

Selectboard and Finance Committee Joint FY24 Budget Meeting Via Zoom and  
in person at 334 Main Street Great Barrington MA  
Tuesday, February 28, 2023

1. Call to Order - Chairman Bannon opened the meeting at 6:00pm with a Selectboard roll call: Ed Abrahams, “aye,” Steve Bannon, “aye,” Leigh Davis, “aye,” Eric Gabriel, “aye,” Garfield Reed, “aye.” Phil Orenstein conducted a Finance Committee roll call: Milena Cerna, “aye,” Richard Geiler, “aye,” Madonna Meagher, “aye,” Anne O’Dwyer, “aye,” Philip Orenstein, “aye.” Also present: Town Manager Mark Pruhenski, Assistant Town Manager Chris Rembold, Financial Coordinator Allison Crespo and other department heads as noted below.

2. Budget Overview–Town Manager Presentation

M. Pruhenski presented an overview/summary of the FY24 budget. He noted several priorities for building this year’s budget noting two new priorities: investing in staff and stabilization accounts. He noted the importance of making salaries competitive. He presented slides showing anticipated revenue sources/estimates which he stated are conservative – highlighting using \$4m to reduce the tax levy and projected expenditures including expected increases of 6.1% for the operating budget, 5.2% for the school assessment and 4% for wastewater. E. Abrahams asked if the school budget would change with the regionalization – S. Bannon stated it would be slight.

M. Pruhenski shared details on the historical growth of the Town budget and FY24 proposed appropriations, planned capital projects and proposed special articles including vocational tuition/transportation, stabilization/capital stabilization, OPEB Reserve Fund, ambulance subsidy, Housatonic Waterworks relief, cemetery study/maintenance, Unemployment Trust Fund, Affordable Housing Trust Fund, website upgrades and legal fees for renewing Host Community Agreements. S. Bannon asked if the website upgrade could be added to the IT budget – M. Pruhenski replied that can be discussed.

M. Pruhenski stated overall revenue is strong and reserves are growing – and investment in the OPEB Trust is a major step. He thanked C. Rembold and A. Crespo for their work on the budget and planning and noted the slides will be posted on the Town website.

3. Departmental Budgets

- a. Selectboard/Town Manager

- i. A. O’Dwyer asked about local receipts and tax rates – specifically, why there are no estimated cannabis impact fees – it was explained those are not normally estimated here and cannot be estimated until the end. She asked why estimates are far below FY22 actuals – S. Bannon replied estimates are very conservative allowing for healthy free cash.
    - ii. E. Abrahams asked why Town Manager recommended salaries are higher than requested for almost all personnel lines – M. Pruhenski replied because it was before/during collective bargaining sessions – he noted there were 4% increases across the board this year. It was explained that longevity pay is a benefit to all Town employees based on years of service.

- b. Finance Committee/Reserve Fund

A. O’Dwyer asked for confirmation on the large decrease in the reserve fund because we upped it because of concerns about oil/gas/electricity prices and for salary negotiations – it went from \$300,000 to \$130,000 – M. Pruhenski replied it was increased last year due to anticipated concerns about spiking utility/fuel prices - this year it was reduced and utilities in public works budgets were increased across the board so the reserve is not needed as much this year. M. Pruhenski explained the Reserve Fund belongs to the Finance Committee for unanticipated expenses during the year – and it is different from free cash as it must be appropriated at Town Meeting. He continued to state the Contingency Fund is new and is used for salary adjustments as needed, i.e., for recruitment. It was agreed the Fund should be moved under the Selectboard.

