

APPROVED

BUDGET ADVISORY COMMITTEE MEETING

Wednesday, February 20, 2019 – 1:00 PM – Richmond Town Hall, 1529 State Road

PRESENT: Mr. Bob Gniadek, Chair of the Finance Committee; Ms. Pat Callahan; Mr. John Mason; Mr. Bob Youdelman; Mr. Steve Patterson; Mr. Neal Pilson, Chair of the Board of Selectmen; Mr. Roger Manzolini, Selectman; Mr. Alan Hanson, Selectman;

ABSENT:

GUESTS: Mr. Mark Pruhenski, Richmond Town administrator; Mr. Paul Lisi, Richmond Treasurer; Ms. Angela Garrity, Richmond Accountant; Mr. Steve Traver, Richmond Fire Chief, Mr. Peter Beckwith, Richmond Highway Dept. Superintendent

Mr. Pilson called the meeting to order at 1:00 PM.

Approval of the minutes from the October 1, 2018 meeting was tabled until the next meeting.

Review and Presentation of the proposed FY'20 budget: Mr. Pruhenski distributed copies of the agenda and the binders containing the proposed budget. Mr. Pruhenski expressed his thanks to Ms. Angela Garrity and Mr. Paul Lisi for their help in preparing the draft budgets.

Mr. Pruhenski went over the content of the budget in general to familiarize the group with its makeup. He pointed out that revenues are anticipated to rise by 3.9% this year – expenditures by 4.2% as per this first draft, and the average tax will increase by \$235.37.

Mr. Bob Gniadek raised a question concerning the possibility of a joint venture between West Stockbridge and Richmond and how the changes to the Richmond budget would be implemented if that went through. Mr. Pilson noted that there was a meeting scheduled at 3:00 PM in West Stockbridge on that subject. He also noted that the project will not have a material effect on current budget planning for next year. He explained that the project has been designed so that the impact on the budget is minimal, if any.

Mr. Pruhenski said that the plan at this point is that the Town would stay within the current appropriation. The total Administration expenses that the two towns have budgeted for FY'20 (salaries, benefits, expenses) comes to approximately \$205,600. Starting from that number, they worked backwards, within the anticipated

appropriations, to determine the Administration expenses under the mutual system so that there would be no impact on either Town's budget. Mr. Pilson noted that the article on the project that appeared in *The Eagle* is substantially accurate in its details.

Mr. Gniadek asked when the proposal would go into effect if it is approved. He was advised that the current expectation is that it will go into effect in July of 2019. Mr. Pruhenski offered to provide copies of the proposal that will be presented to the two Towns' Boards of Selectmen. Mr. Pilson made it clear that the proposal involves only the Towns' budgets for administrative services – no other department is affected.

Discussion continued relative to the idea of a shared Administrator and how the fiscal details would work out. Mr. Gniadek was particularly concerned with the funding for the six-month transition period in which Mr. Mark Webber would remain as the Administrative Assistant after his retirement. Mr. Pruhenski clarified that there is no budgetary overlap in that six-month period between Mr. Mark Webber and the hiring of the Administrative Assistant. Mr. Pilson expressed his belief that it would be best for the Assistant to be hired at the three-month point. That would create a three-month period of salary for an Assistant that has not been addressed yet. If there is additional funding that will be required from Richmond, it would be dealt with at a Special meeting, not addressed in this budget.

Mr. Pruhenski turned to Section 3 of the budget and asked whether there is a percentage point increase for a line item at which questions would be triggered. Five percent was accepted as a beginning. The first change of -7% brings up the question as to whether the Board wishes to look at the negative changes. Mr. Gniadek responded that it would be worthwhile looking at that as well. Mr. Pruhenski then clarified that any changes – negative or positive – at or above 5% will be explained.

Line #9 – Town Clerk Salary: That was reduced by 7.1% as she is paid hourly, not salaried and she has not been using the payment for the Monday holidays, sick time, etc. that the budget had contained provision for.

Question – have increases in salaries been built into this budget? Mr. Pruhenski replied that a 3% increase has been built in.

Line #11 – Treasurer's Expenses: 112% increase. Mr. Paul Lisi explained that the increase of \$2,800 is due to the Mandatory Affordable Care Act reporting and the work that our third-party vendor does to create that required federal report. That report had not previously been filed by Richmond and it must be done now. The \$2,800 is the cost

to file for FY18 and the previous three fiscal years. That cost will decrease in the FY'21 budget.

