

Shutesbury Select Board Meeting Minutes
May 12, 2020 Virtual Meeting Platform

Select Board members present: Melissa Makepeace-O'Neil/Chair, Elaine Puleo, and April Stein
Staff present: Becky Torres/Town Administrator; Linda Avis Scott/Administrative Secretary
Finance Committee members present: Jim Hemingway, Rita Farrell, Bob Groves, Ajay Khashu, Weezie Houle, and Jim Walton

Personnel Board members present: Ralph Armstrong, Melissa Makepeace-O'Neil, Peg Ross, and Jim Walton

Guests: Jeff Lacy, Melody Chartier, Kevin Rudden/Administrative Assessor, Ellen McKay/Tax Collector, Susie Mosher/Town Clerk, Mike Vinskey, Phil Parker, and George Arvanitis

Makepeace-O'Neil calls the meeting to order at 5:35pm.

Agenda Review: Per Torres, the Planning Board amendments will be considered on 5.26.20

Public Comment: None offered. Torres notes that public comment is not required under the State of Emergency Open Meeting Law legislation.

Discussion Topics:

1. Annual Town Meeting Planning Updates: Torres: Per Lieutenant Governor Polito's report about the Reopening Advisory Board, there will be a cautious and heavily monitored phased reopening; Town officials' focus has been on planning annual town meeting and the municipal election. Torres continues: there has been some work on plans for reopening town hall, i.e. considering the use of face shields in spaces where plexiglass will not work, i.e. the Town Clerk's office; Mary Anne Antonellis/Library Director is considering library practices and has asked for a quote from Amherst Glass for the installation of plexiglass surrounding the circulation desk/staff work area; further conversations about protocols and how to manage shared work spaces; i.e. the Accountant and Administrative Secretary will be needed. Per Torres, the auditors will begin their work 5.18.20 and will request documents to be reviewed ahead of time and be set up downstairs in town hall. Earlier 5.12.20, Torres spoke with Principal Jackie Mendonsa and Superintendent Jennifer Culkeen who are apprehensive about use of the gym for annual town meeting never mind public use of the whole building. Puleo's letter to Senator Comerford and Representative Blais was forwarded to Culkeen and Mendonsa. Torres continues: currently, the custodians are in the school building 3-4 days/week and, at times, Mendonsa and Jessica Carlson-Belanger/School Secretary are in the building and do so separately; both Culkeen and Mendonsa appreciate being involved in the decision making process and identified their need to be sure the Town hires a service to do a thorough cleaning after use because a deep cleaning has already been done; school staff are very vigilant and cleaning is done after any one of them uses a space; Culkeen and Mendonsa encourage the Town to plan for an outside meeting. Torres clarifies that there are about 3-5 staff who use the school and that the custodians handle school deliveries; if the building is used for annual town meeting, Culkeen and Mendonsa would want the school to be closed to use for two weeks afterwards. Puleo: this is the one building that can be used. Torres: Culkeen and Mendonsa have extraordinary

responsibility. Puleo: Senator Comerford will bring the letter forward to Senate. Torres will forward Puleo's letter to Stein and Makepeace-O'Neil.

