

TOWN OF GREAT BARRINGTON
FINANCE COMMITTEE
GREAT BARRINGTON TOWN HALL
334 MAIN STREET, GREAT BARRINGTON, MA

MINUTES
JULY 8, 2014
5:30 P.M.

PRESENT:

SHARON GREGORY, CHAIR

WALTER ATWOOD

MICHAEL WISE

LEIGH DAVIS

THOMAS BLAUVELT

CALL TO ORDER:

1. **APPROVAL OF MINUTES:**

A. Minutes of April 30, 2014

MOTION: Buddy Atwood to approve.

SECOND: Tom Blauvelt

VOTE: 4-0-1 (Michael Wise abstained)

B. Minutes of May 22, 2014

MOTION: Buddy Atwood to approve.

SECOND: Tom Blauvelt

VOTE: 5-0

2. **OLD BUSINESS:**

A. Sharon noted when the budget is reviewed each year; the only items shown are the direct costs for the departments. Capital expenditures and interest costs are not broken down. 64% of our total town costs are not allocated and thus we don't have full costs for each of our functions. Sharon supplied a pie chart of what the Finance Committee receives as a budget package showing this and referred to the explanation of the motion. (Attached)

Sharon read her motion: The Finance Committee requests that, with approval of the Select board, the Town Manager develop methods to make clear the following annual budget materials:

- Allocating costs according to the principal functions or services performed by the Town Government.
- Identifying revenues associated with services or functions.
- Providing more details about revenues associated with services or functions.

MOTION: Michael Wise to approve the motion.

SECOND: Tom Blauvelt

VOTE: 5-0

The Proposed New Budget Reports dated July 8, 2014 will be forwarded to the Board of Selectmen. (A copy is attached to these minutes).

B. Other Committee Updates:

Sharon noted that Jennifer Tabakin requested in order to help people understand what all the departments do that we do a summary of each of our departments. Sharon advised she drafted something and would like other members of the Finance Committee to review it. It shows objectives, our meeting schedule and hours. Tom Blauvelt said he would help on that.

There is an Association of Town Finance Meeting with different towns in Franklin, MA on October 18th. Sharon encouraged members of the Committee to attend since there is a lot of good information exchanged and speakers provide a good perspective as to how other towns deal with similar issues. She said typically not only Finance members attend, but many Select board members and Town Managers too.

Tom Blauvelt noted that the CPA application was finalized and adopted. Applications will be accepted in September 1.

Leigh said that she and Michael attended the school choice forum on June 18. Michael Gilbert of the Association of Massachusetts school committees was there and explained the school choice program. MaryAnn Young sent a PowerPoint afterwards which lists some of the stats that were discussed. She said that an average of 99 students choice out of the Berkshire Hills district every year. At a rate of \$5,000 per student, the school choice expense is \$600,000 and the school choice revenue due to those who choose-in is almost a million and a half. The net is \$850,000. The number of students who tuition in are as follows: Richmond, 31 students, Sandisfield, 30, and Otis, 14. Two students from New York also tuition in. The district's average cost per student is \$16,000. Leigh said she was asked to volunteer for an outreach subcommittee of "Monument Matters", which is a group interested in supporting the renovations. She advised she accepted that as a member of the public.

Michael said clearly the educators feel that having a larger proportion of choice and tuition students expands the size of the high school and expands the scope of the program. The district is trying to discipline the choice in process.

Karen Smith announced that the next CPA meeting is August 7th at 6:00 p.m. at the Fire House where the grant and application process will be explained.

There was a Main Street reconstruction workshop on April 16 that Leigh attended and a follow-up meeting on June 24 led by Chris Rembold. This was for business owners. The construction will begin in the fall and will finish late spring 2016. Signs will be set up and work will start on the ends of Main Street. The construction office will be set up at 271 Main Street. Richard Stanley suggested setting up Wi-Fi cameras at either end of Main Street and this could be connected to a website. Richard said he would pay for the cameras.

