

**TOWN OF STOCKBRIDGE, MA.  
50 MAIN STREET  
FINANCE COMMITTEE CTSB REMOTE MEETING MINUTES  
THURSDAY, APRIL 23, 2020 AT 2 PM**

1. CHAIR BIKOFSKY CALLED THE MEETING TO ORDER AT 2 PM AND NOTED ZOOM MEETING INVITATIONS WERE SENT TO THE COMMITTEE, SELECT BOARD AND MARK WEBBER.
2. COMMITTEE ATTENDEES: JAY BIKOFSKY, JIM BALFANZ, NEIL HOLDEN, DIANE REUSS, STEPHEN SHATZ AND WILLIAM VOGT.

**TOWN ATTENDEE: ROXANNE MCCAFFREY**

**OTHER ATTENDEES: STEVE BORNS (CTSB) , CLARENCE FANTO (EAGLE),  
GEORGIA MARSDEN, KEITH RAFFTERY AND ANITA SCHWERNER**

3. INTRODUCTORY COMMENTS TO THE MEETING:

**THE CHAIRMAN WELCOMED ALL TO THE MEETING AND MENTIONED THAT IT WAS SCHEDULED TO DISCUSS THE FINANCIAL RAMIFICATIONS OF COVID-19 TO THE TOWN OF STOCKBRIDGE.**

**HE THEN INTRODUCED THE MEMBERS OF THE FINANCE COMMITTEE AS WELL AS STEVE BORNS OF CTSB, THANKING ALL FOR THEIR PARTICIPATION AND THE COMMITTEE FOR THEIR INTEREST IN AND COMMITMENT TO THE TOWN OF STOCKBRIDGE.**

**HE MENTIONED THAT THE COMMITTEE SERVES A ROLE AS THE TOWN'S FINANCIAL ADVISORY AND RECOMMENDING BODY AND, IN LIGHT OF THIS MOST UNIQUE CRISIS, HAS BEEN "FULLY ENGAGED" IN PROACTIVELY HIGHLIGHTING THE FINANCIALLY RELATED ISSUES AND PROPOSED RESOLUTIONS FOR THE COVID-19 PANDEMIC.**

**HE REMINDED THE COMMITTEE AND ATTENDEES OF ARTICLE IV SECTION 2 OF THE GENERAL BYLAWS WHICH STATES " THE COMMITTEE SHALL FULLY INFORM ITSELF AS TO THE FINANCIAL CONDITION OF THE TOWN, AND ALSO PREPARE A STATEMENT OF FIXED CHARGES AGAINST THE TOWN FOR WHICH TAXES MUST BE LEVIED. ALL TOWN OFFICIALS ARE REQUIRED TO FURNISH THE FINANCE COMMITTEE WITH ANY FACTS OR FIGURES IN THEIR POSSESSION THAT MAY BE REQUESTED OF THEM..."**

4. THE FINANCE COMMITTEE MEETING MINUTES OF MARCH 5, 2020 WERE PRESENTED AND A MOTION MADE AND SECONDED BY JIM BALFANZ AND NEIL HOLDEN. A VOTE WAS CALLED AND THE MINUTES WERE UNANIMOUSLY APPROVED (6-0).
5. DISCUSSION OF THE COVID-19 IMPACT ON THE TOWN'S INCOME BUDGET: IT WAS MENTIONED THAT COMMITTEE EXAMINED THE FY2019 AUDIT REPORT, SPOKE WITH THE TOWN'S INDEPENDENT AUDITOR, REVIEWED THE CURRENT

YEAR TO DATE INCOME AND EXPENSE STATEMENTS (AS OF FEBRUARY 28, 2020) AS WELL AS CONFERRED WITH THE TOWN'S ACCOUNTANT. THE COMMITTEE ALSO CONTACTED BHRSD OFFICIALS FOR INFORMATION. AS A RESULT, THE FOLLOWING INCOME SHORT-FALLS THAT CAN BE ANTICIPATED FOR FY 20 AND INTO FY 21 INCLUDE:

- \* HOTEL AND MEAL TAX REVENUES \$439K IN FY 19 ARE EXPECTED TO FALL IN FY 20 AND FY 21.
- \* INVESTMENT INCOME OF \$116K IN FY 19 CAN BE EXPECTED TO DECLINE DUE TO A DROP IN THE FED. FUNDS DISCOUNT RATE AS WELL AS THOSE OF TREASURIES AND OTHER GOVERNMENT OBLIGATIONS.
- \* TRASH COLLECTION FEES OF \$102K IN FY19 WOULD BE REDUCED UPWARDS OF \$58K DUE TO DELAYED INSTITUTION OF TRANSFER STATION FEES UNTIL JUNE 30, 2020.
- \* PAYMENTS IN LIEU OF TAXES INCOME OF \$61K FROM NON-PROFITS WAS MENTIONED AS POSSIBLY COMPROMISED AS A RESULT OF COVID-19 RELATED CLOSURES.
- \* PERMIT AND LICENSE FEES OF \$393K IN FY 20 WERE NOTED TO HAVE DECLINED.

