

APPROVED

FINANCE COMMITTEE / BOARD OF SELECTMEN BUDGET ADVISORY CTE. MEETING

Wednesday, February 21, 2018 – 6:00 PM – Richmond Town Hall, 1529 State Road

PRESENT: Bob Gniadek, Chair; Mr. John Mason; Ms. Eileen Marten; Mr. Steve Patterson; Mark Pruhenski, Town Administrator; Mr. Paul Lisi, Treasurer/Tax Collector

ABSENT: Ms. Pat Callahan, Alan Hanson, Roger Manzolini, and Neal Pilson

Mr. Bob Gniadek declared the meeting open at 6:02 PM. He noted the unexpected absence of the Board of Selectmen.

Mr. Pruhenski distributed binders to each member of the Finance Committee that contained the proposed FY19 budget. Mr. Pruhenski thanked all the Board and Committee Chairs and Department Heads, particularly Mr. Paul Lisi, for their work in putting this document together.

Mr. Pruhenski did a quick review of the proposed budget and reminded the Committee that the budget contains revenue estimates based on the Governor's FY19 proposal, which is all there is to work with at this time in the season. He noted that this year a uniform budget request form was designed for every department, which Mr. Lisi developed, so that a uniform presentation could be made for the Committee.

Since this is the first time the Committee is seeing this presentation, the goal for tonight is for some highlights to be presented and for the Committee to have an opportunity to ask questions and voice concerns.

The Operating Budget for the Town, aside from the School, has increased by 5.8%. The total budget, including articles, is down this year by \$193,791 or -3%. Overall, expenditures are down \$226,975 or -3.3%. The school budget has not been submitted yet, so a level-funded school budget was used for this first draft.

Local aid is down \$\$35,479. based on the Governor's preliminary budget, due to the decrease in money for School Choice and less State Aid overall, due to the school's Tier I school rating. We have less free cash this year as well.

Capital Requests: Replacement of The Town Barn near the Post Office. New equipment for the Town Clerk for elections this year as our voting machine is outdated and parts are unavailable. Solar-powered Speed signs for the north and south-bound lanes by the school. School playground renewal, which was discussed at the Special Town Meeting.

Assuming all the articles pass as of today, the Town would have a balance of \$84,800 in free cash, \$837,093.39 in Stabilization, \$33,481 in Town Hall Stabilization and a balance on our OPEB Account of \$250,186.

With the conclusion of the quick overview, Mr. Pruhenski invited the Committee to ask any questions they may have while they were reviewing expenditures. Then the Articles would be reviewed and then Capital Requests.

Expenditures: Lines 1-36 – Assessors Contracted Services: The assumption was made that the intention is keep the firm on as it has been budgeted. Mr. Pruhenski advised that we are working on a three-year contract with Regional Resource Group. He also noted that although the line showing a fee of \$38,200 is new, the Assessors Clerk line right below it has been removed resulting in a decrease of \$27,770 and a decrease of \$24,000 additional in benefits.

Selectmen's budget. Mr. Pruhenski explained that he put back the \$2,500 for expenses that was removed last year at the selectmen's request so that they would be able to attend the MMA conference this year. Mr. Pruhenski suggested that the BOS may ask him to remove this at a later date, but it was included to give them the option once again.

Town Clerk's salary – appears to have doubled. However, the previous Town Clerk's salary was being paid out of three separate line items: Town Clerk, Town Secretary and Treasurer and Tax Collector Assistant. That's just a shift in source. This realignment makes more sense, as it reflects the actual salary now for the position.

Town Clerk's Expenses – The request for voting equipment includes Poll Pads for the people at the intake tables to register the voters. This process is compatible with the voting machine and the State computers so that if she needs to know expiration dates for positions, etc, it can be easily and quickly assessed. Mr. Lisi explained that this voting equipment will now insure that the Town reports on time.

Town Accountant Salary – Mr. Lisi explained that the previous Town Accountant Salary was for a part-time Town Accountant. The Selectboard voted to hire a full-time Town Accountant to provide full Accounting services. At this time, we also provide town accounting services for the Town of Hancock. We are removing the accounting services for the Town of Hancock for now, which has proved problematic. Richmond does not wish to remain associated with Hancock any longer as we believe there may be some State Receivership in the near future. When we discussed this with the Selectboard and the Finance Committee, we advised them that the Accountant was originally going to be doing Accounting and would also assist the Town Clerk. That has not been possible due to the extensive amount of time she has had to spend on accounting services for the Town of Hancock. Mr. Lisi anticipated ending our relationship with the Town of Hancock before the end of this fiscal year, which will allow the Town Accountant to be available to assist the Town Clerk and do other Administrative work as well.