3. **NEW BUSINESS:**

A. Population projections and Sustainability Presentations: Berkshire Regional Planning Council (Mark Maloy)

Mark noted that the population in the county has been going down since the 1970's. In 2010 the population of Berkshire County was 131,219. We have lost about 18,000 in the last 40 years. Population changes due to births, deaths and in and out migration. Births have been going down since 1994, averaging now about 1,200 a year. Deaths have been stable at around 1,500 a year. A couple hundred is lost to migration each year. There is a higher percentage of age 50 and over. From the 20's to mid-30's we have a smaller population. We are losing population in the 20's and early 30's but in the late 30's people start to move in. The late 60's people are moving out and the 70's they are moving in. After 2030 the decline begins. The estimated population by 2060 is projected to be 80,000 people, a loss of almost 50,000 people. By 2030 – there will be a loss of about 12,420 people. The school age children will be reduced by 28%. We have lost 13% in school enrollment in the last 10 years. Educational attainment – there is a reduction in college degrees. The 20 and 30 year olds that are staying in the county are less educated than their parents. Workers reduction – 25%. Seniors are predicted to increase by 69%. There is going to continue to be a demand for housing in South County. North County – Pittsfield North will see higher vacancies. 800 more young adults need to move in every year to sustain the population. If we are only attracting older citizens 60-70 year olds we would need 2500 a year to sustain where we are. The exodus from the 20 to 30 year olds needs to be stopped. To change that, we need to promote a quality of life, offer affordable housing, opportunities for skilled and educated people, transportation and quality public schools. It was noted that Berkshire Hills has seen the enrollment go down by 10% over the last 12 years. It was noted there are 12 high schools in Berkshire County and there should only be 4. The elementary school shows about 60 students per grade. The high school has about 140. The population of Great Barrington was at its peak about 20 years ago. The tax rate will probably go up as there are more housing development and seasonal homeowners. State aid will probably go down because it is based on population. The town could look into shared equipment and services.

The county government was disbanded in the late 90's. At that time there was discussion to convert the Regional Planning Commission into a council of governments.

Sharon brought up the need for economic development and the public relations and publicity that is associated with those activities. We have discussed economic development in the last two years and people have said they don't know what that means and how it would be organized. People don't hear that much about the Southern Berkshires. Mark explained the problem is there is no county wide organization task force for that. We have the Berkshire Chamber of Commerce promoting economic development but they don't serve South County, North Adams, and Williamstown. They pretty much serve Pittsfield. Housing Development – we have Berkshire Housing and they are limited in what they do. We do have a comprehensive economic development strategy that pulls together employers from around the county, municipalities and other entities but it still takes someone to bring that investment in.

Leigh noted that she would like some of the lodging and meals tax allocated to the Southern Berkshire Chamber of Commerce for economic development.

Mark Maloy advised that Mass Small Business in Pittsfield offers help to get businesses started.

Mark explained the limitations of the demographic data that they use. It is done once in a decade, is primarily for the county as a whole, but that he tried to extract data on Great Barrington within the limits of what he had. He noted that GB's population decrease was much more modest than North County.

Sharon said she would like to ask the Town Manager if there is a way to work with the assessor's numbers to help distinguish the second homeowners, the changes in the various groups of ages and types of population changes we are experiencing. We need a common methodology that we can use from year-to-year. This would be useful to monitor changes with greater frequency than once in a decade, refine projections and adjust to dynamic changes. It is important to distinguish Great Barrington from the trends of the remainder of the county on a continuous basis.

B. Residential Exemption Discussion – Michael Wise – To put Great Barrington's tax burden in context, compare us to the rest of the state: a map of FY 14 Average Single Family Tax Bills (attached) shows the highest taxes are in the suburbs of Boston. In terms of the level of burden and the rate of increase, we are in the middle, compared to the state and to Berkshire County. The residential exemption has been part of the state tax code since 1979, as a local option. It affects a large number of people in the state, because it is used in the Boston area, but not very many places in the state. Outside of the Boston area, it is used in Nantucket and some towns on the Cape. He noted that it makes the property tax progressive. Everybody gets to take the same fixed deduction from the value of the home they own and live in, and then you adjust the rates accordingly. The effect is to give a good sized break to less expensive homes and shift the burden of the property taxes to more expensive homes and to homes that do not qualify as owner-occupied primary residences. For the average price home, the tax burden would stay the same. The chart "Percent Change in Residential Property Tax Payment (2014 Data)" shows that in the middle the percentage change is 0 – for Great Barrington, that break-even point is a property valued in the low \$300,000's, which is the average price of a home per the state's website. For a place that is assessed at half the average, which is about \$170,000, there would be a reduction of 20% in the amount they are paying in taxes. For a property that is twice as expensive as the average home, there would be an increase of about 10%. These projections are based on the assessment as reported on the state Department of Revenue website. Another effect of the residential exemption is to shift the tax burden to second homeowners and apartment owners.

The residential exemption only applies to class I residences. Commercial and industrial properties are separate. He noted we should also look at the implications of a split tax rate. To achieve the same reduction in residential taxes through a split rate would impose a large burden on commercial properties. Lenox uses a split rate.

Michelle Loubert said the Town of Sudbury has an excellent report on the benefits and consequences of residential exemption. The report is on the Town of Sudbury website/ Assessors/reports/Residential Exemption report November 2011.

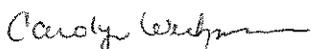
MOTION: Michael Wise – to report back to the committee with as much detail as possible on the residential and split tax impact before the fall.

SECOND: Tom Blauvelt

VOTE: 5-0

The meeting adjourned at 7:30 p.m.

Respectfully submitted,



Carolyn Wichmann, Secretary