

BUDGET ADVISORY COMMITTEE MEETING

Wednesday February 19, 2020 – 5:00 PM – Richmond Town Hall, 1529 State Road

PRESENT: Bob Gniadek, Chair, Finance Cte.; Pat Callahan; Steve Patterson; Bob Youdelman; Neal Pilson, Selectman; Alan Hanson, Selectman; Danielle Fillio, Town Administrator; Angela Garrity, Town Accountant; Peter Beckwith, Highway Superintendent

ABSENT: Roger Manzolini, Chair of the Select-board; John Mason

GUEST:

Mr. Gniadek opened the meeting at 5:02 PM

Updates and Handouts: Danielle distributed the budget binders and identified the information contained under each tab. She explained how to redistribute some of the pages provided at the last meeting to make the system more usable.

Future Meetings: There was a discussion of the scheduled meetings coming up in the next weeks and the availability of some of the Committee members. Danielle reported that she has requested input from the School as to where they anticipate their budget will fall out and when it will be ready to submit to the Committee. Their only response to her has been to ask for the date on which they met with the Budget Advisory Cte. last year, which was March 20, 2019. As of now, there is a 5.7% increase placeholder in that column.

Health Insurance Information: Danielle noted that, once she has received all confirmations from the insurance carriers, she will be providing information on several plan change options, all of which will provide savings for the Town. One of those options will save approximately \$40,000.00 per year. There is an option to upgrade the dental plan while decreasing the Town's portion of the health insurance plan costs, which will result in better benefits overall. The Town needs to adopt Chapter 32B and form an Insurance Advisory Cte. and a Public Employee Cte. (PEC). Then meetings will be held to explain the plan options and eventually negotiations will take place with the various collective bargaining bodies.

Expenditures: Danielle reported that she has received specific numbers on the Veteran's Agent salary, which has decreased to \$500.00.

Rubbish Removal – Vendor has required a 5% increase over the budgeted \$193,000.00 (\$202,733.00). In order to cover the overage of \$7,000.00, it will be necessary to call a Special Town Meeting, unless the group would prefer to transfer the money out of the Reserve Fund. Neal noted that Richmond is the only town in Berkshire County that includes the cost of rubbish removal in the tax base. A discussion ensued that led to a consensus that this is an essential service that the town should continue to include in the tax base.

FY2021 Highway Dept. Budget, Capital Requests and Potential Stabilization: Pete Beckwith joined the meeting at this point with some handouts showing changes to the structure of his budget, which he explained. Vacation Account was renamed Salaries and vacation money, sick time, personal time and actual working time expenditures will come out of that account.

The costs of fuel were removed from the Road Maintenance and the Winter Maintenance accounts and created a separate Fuel Account. It was discovered that the actual usage was lower than the amount budgeted, so the budgeted amount was reduced.

Utilities was removed from Town Garage and made a separate account. Cable, phone, internet expenses and all electrical expenses will come out of that one account, which is easier to track and to manage.

Pete noted that the final result of the big numbers in his budget, combined with the minus numbers, is only about a \$6,000.00 increase, which is less than 1% of the budget. Danielle explained that the \$6,000.00 includes some “cushions” that were left in the budget to avoid overdrafts, such as in Winter Roads.

The cost of Gravel Roads last spring: Pete reported that he had been able to stay within budget and complete all the necessary work and he is on track this year to remain within budget as well. He also pointed out that there is unused money in the Road Construction account to deal with gravel road problems.

Danielle said she and Pete had met with the Road Advisory Committee to get specific quotes on three road repair projects they are hoping to prioritize and develop a Capital Plan for. Pete added that he has created a long-term plan for road repair projects that extends out several years and noted that there is approximately \$107,800.00 of Chapter 90 funds available for that work. There was a discussion and explanation of exactly how Chapter 90 works.

There were questions about the line item under Expenditures for the Pond (Boat Ramp) Monitors’ salaries, which will require looking at.