Mr. Pruhenski clarified the personnel shifts that have occurred over the past year. Although it seems like a lot of shifting around, in fact it has changed the total number of work-hours by one man-hour. The changes were a way to make things work more efficiently for the Town without having to increase the number of hours being worked or the number of people working here. Actually, we have decreased the size of the staff through these shifts. Mr. Lisi added that the Town Accountant's salary of \$56,350 included \$10,000 paid by the Town of Hancock. Mr. Lisi spoke to Mr. Gniadek about absorbing that \$10,000 into the Richmond Town Accountant salary to bring that up to full-time accounting and other administrative services for Richmond.

Mr. Pruhenski also noted that on Line 18 the Town Secretary's position, budgeted for \$30,000 has been removed. The overall budget has increased because of the move for the Town Accountant from part-time to full-time. That included eligibility for a benefit package, but she has elected not to take it.

Town Hall Expenses – Increased by \$4,000. Mr. Lisi explained that the increase was due to the need to install a new tight tank septic system, which requires regular pumping.

Question concerning the 7% increase in salary for Mark, as opposed to the overall increase of 3%. Mr. Lisi clarified that as part of his required yearly contract negotiation. Seven percent is the amount the Board of Selectmen voted on at their meeting. Mr. Pruhenski added that per his contract, his raise is based on a performance evaluation done prior to setting the salary for the next year. Mr. Gniadek said that the pay-for-performance system is money well spent and thanked Mr. Pruhenski for the job he is doing.

Tax Collection Services – A noted decrease in this expense was explained by Mr. Lisi. Although he no longer finds a need for tax collection services, he maintains the \$1,500 budgeted just in case

New Computers – The question whether they are expensed or capitalized was answered by Mr. Lisi. New computers were purchased with the FY'18 budget and there is a plan in place that half of them will be replaced five years from Fiscal 18 and the other half in the following fiscal year after an assessment of need. They will be expensed. Only items costing over \$5,000 would be a Capital Expense.

Protection - Section 37-54

Town Constables: Tom Grizey, Eric Latimer, Ryan Malumphy, Fran Malnati. Some concerns about the age of that group have been addressed with the Selectboard and the Town's Legal Counsel. Mr. Pruhenski also has an inquiry at this time with PERAC to determine if the town needs a Special Act for its constables due to their age. At the same time, they dropped the Police Chief's status down to Administrative Chief to avoid needing a Special Act for him since he is over the age of 65. At the coming Town Meeting, a Special Act will be requested for him to allow him to stay on the job as Police Chief.

The question was raised about the Police Chief's absence from Richmond for 4-5 months of the year. Mr. Lisi explained that a system has been put in place to deal with residents' requests for a license to carry permit; the Town has contracted with Tracy Dunn, who works for the Town of West Stockbridge, at the rate of \$25 per hour to do that work. The arrangement with Chief Bullett is that for every \$25.00 we pay Ms. Dunn, we deduct \$25. from the Chief's salary, which means there is no additional cost to the Town to ensure that this service is always available to residents. Chief Bullett still manages constable detail scheduling from Florida as needed.

Building Inspector Increase – Mr. Pruhenski pointed out that what appears as an increase is just a move of expenses for software from a separate account to the Building Inspector's account, which was where it was being used.

Health - Section 55-63

Mr. Lisi pointed out that the Board of Health Agent has been reducing his hours and the amount of work he wants to do each year for the past several years. This is causing the Town to have to contract this year with the Berkshire Health Alliance to take over the work not otherwise getting done such as food inspections, camp inspections, etc. At some time, there will need to be a meeting with the Selectmen to discuss the situation. Mr. Pruhenski noted that in the meantime the Board of Health has tried to reduce some other expenses and reduce the agent's salary to try to offset those contracted expenses. Mr. Pruhenski said that he is confident now that the important food inspections and camp inspections, etc.

are being done, which protects hundreds of children and staff at those establishments and is well worth the \$3,000 expenditure.

Rubbish Pick-Up – The contract with Republic goes to 2021. Increases for the last three years were set at a flat 3%. The remaining three years are based on the Consumer Price Index.

Nuisance Abatement – It was explained that this line needs to exist in case a resident brings a complaint that ends up in court. To date, there has not been any need to make use of those monies.

