City of Hudson Common Council Finance Committee
Minutes of Regular Meeting
March 24, 2026

In attendance: Councilmember Rich Volo, Chairman; Councilmembers Mohammed Rony and Lola Roberts; City Treasurer Heather Campbell
Absent: Council President Margaret Morris

Chairman Volo called the meeting to order at 5:16 p.m. at City Hall. It was also conducted via Microsoft Teams and livestreamed on YouTube at Hudson City Zoom Meetings.

2025 Budget Report

Ms. Campbell said she was still trying to close out the books for 2025 by the end of the month. She presented budget figures through December 2025 before all chargebacks were levied. Plumbing and building permit fees totaled $263,159, at 67 percent of budget. She did not expect much change. The budgeted amount for 2026 was reduced to $270,000 from $395,000 and should be easier to meet.

Parking revenues came in at 103 percent of budget. Revenues from on- and off-street parking were down because kiosks were not installed as scheduled. On- and off-street parking revenues were unchanged for the 2026 budget but revenues from the Front Street lot were reduced. The budget for parking ticket revenues was more aggressive for 2026—$750,000 versus $440,000—due to an expected increase in penalties. Revenues for on- and off-street parking and the Front Street lot could be consolidated in the 2026 budget because parking zones were created. She said that would benefit her office because funds are received via electronic transfers, but on the other hand, it would make it difficult to determine where the fees came from. She said a resolution to combine the budget lines would be presented to the Council.

There was not much new on revenues from lodging tax, sales tax, cannabis and mortgage tax. Chargebacks were anticipated for the lodging tax, which year to date in 2025 totaled $581,048, which was 77 percent of budget. Revenues from adult use cannabis were only 56 percent of the $235,000 budgeted. Councilmember Rony said the budgeted amount for cannabis was a shot in the dark because it was the first year the tax was collected. Ms. Campbell said the Board of Estimate and Apportionment (BEA) looked at what was collected in Great Barrington, MA—around $1.3 million last year—so $235,000 seemed a reasonable amount.

“As I said at the beginning, 2025 is not closed yet. There’s still work that has to be done, but I like to try and give people a ballpark idea of where we are netting,” she said. “As we all know, the city lost $1.3 million alone in 2024 and it looks like 2025 we’re going to be about half a million dollars in the red as well. It’s not great. I think that number will change and hopefully become a little better because, as we said, the lodging tax that’s going to get charged back and I think there’s some grant expenditures for which we have to book the corresponding revenue that hasn’t been done yet. That’s sort of a change in accounting procedures as of last year. That might be another $100,000 so that may take the loss down to $380,000, somewhere in that range.”

The annual financial report (AFR) must be filed by May 1. Once filed, it will be posted on the city website and a summary provided to Finance Committee members. After that, independent auditors inspect all the financials.

2025 Year-End General Fund Projections

The total fund balance at the end of 2024 was $4.6 million, however "what everybody thinks of when they talk about the fund balance is actually just the unrestricted fund balance and that was $2.27 million." When the $484,856 shortfall between revenues and expenditures as of March 24, the unrestricted fund balance was reduced to $1.88 million, a little under 12 percent of annual projected revenues. She said the state Comptroller's Office would not provide guidelines on how much unrestricted fund balance the city should have, but the Government Finance Officers Association (GFOA) "say at a minimum, it should be two months, which is roughly 17 percent, so ideally we would like to see that number be closer, at a minimum, to $2.66 million as opposed to $1.88 million. So not the best two trends in the world right now, but there is some bright side because we do have to remember that 2024 and 2025 in particular, and before that as well, we had other offsetting things, but had some significant expenditures related to the DRI (Downtown Revitalization Initiative) grant and related to the Ferry Street bridge. People think you get a $10 million grant and it's great, except if you have to borrow for five years and you have to pay interest on everything that you borrowed for that five years and then after you borrowed for a couple of years, you have to start paying the principal down, so you can't borrow as much. It ends up costing a fair amount of money."

At her last inspection, she said the $10 million DRI grant had cost the city roughly $1.6 million. The bridge project might prove better because she hoped the city would be able to borrow for less time. In theory, there will be enough grant money to cover "pretty much the entire expenditure." She did not anticipate any significant long-term debt from the DRI or bridge project. The interest and required down payment for the short-term borrowing on the DRI was $613,000 in 2025 and was projected at $771,000 in 2026. Assuming that reimbursements were received on time, "most of that will go away."

Ms. Campbell said that there would be at least one new debt service—the pumper truck authorized by the Common Council—but that should be less than $100,000 a year. "That's some good news at least."

In response to a question from Councilmember Rony, Ms. Campbell said there was a problem with an engineering firm that had not submitted for reimbursements "even though the bridge has been open for almost a year." Councilmember Rony asked if the firm had a liability. Ms. Campbell said she recently informed City Attorney Andy Howard how much the firm's failure to submit reimbursements had cost the city. "If we have to borrow again because we don't get the reimbursement by the time our short-term expires or it matures at the middle of June it could cost another $400,000 to $500,000. And I said, that sounds like breach of contract to me. So we now are scheduling a call with the engineering firm… to have a discussion with them." She said the same firm worked with the same vendor for the bridge project with no problem. She surmised that it might be the specific team within the firm that was assigned to the project. "…We're at the point where we're having significant discussions and including the attorney at this point. When we're low on our fund balance any little bit helps."

