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TOWN OF GREAT BARRINGTON MASSACHUSETTS

OFFICE OF THE TOWN MANAGER

Selectboard and Finance Committee Joint Budget Meeting
Order of Agenda for Tuesday, March 30, 2021, at 6:30 PM, Via Zoom

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82441156028?pwd=N3YzNGdDU3FWU0lFbUxhFNEFYWGd1Zz09>

Webinar ID: 824 4115 6028

Passcode: 945945

Dial-in, audio-only: (929) 205 6099

Pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the Great Barrington Selectboard will be conducted via remote participation to the greatest extent possible. Specific information and the general guidelines for remote participation by members of the public and/or parties with a right and/or requirement to attend this meeting can be found on town's website, at www.townofgb.org. For this meeting, members of the public who wish to listen to the meeting may do so by following the instructions at the top of the agenda. No in-person attendance of members of the public will be permitted, but every effort will be made to ensure that the public can adequately access the proceedings in real time, via technological means. In the event that we are unable to do so, despite best efforts, we will post on the town's website an audio or video recording, transcript, or other comprehensive record of proceedings as soon as possible after the meeting.

*****ALL VOTES ARE ROLL CALL*****

1. CALL TO ORDER
2. FINANCE COMMITTEE PUBLIC HEARING FY22 BUDGET
 - a. Public Input
 - b. Close Public Hearing
3. DELIBERATIONS
4. CITIZEN SPEAK TIME
5. MEDIA TIME
6. ADJOURNMENT

Mark
Pruhenski, Town Manager

Pursuant to MGL. 7c. 30A sec. 20 (f), after notifying the chair of the public body, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium. At the beginning of the meeting, the chair shall inform other attendees of any such recordings. Any member of the public wishing to speak at the meeting must receive permission of the chair. The listings of agenda items are those reasonably anticipated by the chair, which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may be brought up for discussion to the extent permitted by law.

FY22 Budget Changes

(includes changes from 3/2/21 budget meeting)

Page	Department	Line Item	Description	Amount	Explanation
1	Selectboard/Town Manager	01122-52000	Contracted Services	\$ 8,000.00	moved school feasibility study
4	Technology	01136-51107	Telephone	\$ (12,500.00)	revised estimate
5	Assessors' Office	01141-51106	Principal Assessor	\$ 11,790.00	new hire
6	Treasurer/Collector	01146-51420	Longevity	\$ (200.00)	over-budgeted
13	Police Department	*new*	Sergeants	\$ 858.00	under-budgeted
13	Police Department	01210-51121	Patrol Officers	\$ (2,509.00)	under-budgeted
18	Highway Department	01422-51110	DPW Superintendent	\$ 5,265.00	salary increase
22	Veterans' Affairs	01543-52710	Rent Allocation	\$ 6,000.00	increase to include Adam-Budz
				\$ 16,704.00	



Department	Original Proposed Budget	Revised Budget
Selectboard/Town Manager	\$ 430,820	\$ 438,820
Technology	\$ 247,500	\$ 235,000
Assessors' Office	\$ 164,715	\$ 176,505
Treasurer/Collector	\$ 224,747	\$ 224,547
Police Department	\$ 1,840,661	\$ 1,839,010
Highway Department	\$ 1,734,023	\$ 1,739,288
Veterans' Affairs	\$ 149,700	\$ 155,700

