

GREAT BARRINGTON FINANCE COMMITTEE MEETING  
February 7, 2022

1. Call to Order – P. Orenstein opened the meeting at 6:30pm; 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. Approval of Minutes - Meetings of July 27, August 24 and September 28, 2021.

M. Loubert made a motion to approve the July 27, 2021 Finance Committee meeting minutes; A.

O'Dwyer seconded. P. Orenstein 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.

M. Loubert made a motion to approve the August 24, 2021 Finance Committee meeting minutes; A.

O'Dwyer seconded. P. Orenstein 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.

M. Loubert made a motion to approve the September 28, 2021 Finance Committee meeting minutes; A.

O'Dwyer seconded. P. Orenstein 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.

4. Finance Committee member committee reports – moved to next meeting

It was recognized that the meeting webinar access code was incorrect, but it was confirmed that attendees were able to dial in via phone. P. Orenstein pointed out there would be discussion not additional voting on any items.

P. Orenstein made a motion to proceed with the meeting; M. O'Connor seconded. P. Orenstein asked if any discussion – M. Loubert stated it is important for the public to have full access. Roll call vote: M. Loubert, "no," M. O'Connor, "aye," A. O'Dwyer, "aye," P. Orenstein, "aye." Motion passed 3-1.

5. Update from Finance Director: December 2021 Operating Budget Reports

- a. S. Carmel stated we are halfway through the year and budget is overall at 47% spend. She noted some departments are over 50% but that is due to encumbrances – with the exception of IT because of software subscriptions paid for early in the year. She also followed up on a previous discussion about the decrease in spend for veterans' benefits – noting the reason is some veterans have passed away. She also noted she would monitor expenses for snow/ice.
- b. P. Orenstein asked when the revised budget is submitted – S. Carmel replied revised budget reflects transfers within a department budget. He also inquired about the Assessor's Office reserve fund transfer which S. Carmel clarified was carried over from last year and was for the software program changes.
- c. A. O'Dwyer asked about Health and Life Insurance which is at 50% spend and questioned an initial concern about it being overfunded. S. Carmel clarified that the Wastewater Enterprise Fund will be transferring its share which is paid in two \$80k payments per year. A. O'Dwyer also asked about medical services – S. Carmel stated this is through the Selectboard office and there is a budget transfer in process so there will not be a deficit go forward.

6. Summary of senior circuit breaker program and tax assistance available through the senior center – P. Orenstein stated the Program is related to the Tax Deferral Program as another tax-savings opportunity for seniors applied for via annual tax returns. He noted the Senior Center can assist with filing.
7. 41A Senior tax deferral follow up – request to Town staff to clarify the filing deadline and criteria that apply this spring – P. Orenstein stated that while any modifications to criteria will go to Town Meeting, any seniors that want to apply in this cycle need to do so by April 1 or three months after the tax bill is mailed. He asked Town staff to clarify/update timing and existing criteria.
8. Update on Clause 41C Property Tax Exemption criteria - request to Town for update – P. Orenstein stated the Program has been in existence for a while and is successful – he noted the income test criteria is \$20,000 for a single and \$30,000 for a couple - by Town vote there was a cost of living adjustment, but it is not recorded on the Town website and he asked Town staff to update.
9. Discussion possible invitations to the Collectors office and the Assessor's Office for presentations at a future meeting – P. Orenstein suggested that representatives of the Collectors and Assessors Offices be invited to Finance Committee meetings to discuss procedures and how their offices are operating including the handling of delinquent properties and the assessment timeline. The Committee agreed it was a good idea.
10. Calculation of Fire District tax on the most recent tax bill – P. Orenstein stated there was a recent shift in timing for the Town's property tax bill from semi-annual to quarterly impacting tax bills. In addition, the increase from the first two to the second two quarters of the year is an adjustment in the Fire District tax bill related to a prior administrative error. He also noted there are other factors that can impact tax bills. M. Loubert noted not everyone receives a Fire District bill, as those in Housatonic pay Housatonic Water Works for their water.
11. Update letter from Southern Berkshire Ambulance – P. Orenstein acknowledged a letter from Caleb Stone, Chief of Operations of Berkshire Ambulance, noting improvements in operations, billing/cash flow and the addition of new board members. He also reported Berkshire Ambulance will not need the municipal subsidy this year, but is instead requesting Town ARPA funds for equipment.
  - a. A. O'Dwyer commended SBAS on their fundraising efforts.
12. Room Occupancy Tax – breakdown between Short Term Rental and Traditional Lodging – P. Orenstein shared information in response to requests for data related to short-term rental discussions. He shared aggregated data from DOR included taxes received from short-term rentals vs traditional lodging. He added that aggregate Room Occupancy Tax revenue has increased significantly in FY22.
13. Discussion of the Residential Property tax exemption study presented to the Select Board on Jan.10th
  - a. P. Orenstein presented background/context for discussion of a recent study. He noted that in November last year there was a tax classification hearing where the tax rate is set for the year. At that time the Town chose not to use the residential tax exemption option - but Selectboard member, Ed Abrahams, asked for analysis/data to make that determination. As a result, the Town Assessor and a consultant developed a report on the potential impact of the option. He noted it is a controversial topic and opened public discussion.
  - b. E. Abrahams clarified it is a decision that must be made every year and in order to do so effectively, there needs to be a deeper understanding via data/numbers not anecdotal stories.

- c. M. Loubert stated there are historical materials/presentation from 2015 that are valuable to the conversation and strongly urged the Committee to consider its findings.
- d. P. Orenstein stated the current report is a hypothetical assessment of how it would work based on recent data. Additional discussion should include new and historical data to be reviewed/discussed together. He also shared his perspective that there is a widely held view that taxes are high, and some residents are having difficulty paying. He continued stating the question is whether the residential exemption is an effective tool to address the problem. He noted there are a variety of alternatives using needs-based/means testing to get an accurate assessment of who is impacted and what assistance can be provided. His suggested finding a more precise and equitable way to address these concerns.
- e. Chip Elitzer stated he appreciated the Committee's measured and high-level approach. He pointed out that a residential tax exemption reduces the tax rate for some and increases it for others in a zero sum game. His view was the best way to reduce the tax rate overall is to broaden and grow the tax base with second homeowners and home building/improvements. He stated further that 70% of taxes raised goes to the School District with costs based on headcount - and second homeowners do not use the schools. He noted Stockbridge has a lower tax rate because of a large number of second homes. Overall, he stated a residential exemption would discourage second homeowners/property improvements and decrease the tax base.
- f. Vivian Orlowski recommended reviewing the 2015 report and noted the residential exemption is not progressive as it does not take income into account. In addition, the new report does not provide context nor consider other municipalities that have instituted the exemption most of which have a large proportion of non-resident properties – which is not the case in GB.
- g. Richard Stanley stated the importance of growing the second homeowner segment of the population and having data to avoid unintended consequences.
- h. A. O'Dwyer stated the Committee should review the 2015 report for additional context.
- i. P. Orenstein clarified that the new report is more an illustrative example of the potential impact of the residential exemption on property tax bills. He continued to say the conversation can be continued at the next meeting after review of the materials and a decision made whether or not to make a recommendation on this matter.

14. Future meeting schedule – The Committee members confirmed their availability for the following meetings: Tuesday March 15 @ 6:30, Tuesday April 19 @ 6:30, Tuesday May 17 @ 6:30.

15. Finance Committee Member Comments

- a. A. O'Dwyer asked about the status of the November/December meeting minutes – P. Orenstein stated he would follow up with M. Pruhenski.

16. Citizen Speak Time

17. Media Time

18. 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