- c. Town Accountant

A. Crespo stated the budget includes a request to expand the part-time position to full-time for warrants to be issued weekly, software updating, etc. – she added that the part-time Accounts Payable Clerk position would be incorporated into the new role by FY25. M. Pruhenski added this is one of the efforts to invest in and build staff to meet growing the community needs. He shared that the Town’s growth is due to new housing units and relocation due to COVID which has increased demands police, fire and other services. He noted other nearby towns are growing too which impacts GB as the economic hub. S. Bannon stated the school district is feeling the impact of growth too. He continued to state he is in favor of increases in salary and the number of positions, but is concerned if there is less/no free cash in subsequent years how the positions will be funded. G. Reed asked that new positions be looked at closely and expressed concern about the impact on taxpayers. S. Bannon replied for this year at least - the tax rate is not going up a lot and the new positions will not cost taxpayers.

P. Orenstein stated the tax levy is partially due to new growth, but assessments have gone up too which also impacts the tax rate – he noted the tax levy will increase on an aggregate basis. P. Orenstein asked what portion of the increase in the tax levy is new growth and what is increases to existing tax payers – would be good to break it out. M. Pruhenski stated this budget has values level because they are not yet certified. P. Orenstein pointed out the governing budget increase of 2.8% is misleading because there is a large reduction from the Finance Committee reserve – if that is eliminated it is a 12% increase. he added investing in staff and resources is important – but it is a material change. M. Pruhenski stated there are five new positions being requested. M. Cerna asked about tax and room occupancy estimates being low – S. Bannon replied it is a conservative estimate and it has always been done this way to increase free cash. P. Orenstein added there is a lag time for the Town to receive room occupancy and it makes sense how it is being handled in the budget process. A. Crespo stated the same figures have been carried forward for several years as an estimate, but have been bumped up. C. Rembold stated local fees for meals/rooms are unpredictable - there is an emphasis on property taxes for more stability. L. Davis asked about the impact of other towns using GB resources. M. Pruhenski stated he would collect and share data on housing growth and impacts on GB.

d. Technology

Amy Pulver presented stating the most significant budget request here is for an IT director. She explained that she has provided general help/project support, but needs are increasing and becoming more specific/complex. She stated the Town currently uses an IT consultant who has done a good job, but it is not effective/efficient enough. S. Bannon asked if there is cost savings in contracted services – M. Pruhenski replied the plan is to eliminate contracted services and the stipend for the IT coordinator, and hiring was delayed 6 months in order for overlap for training. He noted there would be cost savings over time as increased contractor services would be more expensive. P. Orenstein asked if the budgeted salary is enough - A. Pulver replied she had done some salary research. S. Bannon suggested the school district has IT staff and might have salary information. R. Geiler stated the IT position is important now and will only become more critical. S. Bannon stated the positions being requested are all important, but proposing them all in one year is concerning.

e. Assessors’ Office

Ross Vivori presented stating contracted services has been reduced based on year-end actuals. He described the contracted services that are used and noted it might increase next year as it is a recertification year.

f. Collector/Treasurer

Alicia Dulin presented stating the budget is flat except for postage which covers all departments – she noted it would be tracked according to usage. She also noted costs associated with tax title litigation for Stonegate which is currently in Land Court. It was discussed that expenses related to Stonegate have not been significant and there is a lot of interest in the property. A. Dulin also stated there are costs associated with six other properties the Town is foreclosing on. She also clarified the budget for financial services is for a deputy collector which is an outside contractor who prints/mails bills and collects for the Town.

g. Human Resources

M. Pruhenski stated the new HR Director position is shared among four towns and works out of GB – and it is working out well providing essential help with personnel matters, recruiting, etc. He added that GB could use more hours which may be available, but that would increase costs –and it does not need to be decided on now. He explained the salary reflects a 4% increase, benefits, travel, training, etc. and added that currently, GB is responsible for 43% of the expense, but that would increase to 54% if hours are added.

h. Town Clerk

Jenn Messina presented and shared details on some small increases for FY24 including a stipend for the Assistant Town Clerk, new equipment and maintenance/repair. S. Bannon asked if there is budget for more than one Town Meeting as there will likely be two – J. Messina replied there is no/minimal cost for the meetings. G. Reed asked about travel/training – J. Messina replied that is for a conference and her municipal certification.

