

TOWN OF GREAT BARRINGTON FINANCE COMMITTEE MEETING
Tuesday November 16, 2021

1. Call to Order – A. O'Dwyer opened the meeting at 6:00pm; those present via zoom: Michelle Loubert, Meredith O'Connor, Anne O'Dwyer, Philip Orenstein. Town Manager Mark Pruhenski, Finance Director Sue Carmel. Absent: Tom Blauvelt

2. Roll Call - M. Loubert, "aye," M. O'Connor, "aye," A. O'Dwyer, "aye," P. Orenstein, "aye."

3. Finance Committee reorganization – discussion and vote

a. A. O'Dwyer stated she would like to step down as Finance Committee Chair. T. Blauvelt had expressed interest in becoming Chair, but does not have the time/capacity. M. Loubert stated she would like to step down as Vice Chair due to logistical and timing issues.

A. O'Dwyer made a motion for P. Orenstein to serve as Chair of the Finance Committee; M. Loubert seconded. A. O'Dwyer asked if any discussion – P. Orenstein stated he would be happy to serve just so others with seniority have had the opportunity. Roll call vote: M. Loubert, "aye," M. O'Connor, "aye," A. O'Dwyer, "aye," P. Orenstein, "aye." All in favor, 4-0.

P. Orenstein made a motion for A. O'Dwyer to serve as Vice Chair of the Finance Committee; M. Loubert seconded. A. O'Dwyer asked if any discussion – there was none. Roll call vote: M. Loubert, "aye," M. O'Connor, "aye," A. O'Dwyer, "aye," P. Orenstein, "aye." All in favor, 4-0.

b. P. Orenstein delegated the Chair role for the meeting to A. O'Dwyer.

4. Approval of Finance Committee Meeting Minutes

a. Approval of 4/27/21 Finance Committee meeting minutes - A. O'Dwyer stated that P. Orenstein did not attend the 4/27 meeting and should be deleted from the attendee list and paragraph 6. M. Loubert stated minutes should be corrected to use last names.

M. Loubert made a motion to approve the 4/27/21 Finance Committee meeting minutes as amended; M. O'Connor seconded. A. O'Dwyer asked if any additional discussion – there was none. Roll call vote: M. Loubert, "aye," M. O'Connor, "aye," A. O'Dwyer, "aye." All in favor, 3-0.

b. Approval of Minutes from FY 22 Budget Meetings of 2/16/21, 2/17/21, 3/24/21, 4/27/21 – M. Loubert stated she was not comfortable approving the minutes without additional review as the meetings occurred several months ago. The Committee members agreed and tabled approval of the minutes for the next meeting.

5. Update from Finance Director

a. September 2021 Operating Budget Reports – S. Carmel presented stating that payment for long-term debt is not reflected as it is paid in the last six months of the year. Regarding spend for technology, S. Carmel clarified it includes open purchase orders so funds have not actually been expended. P. Orenstein asked about the reserve fund transfer under Assessor's – S. Carmel stated it is for the software conversion and carried over from FY21. P. Orenstein asked if higher legal fees were anticipated due to multiple projects – M. Pruhenski replied he did not expect any excessive legal fees.

- b. M. Pruhenski provided an update on the salary survey stating four salaries in need of immediate adjustment had been made totaling \$23,000 – which is half of what was budgeted. He added that performance evaluations were just completed and will be discussed with the Selectboard to determine any additional adjustments. He also noted he would leverage Dalton’s salary survey to identify any other potential salary inconsistencies and would not need funding for a separate survey. M. Loubert asked about using the Massachusetts Municipal Association benchmark salary survey results – M. Pruhenski replied he was unable to access the data, but Alicia Dulin was going to try and he would follow up.

