyer thanked M. Loubert and W. Curletti—whose terms on the Finance

Committee are ending—for their commitment to and service on the committee.

Trevor Forbes asked about marijuana revenues—noting a recent newspaper report that the number of retail establishments state-wide are increasing at a considerable rate. Mr. Forbes wondered if the Finance Committee is mindful of the potential that marijuana revenues could decline in the near future—and how this has been factored into budgeting. A. O'Dwyer commented that the committee has been very mindful to look at marijuana revenues as potentially temporary—and to not change the way we budget based on the assumption or expectations that these additional revenues will be coming in. She suggests that the committee has been very mindful of this potentiality. M. Pruhenski shared that the Town does make use of these funds when they are there in free cash, but has not built these funds in as a long-term revenue source.

9. Adjournment.

The meeting was adjourned – by roll call vote – at 8:15 PM.

Respectfully submitted,

Anne O'Dwyer

Accepted at July 27, 2021 meeting.