2. Planning Board Proposed Zoning Bylaw Amendments: This item is carried over to the 5.26.20 meeting.
3. Solar PILOT Agreement with Storage Unit Amendment: The Board reviews the 5.12.20 final version of the "Amended and Restated Agreement for Payment in Lieu of Taxes for Personal Property between LSDP 12, LLC and the Town of Shutesbury dated as of February 18, 2020." Torres: in Section 13, Lodestar struck the phrase "regardless of any changes to the law or tax status of the Owner" and Town Counsel Donna MacNicol acknowledged that any legislative change to the law remains pending; the last sentence of the paragraph was deleted pursuant to MGL Chapter 59. The second and the last sentences of the paragraph are amended to read "so long as the Owner decommissions, *recovers*, and removes the equipment from the site". Puleo moves the Select Board approve the final version of the "Amended and Restated Agreement for Payment in Lieu of Taxes for Personal Property between LSDP 12, LLC and the Town of Shutesbury dated as of February 18, 2020."; Stein seconds the motion. Torres: LSDP 12, LLC is owned by Lodestar. Jeff Lacy/Planning Board: there are three decommissioning conditions in the Planning Board special permit. Torres: the decommissioning will be defined per the Planning Board special permit. Roll call vote: Stein: aye, Puleo: aye, and Makepeace-O'Neil: aye; the motion carries.
4. Town Administrator Updates: New part-time Police Officer Tyler Alves is training with Officer Johansson; Administrative Assessor Kevin Rudden is testing virtual house/property inspection software and will be able to obtain a free copy of the software for his role in testing; Tim Hunting/Highway Superintendent is learning to use Zoom and will be able to attend the Community Resiliency Building workshop; new part-time Highway equipment operator Will Stratford's work is allowing Hunting and Sullivan to prep a section of Locks Pond Road for paving; safety personnel activity has been quiet. Stein appreciates Town Clerk Susie Mosher's signs about early voting located around Town. Puleo notes that the online issue of the "Our Town" newsletter looks great. Torres: one complaint was received regarding the use of Crocker to send the informational/newsletter announcement email. Stein acknowledges the efforts to get news out to residents. Torres: the goal is for more residents to sign up for Town Announce; the "letter sign" will be put in front of town hall to announce that annual town meeting materials will be on the Town website. Puleo will provide extra masks for use in town hall. Town Clerk Susie Mosher is now in Monday, Wednesday and Friday and Assistant Town Clerk Grace Bannasch is in Tuesdays and Thursdays; voters are requesting early/absentee votes. Thus far, the Town's census response is 60%; Mosher is working on other ways to communicate the importance of completing the census form. Makepeace-O'Neil acknowledges the work of the Select Board and all that has been accomplished. Stein appreciates Makepeace-O'Neil's leadership.

Administrative Actions:

1. On behalf of the Select Board, Makepeace-O'Neil will sign vendor warrants totaling \$139,259.17.
2. On behalf of the Select Board, Makepeace-O'Neil will sign payroll warrants totaling \$95,922.89.
3. Stein moves and Puleo seconds a motion to approve the 4.28.20 meeting minutes. Roll call vote: Stein: aye, Puleo: aye, and Makepeace-O'Neil: aye; the 4.28.20 minutes are approved as presented.
4. Stein moves and Puleo seconds a motion to approve the 5.5.20 meeting minutes. Puleo notes a spelling error. Roll call vote: Stein: aye, Puleo: aye, and Makepeace-O'Neil: aye; the 5.5.20 minutes are approved as amended.
5. Stein moves and Puleo seconds a motion to approve the 5.7.20 meeting minutes. Roll call vote: Stein: aye, Puleo: aye, and Makepeace-O'Neil: aye; the 5.7.20 minutes are approved as presented.

Discussion Topics (continued)