6. Finance Committee Business

a. Recommendation to Selectboard regarding Senior Tax Deferral Program (Clause 41A) – Discussion/Vote –

- i. P. Orenstein presented an overview and findings regarding the Senior Tax Deferral Program and potential recommendations to the Selectboard. He expressed support for the program and stated the open questions are rules for income eligibility and interest rate. He clarified that this is already state law, but not widely used - potentially because of the low-income eligibility and program complexity - so there is limited data especially for towns comparable to GB. The state’s eligibility requirements are: age 65+, resident for 10 years, \$20,000 in income (single or couple) and 8% interest rate – but he added towns can change criteria via town meeting. He stated that taxes accrue over time and are due when the home is sold or the taxpayer dies.
- ii. Committee members discussed specifics and process for the program including payment timing and impact on heirs; mortgage lender approval and liens; other towns’ eligibility requirements instances where state legislation provided towns with additional flexibility; value of program in cases of dire financial need; and impact on town finances.
- iii. Regarding eligibility, A. O’Dwyer stated the income level should be more than \$20,000 and the interest rate lower than 8%.

A. O’Dwyer made a motion to recommend \$40,000 maximum income to the Selectboard; P. Orenstein seconded. A. O’Dwyer asked if any discussion – M. Loubert recommended \$30,000. P. Orenstein stated he supports \$40,000 as social security benefits average \$17,000 per individual/\$35,000 for a couple. A. O’Dwyer stated she would rather increase income so the program is more available. It was stated that in Chatham, as an example, eligibility was set below \$40k and there was almost no participation, so it was raised after a few years.

A. O’Dwyer retracted her original motion; P. Orenstein retracted his second

A. O’Dwyer made a motion to recommend \$35,000 maximum income to the Selectboard with a note that the Committee considered a \$30-40,000 range; P. Orenstein seconded. A. O’Dwyer asked if any additional discussion – there was none. Roll call vote: M. Loubert, “aye,” M. O’Connor, “aye,” A. O’Dwyer, “aye,” P. Orenstein, “aye.” All in favor, 4-0.

A. O’Dwyer made a motion to recommend an interest rate of 6% to the Selectboard; M. Loubert seconded. A. O’Dwyer asked if any discussion – M. Loubert stated 5% is in the range for a line of credit. P. Orenstein asked if it should be a market or subsidized rate. He noted seniors are not going to have other good options. He suggested a 4% rate and noted mortgage rates are 3-5%.

A. O’Dwyer rescinded her original motion.

A. O'Dwyer made a motion to recommend an interest rate of 4% to the Selectboard; P. Orenstein seconded. A. O'Dwyer asked if any additional discussion – there was none. Roll call vote: M. Loubert, “no,” M. O'Connor, “aye,” A. O'Dwyer, “aye,” P. Orenstein, “aye.” Motion passed, 3-1.

b. Looking ahead: Mon 11/22 - Joint SB/FC Meeting (re: Tax Classification Hearing & Town Audited Reports FY19 & FY20) – The Committee discussed rescheduling the 11/22 meeting and proposed new date of 12/13 at 5:00pm so it would proceed the Selectboard meeting. M. Pruhenski will confirm.

c. Initial discussion of suggestions regarding budget process – P. Orenstein suggested changes to the budget process to be discussed at the next meeting. Areas for discussion included: maintaining a schedule and tracking funding sources for town capital projects including projects completed, in process and planned for the future; annual review of previously approved, but unissued/unused borrowings; and the inclusion of reserves in health and life insurance category.

i. M. Pruhenski stated he has been discussing capital tracking with staff and has asked for a capital spreadsheet tracking funding sources/project funds expended from start to completion.

7. Finance Committee Member Comments

a. A. O'Dwyer stated the Committee needs to vote on a budget and financial policy for FY23 at the next meeting. Also, as outgoing Chair she thanked everyone for their support and welcomed/congratulated P. Orenstein as the new Chair. P. Orenstein thanked A. O'Dwyer for her commitment and help over the years and go forward.

8. Citizen Speak Time

9. Media Time

M. Loubert stated the 12/21 Finance Committee meeting should be rescheduled due to the holidays. The Committee agreed to meet on 12/13 at 5pm or 12/14 if that does not work.

10. Adjournment – A. O'Dwyer made a motion to adjourn; M. Loubert seconded. Roll call vote: M. Loubert, “aye,” M. O'Connor, “aye,” A. O'Dwyer, “aye,” P. Orenstein, “aye.” All in favor, 4-0.
The meeting was adjourned by unanimous consent at 8:00pm.

Respectfully submitted,

Stacy Ostrow
Recording Clerk