REVISED

Fiscal 2022 Budget Projection

	FY2021 Town Meeting Budget	FY2021 Budget at Tax Rate	FY2022 Proposed Budget	\$ Change from FY21 Tax Rate	% Change from FY21 Tax Rate
REVENUE:					
Tax Levy	\$ 24,669,626	\$ 24,636,380	\$ 24,991,333	\$ 354,953	1.4%
State Aid	\$ 1,199,148	\$ 1,187,368	\$ 1,195,215	\$ 7,847	0.7%
Local Receipts	\$ 2,000,000	\$ 2,024,500	\$ 2,025,000	\$ 500	0.0%
Enterprise Funds	\$ 2,322,973	\$ 2,372,973	\$ 2,414,500	\$ 41,527	1.7%
Free Cash to Reduce Tax Levy	\$ 2,529,000	\$ 2,529,000	\$ 3,525,000	\$ 996,000	39.4%
Retained Earnings/Enterprise Funds	\$ -	\$ -	\$ 20,000	\$ 20,000	0.0%
Free Cash for Special Article Funding	\$ -	\$ -	\$ 860,880	\$ 860,880	100.0%
TOTAL REVENUE	\$ 32,720,747	\$ 32,750,221	\$ 35,031,928	\$ 2,281,707	7.0%
TO BE RAISED:					
Town Budget	\$ 12,223,502	\$ 12,223,502	\$ 12,928,888	\$ 705,386	5.8%
School Budget Assessment	\$ 17,567,344	\$ 17,567,344	\$ 18,432,398	\$ 865,054	4.9%
Enterprise Fund (Wastewater)	\$ 2,322,973	\$ 2,372,973	\$ 2,414,500	\$ 41,527	1.7%
Total Budget	\$ 32,113,819	\$ 32,163,819	\$ 33,775,786	\$ 1,611,967	
Special Articles	\$ 350,000	\$ 350,000	\$ 840,000	\$ 490,000	140.0%
Capital Items (non-borrowing)	\$ -	\$ -	\$ 179,030	\$ 179,030	100.0%
State Assessments	\$ 83,081	\$ 83,081	\$ 61,643	\$ (21,438)	-25.8%
State Offsets	\$ 13,045	\$ 12,543	\$ 14,808	\$ 2,265	18.1%
Berkshire Regional Planning Assessment	\$ 5,802	\$ 5,660	\$ 5,661	\$ 1	0.0%
Other Amounts to be Raised (tax title litigation funds)	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
Snow & Ice Deficit	\$ -	\$ -	\$ -	\$ -	0.0%
Other Deficits to be Raised (grant deficit)	\$ -	\$ 6	\$ -	\$ (6)	0.0%
Abatements/Exemptions	\$ 150,000	\$ 130,112	\$ 150,000	\$ 19,888	15.3%
Total Assessments and Other Amounts to Be Raised	\$ 256,928	\$ 236,402	\$ 237,112	\$ 710	
TOTAL TO BE RAISED	\$ 32,720,747	\$ 32,750,221	\$ 35,031,928	\$ 2,281,707	7.0%

FY22 Capital Requests

Dept	Project	Total Amount	Borrow	Other	Funding Source
Police	(3) Portable Radios	\$ 25,100	\$ -	\$ 25,100	Free Cash
	(1) Police Cruiser	\$ 48,150	\$ -	\$ 48,150	Tax Levy
	(7) Laptops/Tablets for Cruisers	\$ 32,100	\$ -	\$ 32,100	Free Cash
	Speed Trailer	\$ 13,680	\$ -	\$ 13,680	Free Cash
	Total Police	\$ 119,030	\$ -	\$ 119,030	
DPW	Vehicles & Equipment				
	Combination Backhoe/Loader	\$ 145,450	\$ 145,450	\$ -	
	Truck Lift	\$ 79,500	\$ 79,500	\$ -	
	Sidewalk Plow and Sander	\$ 124,300	\$ 124,300	\$ -	
	Ticket Kiosk - Transfer Station	\$ 53,000	\$ 53,000	\$ -	
		\$ 402,250	\$ 402,250	\$ -	
	Buildings & Grounds				
	Ried Cleaners Cleanup	\$ 65,000	\$ 65,000	\$ -	
	Police Station Generator	\$ 100,000	\$ 100,000	\$ -	
		\$ 165,000	\$ 165,000	\$ -	
	Street and Bridge Improvements				
	Purchase of Land for Municipal Parking Lot	\$ 850,000	\$ 525,000	\$ 325,000	Spec Rev Fund
	Municipal Parking Lot Construction	\$ 340,000	\$ 340,000	\$ -	
	Engineering	\$ 300,000	\$ 300,000	\$ -	
	Street Improvements	\$ 420,000	\$ -	\$ 420,000	Ch 90
	\$ 1,910,000	\$ 1,165,000	\$ 745,000		
Total DPW	\$ 2,477,250	\$ 1,732,250	\$ 745,000		
Parks	Parks Improvements (various)	\$ 40,000	\$ -	\$ 40,000	Free Cash
		\$ 40,000	\$ -	\$ 40,000	
Total General Fund		\$ 2,636,280	\$ 1,732,250	\$ 904,030	
Wastewater	Sewer Line Replacement	\$ 20,000	\$ -	\$ 20,000	Retained Earnings
	Sewer System Management/Maintenance Plan	\$ 185,500	\$ 185,500	\$ -	
	Sewer Manhole Rehabilitation	\$ 200,000	\$ 200,000	\$ -	
Total Wastewater		\$ 405,500	\$ 385,500	\$ 20,000	
Total FY22 Capital Requests		\$ 3,041,780	\$ 2,117,750	\$ 924,030	

