

Town of Great Barrington
Town Hall
Great Barrington, MA 01230

Finance Committee Meeting

11/27/18

6:00 PM

Present: Finance Committee Members: Tom Blauvelt (chair), Janet Lee, Michelle Loubert, and Anne O'Dwyer. Also in attendance were Town Accountant, Susan Carmel, and Town Manager, Jennifer Tabakin.

Meeting called to order at 6:00 PM

Approve minutes of 10/16/18

The minutes were approved with one typo correction. Three votes to approve; one abstention.

Budget Review

The budget discussion opened with Tom Blauvelt asking questions re: encumbrances. The committee then discussed, with Susan Carmel & Jennifer Tabakin, how to follow the FC reserve fund transfers. As noted in the minutes of the October 16, 2018 FC meeting, \$15,000 were approved to fund the consultant for the Town Manager search, and \$15,000 to replace the air conditioner in the town hall server room. Thus, the Finance Reserve Fund (line # 01132) has been decreased from its initial amount of \$100,000 to \$70,000 (note: Ms. Carmel explained that this is not noted as an "expense", but a budget-line reduction, the transfer funds can be seen in line #01122 (Selectboard/Town Manager) and #01192 (Public Buildings).

Ms. Tabakin then highlighted for the FC that while the current expenditures for legal fees (#01122/53020), which are currently at \$14,096.62, will be increasing, as there are increased costs for the legal activity around the Roger Rd property.

Mr. Blauvelt asked about the high rate of expenditure in the police over-time budget line (#01210/51123), which is currently at 65% (when the budget is for the first 33% of the fiscal year). Ms. Tabakin acknowledged this high rate, but explained that a couple of the regular police staff have been on leave, and several open staff positions. She noted that a reserve officer has is back on duty and two additional reserve officers have been hired, and another new hire has been able to get a slot at the academy – both these developments should help contain OT expenditures in this department and create more stability in the department. She reported that she has, nonetheless, asked the police chief to try to limit travel and training to control the budget, and to also try to minimize OT. Ms. Carmel pointed out that while OT is higher, regular staff pay is lower, and the overall departments' expenditures are at 29% (which is below the 33% expected YTD). A citizen member in the audience, Eileen Mooney, asked if the high level of road construction also affected police OT, and Ms. Tabakin said these costs are covered by construction companies.

Janet Lee then asked about the Parks and Recreation—Programs & Mngt budget line (#01650/54503)--, why there is a \$8,321 expenditure in that line when the line has \$0 in the original approval (and \$5,436) in the revised budget: querying what that expenditure is for. Ms. Carmel said she would look into what that specific expense was for.

Ms. Carmel reported no specific concerns with any budget line at this time.

Ms. Lee then asked a general question regarding the opening of Theory Wellness's retail marijuana sales business, and can the town expect more revenue from the 3% taxes from those sales. Ms. Carmel

indicated that these (marijuana retail sales) taxes will be tracked like any “local option” tax that the State collects and distributes back to towns. She also noted that the Dept of Revenue is suggesting to towns to not budget for any increase in revenue from these sales, at this time, as it is not clear what revenues will be realized. Ms. Tabakin further reported that while towns had originally expected that such taxes were originally expected to go into a “special services” fund (related to marijuana-related services), but rather the State has decided that these revenues will be going directly into towns’ general funds. Some discussion then ensued regarding the “cash business” nature of marijuana sales.

Anne O’Dwyer told the FC that she would be following up regarding the financial implications for the town of the recommendations made by the Fire Department Study consulted. More on this at the December FC meeting.

Town Accountant & Town Manager Updates

Ms. Carmel reported to the FC that the FY 2018 budget has closed, and the audit of the 2018 fiscal operations has begun this week, and is expected to finish up some time in early January.

The FY 2020 budgets have been sent to departments, and department heads have been asked to submit requests for changes to their budget line.

Ms. Tabakin reported that the Town is now fully set up on the MUNIS budget system, and thanked Ms. Carmel for all her excellent work—and a lot of time-on getting this accomplished: organizing accounts, grants, and POs. Ms. Tabakin said that the Town is now “in a good position” re: using MUNIS.