Line #15 – Tax Collector/Treasurer Assistant – Mr. Lisi explained that he has an Assistant who is a Treasurer and Collector in Egremont who backs him up and does all the work related to the segregation of duties that needs to be done when he is not here. He needs to increase her time, which means she will need to receive slightly more money per hour to have her come in two to three hours per week.

Line #18 – Town Counsel Legal Services – Mr. Pruhenski explained that the reason the Town has had to spend far more in legal fees than had been budgeted was due to several complex legal issues that arose during the year. It is expected that the cost of legal fees for the coming year will not be less than this past year, especially as there will be legal issues arising from the concept that the Municipal Building Committee is currently looking at.

Line #19 – Town Report – Will be reduced by \$2,500 as the number of reports being printed has been reduced.

Line #20 – Town Hall – Increased slightly by \$2,500 to keep pace with our septic pumping, heating, etc. That Town Hall account captures most of our expenses here – all phones, etc. related to this building.

Line #22 – Town Administrator / Assistant Town Clerk Salary has increased by 8.6% based on a three-year contract that we agreed to a few months ago.

Line #23 – Town Administrator Expenses - \$800 – just a more accurate number that captures Mr. Pruhenski's mileage, his cellphone, etc.

Line #24 – Conservation Commission Expenses – 63.1% or \$1,578 – trainings and conferences for the Commission and their Agent.

Line #29 – Information Technology Services – This is a contract renewal year and we do not actually have a contract confirmed yet, but we increased the budget by \$2,400 just to make sure that we have enough money to sign the new contract when it goes out to bid.

Line #30 – Council on Aging Director & General Administrative Assistant salary - Reduced by a couple of thousand dollars – the number in this draft budget, \$26,473. Is

a more accurate number that includes current salary plus a 3% increase for the coming year. This was an overbudgeted item for the previous fiscal year.

Line #36 – Police Chief Salary – Being reduced because Chief Bullett is in Florida for half the year now and the Board of Selectmen is looking at hiring a Deputy Police Chief to serve as his Assistant and cover for him during the six-month period when he is away..

Line #41 – Constable Expenses – Increased by \$250, which is a 20% increase. This year we developed new policies for our constables. Because of that, they are no longer able to use anything identifying them as police and we will need to outfit them with new vests and hats, etc. with “Constable” patches on them.

Line #59 – Berkshire Public Health Alliance – An increase requested by the Board of Health to fully fund staffing for the responsibilities of the BOH. Mr. Pruhenski noted that this was something he had asked the BOH to do for the last couple of years. \$11,500 was estimated by the BPHA to cover the services to the Board of Health. Mr. John Olander will remain on as Agent to the Board, doing septic work. The contract with BPHA will cover beach water testing, food inspection, camp inspections, housing inspections, etc.

In response to a question from Ms. Pat Callahan, Mr. Pruhenski explained that the BPHA was brought in two years ago to begin doing food inspections and then last year there was an issue with the State Dept. of Public Health over one of the camps, which the BPHA agent then took on responsibility for. This is the first year the contract with BPHA has been built into the budget; it had been paid for in past years out of other expenses.

The question was raised whether the entities being inspected were charged for those services. Mr. Pruhenski responded that they pay annual fees for permits but whether they are charged specifically for inspections he would have to find out. Mr. Manzolini noted that the Town can tax B&B's and has been receiving a 3% room tax from them. Mr. Paul Lisi said that the expenses of the Board of Health are considered to be the “cost of doing business” and that revenues from those entities would never be great enough to offset the true expense. Ms. Pat Callahan also noted that those entities are paying real estate taxes on the increased value of the properties that their businesses are on. Mr. Lisi added that in order to encourage growth in a town, most towns will keep expenses for businesses to a reasonable limit.

Line #70 – Vacation / Sick Pay – Highway Department – There is a possibility for a current Highway employee to possibly retire. Therefore, there must be monies budgeted for that payout of accumulated sick days. The amount being added to the budget would cover that one employee plus an additional 15 sick days as a reserve going forward.