Highways – Road Construction – Increase of \$25,000. Mr. Pruhenski reported that, before Mr. Gerry Coppola retired, they met with Tighe and Bond on Dublin Road where the Town had applied for a Small Bridge Replacement Grant through Massachusetts Department of Transportation and, assuming we receive the grant, our portion of that grant is to pay a portion of the engineering costs. The \$25,000 we budgeted is to cover those costs. Since the Town was encouraged to apply for the grant by the DOT, that presupposes that they want to see that bridge in place and will likely award the grant.

Question – Why was there no indication of any reduction in salary for the Highway Superintendent after Mr. Coppola's retirement and replacement? Mr. Pruhenski and Mr. Lisi will address that issue and bring the information to the next meeting.

Classified – Section 74-95

Insurance and Bonding – up \$10,000. Mr. Lisi explained that it was necessary to upgrade Insurance and Bonding by \$10,000 due to some Workmen's Compensation claims, some property and casualty claims for damage done to an individual's home and there may be a temporary policy coming through due to underground fuel tanks located at the Highway Garage. The DEP determined that those tanks were not adequate and would need to be repaired. In the meantime, the DEP will require that there is insurance in place to cover any potential damage. The funding to do the repairs to those tanks is covered in the Highway Department's budget.

Berkshire County Retirement – Increase. Our assessment has increased. The assessment is calculated on the basis of salaries. Mr. Lisi will provide the breakdown for the Committee.

BRPC Assessment was left in the budget without any additional funding for gas line expansion, which has not happened in the past two years.

Group Insurance – A decrease as a result of being down by one staff member. The total group insurance budgeted is \$148,027.09. Mr. Lisi explained that there is always a family plan included in the budget in case someone switches to a family plan. These are still the same insurance figures based on the same plan we have had. We are in the process of changing that insurance but were not given the power at the Town Meeting to change to a deductible plan. At the next Town Meeting, the proposal will be made in explicit, easily understood language to move to a deductible plan. If that is accepted, Mr. Lisi will investigate the pricing of the new plan.

Articles:

1. Tree Removal – an increase of \$5,000 for Tree Warden tree removal, in addition to dead and diseased tree removal. The increase is due to a newly aggressive plan for tree removal, which has been neglected to some extent in past years. The town has been divided into three sections,

- each to be done separately. The first section to be completed is the northern section of town. A list of trees identified as the responsibility of EverSource have been sent to them for removal.
2. Reserve Fund – level at \$20,000 – needs to be added to the Detail
 3. Schools: Operating, Special Ed., Special Ed and Legal Fees – Had to be level funded without any information from the School. Hopefully, there will be actual numbers available at next week's meeting for a clearer picture of the overall budget.
 4. Conservation Land Fund - at \$9,500 – The total balance in this account is \$340,000, which has remained in the account, unused, for many years. As there is no plan to purchase land and as every article in the budget affects the Tax Bill, it might be worth looking at.
 5. Stabilization Account – reduction of \$50,000. Mr. Lisi noted that he would be comfortable reducing this item to \$0 as there is money in Reserve of \$825,875. It was suggested to the Committee that they consider reducing the Stabilization Account as it is at 7% of the town's budget and the State average is %5.
 6. Town Hall Stabilization Fund – Funded at \$15,000, which is a \$35,000 reduction from last year. The account will have \$33,481, when we add in the \$15,000.
 7. Town Hall Repairs - \$40,000 for painting, plaster repairs, etc.
 8. Town Clerk Election/Voting Equipment - \$5,400 – the Town Clerk will speak to the Committee about the upgrades and changes she would like to see happen. The \$5,400 shown in the Article was taken out of Capital and placed here to replace the voting machine, which was purchased in 2000 and for which there are no longer parts available. There are three elections this year. Note, that \$5,400 should be included in the Increase column.
 9. Food & Fuel Emergency Assistance – Standard \$5,000 for some time. Holly Stover has advised Mark that they will not need those funds this year. Mr. Lisi noted his objection to removal of the article as, once that is done, it is very hard to convince people to bring it back. If the money is budgeted but not used, it goes into Free Cash.
 10. School Bond: Decreased by 3% with two years of payments left.
 11. Sewer Enterprise Fund – levelled at \$225,000
 12. Ambulance Expense Account – levelled at \$45,000
 13. Cemetery Tree Removal – Stone Repair – A standard article of \$5,000 every year. It was not appropriated last year as there were sufficient funds last year, but Mr. Pruhenski suggested that it be funded at the Cemetery Superintendent's request.
 14. Long-Range & Master Plan/Sustainability/Housing – Refund the account by \$10,000. It was used this year for the Marketing Director as a consultant through BRPC and paid for a Why Richmond? video. A question was raised about the status of the new website and how it was funded. Last year a special article was included to fund that redesign. The final edits are in the vendor's hands now and it will probably go live in March.
 15. Richmond Pond Weed Treatment – Level funded at \$15,000
 16. Town Barn Replacement – estimated at \$100,000, which would include about \$30,000 for site work, electricity and an anticipated request from Mr. Beckwith to add another door. Future use would continue to be for storage. It was suggested that this item be moved from Articles to Stabilization. There was a brief discussion of the voting requirements to do that, which were not seen as a problem.
 17. School Solar Speed Signs – To be discussed during Capital Requests
 18. School Playground Updates – To be discussed during Capital Requests