Ms. Tabakin informed the committee that the Town also ended up with a good closeout regarding certified Free Cash Funds... at the end of FY 2018, there is \$3,515,497 in Free Cash. The FC and Ms. Tabakin and Ms. Carmel discussed why this is so much more than last year: there were delays in grant reimbursements at the end of 2017, and more revenue than budgeted for – which made for a favorable revenue picture for this year. Ms. Tabakin also reported that, in addition to more than expected revenue, there was also some budget “turnbacks” and she and her staff had worked to do careful management of encumbrances.

Ms. Tabakin then shared with the FC her recommendation that the Town not use the maximum amount of 80% to affect taxes in the coming FY’s budget. She observed that in the FY 2019 budget, the Town used 80% of the approx. \$1.5 million in Free Cash Fund to offset tax increases, but she recommended in this year where more is available in the Fund, to put some of this into a stabilization fund for capital projects or to help in managing any sudden increase in debt payments in a future year. She observed that if the full 80% is applied this year, the Town may find itself needing to impose high tax increases in a future year when the Free Cash available is again low. She also shared with the FC that the State DOR has indicated as “best practices” to limit the use of Free Cash. She agreed to share these “best practices” recommendations with the FC.

Ms. Tabakin also shared that there is \$4,675,701 in the Wastewater Enterprise Fund, which is also good news.

Ethics, Conflict of Interest and OML Trainings

FC Chairperson, Mr. Blauvelt, reminded FC members that the online ethics and other trainings are required for FC members to complete – and the deadline for such completion is due soon.

Updates from FC Members’ Committee Liaisons

Michelle Loubert informed the FC about her representation at recent Next Steps Committee meetings. On October 30, 2018, she reported, Dr. Dillon met with the Committee to discuss enrollment (particularly to

prepare for and respond to the dropping enrollment in BHRSD). The November 20th meeting, Ms. Loubert reported, focused on the Monument Mountain HS building: what is currently lacking and what would new facilities provide. She described how impressed she was to hear from Principal Wine about the new teaching methods (e.g., re: interdisciplinarity) at the high school. She observed that it is clear that the high school teachers are currently teaching in a building built to meet the needs of the 70s, and is not able to serve students in the 2000's, with new expectations and norms for teaching.

Ms. Loubert suggested that one way to get the Town more invested in the building—and to know the building more—is to allow community organizations and groups to use the building more when school is not in session.

Ms. Loubert also reported back to the FC on a recent meeting of the BHRSD Finance Subcommittee. She observed that while she continues to be very impressed with the departmental budget presentations, she continues to wonder why extracurricular programs are not planning to engage in any fundraising. She expressed concern about which Town departments/agencies are expected to engage in fundraising and grantwriting (e.g., police, fire, library, and the schools' academic programs and administration), and who are not—and that she would like to see this be more consistent.

Ms. Tabakin observed that she would like to see more opportunities for the two finance committees (the Town Finance Committee and the BHRSD Finance Subcommittee) to communicate and work together. She suggested that one way to do this might be to have the two committees come together at the start of the budget season and set a target overall Town budget goal, and then work toward that. Ms. Lee agreed that this would be a good way to re-envision the way both budgets—town and school—are developed.

Mr. Blauvelt then reported on his attendance—as a FC representative—at the Community Preservation Committee meetings. He reported that the total amounts in requests are already more than the total budget, but that there is good news from the State CPA Trust Fund – and there will be a bit more funds available from this Fund than expected: the CPA percentage match from the State will be 31.1%; This represents an extra \$149,169 to the town. He reported that there are currently three “step 2” applications being reviewed, but that no votes have been taken yet. The next CPC meetings, he reported, is on December 3 and 17, 2018.

Citizens Speak

There were no questions from the audience [note: at FC meetings, audience members may ask questions during discussions].

Scheduling and Planning for Next Finance Committee Meeting

The next Finance Committee Meeting will be on Tuesday December 11th at 6:00 PM, at Town Hall.

Proposed Agenda Items:

- review the Budget Actuals for the past three years (FY 2018, 2017, 2016) to begin planning ahead for discussions of and projections for the upcoming FYI 2020 budget. (Ms. Carmel to provide)
- Review of implications of Fire Department Study recommendations (Ms. O'Dwyer to present on)

Motion to adjourn at 7:05 PM. All approved.

Respectfully submitted,

Anne O'Dwyer

Accepted: Jan 22, 2019 