

FINANCE COMMITTEE
TUESDAY, MARCH 22, 2011
SELECTMEN'S MEETING ROOM
TOWN HALL
334 MAIN STREET
5:30 P.M.

FINANCE COMMITTEE:
THOMAS BLAUVELT, CHAIRMAN
MARK LEFENFELD
JOHN BREASTED
JAMES STARK
ALICE REILLY

- 1) The meeting was called to order at 5:30 p.m.
- 2) **Four Questions from John Breasted on February 23, 2011.**
 1. A. Could Great Barrington institute separate tax levies for the Town and for our share of the School District budget?
 - B. Is it possible to separate these levies by Town ordinance or would we need to get approval through state legislature?

It was noted that it was proposed to have a separate tax rate for residential, commercial and industrial but not to separate the school from the town.

MOTION: John Breasted to ask Kevin O'Donnell to check with Town Counsel and get back to the Board.

SECOND: Jim Stark

VOTE: 3-2

2. How do revenues contribute to the state treasury through payment of state income tax? John advised that the Town should talk to the state representatives about the Town of Great Barrington's contributions to state funds.

MOTION: John Breasted to ask Kevin O'Donnell or Lauren Sartori to answer question # 2.

SECOND: Jim Stark

VOTE: 2-3 – the motion failed.

3. A Over the last 25 years what has been the amounts of state financial aid to support town capital projects such as the purchasing of a fire engine?

B. What percentage has this state aid been of annual town capital expenditures?

C. What percentage of our state aid could capital expenditures been subsidized by federal tax money for each of the last 25 years?

MOTION: John Breasted to ask Kevin O'Donnell to obtain answers to parts A&B under Question 3 and get back to the Finance Committee.

SECOND: Jim Stark

VOTE: 2-3 – the motion failed.

MOTION: John Breasted to ask the Kevin O'Donnell or Lauren Sartori for information from the last 15 years C under Question 3.

SECOND: Jim Stark

VOTE: 2-3 – the motion failed.

4. John advised that the Town Manager send a memo out to the Board of Selectmen and Finance Committee about health insurance costs for Town employees.

MOTION: John Breasted to ask Lauren Sartori about per capita health insurance costs and have the information by the joint meeting on March 30, 2011.

SECOND: Jim Stark

VOTE: 5-0

3. Thoughts, concerns about the 2012 Budget:

Jim stark asked if any engineering reports were received on bridges and storm water repairs. It was noted that none were received.

At the February 23, 2011 meeting – the following votes were taken.

1) Not to borrow \$500,000 for road improvements. The only money that will be spent will be the Chapter 90 money.

2) Not to defer the storm water construction project.

3) To retain in the budget the engineering for bridge repairs for \$50,000.

4) To borrow \$65,000 for 2 new police cruisers.

The final joint meeting of the Finance Committee and Board of Selectmen will be March 30, 2011 at 6:00 p.m. The Finance Committee Public Hearing is scheduled for April 6, 2011 at 7:00 p.m.

The Board noted that they agreed with the operating budget. There was a general discussion on the storm water deferral vote. Tom said he would ask Joe Sokul to e-mail the storm water report to the Finance Committee.

4. Elitzer Health Care e-mail to Board of Selectmen

Mr. Blauvelt noted that the Town had a very generous offer from Chip Elitzer. He sent an e-mail to the Board of Selectmen and Finance Committee volunteering his time to prepare a spread sheet to help the citizens of the Town understand the unfunded liability of 12 million dollars. The Board of Selectmen had a recent meeting and voted not to accept the offer and voted not to allow the Town Manger or Town Accountant to devote anytime on it. It was noted that the Finance Committee probably couldn't take a stand on it because the Board of Selectmen voted against it and the Town Manager wrote an executive summary recommending that the boards decline the offer. It was noted that the Board members read the analysis to better understand why it was rejected.

MOTION: John Breasted to not take any action on the Chip Elitzer proposal and the Town Manager's response until we have studied it and discussed it at another meeting. Tom advised he would e-mail the executive summary.

SECOND: Jim Stark

VOTE: 4-1

MOTION: John Breasted to meet at 5:00 p.m. prior to the 6:00 p.m. meeting on March 30th to discuss Chip Elitzer's e-mail and Kevin's Executive Summary.

SECOND: Jim Stark

VOTE: 3-2

Tom Blauvelt noted that he probably would not be able to attend a 5:00 p.m. meeting but that he would check his schedule.

5. **Finance Committee/Board of Selectmen Communication Flow**

Mr. Stark said that the Town Charter says that the Finance Committee shall consider any and all financial matters for the purpose of making recommendations. It also notes how many members should be on the Board, etc. He also noted that if Kevin O'Donnell is having private labor negotiations in executive session with the Board of Selectmen prior to the meetings with the unions then the Finance Committee is not considering all financial issues. It was the consensus of the Board that the Town Manager is the chief Personnel Officer for the Town and one his major duties is to negotiate salary and the benefit package for employees. The Town Manager works for the Board of Selectmen and the Finance Committee is strictly advisory. It was noted that the Board can make a recommendation to Town Meeting that salary increases for management not be granted. Mr. Blauvelt stated that the Board votes on the whole budget and not each line item. If salary increases were not approved, the whole budget for that particular department would be decreased.

Tom noted that he would prefer if an individual on the Board has a question for the Board of Selectmen that it be directed through the Chairman that way it could be forward on the Boards behalf. Mr. Breasted was not comfortable with that. He thought that there should be a meeting to discuss issues first.

Letter Kevin O'Donnell drafted to the School Committee regarding 60/40 levy. John Breasted felt it was not clear. John Breasted noted that there was a motion and vote by the Board of Selectmen and Finance Committee to direct Kevin O'Donnell write a letter to the School Committee stating the importance of maintaining the 60/40 split on the property tax levy. Kevin O'Donnell said that he would draft a letter for both chairman to sign. John said he understood there was some historic understanding between the Board of Selectmen and the School Committee in regard to the 60/40 property tax levy but Steve Bannon said he did not know of any agreement. Mr. Breasted thought the letter sounded like a demand. Tom said he felt that it was a very strongly worded letter that laid out the Town's wish that the school district exercise greater discipline and look at ways of raising money. Mark felt the letter was written as a negotiation process.

The superintendent wrote back that it is not possible this year. John continued to say he had a problem with the Town Manager sending the letter to all the Boards without a prior meeting in joint session to approve it. Tom said he would not have signed it if he had reservations about it plus it is what was asked of Kevin. Both Boards gave Kevin permission to write the letter to the school committee asking them to maintain the 60/40 levy. John thought it was unprofessional and rude. John also attended a meeting after the school committee meeting with the Selectmen from Stockbridge and West Stockbridge where tuition fees and school choice fees were discussed. Mr. Breasted said that it would be beneficial for the district to increase tuition fees.

6. **General State of the Town's Fiscal Health**

Jim Stark noted that he felt the 2% raises could be eliminated and the purchase of a cruiser. John Breasted said that the Town needs to be prepared for state and federal failure. Tom noted at prior meeting the Finance Committee has asked the Town to look at purchasing hybrid vehicles, etc.

The meeting adjourned at 8:30 p.m.

Respectfully submitted,

Carolyn Wichmann
Secretary