5. FY21 Annual Budget: Makepeace-O'Neil explains the procedure for this agenda item: committee members will be the primary speakers; time constraints will determine public comment. Rita Farrell calls the Finance Committee to order; all members identify themselves. Peg Ross calls the Personnel Board to order; all members identify themselves. Torres: during the 5.5.20 meeting, the FinCom discussed the FY21 budget and the economic impact of COVID-19. Farrell: Shutesbury is in relatively good financial shape due to the accumulation of significant reserves; during the 5.5.20 meeting, a majority of FinCom members agreed to use reserves to offset an anticipated reduction in state aid of approximately 30%; free cash could be applied to meet all budget requests. Per Farrell, Torres has prepared two overviews: the 5.12.20 "Reserve Funds Analysis/Lump Sum" and "Reserve Funds Analysis/Individual" indicating funds added to free cash from Fund 30 transfer and unused FY20 funds; using \$400,000 reserve funds to fund the FY21 budget will reduce the property tax rate by \$1/\$1,000. Torres: this does not include a projected cut in the regional budget which may be quite significant; an alternative method could be used and less free cash would be needed to balance the budget. Torres to Jim Hemingway's question: there is no definitive answer regarding school transportation refunds; to Ajay Khashu's question: there are separate transportation contracts for the elementary school and the region. To Farrell's question, Torres will ask whether increased transportation costs are anticipated for the next school year. Bob Groves states his points about the budget: the need for greater cuts for taxpayer relief; the need for precautionary measures to protect against potentially difficult future situations; the FinCom has done well to claw back unused funds; SREC funds could be used as a revenue source; capital improvement requests could be put to the side, i.e. school floors; it is important not to cover everything with free cash because it is a savings account. Torres: SREC funds are included in the Fund 30 transfers. Torres to Peg Ross' question: the first SREC account helped fund the fire station solar panels; subsequent SREC funds were being saved for a Town solar farm and/or other energy projects; at this point, the SREC funds will go back to free cash. Torres to Ross' question: currently, the tax rate will increase from \$24.04 to \$24.19/\$1,000; with a reduction in the regional budget, we will have the ability to reduce the tax rate by \$1.00 to approximately

\$23.20/\$1,000. Kevin Rudden/Administrative Assessor: this holds true if valuations stay the same. Rudden to Farrell's question: work on ratio studies will begin in mid-June with an estimated completion date in October 2020; based on sales being above assessed values, some property values may increase. Torres to Stein's question: the change from the FY20 to the FY21 budget becomes negative depending on how much free cash is used. Farrell: the current increase is .83%. There is a brief discussion about real estate values and sales. Groves: property taxes are the most unequal; it is not fair to those who cannot pay tax increases and do not plan to sell their homes; we should be concerned about the effects on the poorest people in our community. Rudden: per statute, the ratio studies have to fall as close to the 1.0 ratio as possible; the problem in Shutesbury is the 96% residential tax burden. Mike Vinskey: the option to use free cash is a step in the correct direction; Eric Stocker suggested not funding "forward-thinking" items in the FY21 budget, i.e. OPEB, stabilization, the new library fund, etc.; doing so, would result in a \$227,000 reduction in the budget. Vinskey states his concern about presenting a budget that is the same as it has been when people have lost jobs, retirement and savings and hopes this concern is considered. Stein: there is a risk to removing the library, etc. from the budget and funding these items through separate warrant articles; this is a level funded budget and it would be reactionary to take away the 3% COLA; making great cuts now, could result in a significant future tax increase. To bridge Stein and Vinskey's concepts, Puleo suggests reducing the funding for each of the items in question and putting those funds toward reducing the budget. Torres: that concept was discussed during the 5.5.20 FinCom meeting. Stein appreciates Puleo's effort to mediate; the budget presented is a good budget. Khashu: funding the "forward-thinking" items with free cash results in a \$1.00 decrease in the tax rate. Weezie Houle agrees with Khashu. Torres refers to the Reserve Fund Analyses: instead of having individual warrant articles, the budget, funded as a whole, could be presented; the reduction in the regional budget and the potential loss in state aid may result in a budget needing far less free cash. Ellen McKay/Tax Collector notes that if OPEB is not funded, there will be a "finding" in the audit; eventually, it is expected that OPEB will be fully funded. Groves emphasizes the need to focus on essentials and suggests holding some funds back from OPEB and removing the \$112,000 placeholder for trucks. Groves restates the importance of tax reduction for those at the low end and not conducting the budget as usual. George Arvanitis: according to the last actuarial report, the Town has not been keeping up with OPEB; the liability continues to grow and to make up the gap will require a commitment; we are in a crisis, however, the Town has been successful in accumulating cash, a rainy day fund, which needs to be used to cover the decrease in state aid; there will be reductions in other areas and it is unwise to pull out these (forward-thinking) items from the budget. Walton: the FinCom's focus is to use free cash to plug the gap in state aid. Torres: the anticipated \$250,000 decrease in state aid will be solved with free cash; instead of taking the five items out of the budget and addressing them as warrant articles, they could be funded with a second pot of free cash; approximately \$400,000 free cash would be used. Walton: the FinCom was okay with including the five items in the budget. Torres: there will also be an inflow of free cash from FY20 resulting in a net free cash use of \$260,000. Farrell asks for input on the use of free cash and the COLA from other Select Board and Personnel Board members; the FinCom will vote subsequent to hearing from the Select and Personnel Boards. Puleo: the Select Board already voted for the 3%