The payout for sick days is capped at 30 sick days after retirement. There was a discussion of the need to prepare in advance against possible retirements and how best to accomplish that end. Mr. Lisi made it clear that, particularly in the case of school employees, the potential for liability from retirements among those employees could be substantial and should be addressed.

Line #74 – Berkshire County Retirement – Significant increase, but not a significant assessment for Richmond. The object is to build in a reserve.

Line #78 – Heath Insurance – Mr. Pruhenski reminded the group that a sheet at the back of the binder will illustrate the expected FY'20 rates, which are down slightly for the first time in six years. Mr. Lisi noted that the Town is now on the way to being able to fully adopt the Chapter 32B insurance process. We are now able to move our health plan (which the Federal Government considers a “Cadillac” plan) to a plan more in line with the State's GIC Plan. There will be a cost-savings from the decrease in premiums once the plan is adjusted.

Line #79 – Insurance & Bonding – Increased by a regular annual increase and a Workman's Compensation Audit this year that increased our premium. A new mower and a new server have been added to our insurance coverage along with the new Fire Department rescue boat and trailer.

Line #90 – Legal Advertising – Reduced by \$2,000, which more accurately reflects actual spending.

Line #92 – Training – Increased by \$1,500 to more accurately reflect the need for trainings for Town Hall staff.

Mr. Pruhenski then moved to the Articles:

The Reserve Fund - \$20,000 – level funded from last year

The School Operating Budget – up 6.2% - The actual school budget was not available currently. A placeholder number was provided as of the day before.

Conservation Land Fund - \$9,5000 – standard article

Town Hall Repairs – \$50,000

Town Buildings Voice-Over IP Phone System – Mr. Pruhenski will explain that more thoroughly when dealing with the individual Capital Requests.

There was a request to explain what goes into Articles vs what makes up the general fund budget. Mr. Lisi said that Articles are usually items that have a life expectancy of greater than five years plus any stabilization deposits or transfers and receipts reserved for appropriation transfers.

Town Clerk Elections Voting Equipment – This is to purchase a second voting unit for \$5,700

Standard Food & Fuel Emergency Assistance Fund – was not funded last year as there had been adequate resources available at that time, but it was subsequently expended

The School Bond – The Town is closing in on that 20-year bond.

Sewer Enterprise - \$225,000 which is a standard article

Ambulance Expense Account - \$50,000 increased by \$5,000 this year. This \$5,000 increase represents the need for Ambulance Training.

Ambulance Replacement - \$181,500 and the following article for \$93,500 is also for Ambulance Replacement. It was divided as there is not enough funding in the ambulance account to fund a new ambulance.

Ambulance Stretcher - \$15,000 – this will not be required if the ambulance is replaced.

Fire Dept. SCBA Masks - \$5,000. This is a new OSHA requirement this year.

Fire Dept. Shed for Rescue Board @ Pond - \$25,000 to build a shed at the Pond to store the rescue boat so that it can be easily launched in the case of an emergency rather than storing it at the Fire Department and having it towed to the Pond.

Cemetery Tree Removal/Stone Repair - \$5,000

Long-Range & Master Plan/Sustainability – \$40,000, which is not being funded this year as there is adequate monies in that account to cover the needs of the Town for Marketing and Long-Range Planning.

Richmond Pond Weed Treatment - \$15,000 – Ms. Pat Callahan asked why these regularly occurring annual costs are not line items. Mr. Lisi responded that regarding the \$15,000 for weed management, if only part of that amount were used and it is included as an Article, you can legally carry the difference forward with just the approval of the Board of Selectmen. Weed Treatment costs vary from year to year and listing this as an Article makes it easier to move the fund forward as needed.

Richmond Pond Goose Management - \$950 – This is a request from the Richmond Pond Association to put together a Goose Management Plan as that has become a major problem. The cost would be divided among the Richmond Pond Assn., the Private Homeowners Association and the Town.

Highway Dept. Mini Excavator - \$28,000 to be shared with the Town of West Stockbridge.