Capital Articles for Town Meeting	
General Fund Projects	\$ 1,446,280
Wastewater Projects	\$ 405,500
Purchase of Municipal Parking Lot	<u>\$ 1,190,000</u>
	<u>\$ 3,041,780</u>

FY2022 Special Articles - Financial

	Article	Purpose	Funding Source	Proposed Amount
1	Community Impact Funding	Utilize the community impact money the town received from the sale of retail marijuana in FY20 to fund various community programs/needs in accordance with CCC guidelines.	Free Cash	\$ 350,000
2	Emergency Medical Services	Request for an annual subsidy from each of the towns that Southern Berkshire Ambulance serves, based on a three-year average call volume in each community.	Tax Levy	not greater than \$25,000
3	BHRSD Vocational Tuition and Transportation	Fund the tuition and transportation costs for one Great Barrington student to attend the vocational program at Taconic High School in Pittsfield.	Tax Levy	\$ 65,000
4	Stabilization	To build back up the Town's reserves. Stabilization at one point was over \$1,000,000. In 20 years, the town has used \$1.1 million of stabilization funds to offset the tax levy or fund other purposes. In that same time period, only once has money been replenished/transferred in; that was in 2006. With the significant increase in Free Cash this year, it would be prudent for the Town to set money aside and build this reserve back up.	Free Cash	\$ 200,000
5	Capital Stabilization	In May of 2019, the town voted to establish a Capital Stabilization Fund and seeded it with \$1,000,000. It was the intent of contributing to it annually but we were unable to fund it in FY21. This proposed amount captures the unfunded FY21 amount and the contribution for FY22.	Free Cash	\$ 200,000
				<u>\$ 840,000</u>

EXECUTIVE SUMMARY

DATE: March 22, 2021

TITLE: EMS Recommendations

BACKGROUND: Southern Berkshire Ambulance (SBA), which currently provides primary EMS coverage to Great Barrington, has requested a subsidy from the town in excess of \$100,000 each of the past two years. The Town Manager, Finance Director, and Fire Chief were tasked with investigating options for providing EMS coverage for the Town by the Selectboard and Finance Committee.

OVERVIEW: Currently SBA staffs two paramedic level ambulances 24/7 and occasionally a third ambulance during the work week. They provide 911 coverage to Great Barrington and five surrounding towns, along with taking interfacility transfers out of Fairview Hospital and some other non-emergent work. They respond on 3,000+ incidents per year of which roughly 1,300 are 911 calls in Great Barrington. Their EMTs and Paramedics typically provide an exceptional level of care. Due to their call volume, length of time spent on transports to Berkshire Medical Center, Baystate, and other large medical centers, and the travel distance of mutual aid, a decrease in staffing is not possible without a dramatic decrease in level of service from increased response times.

The majority of revenues come from Medicare and Medicaid which reimburse at set rates far below what is billed. Private insurance companies only pay slightly more. Generating sufficient revenues to cover costs is an industry wide challenge for EMS. This is documented nationally and anecdotally supported by other Berkshire County EMS agencies we reached out to.