19. OPEB Trust Fund – Reduced from \$100,000 to \$50,000. Mr. Pruhenski thought if \$50,000 were taken out of Stabilization, the total for OPEB could be restored to \$100,000.

Some of the increases were not noted in the Increase column and the bottom line, therefore, is incorrect. Mr. Pruhenski will correct that oversight.

CAPITAL:

There are four Capital Requests this year:

1. \$20,000 for a \$40,000 upgrade at the School Playground. The plan is for the school to pay half out of the School Choice funds and for the Town to pay the other half. Mr. Pruhenski is working with the School Superintendent to come up with a better plan and justification for what needs to be done to eliminate the possibility that in two years' time the playground would need repair again.

There was a discussion of some possible plans that might have a longer useful life-span than the current plan. This issue was discussed at the last School Committee meeting and Mr. Pruhenski made a point of impressing the school with their responsibility for regular, weekly maintenance of the Playground before it becomes a hazard.

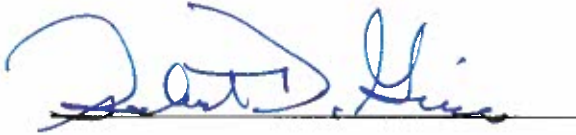
2. Town Barn Replacement - \$100,000. Mr. Pruhenski is awaiting information on the warranty and useful life of the Barn. The current structure is rotting, the sills are rotted, the back of the barn is falling off, the roof needs to be replaced. The Building Inspector looked at it and determined it was fixable, but it's probably not worth investing more into that structure. A hearing with the Conservation Commission is scheduled for the end of February. Mr. Pruhenski does not anticipate any problem there because the plans do not exceed the current footprint and the use of the existing slab is a cost-savings. Mr. Pruhenski provided some sketches of the proposed barn replacement and cost estimates.
3. Two solar-operated speed signs. There is no fiscal impact, other than the cost of the signs, as they are solar-powered, easy to install and activate. The goal is to bring more attention to the speed in front of the school, similar to the one in West Stockbridge that indicates the speed of a car approaching it. Mr. Pruhenski felt this would be a good time to act on this issue.
4. Voting Machine for Town Clerk. \$5,400. Pictures of the proposed machine and cost estimates were distributed. The current machine is ten years past its expected useful lifetime.

Question on the Stabilization Fund – It is possible to see the \$50,000 going in, but not possible to see the \$40,000 going out. On Cash Balances – Mr. Lisi answered the question to everyone's satisfaction. There was a discussion of how the Town's money is invested. There was a question about the possibility of creating an Investment Committee, which Mr. Lisi said he would research.

Mr. Pruhenski asked if any of the Committee members had any additional questions before the meeting was adjourned. There were no additional issues.

Unanticipated Issues: Mr. Bob Gniadek noted that he had told Mr. Pruhenski that he appreciated his changing the dates of the meetings to accommodate a vacation he had planned. He also asked if it would be possible to participate by phone. Approval to do so requires a vote of the Committee to authorize that on the day of the meeting in question. Mr. Pruhenski noted that the Chair of the Committee must be present at that meeting. Therefore, it would be necessary for Mr. Gniadek to ask someone to step in for him as Acting Chair in his absence. Mr. Pruhenski will research the exact requirements

There being no further business before the Committee, Mr. Mason moved that the meeting be adjourned. The move was seconded by Ms. Martin and passed by unanimous vote. The meeting adjourned at 7:30 PM.



Bob Gniadek, Chair