

BUDGET ADVISORY COMMITTEE MEETING

(Finance Committee/Board of Selectmen)

Monday April 11, 2022 – 3:00 PM

Richmond Town Hall, 1529 State Road, Richmond, MA 01254

PRESENT: Bob Gniadek, Chair Finance Cte.; Bob Youdelman, Finance Cte.; Steve Patterson, Finance Cte.; Pat Callahan, Finance Cte.; Neal Pilson, Chair Board of Selectmen; Alan Hanson, Selectman; Roger Manzolini, Selectman; Danielle Fillio, Town Admin.

Bob G. opened the meeting at 3:03 PM.

Approval of Minutes: A discussion of changes to the minutes of March 23rd resulted in the decision to postpone review and approval for a subsequent meeting.

Tax Collector Budget: The Board of Selectmen met with the Tax Collector and expressed concern about the number of hours and the unfair percentage increase in his new contract. It was proposed that the salary be kept at its current level with the 3% increase all other Town employees will receive, and the Tax Collector will continue to work 34 hours per week. That will address the concerns of the Finance Cte.

The current salary is \$72,737 with a 3% increase it will be \$74,919 at 34 hours per week.

Item Line #12 – There was concern about a \$1,000 increase in Line Item #12. The BAC did not see the reason for it. The Tax Collector advised the group that there was a \$6,000 expense that came in after the discussion about the \$1,000 increase and felt the increase was valid. The budget was returned to \$24,000 to represent the \$1,000 increase, which is a 4.3% increase as requested. The Tax Collector explained that the \$6,250 expense was to pay the Odyssey Advisors, who do the OPEB (health insurance) study in Fiscal Years 20 and 21. That is an annual expense.

There was a discussion about whether this needs to be an annual expense. The Tax Collector said that not having that study would impact our ability to borrow as one of the requirements from UFASI is that the Town have our OPEB studies done regularly and we need the study for the audit. This year, because the Town is responsible for a person who was disabled, our OPEB liability will change forever. That was not accounted for previously. There is no expectation of any big changes in the next study. Therefore, the Finance Committee recommended a biennial study at most.

Bob G. then proposed returning the additional \$1,000 to the Tax Collector's budget. A motion to approve the two warrant lines was made and seconded. It passed by unanimous vote.

Church Lane Survey: Danielle reported that, as part of the Towns Boundary Line Agreement with the Richmond Congregational Church, which will hopefully be approved at Town Meeting, the laying out of Church Lane to go behind the church, as per the agreement needs to be discussed. Danielle has investigated the layout of the road to be sure it follows general law and discovered that in 1899 the Town voted to discontinue Church Lane from the sheds of the Congregational Church, southeast straight down to where it meets Sleepy Hollow. That was discontinued in 1899. In a deed dated 1943, Richmond Congregational Church gave the Town the exact road that the Town had already discontinued for \$100.

Because it is not clear who owns it, or where the layout is, the Town will have to survey the entire road from Sleepy Hollow up and around the back of the Church. Danielle did not know what the cost of such a survey would be but asked that she be able to use up to \$25,000 of Free Cash for that expense. Once a survey is done, an official layout of the road would be available for a Special Town Meeting, possibly in the Fall.

Neal noted that the Town must approve both the Agreement with the Church and the cost of the survey. Since that cost will not be known by the time of the Town Meeting, the request is to spend up to \$25,000 for the survey within the next year.

Roger added that when that is done, we will schedule a Special Town Meeting and there will then be a clear path forward for the marketable disposition of this building.

A discussion followed in which the question was raised whether there would be a need in the future to bring the road up to state regulations. Danielle will research getting an exemption from the State to avoid that.

ARTICLES:

Free Cash: \$630,600

Articles Funded by Transfers: \$936,171

Total Articles: \$5,309,342

Free Cash Balance: \$45,501

Pat moved to approve the budget. She was seconded and the motion passed by unanimous vote.

SUMMARY PAGE:

Debt Exclusion: Shown as \$340,000 should be \$350,000

Roger noted that of the numbers on the Summary Page, on the bottom of the Articles and Warrants, some are calculated, and some were inputs. He would like to have the cells of the calculated numbers locked so that they cannot be changed and there will be a more robust working sheet. When a change occurs, such as the Debt Exclusion numbers, on a different page,

they are automatically included on the Summary Page. There was also a discussion of the process for dating of spreadsheets so that all copies will have the same date, thereby avoiding confusion.

The Church Lane Survey Article was moved to Article #18 and noted that \$25,000 is an estimate of the cost.

Financing of New Building: Paul Lisi and Danielle had a discussion with David Eisenthal, of UniBank Fiscal Advisory Services, our Financing adviser. He will provide the Town with an updated spreadsheet.

The Town has borrowed \$500,000 and raised and appropriated \$340,00 to pay Debt Service. Proposal: use the \$340,000 to partially pay off the short-term borrowing of \$500,000, which then provides that much more of the \$6,800,000 that will be borrowed for the project. There were some fees connected with short-term borrowing in the amount of \$550.00, which has already come out of the \$340,000. David will receive that amount of money, so the \$339,500 is going to be applied to the payoff of the \$500,000 short-term borrowing. David will then work on giving us the figure for final payoff amount.

Paul said that out of the \$500,000 borrowed, the Town will take \$339,450 and apply it to the outstanding balance, then roll over the \$160,000+ with a maturity date of mid-August when we will be able to get the bonding in place as we will have a better idea of the final bids from General and sub-contractors. That will tell us if the project is possible or not.

The full amount borrowed will be \$6,800,000 subtracting \$160,000, to be used to pay off the remaining short-term borrowing, which leaves \$6,640,000 for project costs.

Discussion of Residential Exemption: This issue is not on the Warrant for this year's Annual Town Meeting. A decision to implement will be scheduled after the Annual Town Meeting but prior to setting the tax rate for next year.

There was a discussion of probable reactions from the townspeople. The first decision is whether the Board wants to propose the program to the Town. At this point, it was felt that the Board did not have enough information to make that decision.

Bob G. provided an in-depth look at how the program works, who will be eligible, etc. and reviewed an analysis he prepared showing its impact on the Town's tax rate and residential property taxpayers. The analysis included many assumptions which will need to be reconciled to the assessors' analysis when completed. A copy of the analysis is incorporated as part of the meeting minutes. Discussions and questions about the analysis ensued.

After the discussion, Paul Lisi suggested that the Board read a study online of the exemption program by Mike Quinlevin that demonstrates that the program does not benefit the Town of Great Barrington and that second home owners are already paying an extra tax in Personal

Property taxes. Danielle is familiar with the article and will send it to the members of the Committee and the Board.

Roger pointed out that taxes on a \$4 million home will increase from \$40,000 to \$52,000 and he felt it was unfair to take advantage of the wealthy. Paul felt that second home owners and residents were all affected by the recent increased tax bills and both were not thrilled with the increase. Those bills are likely to increase again at the next setting of the tax rate because property value assessments will be going from 95% to 100% of value.

Roger expressed his need for further study and an input from the assessors. He is inclined to believe it is fundamentally wrong, but it should be looked at seriously. He is concerned about people being “taxed out” of living in Richmond. A discussion followed of just who benefits in this program, would it make it more affordable for young families to be able to live in Richmond, which is a very desirable outcome and how divisive the program might be to the Town. The discussion resulted in a consensus to get input from the assessors and create a model using a 10% exemption.

Another meeting has been scheduled for May 4, 2022 at 10:00 AM to discuss the building bids.

There being no further business before the Committee, a motion to adjourn at 4:30 PM was made and seconded. The motion was carried by unanimous consent.