We investigated various models for providing a quality EMS service at the most affordable cost with a focus on the short term.

OPTIONS: There are three primary options the Town has for EMS coverage.

1. Remain with SBA and determine how much of a subsidy, if any, is needed.
2. Advertise a Request for Proposals from other EMS services
3. Start a town run EMS service

Remain with SBA

As noted, SBA typically provides a quality service currently. The simplest option is to retain the current model, but, if the Town is to subsidize their operating budget on an annual basis it is imperative to verify they are efficiently run and the assessment method is fair.

Financials: Several financial concerns have been raised which we attempted to investigate further.

1. Very different numbers were presented by SBA for revenues and expenses last year (FY21) and this years (FY22) for 2015-2019. SBA's bookkeeper and auditors confirmed the numbers submitted this year are accurate. Both stated they did not know where the numbers presented last year came from and they had nothing to do with their creation.
2. According to the accurate financials provided this year, SBA appeared to be a financially viable organization through 2018 when it made over \$100,000 in profit. However, in 2019 it lost over \$400,000, primarily due to a \$377,000 (or 21%) decrease in revenues. This happened in a year where they responded to 3,300 incidents, a record for them.

SBA management stated the decrease was due to decreased reimbursement rates. There was no decrease in Medicare and Medicaid rates, though. It was noted by another Berkshire County EMS service that the increased number of high deductible plans can lead to a lower collection rate from the privately insured. However, other western Massachusetts services did not report similar sudden losses or a decrease in reimbursement rates in 2019.

There was a rebound of \$125,000 in 2020, despite a slight decrease in call volume and other challenges from COVID. This seems to indicate 2019 was somewhat of an anomaly. Further investigation is needed to determine the cause for the loss in revenues and whether or not it will be an ongoing issue.

3. One of the biggest challenges facing SBA currently is the need to replace two of its ambulances. SBA budgets for depreciation, including on its ambulances. We have attempted to understand exactly how their capital budgeting works and fits in with their cash flow.

This year SBA has budgeted for both depreciation and a new ambulance. We believe that is effectively including a capital expenditure twice and inflates the actual budget. The \$126,000 cost of the ambulance should be depreciated over seven years as recommended by their auditors. This dramatically reduces the shortfall predicted for this year from \$260,000 to \$134,000.

4. Last year Great Barrington appropriated \$42,000 for SBA with a combined \$91,000 appropriated by the other towns it serves. \$73,800 of it had not yet been billed for or collected by SBA by the beginning of March. With that being collected now the actual shortfall for 2021 is decreased to \$60,000.
5. In 2014 the members of SBA created the Southern Berkshire Emergency Medical Services Foundation and placed \$1 million in it from the ambulance squad. Its mission is to support EMS service providers within SBA's service area. They have provided grants for equipment to SBA in the past, including the purchase of cardiac monitors and other necessary equipment.

SBA management had not approached the foundation for assistance in purchasing a much needed ambulance as of March 17th. We believe that is important since the money in the foundation

originally came from SBA. However, the foundation is now a separate entity and is not in any way obligated to fulfill all or even some of such a request.

Based on the above information we believe SBA's actual loss this year, while maintaining the same level of service, will be \$60,200. This is calculated by removing the cost of the new ambulance since depreciation is already budgeted for and including the subsidies approved from the towns last year which were not yet collected.

Assessment: Great Barrington is the hub of South County which generates the majority of the revenues (about 80%) for SBA. Great Barrington is the reason ALS EMS service has been possible in our area for no charge to taxpayers. Therefore, if subsidies are provided to SBA Great Barrington should not shoulder a disproportionately large portion of the expense. We recommend if a subsidy is provided it be based on an equalized value of the towns as a starting point. That way everyone is paying the same rate for the opportunity to have the same service. The town's share of any shortfall would be 43%. That is what is proposed by SBA this year, unlike basing it on call volume last year.

