1. **Call to Order and roll call vote** - P. Orenstein opened the meeting via Zoom at 6:00pm with a roll call:
   Also in attendance: Financial Coordinator Allison Crespo

2. **Committee Member announcements or statements**
   M. Cerna stated she would like to follow up on the May 15 discussion with the Town Auditor about the Town’s coverage of 80% of employee health insurance premiums - and the auditor’s comment that other similar Towns are paying 50%. She expressed interest in researching the idea and M. Meagher stated she would work with her. P. Orenstein stated the topic cannot be discussed now, but can be put on the agenda for the next meeting.

3. **Committee Reorganization**
   It was agreed that R. Geiler would remain in the CPC role.

4. **Town Manager Update - Reserve Fund requests and votes to approve**
   A. Crespo stated there are two reserve fund transfer requests -
   i. Alicia Dulin, Treasurer/Collector, presented the request for a postage transfer as each department’s postage budget is consolidated in the Treasurer/Collector’s budget, and due to an increase in postal rates and departments under-budgeting, there is a deficit. She also noted there is a $3,500 invoice for printing real estate bills and $2,000 for late fee/demand bills. She clarified that the demand bills are for real estate, personal property and excise demands and she confirmed the process for issuing/collecting. P. Orenstein noted the funds have already been spent and the Town must cover the expense. A. Dulin stated postage budgets were cut during the budget process. M. Meagher asked if there has been an increase in demands because of bills going out quarterly – A. Dulin replied she was not aware if has been a change in the number of demands, but the Town sent 700 real estate demands out of 4,000 which is on par with Sheffield. It was also noted there is additional mail being sent related to resident voting.
   ii. Chief Sorti presented a request for a transfer of funds for overtime to cover open shifts. He noted there has been more overtime than anticipated as four officers have left the Department and new officers do not start until September. He added the request is for $45,500 for overtime plus a $4,500 contingency for potential unforeseen circumstances. He confirmed overtime is budgeted for after July 1 and noted it will decrease in September.
P. Orenstein confirmed there is $128,000 in the reserve fund.


A. Crespo stated signatures are needed for these and other transfers approved at the last/combined meeting and at least three signatures are required - and that the paperwork is in a folder in the Selectboard office.

5. **Update presentation from Lucy Prashker and Jake Eberwein of the 8 Town Regional School District Planning Board regarding its finance subcommittee recommendations.**

P. Orenstein welcomed the presenters and introduced the discussion – he stated this is the first discussion for the Finance Committee on the school merger and noted the merger is expected to be put to a Town vote at a special meeting this fall. He continued to state that the question for the Finance Committee is whether or not to make a recommendation to residents and potentially the Selectboard, with respect to the financial aspects of the merger. He emphasized this is an open question for the Committee whether it wants to make such a recommendation and added that many critical aspects of the merger have been worked on for years by experts and community members. He clarified that nonfinancial matters are beyond the scope of the Finance Committee and stated that if the Committee was to make a recommendation, it will need to determine how that would be communicated/worded and if any materials would be provided to support the recommendation.

L. Prashker provided an update on the process status and stated no final methodology on operating/capital costs has been approved by the full Planning Board, but it would hopefully be in June. She stated the Finance Subcommittee methodology/model and recommendations were presented to the Planning Board in April and will be discussed in an upcoming meeting. She clarified that what is being presented is not the final recommendation from the Planning Board and a vote is required on whether to recommend the merger. She continued to state that what has been studied/evaluated is a model to merge the two districts pre-K-12th grade, keeping elementary and middle schools as they are and physically merging the high schools at a new high school on the Great Barrington campus. She noted the benefits of a merger including economies of scale/operational efficiencies – and $1.2m-1.8m in savings expected annually. It was noted this includes teacher full salary parity across the new district and she added that salaries/benefits is the most significant operating cost.

L. Prashker continued to state that the primary value proposition of the merger is dependent on a new high school being built in Great Barrington. Regarding the operating cost methodology, she stated there will be savings that can be used to bring down assessments and/or to enhance education, but the primary goal is for there to be no big winners/losers or big spikes/dips to any of the eight towns regarding operating cost assessments. She clarified Berkshire Hills exceeds the required minimum spend per person due to such expenses as teacher salaries, special education, etc. She stated the proposal seeks to smooth the financial impact for the towns and caps annual increases – providing a safety valve. She added that a smoothing mechanism/safety valve is needed so Southern Berkshire towns do not have sharp increases. She shared the recommended approach - that the amount assessed go up 2% overall so no individual town could go up more than 4% (2% plus 2%) - she clarified that if the assessment to the town would otherwise be more than 4%, the excess would be spread among all the towns so no town would exceed the cap in any one year. She added that by year 7-8 there would be no need for the cap because it cost would be equalized.
A. O’Dwyer asked if the 2% cap is independent of enrollment - L. Prashker replied Southern Berkshire uses a five year rolling average to manage spikes due to enrollment changes – and she confirmed the 2% safety valve ensures no town gets a significant increase due to enrollment growth in any year. A. O’Dwyer asked about having a cap on increases and decreases – and the potential for a decrease was discussed. It was noted that GB’s share will go down with the cap, though not as much as it would without the cap. P. Orenstein asked about why in the merged entity before the safety valve is applied the assessment to GB would go down 5.5% - it was explained that the assessment methodology for Berkshire Hills is a one year resident enrollment, and under the new entity, it is a five year rolling average – so the initial calculation benefits GB.