ADDITIONAL PRESSURE ON FY 21 INCOME WAS DISCUSSED AS BEING EXPECTED BEGINNING ON JULY 1, 2020 DUE TO CANCELLATIONS OF A NUMBER OF SUMMER CULTURAL EVENT SCHEDULES AS WELL AS DECREASED TOURISM. OTHER ADDITIONAL CONCERNS REVIEWED BY THE COMMITTEE INCLUDED:

- \* NEW AND RENOVATION BUILDING PERMITS AND RELATED INSPECTION FEES MAY FURTHER DECLINE.
- \* CHAPTER 90 STATE CONTRIBUTIONS TO HIGHWAY CONSTRUCTION MAY BE REDUCED OR NOT FUNDED FROM THE \$191K FY 19 LEVEL.
- \* VEHICLE EXCISE TAXES MAY DECREASE WITH A DECLINE IN VEHICLE SALES.
- \* POSSIBLE CASH FLOW DECLINES RELATED TO THE EXTENSION OF REAL ESTATE TAX PAYMENTS UNTIL JUNE 1, 2020 AS WELL AS A LOSS OF LATE PAYMENT INCOME FROM A REDUCTION IN INTEREST RATES WERE MENTIONED.
- \* IT WAS ALSO NOTED THAT STATE INFRASTRUCTURE IMPROVEMENT GRANTS FOR BRIDGE RECONSTRUCTION AND SEWER AND WATER PROJECTS MAY BE CURTAILED.
- \* MENTIONED WAS THE POSSIBILITY OF REDUCTION OR CURTAILMENT OF STATE MATCHING FOR CPA PROJECTS.

**6. DISCUSSION OF POSSIBLE EXPENSE BUDGET REDUCTIONS AND INCREASES FOR FIRST RESPONDERS AS A RESULT OF COVID-19:**

**THE COMMITTEE WAS ADVISED THAT EXPENSES APPEAR TO BE TRACKING THE FY 20 BUDGET FOR THE PERIOD ENDING JUNE 30, 2020.**

- \* THE COMMITTEE DISCUSSED POSSIBLE INCREASES IN THE EXPENSE BUDGET FOR AMBULANCE SERVICES, TRI-TOWN HEALTH'S ADDITIONAL STAFFING REQUIREMENTS AND POLICE EMERGENCY SERVICES FOR FY 21.**
- \* ALSO MENTIONED WAS THE POSSIBILITY OF INCREASED TOWN EXPENSES FOR EDUCATION, AS THE BHRSD RELIES ON STATE FUNDING FOR CHAPTER 70, STATE GRANTS ON A PER STUDENT BASIS, AND CHAPTER 71, STATE GRANTS FOR STUDENT TRANSPORTATION BOTH OF WHICH COULD BE REDUCED.**
- \* THE PROSPECT OF REDUCTIONS TO FEDERAL AND STATE FEMA GRANTS TO MUNICIPALITIES COULD IMPACT AN INCREASE IN TOWN EXPENSES FOR PUBLIC WORKS PROJECTS.**
- \* IT WAS NOTED THAT THE TOWN'S INDEPENDENT AUDITOR'S REPORT FOR FY 19 CALCULATES THAT A 1% DECLINE IN INVESTMENT YIELDS COULD CREATE AN INCREASED TOWN LIABILITY TO THE BERKSHIRE RETIREMENT PENSION FUND AND THE TOWN'S OPEB FUND, BOTH AT AN ESTIMATED AT \$1.5 MILLION. THIS DOES NOT REPRESENT AN IMMEDIATE CASH FLOW ISSUE BUT COULD NECESSITATE INCREASED FUTURE FUNDING IF INVESTMENT YIELDS DO NOT INCREASE.**  
**JIM BALFANZ SUGGESTED, IN ADDITION TO THE ABOVE, A REVIEW OF THE BHRSD'S FUNDING OF IT'S OPEB LIABILITY WHICH IMPACTS EDUCATIONAL EXPENSES TO THE PARTICIPATING TOWNS BE REQUESTED.**
- \* IT WAS RECOMMENDED THAT THE TOWN'S OPEB FUNDING CONTRIBUTION OF \$350K COULD BE REDUCED FOR FY 21 TO \$150K TO ACCOMMODATE FOR POSSIBLE BUDGET SHORTFALLS. MORE ON THIS ITEM LATER IN THE MEETING.**

**7. DISCUSSION OF POSSIBLE NEXT-STEP BUDGETARY CONSIDERATIONS:**

- \* THE MATTER OF FREE CASH WAS RAISED TO COVER FY 20 SHORTFALLS. THE COMMITTEE WAS IN AGREEMENT THAT THE USE OF FREE CASH SHOULD BE SUBJECT TO MADOR GUIDANCE AND APPROVAL. FURTHER, THERE WAS CONSENSUS THAT THE AMOUNTS NOT EXCEED THE TOWN'S RESERVE POLICY OF MAINTAINING FREE CASH AND STABILIZATION FUNDS OF 10% EACH. ADHERENCE TO MADOR DIVISION OF LOCAL SERVICES GUIDANCE WAS ESSENTIAL FOR THE USE OF FREE CASH AND OTHER BUDGET CHANGES.**
- \* THE THOUGHT OF A HIRING FREEZE FOR NON-ESSENTIAL POSITIONS WAS ALSO SUGGESTED.**

