

## BUDGET ADVISORY COMMITTEE MEETING

Wednesday March 11, 2020 – 4:00 PM – Richmond Town Hall, 1529 State Road

**PRESENT:** Robert Gniadek, Chair; Bob Youdelman; Steve Patterson; John Mason; Pat Callahan; Roger Manzolini, Chair, Board of Selectmen; Neal Pilson, Selectman; Alan Hanson, Selectman; Danielle Fillio, Town Administrator; Angela Garrity, Town Accountant

**ABSENT:**

**GUEST:**

Bob Gniadek called the meeting to order at 4:05 PM.

For the sake of staying within the time limits for this meeting, Danielle suggested that rather than go over each of the changes made, she could point them out for discussion at a later meeting, which is set for March 25<sup>th</sup>. The School's budget will be the main subject of that meeting, if the school confirms that date with Danielle. It was decided to also schedule a meeting for April 1<sup>st</sup> and April 8<sup>th</sup> in case one of those extra dates is needed.

The important discussions for this meeting will be the funding for the proposed new building and employee health insurance.

**Updates and Handouts:** Danielle distributed an updated summary sheet, an updated warrant article sheet and an updated budget.

**Review of Minutes:** Minutes of the February 19, 2020 and February 26, 2020 were reviewed. Some corrections were recommended in both sets of minutes, which will be incorporated into the final version. There was clarification of various items mentioned in the minutes, some of which will appear on the next meeting agenda for further discussion.

A motion was made for those present at the meetings to approve the minutes of February 19, 2020 and February 26, 2020 as amended. The motion was seconded and approved by unanimous consent.

**Discussion of Funding Options for Proposed Municipal Building:** Included in the packet Danielle distributed was a letter from David Eisenthal of Unibank that proposes two options for financing of the new building. One is for multiple financing and the second is for a straight quick \$500,000.00 and then into the full \$600,500.00 that the Town might need to borrow. The difference in the interest rates is explained as well as the impact on the tax rate if the Town was to borrow the full amount now versus extending it over time. The single financing option has a 4% or 5% decrease in the impact on the tax rate. David pointed out his concern that there is a potential for extra funds being left in that account if the Town borrows too much money. If the Town does the short-term financing of the \$500,000.00 up front, it will get the Town down to

more construction cost details so we will know better if the entire \$600,500.00 was going to be necessary and whether the amount of funds borrowed could be lowered.

Danielle noted that the \$146,000 and \$150,000 listed for 2020 and 2021 is the school debt for 2020 and 2021. The \$25,042.00 is the interest amount that would result from the short-term financing of the \$500,000.00 from FY'21. There was further discussion attempting to clarify the information provided and to reach a decision as to which of the options provided was the more prudent way to proceed. Danielle noted that she has researched what you can and cannot do with payments and the rules on using stabilization and free cash for bond payments. The Town could borrow from the Stabilization account and repay that loan with financing if it follows the specific rules governing that action.

It was determined that the Board needs to have greater clarification from David Eisenthal, who has agreed to come to a meeting to go over his recommendations and answer the questions that were raised on both options at this meeting. Danielle will ask David if he could make it to the March 19<sup>th</sup> meeting at 4:00 PM either in person or on a conference call. If David is not available on the 19<sup>th</sup>, they would meet on the 18<sup>th</sup>.

There was a discussion of the anticipated impact on taxpayers and ways to advise the residents of the increase they can expect.

**Executive Session:** A motion was made to go to Executive Session to Discuss Strategy with respect to potential negotiations with collective bargaining units regarding possible insurance changes. Danielle Fillio and Angela Garrity are invited to attend the Executive Session: The motion was seconded and passed by unanimous vote as follows: Bob Youdelman, Aye; Pat Callahan, Aye; Steve Patterson, Aye; Neal Pilson, Aye; Roger Manzolini, Aye; Alan Hanson, Aye; John Mason, Aye; Bob Gniadek, Aye.

The open meeting portion was closed and the group moved to Executive Session.

#### **Return to Regular Session:**

The executive session was adjourned, and the group returned to the Public Session:

It was announced that the Berkshire Hills School Committee will no longer provide Superintendent services after this year unless the Town agrees to enter negotiation with them for one of two options: 1. Richmond would join the Berkshire Hills School District or 2. Richmond would join the School District for purposes of providing a high school, excluding possible future capital endorsement of the high school???? but only with reference to its current revenue (DANIELLE – I LISTENED TO THIS FOUR TIMES AND COULD NOT BE SURE I WAS ABLE TO CATCH WHAT WAS BEING SAID – CAN YOU HELP?)

The Finance Committee has asked Berkshire Hills to outline what the impact would be – what contribution or share or assessment to Richmond would be if the Town were to agree to one of those two options.

The third option is to say no and continue either on our own or as a continuing member of the Shaker Valley School District. However, there are indications that the Shaker Valley District is in the process of closing because the other two towns, Hancock and Ashley Falls are already looking for a part-time superintendent. The concern is that either option to join the Berkshire Hills District would have a negative impact on the tax base. The timing is most unfortunate as this comes at a time when the residents of Richmond are being asked to agree to and support the bond issue for the new municipal building.

This issue is not within the jurisdiction of the Select-board, but is solely within the purview of the School Committee and Neal's opinions, which he will share with the Select-board are personal to him but do reflect similar opinions he has heard from members of the School Committee.

Neal's intent in bringing the issue to this meeting was to let the group know that there will be a general discussion within the Town. This information will be showing up in the local papers and is all a matter of public record.

A clarification of the two options being offered was provided: Option 1 was to join the district for pre-K through High School – option 2 was to join the district for high school only. It was pointed out that push-back on option 2 (the high school only) was less than that seen for option 1.

There being no further business before the Committee, a motion was made to adjourn the meeting. The motion was seconded and adopted by unanimous consent.

The meeting was adjourned at 8:00 PM.

Signed:

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Robert Gniadek, Chair