

Shutesbury Finance Committee
Tuesday, May 3, 2022, Virtual (Zoom) Meeting

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

Members Absent: None

Non-members Present: Leslie Luchonok, Gail Fleischaker, Penelope Kim, Eric Stocker, Barbara, Elaine Puleo, Timothy Logan, Mary Anne Antonellis, April Stein, Carolyn Platt, Peg Ross, Mike Vinskey, Sandy, Lauren Hold, Amanda Alix, Rita Farrell, Dan Wakoluk, Weezie Houle, Rachel Schwab, Paul Lyons, Gary Rehorka, Penny Jaques, Kate Cell, Jon Lawless

Meeting called to order at 6:03 PM

1) SM makes a motion to approve the minutes from 4/14 as amended. Motion passes 7-0.

2) SM makes a motion to approve the minutes from 4/27 as amended. Motion passes 6-0 (GA abstains).

3) SM makes a motion to approve the minutes from 4/5 as written. Motion passes 7-0.

4) Library Project Review

- a) The library commissioned a new cost estimate since the original estimate came in so high. The recommendations for soft costs were very different (architect, furnishings, professionals). The MBLC gave the trustees 2 options. The MBLC has given us permission to utilize a total local obligation of \$2,444,953.
- b) Funding sources include the Library Gift Fund which is currently valued at \$323,854. The Town's Library building fund has \$252,700.
- c) BG states that he is concerned about the estimate being lowered by 25% and removing the contingency. He asks what are we going to do if the project is much more costly. Mary Anne Antonellis responds that the estimated fixed construction costs were comparable in the two estimates. The major difference was in the area of soft costs. Moreover, the cost estimate includes escalations and assumes 2023 building costs.
- d) Mary Anne states that typically the MBLC pays a portion of the original estimated costs. That results in a fixed grant amount. In the case of the small library grant, the state has committed to pay 75% of the actual costs.
- e) Leslie Luchonok asks if the state has put a maximum amount that they would award. Mary Anne confirms that the maximum award will be \$6,000,000.
- f) BT states that the Select Board had planned to review ARPA funding initiatives after town meeting. It is uncertain whether the Select Board will be able to consider this in time for town meeting.
- g) BG says we have never really had a process for evaluating how ARPA funds are going to be expended and Fin Com should be a part of this process. We need to consider what uses for ARPA funds are in the best interests of the town.
- h) Amanda Alix asks why the Fin Com wants to apply \$250,000 of free cash and \$187,507 towards the library project.

- i) GA asks what we have available in ARPA funds. BT responds that we have somewhere between \$525,000-\$580,000 of ARPA funds. Using stabilization and/or ARPA funds to reduce our long-term debt obligation makes sense.
- j) BG states that last year we discussed utilizing ARPA funds to pay for the HVAC project. They are supposed to be spent on improving the air quality at the elementary school and/or the town hall.
- k) BT updates the committee that our latest understanding is that ARPA funds can be used for infrastructure projects such as the school roof. Shutsbury's use of these funds won't be restricted in the same way as larger municipalities.
- l) SM proposes that we use \$200,000 of ARPA funds for the library project and if the Select Board does not approve of it, we can increase the borrowing amount by \$200K.
- m) GA asks if we have an expert study on the HVAC. BG responds that the controls are being updated and modernized. Any additional HVAC project would not be considered necessary, but it would certainly improve the air quality at the school.
- n) Eric Stocker asks about the length of the loan. BT responds that the loan cannot extend beyond 20 years to get an optimal interest rate.
- o) **SM makes a motion to recommend the following funding plan for the proposed library: \$250,000 transferred from free cash, \$238,000 transferred from Capital Stabilization, \$150,000 transferred from Stabilization, and borrowing the remaining \$1,172,871. AK seconds. Motion passes 5-2 (BG and JH vote no).**
- p) JH states that he will be voting against this motion because we are borrowing \$225,000 for the highway dump truck.

5) Final Budget Review (Fire Dept and SES)

- a) BG raises the topic of how neighboring towns utilize School Choice \$ to fund their school budgets.
 - i) SM: The budget on the school committee's website is the same as the one sent out.
 - ii) **SM makes a motion to recommend support the proposed elementary school budget. GA seconds. Motion passes 4-3 (MC, BG, and JH vote no).**
- b) BG raises the topic of fire department maintenance budget. Walter justified an increase to this line because he has historically performed maintenance duties. GA suggests funding this line at \$17,000.
 - i) **BG makes a motion to maintain the Fire Dept maintenance budget at \$11,000. JH seconds. Motion passes 4-3 (GA, AK, and JW vote no).**
- c) **SM makes a motion to support an operating budget of \$6,699,774. GA seconds. Motion passes unanimously 7-0.**

6) Complete Warrant Article Review

- a) **Highway Truck Capital Project: GA makes a motion to recommend Article 10 as amended. SM seconds. Motion passes 5-2 (BG and JH vote no).**

- b) **Full Budget Warrant: AK makes a motion to recommend approval of Article 7 as amended. JW seconds. Motion passes unanimously 5-0 (BG and JH abstain).**
- c) **Library Funding Warrant: GA makes a motion to recommend approval of Article 5 as amended. SM seconds. Motion passes 5-2 (BG and JH vote no).**
- d) **CPA Article: AK makes a motion to recommend approval of Article 19 as amended. SM seconds. Motion passes unanimously 7-0.**
- e) **Assessor Exemptions: BG makes a motion to recommend approval of Articles 28 through 42 as written. SM seconds. Motion passes 7-0.**
- f) **Citizen Petition for Elementary School Roof: BG makes a motion to recommend approval Article 46 as written. JW seconds. Motion fails 2-4-1.**

7) Upcoming Meetings

- a) 5/9: Report Subcommittee
- b) 5/10, 6:30PM: Fin Com full committee

Meeting adjourned at 9:22