

**TOWN OF GREAT BARRINGTON
SELECTBOARD AND FINANCE COMMITTEE
JOINT MEETING MINUTES
Fire Station
March 9, 2016**

PRESENT:

Selectboard:

Sean Stanton
Stephen C. Bannon
Daniel Bailly
Bill Cooke

Finance Committee:

Michael Wise
Thomas Blauvelt
Eugene Curletti

Town staff:

Town Manager Jennifer Tabakin
Town Accountant Lauren Sartori Hobgood
Department of Public Works Superintendent Joe Sokul
Wastewater Treatment Plant Superintendent Timothy Drumm
Highway/Facilities Superintendent Peter Soules

I. CALL TO ORDER:

Mr. Stanton called the meeting to order at 6:05 PM. The members of the Selectboard and the Finance Committee and town staff proceeded to review and discuss details of the FY 2017 proposed budget.

II. FY 2017 BUDGET

Insurance: The town manager reported that although health insurance premiums from Berkshire Health Group were increasing 14%, the effect of that increase is offset by changes in the Medex coverage that will save \$50K, so the net increase in health insurance expenses will be 7.6%. This will be absorbed in the budget line, which the town has always set high. Further savings could be achieved by switching to deductible plans, as the school system is going to do. Mr. Bannon pointed out that this could be done on 30 days notice, but it would be better to achieve this through negotiation. Mr. Stanton pointed out some issues raised by changing the Selectboard's compensation status so they would no longer be covered by town health insurance. He said the Selectboard could decide what proportion of the premium the members paid, within limits. The Selectboard members

now pay 25%, while other employees pay 20%. The town accountant said that the town's share of the payments for the members of the Selectboard totals \$70,452, while each member pays \$5,871. The town manager and the town accountant explained that the members' options here are controlled by provisions of the Affordable Care Act and of Massachusetts General Law Ch. 32B about health care coverage for public officials. The town accountant will work out the net implications of changing the share that the Selectboard members pay, so the Selectboard can consider whether they want to change it. Town staff reported that there were no increases in other insurance costs under the MIIA agreements. The town accountant said there was no proposal to set up a fund this year for anticipated retiree health care costs, or "other post-employment benefits" ("OPRB"). She said that although other towns and government entities are doing so, in view of the new GASBE reporting standards, and at some point Great Barrington may need to join that movement, the cost to Great Barrington to provide pay-as-you-go retiree health care coverage this year is only \$68,000. She said the recent OPEB actuarial report is skewed by one-off events and does not show the recent changes in GB's plans that will reduce future costs. Mr. Wise agreed that setting up an OPEB trust is not called for at this time.

Retirement: The town accountant reported that Great Barrington's pension obligations are 88 percent funded. The assessment from the Berkshire County retirement system increased very little. Unlike in previous years, she is proposing to take out \$100,000 this year from the town's own pension reserve.

Miscellaneous and Fund Transfers: In response to a question from Mr. Wise, the town accountant confirmed that the \$35,000 item on line 232 for unfunded employee benefits was a provision to cover retiring employee situations, and not a contribution to an OPEB trust.

Wastewater Treatment Plant: DPW reported that some of the operating costs going down. In addition, a result of the Main Street work improving the storm sewers has been a sharp reduction in storm-related demand on the plant. DPW reported that the Phase 1 upgrades to the plant are nearly done and on budget. Phase 2 bids went out in February and came in consistent with estimates, although there is a protest on the electrical bid, to be discussed with the Attorney General's office this week. The one-year construction project is to begin in May. The town manager pointed out that this is the biggest project of this kind the town has ever undertaken, yet no one knows it is happening.

Capital Improvement Plan: The town manager said there was no prospect for an increase in Ch. 90 funds, so the budget assumption is for level funding for the foreseeable future. DPW said the town may have to fund some of the engineering costs for the Bridge Street project, on which work will start sometime after July 1. For the work on the bridge itself, he said no date has been set yet and that they are hoping to get a tighter estimate about the cost of painting, which is in the budget at an old estimate of \$1 million (because the state may not pay for that) and wrap that work into a single contract with the structural rehabilitation. The town manager observed that complete repainting is not an engineering requirement, but some of it will be necessary in connection with abatement of hazardous materials, notably old lead paint, in the current structure.