M. Cerna asked about enrollment, tying budget to assessed value in each town and how it relates to the actual economic situation/inflation. L. Prashker replied the cap is not on how much assessments go up – she explained if the budget goes up 10% due to student needs and inflation, the cap ensures that no town will go up more than 12% - and if the amount is 14% due to enrollment, the extra 2% is spread across towns going up less than 10%. M. Meagher asked about the growth of affordable housing and the rising number of students especially in Great Barrington vs other towns and how that affects GB. L. Prashker replied the merger allows the pooling of resources so towns share the cost of educating students in a more equitable way. She added that students who are “choice in” at Berkshire Hills pay $5,000, but it costs the district considerably more – she noted that with the merger every town pays its fair share for every student, but with the safety cap added to modulate over the initial years.

M. Cerna asked about the remaining sticking points on the financial side – L. Prashker replied one challenge is the Southern Berkshire towns were told initially by the School Committee that if there was a merger they would not be asked to contribute to the cost of the new high school since Berkshire Hills already planned to build a new school. She continued to clarify that the new high school would include CVTE facilities which is not currently offered at Southern Berkshire. She added that the Finance Subcommittee voted to recommend Southern Berkshire towns contribute 10% towards the new school, and in 2032 when its legacy debt is retired, the 10% would go up 1% per year until it gets to 15% - but that still has to be discussed. P. Orenstein asked if the 10% would be reduced to 4% based on additional state funding to build the new school if the merger is approved - L. Prashker replied it is slightly less than 10% even after the state incentive - and shared a slide demonstrating the distribution between districts of the $100m for the new school. Additional information was shared that showed the advantages of building a new school together such as reduced liability, a wider range of program offerings especially vocational - and eliminating the need for school choice. M. Cerna asked if choice could still be exercised without the merger – it was clarified that choice for vocational is a higher cost and choice is not guaranteed as there may not be space available. It was clarified that the school committee must identify the number of choice seats by grade.

P. Orenstein stated if the Finance Committee wants to make a recommendation, the basis must be clear as there is a wide array of benefits and challenges, not just financial questions, and they are very complex and meaningful issues. He added that there will likely be questions from residents about how costs with or without the merger will impact resident tax bills – and he noted a need to look at projected costs on the average school assessment – he added it is a complicated analysis. He clarified the Finance Committee would have to consider what residents or the Selectboard will ask the Committee to assess/evaluate and what are appropriate comparisons. J. Eberwein stated there is a town by town assessment using multiple variables - merger, no merger, with safety valve, etc. - and the analysis shows GB will pay more if the schools do not merge based on current parameters, assumptions and trends through 2030. It was agreed that information would be sent to the Finance Committee.
M. Meagher asked about convincing smaller Southern Berkshire towns to participate – L. Prashker replied the merger benefits Berkshire Hills, and Southern Berkshire towns are concerned - but the safety valve addresses those concerns by managing costs, and those towns will be paying more over time for choice students. She clarified it would be $26,000 per student for CVTE programs at a new Berkshire Hills high school. She noted the burden on Berkshire Hills will shift to Southern Berkshire towns, but with the merger they will have more of a voice and more robust educational opportunity and participation in CVTE for students. It was also noted that without the merger, Southern Berkshire towns would have to manage gyrations in costs and potentially pay more over time.

A. O’Dwyer asked about the assessment, cost and options for transportation under the merger - L. Prashker replied that under the merger, the cost would not increase and would provide a two tier system where elementary and high school students are on separate buses - and would provide a decrease in the amount of time on the bus for the majority of students.

P. Orenstein stated it is important to have a solid understanding of a comparison, from a GB perspective, for moving forward with a new high school for Berkshire Hills vs the merger considering all the nuances. He continued to state that there are clearly benefits to the Town, but there will be questions - and an understanding of the challenges to the Southern Berkshire towns is an important factor. L. Prashker noted that CVTE tuition money can help Berkshire Hills offset debt service/defray assessments, but she cautioned against only focusing on capital costs and not considering what drives town assessments which is operating costs. She noted Southern Berkshire towns view GB as having the ability to generate funds i.e., from cannabis – and she asked for help in responding to that in a thoughtful way.

6. Citizen Speak Time – No citizens asked to speak.

7. Media Time – No media asked to speak.

Committee members agreed, as there are no pressing matters and so no need for a June meeting - and the next meeting would be on July 19.


Respectfully submitted,

Stacy Ostrow, Recording Clerk