i. Building Inspectors

P. Orenstein confirmed an Assistant Building Inspector had not been hired and asked how the short-term rental program will be handled – M. Pruhenski replied Steve Browning, the Health Agent, will support the program.

j. Health Department

Rebecca Jurczyk presented stating the budget reflects an increase in the Health Inspector's salary – M. Pruhenski added last year \$10,000 of the salary came from ARPA funds and now is in the Health Department budget which accounts for the increase. R. Jurczyk described contracted services and associated costs.

k. Debt Service

A. Crespo presented and provided information on debt service payments due in FY24. She stated there would be a \$13.2m bond issuance at a conservative estimated interest rate of 4.5% - it will be issued in December so there will be no principal payments due in FY24, but noted the long-term interest payments. She added there will be a \$9m BAN issuance with a 5% interest rate and noted associated debt issuance costs. E. Gabriel asked about the interest rates quoted – A. Crespo confirmed they are conservative estimates and added the BAN is for 6-12 months for cash flow purposes. P. Orenstein asked for additional detail on the debt schedule – A. Crespo clarified it includes the Wastewater Enterprise Fund. M. Cerna confirmed bond issuance typically occurs every year and the interest rate is lower on long term.

l. Retirement

It was stated this is based on the Pension Fund report.

m. Insurance

P. Orenstein stated the breakdown on health and life insurance is the cost of medical insurance for current employees, cost for retirees and a reserve account of \$450,000/500,000. He noted it is a big line item and suggested extracting the reserve amount and labeling as a reserve. He continued to suggest adding it to the Stabilization Reserve and noted GB's level is low compared to other towns.

M. Cerna asked about the purpose of the reserve – M. Pruhenski stated it is to generate free cash and added it is common practice for municipalities – it just may be called by a different name. He continued to state if it is moved to Stabilization, it must be taken out for a specific reason and

requires a 2/3 vote at Town Meeting and we would come up short in free cash. S. Bannon stated it can be relabeled as it does not change the intent, but moving it to Stabilization does. E. Abrahams suggested calling it insurance, other. It was clarified that DOR has approved the Town's approach. A. O'Dwyer asked if it could be a contingency line in the Selectboard or Finance Committee budget and noted the purpose is to be a cushion on free cash.

P. Orenstein asked about current and historic employee healthcare costs – it was agreed that A. Dulin will provide that information. M. Pruhenski stated the auditors will be presenting the FY21-22 audits and we can ask how common it is or other ways to label it. He added in prior conversations, the auditor cautioned not to pull money out of the budget to avoid a significant drop in free cash in the following next year. S. Bannon stated if we reduce free cash by \$500,000 now – it is poor timing, and moving it to Stabilization would reduce free cash which will have an impact next year. He continued to state we will use \$4m in free cash this year and may not be able to use it next year - which is why the concern about the new positions. P. Orenstein stated the reserve has been there a long time and is almost a permanent reserve – he added other towns are not doing this to such a significant extent. He continued to state the intent is good and nothing is being done wrong, but from a disclosure and governance perspective, this may not be the best way to handle it. M. Pruhenski started this is disclosed publicly in budget sessions and Town Meeting every year – it is not hidden. S. Bannon stated we should get the accountant's perspective on the best way to handle.

M. Pruhenski stated the Pension Reserve Trust is in a CD earning interest. P. Orenstein the Town has not been aware it was there – M. Pruhenski replied it was brought to our attention.

S. Bannon stated there are 28 attendees including panelists/staff. E. Abrahams stated three citizens are in attendance and the rest are staff and press.

4. Citizen Speak Time – No citizens asked to speak

5. Media Time – No media asked to speak

6. Adjournment - Chairman Bannon adjourned the meeting by unanimous consent at 7:58pm.

Respectfully submitted,

Stacy Ostrow, Recording Clerk