Great Barrington already provides additional assistance to SBA by garaging an ambulance free of charge and providing an EMT to transport, when needed, 16 hours a day. If a substantial subsidy is needed long term these additional contributions will need to be factored in.

Representation: If the town is to substantially subsidize SBA's operating budget Great Barrington should have representation on their board. We are currently looking into other services in Massachusetts which use a similar regional model including South County EMS in Franklin County and Hilltown Community Ambulance to our east. Ideally each town should have representation on the board along with other interested parties such as Fairview Hospital.

Advertise a Request for Proposals from other EMS services

Great Barrington can submit an RFP for other EMS companies to bid on providing service. There is no contract with SBA. However, the town is a small market and would likely generate little interest. If it was cooperatively bid to include the surrounding towns and the transfers from Fairview Hospital there likely would be some proposals. Action Ambulance, particularly, has a reputation for taking similar contracts.

It is unlikely a private company would be willing to provide the service for substantially less than a subsidy for SBA will be. Contracts for small markets tend to come with big promises and lesser results. It is very likely we would see a decrease in level of service. It also eliminates the possibility for local representation.

EMS is exempt from some MA procurement requirements. The town would not be required to go with the lowest proposal and could try to choose a more local company. It is still very unlikely this option would provide either substantial cost savings or improved level of service.

Town Run EMS

The most frequent model for similarly sized communities across MA is a fire based EMS service. This provides several advantages, particularly on paper. First, it gives the town complete control over the service. Second, it provides cross staffing with the fire department which are facing just as many challenges as EMS. Third, it saves on some overhead, such as garaging of equipment, since we already have the infrastructure in place.

There are potential disadvantages, too. While the town would have complete control it also takes on all the liability. More importantly, good medics and good firefighters are at a premium right now. Finding good firefighter/medics is even more difficult. Also, firefighters and medics are frequently needed simultaneously, even on the same call. So, while cross staffing can look like it solves multiple problems, and it certainly can be part of the solution, it is not the only solution.

Establishing a primary EMS service for Great Barrington would require substantial planning and coordinating with other towns and agencies. In order for Great Barrington to run its own ambulance an additional six firefighter/medics would need to be hired. This cost, along with the expense of an ambulance, would be substantially offset by an estimated \$550,000+ in EMS billing. If this were part of a long term plan some or all off the firefighter/medics could likely be hired off a grant for the first couple of years.

In general the solutions being looked at for financial challenges of other departments and services is regionalization. We need to ensure Great Barrington has the highest quality EMS service at the most affordable cost. But, Great Barrington establishing its own EMS service would be going in the opposite direction, pulling out of what is currently a regional service. If the Town were to start our own service we should ensure it is part of a regional plan so as to not use a short term Band-Aid to make a more complicated problem long term.

RECOMMENDATION:

We recommend the town appropriate \$25,000 for SBA in FY22. That is based on Great Barrington's share of what appears to be the actual budget shortfall. It would be paid by October 31 provided the following benchmarks were met:

1. The Board of Directors is reorganized to include at a minimum a representative from Great Barrington appointed by the Selectboard.
2. A detailed audit is performed on 2019 which identifies the cause(s) of the 21% decrease in revenues and whether or not such dramatic changes are expected to continue.
3. SBA submits a request to the Southern Berkshire Emergency Medical Service Foundation for assistance in purchasing an ambulance.
4. A multiyear business plan is presented showing how SBA plans to maintain a reliable level of 911 service while maximizing revenues from available business.

Long term we recommend the town continue to work with SBA to provide a reliable 911 EMS service to the town. This would be best done through a contract between the towns served and SBA which includes an agreement for assessment distribution. If, however, the necessary subsidy approaches \$100,000 the town should explore a long term plan of establishing a fire based EMS service.

PREPARED BY:  _____ **DATE:** 3/26/2021
Charles Burger, Fire Chief

 _____ **DATE:** 3/26/2021
Susan Carmel, Finance Director

 _____ **DATE:** 3/26/21
Mark Pruhenski, Town Manager