

Finance Committee Meeting Minutes
Thursday October 6, 2022

1. Call to Order and Roll Call Vote – P. Orenstein opened the meeting via Zoom at 6:30 pm with a roll call: Milena Cerna, “aye,” Richard Geiler, “aye,” Madonna Meagher, “aye,” Anne O’Dwyer, “aye,” Philip Orenstein, “aye.”
Also in attendance: Town Manager Mark Pruhenski
2. Approval of Minutes for meeting of August 16, 2022
M. Meagher made a motion to approve the August 16, 2022 minutes; A. O’Dwyer seconded. P. Orenstein asked if any discussion – there was none. Roll call vote: M. Cerna, “aye,” R. Geiler, “aye,” M. Meagher, “aye,” A. O’Dwyer, “aye,” P. Orenstein, “aye.” All in favor: 5-0.
3. Committee Member announcements or statements
 - a. Guest speaker scheduled for October 18th meeting – P. Orenstein announced that Shelia LaBarbera, Executive Director, Berkshire County Retirement System, has agreed to attend to attend the next meeting to discuss the pension fund.
4. Town Manager:
 - a. Legal review of Town’s discretion over Unused Free Cash related to Cannabis tax revenue –
M. Pruhenski stated Town Counsel understands the request and the need for advice on conflicting guidance from two different state agencies – and expects to have a memo/guidance in time for the Finance Committee’s November meeting and the budget process.
 - b. Reserve fund transfer request to fund Short-Term Rental compliance and licensing software –
M. Pruhenski stated a reserve fund request for \$12,000 was submitted to the Finance Committee and is in the packet. He provided an overview of the scope of services/Town needs for compliance and licensing software - identify short-term rentals over multiple nationwide listing platforms; a registration form/portal that is bylaw specific; compliance monitoring; and access to a 24-hour call center to report complaints. He noted four companies were considered - all could meet the Town’s needs and had similar capabilities. Local-Gov was chosen and was the lowest cost option. The system is expected to go live on January 1, 2023.
 - i. It was discussed that Local-Gov works with smaller communities and would provide a dedicated representative. M. Pruhenski explained the value of having a call center and stated he would connect with Local-Gov’s current clients to get their perspective. He also confirmed the software will provide a registration portal and tracking; scrape other listing platforms daily; and find unregistered short-term rentals that would trigger compliance issues. It was noted that the biggest challenge is enforcing the 150-day limit as no software can address that directly, but cross-referencing online reviews, calendars and tax collection data can help.

A. O’Dwyer made a motion to approve a Reserve Fund transfer for the request of \$12,000 to the contracted services budget line to support the short-term rental compliance and licensing program for FY23; R. Geiler seconded. P. Orenstein asked if any discussion – there was none. Roll call vote: M. Cerna, “aye,” R. Geiler, “aye,” M. Meagher, “aye,” A. O’Dwyer, “aye,” P. Orenstein, “aye.” All in favor: 5-0.

 - ii. M. Pruhenski stated he would send the Reserve Fund transfer sheet electronically to P. Orenstein for signature.

5. Housatonic Water Works

- a. Update on request to the Select Board to attend executive sessions – P. Orenstein stated the Selectboard’s response to the Finance Committee’s request to join some Selectboard executive sessions regarding Housatonic Water Works is included in the packet. He noted he understands the complexities and the decision, but preferred it had been discussed in open session. He stated there is no need to pursue it further at this time.
 - i. M. Cerna asked that the Finance Committee be included with enough lead time on matters of financial impact to allow for sufficient analysis/discussion. A. O’Dwyer added her concerns about having Finance Committee input along the way
 - ii. M. Pruhenski stated there have not been any discussions on specific financial considerations. He also noted the Board of Health and Planning Board have asked to join executive sessions as well – which would make discussions unwieldy and complicated to manage at this point. He stated there would be a press announcing a HWW discussion on October 17 at 4:15pm that is open to the public.
- b. Discussion of targeted financial assistance to residents – P. Orenstein presented a draft proposal for short-term financial assistance to certain Housatonic Water Works customers as a way for the Town, facilitated by the Finance Committee, to help quickly. The suggestion was to provide bottled water or a water filter to those most in need. He noted budget could be allocated from the reserve account, but it is unclear the number of residents with water issues and financial need, but suggested ‘need’ be determined based on current eligibility for state aid.
 - i. The Committee expressed deep concern about Housatonic residents, but discussed tabling discussions until more information is available after the upcoming Town meetings. Also, the number of people impacted and time/effort to implement should be considered. Guidelines, process and criteria for allocating funds was also discussed. It was also stated the Town is focused on the long-term, but short-term solutions are needed too.
 - ii. M. Pruhenski confirmed the reserve is \$200,000 this year due to fuel cost uncertainties.
 - iii. P. Orenstein stated there is no consensus so this will be added to the October 18 meeting agenda for further discussion and other ideas.

