

Shutesbury Finance Committee
Tuesday, April 14, 2022, Virtual (Zoom) Meeting

Members Present: George Arvanitis, Ajay Khashu, Susie Mosher, Melody Chartier, Jim Hemingway, Bob Groves, Jim Walton

Members Absent: None

Select Board Members Present: Rita Farrell, Melissa Makepeace O'Neill, Eric Stocker

Personnel Committee Members Present: Melissa Makepeace O'Neill, George Arvanitis, Melody Chartier, April Stein, Peg Ross

Capital Planning Committee Members Present: Ajay Khashu, Bob Groves, and Ellen Mckay

Town Administrator: Becky Torres

Non-members Present: Dan Hayes, Janice Stone, Leslie Luchonok, Don Wakoluk, Amanda Alix, April Stein, Rachel Schwab, Michael Broad, Penelope Kim, Carey Marshall, Gary Rehorka

Meeting called to order at 6:33 PM

1) Town Salary Review w/ Select Board and Personnel Committee

- a) GA and April Stein summarize a new issue to be discussed by the Fin Com, Personnel Committee and the Select Board. In connection with the Personnel Committee's recent market alignment study, a parallel analysis was undertaken to classify all town positions on a grade classification system. This process involved assigning a grade to each position based on factors such as management roles, supervisory responsibilities, analytical skills, etc. During that process they found an anomaly. The library director scored as high or higher than many town professionals, but her salary was significantly below all other employees within her assigned grade.
- b) The Personnel Committee is recommending an increase to her salary of \$6,475 to bring this position into alignment with other town professionals in the same salary class (Grade 8).
- c) There is also a small adjustment (-\$285) to the 2nd Equipment Operator line that needs to be made to the market alignment study.
- d) As a result of these two changes, there needs to be an increase of \$6,190 to the bottom line of the market alignment adjustments that were previously voted on by the three committees.
- e) AK asks if this classification process is a new initiative or was this something that had been done in the past. April Stein responds that we have done this in the past, but it has been several years since the town last revisited this. BT adds that every job description has historically been assigned a grade #, but this system is over 20 years old. The town is now using a modernized salary grade system.
- f) BG states that the market adjustment details were provided to committee members on the same day the issue was discussed and that we were told it would involve a comparison of what town employees are paid relative to people in those positions in other towns. We didn't hear anything about a grading system. BG states that he needs to understand this more before he can vote on the issue. Why weren't we provided this information sooner. April Stein responds that this was a parallel process, and it wasn't until we completed this

analysis that the anomaly was discovered. GA responds that he has been telling the Finance Committee about the market alignment study all along and the results were presented at one meeting but there was a second meeting for follow-up discussion.

- g) SM asks what the Personnel Board's vote was for this recommendation. April Stein responds it was unanimous. SM adds that the MLP's recent news that there would be an increase to the MLP Manager's salary reflected some of the same considerations, including an increase in level of responsibility. SM asks if there was a pay grade assigned to that role.
- h) JH states that he is not in favor of this development. We are throwing a lot of money at all of these pay increases. The MLP has a yearly review for their manager. Why don't we have a similar review or evaluation process for town employees. Especially given that we are providing large pay increases. BT responds that unlike a business environment, we do have evaluations for town employees, but our pay scales are not tied to those evaluations. Our employees are evaluated all the time.
- i) Dan Hayes asks the Finance Committee and Select Board to look at a plan B for funding repairs to the elementary school roof. We have again applied to the MSBA for a grant, but we have not received it in the past and I don't want to rely on it to move forward on repairing the roof.
- j) BG states that Gayle Huntress is paid out of the MLP's budget, so her wages do not come from our taxes.
- k) Melissa Makepeace O'Neill states that one reason the Personnel Committee took this on now is that there is significant turnover in the job market nationally and we do not want to lose our wonderful professional employees.
- l) **SM makes a motion to approve the Personnel Board's latest market alignment figures. Motion passes 5-2 (GA, MC, AK, SM, and JW vote yea, BG and JH vote no).**
- m) Select Board approves (unanimous vote).

2) Capital Plan Funding w/ Capital Planning Committee

- a) BT shares updated capital plan (see attached). FY 23 department requests approved by Capital Planning Committee include:
 - i) SUV for Fire Chief (\$45,000)
 - ii) 10-wheel Dump Truck for Highway Dept (\$225,000)
 - iii) Three solar speed signs for Police Dept (\$12,000)
 - iv) New cruiser (hybrid SUV) for Police Dept (\$54,000)
 - v) Elementary School roof engineering study (\$60,000)
 - vi) Finance software for town Finance Depts (\$20,000)
- b) New library project had been on capital plan, but we were carrying it at the old, estimated cost. Using the current MBLC figures, we are estimating our capital need for the new library at \$2,600,000. BT states that this should be viewed as a worst-case scenario and

reports that the library trustees are undergoing a thorough review of the MBLC's estimate. They will also obtain an alternate estimate.