Highway Dept. Lawn Mower - \$11,000

Engineering services for Town Garage - \$18,000

OPEB Trust Fund – the standard \$100,000

Capital Items:

Voice-Over IP Phone System for Town Buildings – the justification is that the current phone system has no remaining replacement phones in the building so if one more phone becomes unusable, we are out a desk phone. We are currently unable to transfer calls now both in-house and to other buildings. The new system would also provide the ability to have voicemail messages transcribed into emails when we're on vacation or otherwise away from the office. In response to a question from Mr. Manzolini, Mr. Pruhenski clarified that calls would be able to be transferred to the DPW, the Fire Dept. and the Library. The Town is currently seeking bids from vendors, one of which is our current IT provider. Mr. Manzolini asked whether plans for the new telephone system included consideration of including West Stockbridge in the system. Mr. Pruhenski noted that at this point they are keeping the project as simple as possible. However, the new phone system would provide the opportunity for the Administrator to answer a call

coming into Richmond Town Hall when he was physically in West Stockbridge or at home.

Voting Machine – A second voting machine to back up the one previously purchased to avoid delays in the case of a break-down. Now that early voting is required in Massachusetts, a second machine could be used for that purpose. The expense was spread out over two years to lessen the impact and those two machines are expected to last for a long time. Any additional maintenance charges would be taken from the Town Clerk's Operating Budget.

Ambulance Replacement - \$275,000 – The group read the justification that has been provided in writing. Mr. Pilson remarked that a new ambulance had been requested several years ago. At that time, the Board of Selectmen deferred the request in view of the response rate at that time which was well below a level that would make such a purchase necessary or justified. In the meantime, the Town has trained seven new EMT's. Chief Traver was asked to advise the group as to the new status of EMT coverage and he noted that of the nine original candidates, four have been certified EMT's, one has quit, three failed the exam and one remains to complete the course. Mr. Pilson reported that tracking of the response rate over the past few years has been less than satisfactory. Recently, there was an increase in the rate of responses. There needs to be more information on what the actual response rate in Richmond is. Mr. Brian Andrews of County Ambulance and Chief Steve Traver will be asked to meet with the Board of Selectmen so that the Board can obtain the information necessary to make a recommendation on this item.

Mr. Pilson went on to explain the problem is being encountered throughout Berkshire County in obtaining trained EMS personnel to be able to staff ambulances and respond to calls. Chief Traver was asked whether the new EMT trainees had volunteered to be firefighters and were given EMT training as part of that process – Chief Traver explained that the Town offered that training in order to actively recruit ambulance staff.

Ambulance Stretcher - \$15,000 – which will not be needed if the ambulance is replaced.

Fire Department SCBA Face Masks - \$5,000 – OSHA new requires that each fire fighter has their own mask.

Fire Dept. Shed for Rescue Boat @ Pond - \$25,000 – A rescue boat was purchased last year by the Richmond Pond Assn. This proposal would build a shed at the Pond to store the boat in so that it would be available for immediate launch in the event of an emergency. Mr. Lisi noted that it would be appropriate to incorporate into the building of

this shed a shelter for our lifeguards and boat ramp monitors. The pop-up tent we currently have is inadequate to shelter against a lightening storm. There was a discussion of various aspects of this project, which Mr. Pruhenski will explore further with Chief Traver.

DPW Mini Excavator to be shared with the Town of West Stockbridge - \$28,000. Mr. Peter Beckwith reported that he had spent \$5,000 on rentals this year for an excavator and operator. West Stockbridge spent about \$7,000 this year. Given the overall price of approximately \$50,000 divided between Richmond and West Stockbridge, it would come to about \$25,000 to \$28,000 for each town and it would be viable for about fifteen years. The two towns already work well together on other pieces of equipment.

Mr. Beckwith also noted that the Town's backhoe is fifteen years old now and the purchase of the Mini Excavator could stretch the life of the backhoe by using it only half as much. The ownership split would probably be 50-50 and it would be stored in the new town Barn being built. West Stockbridge currently has an adequate trailer so there would be no need to purchase a trailer. One of the Towns would have to be responsible for the insurance, but it would be paid for by both towns. These are all preliminary ideas that need to be explored further.

DPW Lawn Mower & Trailer - \$11,000 – Mr. Beckwith explained that the current small lawn mower that the Town owns is twenty years old and they have to fight to keep it running. The trailer they have is not adequate to haul both lawn mowers that the Town owns so the big mower spends the winter at the Highway Department and then it gets driven up the road and parked in the storage shed at the school, where it stays. That means that, although the Town bought half of that lawn mower, they cannot use it. With a bigger trailer, the Town can utilize the mower that was bought eight years ago.