6. Review and approval of revisions to Budget Policy

- a. P. Orenstein stated following review/feedback by the Selectboard, additional revisions have been made to the Budget Policy - summarized by A. O’Dwyer as follows: affordable housing was added as a strategic priority; footnote reference on tax levies was added; under free cash and reserves, specific percentages were removed and a provision for Town monitoring of reserves was added; review of user fees was amended to occur periodically. A. O’Dwyer reviewed changes to the Budget Book noting a new sub header, Budget Preparation Process, and the removal of references to specific years. Regarding the Budget Book itself, the capital budget report was highlighted and additional reports/documents were added with the caveat they would be provided, if possible, depending on Town’s bandwidth to produce reports and information useful/necessary in budget review. It was noted that the revised Policy requires Selectboard approval.
- R. Geiler made a motion to approve the revised Budget Policy for FY24 be sent to the Selectboard; A. O’Dwyer seconded. P. Orenstein asked if any additional discussion – there was none. Roll call vote: M. Cerna, “aye,” R. Geiler, “aye,” M. Meagher, “aye,” A. O’Dwyer, “aye,” P. Orenstein, “aye.” All in favor: 5-0.

M. Pruhenski stated this is a transition year for the finance position, but all efforts would be made to support the budget process/reporting. He also stated this item can be added to the Selectboard’s November 7 or 21 meeting agenda. A. O’Dwyer stated she is available to present.

7. Review of draft memo to Select Board regarding the establishment of a dedicated funding trust for retired employee medical benefits (an OPEB Funding Trust)
 - a. P. Orenstein provided an overview of the memo and recommendation to start the process of saving money for this expense including establishing the trust and potentially funding it at \$25,000-75,000 as a new annual budget item. He suggested the Town Treasurer serve as trustee for the trust.
 - i. The Committee discussed oversight and management roles for the trust and noted Sheila LaBarbera could provide input/guidance at the next meeting.
 - ii. It was clarified that the trust would require two articles for Town Meeting vote – to establish the trust and to fund it.
 - iii. The Committee agreed on creating and the initial funding of the trust – with the goal of having it considered for funding each year.

A. O'Dwyer made a motion to recommend to the Selectboard the establishment of an OPEB Trust that would be started with an initial contribution from the budget of \$50,000 to be revisited during the FY24 budget season; M. Meagher seconded. P. Orenstein asked if any additional discussion – P. Orenstein stated he would change the funding amount in the memo to \$50,000, subject to the formal budget process. Roll call vote: M. Cerna, “aye,” R. Geiler, “aye,” M. Meagher, “aye,” A. O'Dwyer, “aye,” P. Orenstein, “aye.” All in favor: 5-0.

P. Orenstein stated he would send the memo to Steve Bannon and M. Pruhenski.
8. Replacement Finance Committee representative on Community Preservation Committee – R. Geiler stated he had spoken with Chris Rembold about the responsibilities/meeting schedule and is interested in taking on the role. P. Orenstein agreed to be back-up if R. Geiler is unable to participate.

A. O'Dwyer made a motion to appoint Richard Geiler to the Community Preservation Committee and P. Orenstein as alternative representative; P. Orenstein asked if any additional discussion – there was none. Roll call vote: M. Cerna, “aye,” R. Geiler, “aye,” M. Meagher, “aye,” A. O'Dwyer, “aye,” P. Orenstein, “aye.” All in favor: 5-0.
9. Review of Budget Report if available – The budget report was not reviewed at the meeting.
10. Future meeting schedule – 3rd Tuesday of the month @ 6:30 pm • October 18 • November 15 • **
December 13 ** (2nd Tuesday)
11. Citizen Speak Time – No citizens requested to speak
12. Media Time – No media requested to speak.
13. Adjournment – A. O'Dwyer made a motion to adjourn; R. Geiler seconded. The meeting was adjourned by unanimous consent at 7:58pm.

Respectfully submitted,

Stacy Ostrow, Recording Clerk