Financial Systems

She said the new financial software was still missing needed capabilities. "That's probably going to have some extra costs associated with it," she said. "Hopefully we can cover it with the amount that we're encumbering from the software development from 2025. It's relatively new software, but it seems like every day there's another problem… It's stressful, I'm not going to lie."

Foreclosure Proceedings

Ten property owners entered into installment payment plans and two more were scheduled to sign up. A final letter was sent to people who did not owe significant balances. She said the final list would be sent to the attorney tomorrow to begin title search, which meant that the search costs would be added to the amount owed. The list was reduced from 152 properties to 27. "We've been pretty successful in being able to recoup a fair amount of money and get people off the list, which is obviously our goal, without spending a significant amount of money." The list would then be filed with the County Clerk and official proceedings begun.

In a related matter, April was the target date to put 98 Paddock Place on the market. The city foreclosed on the property.

Escrow Procedure

Ms. Campbell said she had been working with the Planning Board on an escrow policy to streamline the process, which had become "very cumbersome."

Retirement Reporting

Ms. Campbell said mandatory retirement reporting was another problem, partly due to the inability to get needed data out of the payroll system because it was poorly implemented. "I imagine that might also be an expense that we might have to incur because it has to get fixed because otherwise, we won't be able to do the reporting right without significant human intervention. It's something that has to be done every single month."

Sidewalk Improvement District Fee

The Sidewalk Improvement District (SID) fee was added to the tax bill and will be payable in the second quarter. "They've actually been made whole in terms of the money that we collected. We originally talked about giving them half and then half, and frankly we had enough cash flow in the general fund. It's easier for me to make them whole with the amount. It's what we do with the water/sewer re-levy. We immediately turn around and give the cash back out to the funds, so they have the full operating cash, so we did the same thing with the SID. We're treating it the same way."

Lodging Tax

Ms. Campbell informed committee members that "something funky is going on" regarding occupancy tax collection at the county level. The county recently contracted with Airbnb to collect tax for them. Some short-term rental (STR) operators in Hudson received communications from Airbnb stating that the company would collect the county tax directly from them and pay directly on their behalf. She said that was a problem because the city had its own lodging tax and did not pay the county. She contacted a county official, who informed her that Airbnb was only contracted for sales tax. She also contacted a representative of Airbnb to find out what they were collecting.

"We're working on trying to get it figured out," she said. The city uses Localgov software to collect tax and people are wondering why they were contacted by both firms. "It's a mess and apparently, it's a mess at the county as well because the county STR people are also getting mixed messages."

Policies

Ms. Campbell asked that the committee consider adopting the same procurement policy as the state. At present, departments can authorize up to $500 between their line items. The BEA, usually in the form of a resolution with the signature of two of the three BEA members, can authorize up to $1,000. Anything above that amount must be approved by the full Council. Those limits have been in place for about 30 years. In the interest of efficiency in departmental management and what the Council should be spending its time on, she proposed increasing those levels. She said it would not impact budget amendments. Chairman Volo asked her to submit recommended amounts.

She also asked the committee to consider indexing Council compensation to avoid issues of non- or late-payment and/or cancellation of health insurance for councilmembers. Payment sometimes became operationally problematic because the actual contribution from the councilmember exceeded the amount of their paycheck. In that instance, the councilmember had to remember to submit a check so there was enough money to pay the health insurance bill. Indexing councilmembers' pay to the contribution amount would ensure there was enough money to cover the cost.

She also asked that the committee discuss the possibility of a city credit or debit card with controlled oversight. The city used to have credit cards, but they were done away with after an embezzlement issue. She gave an example that would result in cost savings. Her office needs envelopes with postage on them. They are significantly cheaper if ordered with a credit card instead of a check. "I wouldn't want to do anything about it without significantly more investigation and obviously… there would have to be some sort of pretty significant control system in place, like a two-person sign-off… and would have to be used for limited things."

Public Comment

Resident Lloyd Koedding asked how many properties on the delinquent tax list owed less than $1,000. Ms. Campbell believed there were two, one of which was a corporation. Mr. Koedding asked how many owed less than $500 in taxes. Ms. Campbell did not know.

Arts and Entertainment Funding

Chairman Volo said $30,000 had been set aside to distribute for various events during the year. The application for funding was available online. Councilmember Roberts asked if the form was available in another format in case someone did not have access to the electronic format. City Clerk Lyric Falkner agreed to print them out for anyone who asked.

The chairman suggested that the deadline for submission be 4 p.m. April 16 so the committee could review them and submit a resolution to the full Council for approval. That would leave around three weeks for people to submit them. Councilmember Rony asked if the same dates could be used each year going forward to ensure that all individuals and groups had the opportunity to apply. Chairman Volo said he would send emails to all of last year's applicants, plus information could be distributed via Hudson Hub and a press release from the mayor's office.

Stephanie Monseu, a co-founder of Bindlestiff Family Cirkus said she appreciated Councilmember Rony's concern about submission dates. The arts community had other deadlines for grants so having more than a couple of weeks to apply would be helpful "especially when trying to encourage new organizations to apply."

Members agreed to change the next meeting to April 16 at 5:30 p.m. at City Hall to review the applications.

There being no further business, the meeting was adjourned at 5:54 p.m.