Engineering Services for Repairs at the Town Garage - \$18,000 – Mr. Beckwith said that the cinder blocks surrounding the building are de-laminating and crumbling. Repairs will have to be made and this request is just step one to determine a plan for how to fix it.

Mr. Gniadek asked Mr. Beckwith if he believes the Town Garage will last another forty or fifty years if those repairs are made or will the building need to be replaced. Mr. Beckwith said he could not estimate how long the current building would last, but if nothing is done at this time it will only last a couple of more years.

In response to a question as to whether the current building is adequate to house all the DPW equipment, Mr. Beckwith replied that it is not. Mr. Pilson pointed out that time was

growing short for the Selectmen to have to move to the West Stockbridge meeting and Mr. Pruhenski suggested that the group take time to look over the budget during the coming week and email any questions they have to him. He will prepare answers to those questions and get them back before the next meeting or in some cases department heads will be attending the next meeting and can answer some questions directly.

Mr. Pruhenski asked which department heads the group would like him to invite to attend the next session. Mr. Manzolini said that he felt the greatest impact was the proposed 6% increase in the school budget. Mr. Pruhenski pointed out that the school budget is set for discussion on the March 20th and April 3rd scheduled meetings. Mr. Pruhenski suggested having someone from the Board of Health and the Ambulance Director attend one of these meetings. He will also invite Mr. Brian Andrews to the March 6th meeting. There was a discussion of the best time for the March 6th meeting. The time was reset to 6:00 PM on that date.

Mr. Pilson raised the issue of the Municipal Building Committee and asked Ms. Pat Callahan to take over the discussion. She provided the historic background and then explained that in the course of researching the project, some things had changed. One is that the State building money has become less certain and there is no reason to count on that source to fund the project. In the Fall the committee asked a local building contractor to address the committee about building methods and then began to look seriously at what the Town's needs actually were. They were able to come up with a possible design for a 12,000 square foot building that includes Town Hall, a Library and a Community space. It's a modest building but can be done well for a cost of somewhere between 3 and 3-1/2 million dollars.

One possible way to accomplish this is to send the proposal out to bid. There is a builder in Town willing to take a loan to build the structure and then lease it to the Town on a lease-to-own basis. There was also a plan under discussion to fund the building through private donations at least for the Library portion of the building. Mr. Manzolini was unwilling to count out any possibility of obtaining funding from the State at some point. There is money in the Town's Stabilization Fund, which the Town may want to use part of to help fund the new building.

Mr. Pilson noted that at the last meeting of the Committee it was discussed that the timetable for beginning construction could be moved up to the end of this year or early next year. The Town needs legal advice because it needs to go out with an RFP since, although we have a local builder willing to take on the project, it must be public and competitive to avoid questions later. Mr. Lisi agreed that an RFP is necessary and

reiterated for the record that the Town of Richmond has no preferred vendor, no preferred contractor and follows all Mass Procurement rules.

In response to a question as to what happens to the existing spaces for the Town Hall and the Library once the new building is built, Ms. Callahan advised that the library space is a rental and would simply be turned back to its owner. The fate of the current Town Hall is uncertain.

Meetings of the Municipal Building Committee are being held monthly and Ms. Callahan invited anyone interested to attend and offer ideas. Mr. Pilson said that the Selectmen are going to reach out to the people in town who have experience in this area and request that they offer their advice. Mr. Callahan said that the Committee's next task is to put together an RFP with legal advice.

Mr. Gniadek asked whether the Town should begin to look at the long-term building requirements for the Town that will arise in the next 25 or 30 years? Mr. Pilson noted that there is a Long-Range Sustainability Working Group who will meet at the end of March. That would be a good topic for them to consider. Practically speaking, Mr. Pilson felt that a town this size cannot address all its building requirements in a short time-span but agreed that it is wise to look at planning for the next 20 or 30 years, which is what the Long-Range Planning Committee was designed to address.

There being no other business before the joint meeting, Mr. Gniadek moved that the meeting be adjourned. The motion was seconded and adopted by unanimous consent.

The meeting was adjourned at 2:40 PM.

Signed:

NOT PRESENT

Mr. Neal Pilson
Chair – Board of Selectmen


ROBERT GNIADEK
FINANCE COMMITTEE CHAIR