COLA. Houle: yes, that vote was taken. Stein: the COLA is coming up because it was suggested it be taken out of the budget; to avoid slashing the budget, this is an opportunity to use savings to fund the forward-thinking items and reduce the tax rate. Khashu echoes Stein's point and is in favor of a strategy that represents a fair compromise and tax levy savings to residents; although there is some concern about depleting free cash, the situation merits its use. Ralph Armstrong: the FinCom's strategy is good; using free cash could create a structural deficit going to the next year. Stein: there will be an influx of free cash from the current budget. Torres: it is possible to create a structural deficit; if the following year is not rebounding, there will be the ability to cut back then. Vinskey recommends using an additional \$150,000 in free cash to further reduce the tax rate. McKay notes that funds for an Assistant Tax Collector will go back into free cash; using free cash to further reduce the tax rate can be a dangerous slippery slope. Farrell: because it is not known what the next year's budget will be, using more free cash could be a problem. Torres: creating increased levy capacity will allow future funding of the forward-thinking items. Makepeace-O'Neil: this is a unique situation of unknowns; it is smart to use free cash to fund a short fall in state aid and lowering the tax rate is appreciated; Shutesbury is fortunate not to have to depend on business income. Farrell appreciates the opportunity to receive Select Board and Personnel Board members feedback. Torres to Hemingway: regional numbers are expected in a week to ten days; DOR numbers for the state cuts are pending, however, our estimate is conservative and an answer is expected before the end of the month; as per Makepeace-O'Neil, Shutesbury is not subject to commercial tax losses and the last quarter of FY20 is being held harmless. Farrell suggest that the FinCom could wait until the end of May, when state aid and regional numbers are clear, to finalize the budget. Puleo to Groves' question: discussions about annual town meeting with the Town Moderator and Board of Health are in process. Stein: if necessary, a 1/12th budget is an option. Vinskey: our revenue stream is people; we are not thinking of those who may be unemployed. Stein: by reducing the tax rate, we are. Torres: along with a reduction in the tax rate, Town services are important to those with less income. Arvanitis notes that reductions in the tax rate benefits those with the most expensive homes the most. Farrell to Arvanitis' question: Community Preservation Act funds can be used for rental assistance however not by homeowners; Easthampton and Amherst are setting up CPA rental assistance programs; the Shutesbury Community Preservation Committee was approached by the Franklin Regional Housing Authority about a possible regional program though a proposal has yet to be received.

At 8:00pm, Puleo moves and Makepeace-O'Neil seconds a motion to adjourn the meeting. Roll call vote: Stein: aye, Puleo: aye, and Makepeace-O'Neil: aye; the motion carries.

At 8:00pm, the Finance Committee adjourns their meeting. At 8:00pm, Armstrong moves and Walton seconds a motion to adjourn the Personnel Board. Roll call vote: Armstrong: aye, Ross: aye, Walton: aye, and Makepeace-O'Neil: aye; the motion carries.

Documents and Other Items Used at the Meeting:

1. Amended and Restated Agreement for Payment in Lieu of Taxes for Personal Property between LSDP 12, LLC and the Town of Shutesbury dated as of February 18, 2020 - 5.12.20 final version
2. 5.12.20 Reserve Funds Analysis/Lump Sum
3. 5.12.20 Reserve Funds Analysis/Individual

Respectfully submitted,
Linda Avis Scott
Administrative Secretary