Mr. Stanton asked whether there would be support for a local-option gas tax to support local infrastructure costs, such as bridge repairs, that the state is not funding. Mr. Wise said he would support that, noting that gasoline taxes in this country are insufficient to support infrastructure repairs. After a discussion about the status of state legislation to authorize the town of Lee's proposal for a local-option gas tax, several other members (but not all) concurred with Mr. Stanton's suggestion to present this as a warrant article.

The Ramsdell Library was the principal topic of discussion concerning buildings and grounds. The town manager described the concept behind the item in the CIP, of \$75,000 to do the design work for a project to make the first floor of Ramsdell accessible so that it can be used for public functions. She said when the CPA did not fund the application for this design work, the library had been told that it would be put into the town budget. She said that grants are available for library expansions or changes, but these may be aimed at projects that are more elaborate than what we want or need or could afford. Members of the Selectboard said they wanted to hear more from the Library Trustees about their program plans for the building before taking this step toward a building project. The town accountant reported that about \$155,000 remained from the funds for the Mason building, and that she would like to get a vote from the town meeting to authorize using these funds for both libraries, noting that one use could be to pay for the Ramsdell planning; the members of both boards agreed that the \$75,000 design item should be removed from the CIP, anticipating that these other funds would be made available to cover that cost should it be needed. The other item discussed was the \$25,000 under parks for a feasibility study of restrooms at the bandstand; nearly universal skepticism among the members of both boards led to a consensus to eliminate this item and instead fund the capital projects for the parks at the usual level of \$45,000.

Planning and funding road projects over a longer time horizon was discussed. DPW and the town manager noted that uncertainty about Ch. 90 road funding, due to legislative delay, makes it harder to get projects out to bid at opportune times. One response to consider would be to go to the bond market for multiple year projects. Even making the town's five-year CIP schedule more precise could facilitate more imaginative, efficient financing.

In response to a question from Mr. Wise, DPW and the town manager explained that the \$50,000 item about engineering/design/improvements for Main Street is a provision for the changes we might want after the state contract is done. The town manager said there had been some discussion with the state about putting radar speed signs on Stockbridge Road near the school entrance, with the cost, of \$10,000 for two units, to be covered by Ch. 90 funds. Mr. Bannon said that the state is considering redesigning the school entrance.

Debt service: The town accountant described the generally favorable conditions the town is now facing in the financing markets. The town manager explained how the timing of the town's borrowing, both the items proposed in this budget and some others that have been previously authorized, would affect the total amount of debt outstanding over the next several years. Mr. Wise observed that the town's debt load right now is lower that it has been for some time, as a proportion of assessed value.

Revenues: The town manager said that proceeds from the net metering agreement for solar power should be incorporated as credits against the cost of electricity.

Finance Committee hearing preparation: After a discussion about the sequencing of the next phases of the budget process, the Finance Committee, acting by consensus without objection except as noted, asked the town staff to prepare a revised budget for the Finance Committee to present to the hearing, incorporating the following changes:

Line 4 should be \$106,313, and line 7 should be \$25,000.

Line 32 should be unchanged (Mr. Blauvelt would have limited this to a 2.5% increase over FY16).

Line 101 should be \$55,000, representing one additional FTE rather than two.

Lines 148 and 149 should be reduced 15% to reflect the net metering savings.

Line 139 should be reduced by \$15,360 to eliminate the seasonal position.

CIP: The description of the funding sources for the license plate reader should be corrected to show the accurate figure for the anticipated grant, the parks total should be set at \$45,000 and the feasibility study for the bandstand restroom should be cut, and the \$75,000 item for design for Ramsdell Library should be cut.

Free cash policy: The town accountant said that the mild winter will have the effect of increasing this fund. She said that the town has generally applied 80 percent of the unallocated fund balance to reducing the tax rate; doing that this year would leave about \$547,000 in free cash at the beginning of the fiscal year, which would cover about two payrolls. She also noted that some other funds could conceivably be applied for some purposes, such as the stabilization fund and some proceeds from building sales, but she did not particularly recommend that we do so now.

III. ADJOURNMENT

The meeting adjourned, without objection, at 9:15. The Finance Committee will meet at 6:00 PM on March 23, just before the budget hearing, at Town Hall.

Submitted by

A handwritten signature in black ink, appearing to read "Michael Wise", written over the printed name below.

Michael Wise
Chair, Finance Committee