- c) BG asks why the HVAC Controls are not on the chart. BT responds that it was an oversight and should be added to the capital plan. The current work on the HVAC controls is fully funded but there could be more work on the system.
- d) BT states the Select Board will be working right after town meeting on a process for how potential projects will be evaluated for ARPA funding.
- e) Discussion of Elementary School roof:
 - i) BG states that he spoke to two roofing engineers and received a rough estimate of \$600,000 for replacement of the asphalt section of the school roof. BG recommends that the Finance Committee allocate funds for both the engineering and construction of the school roof in FY23.
 - ii) AK states that from his perspective, the Capital Planning Committee supports the idea of having a backup plan for repairing the school roof if the town does not win the MSBA grant. The disagreement among capital planning committee members is that many members felt that we did not have a good sense of what the project is ultimate going to cost, so let's go ahead and get a warrant in place for Town Meeting to fund an engineering study. That study will then produce an accurate estimate of what the construction will cost. We can then have a special town meeting to fund the construction costs based on that estimate.
 - iii) JW responds that this was his understanding of the Fin Com's discussion of the topic.
 - iv) BG states that the engineer he spoke with – Tom Ewing – has been on that roof several times, has the plans, and did a good analysis of what it will cost. If we don't put this money in the budget for FY23 then we are going to have to wait another year to get this done. I view this as the highest priority for the town.
 - v) JW responds that no one has suggested we put this off for another year. We have talked about how this is a priority and that the first step is getting an engineering study done. As soon as we have that estimate, we can move forward on getting funding for the whole project.
 - vi) GA recalls that the Fin Com planned to complete the roof project in two phases. The gym roof would be tackled in FY 22 and the remaining asphalt roof would be prioritized for FY 23.
 - vii) BG states that the building committee recently voted to support funding the roof project in FY 23.
 - viii) BT states that we need a firm bid in hand especially with the rising construction costs we are seeing. This is a huge project for us, and we should do this in a logical manner.
 - ix) SM states that Capital Planning has a charge, and we should move forward with their recommendations.

- x) Ellen McKay states that we should have an RFP and go out to multiple engineers to get their estimate. It is imperative that we follow the process so that we get the correct estimate of what this is actually going to cost.
 - xi) Mike Vinskey states that we have had this roof issue for years and years. We have to fix that roof and put the money up for it. We have the money for it now. I can't understand why there is such a debate about this.
 - xii) JW asks BT what the potential timeline for the roof replacement project might be. BT responds the engineering study might take 3 months, a special town meeting in August, and construction to begin in the Spring 2023. BT adds even if we allocated money now, it would be unlikely that we would be able to begin construction any sooner than that.
 - xiii) Amanda Alix asks if we do get the grant money from the MSBA, could we use that to pay ourselves back? Amanda then asks how is this situation different from what we are asking the town to do with the school library project.
 - xiv) Ellen McKay responds that the state has done the work of estimating the cost of the new library project.
- f) Funding sources for capital projects
- i) GA shares his capital funding analysis Excel workbook. The tool includes estimated costs for all projects recommended by the Capital Planning committee. It also includes the following funding sources: Free Cash, Capital Stabilization, Stabilization, Other, and Borrowing.
 - ii) AK asks if all committee members can agree that the following four projects ought to be funded through free cash: 1) school roof engineering study (\$60K), 2) two SUVs for Police and Fire Depts (\$99K), 3) Speed signs (\$12,000), and 4) VADAR accounting software (\$20K). All members agree.
- g) **AK makes a motion to recommend transferring \$191,000 from our Free Cash account to be applied towards the following four capital projects: 1) School roof engineering study, 2) two SUVs for the Police and Fire depts, 3) three digital speed signs, and 4) VADAR accounting software. SM seconds. Motion passes 7-0.**
- h) **SM makes a motion to take \$225,000 out of the town's Capital Stabilization account for the Highway Dept dump truck. JW seconds. Motion passes 7-0.**

3) Future Meetings

- a) 4/19 – Annual Fin Com report sub-committee will meet
- b) 4/27 – Discuss options for library funding, Vote on all standing warrant articles