The Town Garage detail sheet shows last year budgeted at \$9,570.00 with a \$1,680.00 increase; but the summary sheet for the current fiscal year shows \$19,470.00. Pete explained that the difference lay in the removal of all the utilities from that line item.

Danielle introduced plans for some projects: upgrades to the Town Beach along the shoreline to make it safer for children and repair of fences that are falling over. Pete explained that the nature of the work along the shoreline would amount to little more than routine maintenance, but that the replacement of the fencing would cost about \$20,000.00. Danielle added that there was discussion about possibly incorporating a playground in the beach area and making the porta potties area more accessible. Shep Evans, the Conservation Commission Agent, has given Danielle a few ideas of how to go about that. The purpose of the addition of a playground was to encourage greater use of the beach. It was suggested that if the gate was removed, the beach would see more use and Peter recalled that the gate had remained open for the last two

weeks of the season last summer and there were no issues with vandalism, partying, underage drinking, etc.

Neal asked if the \$35,000.00 in the draft FY2021 Articles for the playground was a request. Danielle replied that the number is only a placeholder as she does not yet have the actual cost of such a playground. She has a vendor ready to meet with her next week to discuss costs and the feasibility of placing a playground in that location.

Similarly, the article for upgrading of the school's parking lot was placed in the list of Articles as a placeholder although considerable discussion will have to take place concerning the best way to proceed.

Capital Request – A Grader to replace the current 30-year old model. It is becoming difficult to obtain parts for that machine and the closest servicing dealer is in Rutland, VT. The machine is old, worn out and leaking fluids from everywhere. Danielle has received a quote on a new grader for \$365,000.00 and she and Pete have discussed having the Town pay half and State Aid pay half. Under State Aid Chapter 90, Pete could use a Municipal Lease and spread the payments out over the course of seventy-two months, that would be \$32,000.00 per year out of the State Aid.

Danielle provided information on going for a State House Note for the \$182,500.00, which would provide that amount up front. The Town could use that money as a down payment on the machine so that it can be ordered. Then the Town could enter into a Municipal Lease. Each year after that reimbursement requests could be made for Chapter 90 monies. The Town would then only pay for half of the grader. State House Notes get renewed every year and interest is based on the amount requested. The first year, therefore, interest will be based on the \$182,500.00. Danielle used a 3% interest rate, which is higher than usual.

Neal asked about the possibility of sharing this machine with West Stockbridge and Danielle replied that it is a seasonal machine and both towns will be needing to use it at the same time and none of the local towns is looking for a new grader. Alan Hanson asked if the old grader has any value. The trade-in value was quoted at approximately \$15,000.00, but it could be sold through one of the national on-line selling sites, where it would likely bring a much better price.

There was a discussion of the possible use of Stabilization funds, depending on what the income from that account is, for the down payment. Danielle cautioned against drawing down the Stabilization Account too far and suggested that a different alternative would provide the ability to open a Stabilization Account specific for Highway Expenses with a \$50,000.00 deposit.

Danielle read the list of Articles remaining – there was no discussion on those.

Discussion of the petition article from the sewer users last year. There is an anticipated shortfall in the obligations of the sewer users to the bond payments. Last year \$9,600.00 was put aside to deal with that shortfall and it was anticipated that the \$9,600.00 would need to be put aside

every year for approximately ten years to correct that. The Selectmen would be able to include an Article in the Warrant to request that \$9,600.00.

Danielle expressed her lack of experience with a town using Free Cash for recurring costs. She is used to seeing Free Cash used for Capital Expenses, such as the highway equipment under discussion and it has been her experience that the DOR would prefer that the town not use Free Cash on recurring expenses but should incorporate those into the budget. There was a discussion of the feasibility of doing that. Danielle was asked to make a recommendation as to which items currently in the Free Cash column should be absorbed into the Town Budget.

There being no further business before the Committee, Roger moved that the meeting be adjourned. The motion was seconded and adopted by unanimous consent.

The meeting was adjourned at 6:30 PM

Signed:

Mr. Robert Gniadek

Chair – Finance Cte.