- \* CONSIDERATION WAS THEN GIVEN TO THE FACT THAT IF A BUDGET COULD NOT BE AGREED UPON BY JUNE 30, 2020 FOR FY 21, THE USE OF THE FY 20 BUDGET WITH A PERCENTAGE DISCOUNT FOR THE DECLINE IN FY 20 REVENUES BE USED AS A GUIDE TO FUND A FY 21- 1/12 (MONTH TO MONTH) BUDGET.
- \* REMOVAL OF 2020 ANNUAL TOWN MEETING PROPOSED WARRANT ARTICLES FROM CONSIDERATION WAS DISCUSSED INCLUDING:
  - APPROPRIATION OF FUNDS INCLUDING FREE CASH OR DEBT TO PURCHASE ANY PROPERTY.
  - APPROPRIATION OF \$196K TO RECONSTRUCT THE CIVIL WAR MONUMENT UNLESS A QUALIFIED ENGINEER DEEMS IT IS IN DANGER OF COLLAPSE.
  - APPROPRIATION OF \$228K FOR THE CHIME TOWER RECONSTRUCTION SUBJECT TO THE SAME CONSIDERATIONS AS THE CIVIL WAR MONUMENT.
  - APPROPRIATION OF \$78K FOR RECONSTRUCTION ON THE CEMETERY STORAGE BUILDING.
  - APPROPRIATIONS FOR PURCHASE OF ANY CAPITAL EQUIPMENT UNLESS JUSTIFIED BY NEED ON A CASE BY CASE BASIS.
- \* DISCUSSION OF ADDITIONAL RECOMMENDATIONS TO PROVIDE A MEASURE OF TAX RELIEF:
  - SUSPEND THE 3% TAX FOR THE TOWN'S CPA CONTRIBUTION TO THE EXTENT PERMITTED BY LAW.
  - REDUCE PENALTY INTEREST ON LATE PAYMENT OF ALL TAXES .
  - USE OF CPA FUNDS TO PAY FOR HISTORIC RESTORATIONS, THE CURTISVILLE BRIDGE AND TO SUPPORT PARKS AND RECREATION EXPENSES AS PERMITTED UNDER CPA GUIDELINES/DIRECTIVES.IT WAS ALSO SUGGESTED THAT THE FUNDS MIGHT FIRST BE USED TO REPAIR/REPLACE THE CURTISVILLE BRIDGE WING WALLS.
  - A REVIEW OF ALL BOND INDEBTEDNESS TO DETERMINE REFINANCING AT LOWER INTEREST RATES.
- \* A REVIEW OF ALL TOWN UNINSURED INVESTMENTS , CURRENTLY IN EXCESS OF \$6.1 MILLION WAS RAISED BY STEVE SHATZ AND BILL VOGT AND A RISK ANALYSIS AND POSSIBLE ALTERNATIVES SUGGESTED. MANY OF THESE ARE IN STATE HELD FUNDS. ALSO, ENGAGING A FINANCIAL ADVISOR WAS RAISED FOR CONSIDERATION BY STEVE SHATZ AND BILL VOGT.
- \* BASED UPON THESE MOST UNUSUAL CIRCUMSTANCES, THE COMMITTEE DISCUSSED CONSIDERATION OF NOT FUNDING OPEB FOR FY 21 TO EASE INCOME REDUCTION PRESSURES.

\* AS A FURTHER NEXT STEP, CHAIR BIKOFSKY PROPOSED THE ESTABLISHMENT OF AN AD-HOC COMMITTEE UNDER THE LEADERSHIP OF STEVE SHATZ AND COMPRISED OF JIM BALFANZ AND JAY BIKOFSKY TO DEVELOP A DRAFT REPORT TO THE CITIZENS OF STOCKBRIDGE FROM THE FINANCE COMMITTEE WHICH WOULD BE CIRCULATED TO THE COMMITTEE FOR APPROVAL AT THE APRIL 30TH 2PM REMOTE MEETING. A MOTION WAS MADE BY DIANE REUSS AND SECONDED BY NEIL HOLDEN WITH A UNANIMOUS (6-0) APPROVAL VOTE TAKEN.

**8. TOWN ADMINISTRATOR SEARCH STATUS:**

CHAIR BIKOFSKY ADVISED THE COMMITTEE THAT THE SELECT BOARD HAD EXTENDED THE INTERIM TERM OF MARK WEBBER UNTIL NOVEMBER 1, 2020.

**9. OTHER BUSINESS:**

THE FINANCE COMMITTEE WAS NOTIFIED OF THE NEXT REMOTE MEETING ON THURSDAY APRIL 30, 2020 AT 2 PM WITH THE CTSB ZOOM INVITATION LINK AND AGENDA TO FOLLOW.

**10. ADJOURNMENT:**

THERE BEING NO FURTHER BUSINESS, THE MEETING WAS ADJOURNED AT 3PM.