



Finance Committee

9/13/2022, 3:30 PM

Virtual Meeting

Minutes

Pursuant to Chapter 20 of the Acts of 2021, this meeting was conducted via remote means.

1. Call to order, Review Agenda

Members participating remotely: Steinberg; Griesemer; Schoen; Walker; Miller; non-voting members: Hegner; Kubiak; Holloway

Members absent: none

Others participating remotely: Town Manager Paul Bockelman; Finance Director Sean Mangano; Comptroller Sonia Aldrich; Jones Library Director Sharon Sharry; Jones Library Trustees Alex Lafevre, Bob Pam, Kent Faerber and Austin Sarat; Clerk of the Council, Athena O'Keeffe; Minute Taker W. Kaizen

Steinberg declared the presence of a quorum, called the meeting to order at 3:34 pm, then confirmed all participants can hear and be heard, and announced audio and video recording

2. Public Comment

Jeff Lee, District Five, Amherst spoke in support of looking at the library project in relation to the budget of the town as whole, particularly in relation to the school project.

3. Library Project Budget and Financing

The committee took several minutes to review the responses to the questions in the packet. Mangano put the responses onscreen for the public to see; members asked questions and made comments about the responses as below.

Schoen noted that current draw on the endowment is thousands of dollars higher than the approximate rates in the document. Lefebvre clarified why this is the case, saying that the budget changes from year to year. Pam further explained that there is a two year lag that determines, by average, how much they draw in a given year, which they try to keep at 4%; Sharry said that the draw and the town's appropriation are not linked—the town appropriation pays for salaries and what's not covered by that is covered by state aid and not the endowment, meaning that the endowment doesn't pay for library salaries. Pam reviewed the library's budget lines. He said that the endowment helps pay for books, heat, light, insurance and other similar expenses. Griesemer asked why the expenditures were separated between town money versus the endowment. Miller asked about the

Trustees taking the endowment off the table for the building project. Lefebvre said that the prior MOU was taken off the table until the library is able to get price certainty. Sarat said that they did this so that they could get through the construction bid phase before deciding on how to proceed further.

Griesemer noted that staging parts of the building would allow for raising additional gift and grant money. Hegner raised the issue of wiring the building now but adding ports and such later as a means of cost savings. Lefebvre said that they were already thinking about this.

Pam said that the changes to the project plan include the elimination of the sawtooth windows and the solar panels as well as fancy ceiling treatments. Members and Trustees discussed further aspects of these changes.

Members and Trustees discussed projected fundraising, including donations and bequests. Faerber detailed when they should know about various gifts, grants, and other funds. Mangano showed a document included in the packet that benchmarks plausible fundraising goals. Pam said that he developed a different scenario which shows a gap of about \$6 million. Griesemer said that she's more comfortable with the numbers on the benchmark document than she thought she would be because of her experience working on behalf of the Amherst Survival Center. Sarat said that the Trustees are comfortable with these numbers. Faerber mentioned previous examples of million dollar donations in Amherst, including for the North Amherst Library. Members and Trustees discussed cash flow relative to fundraising. Schoen noted that the town was at risk if the amount of money needed through fundraising doesn't come in and the endowment can't cover necessary expenses. She also noted that not only is the debt higher, but the cost of borrowing is higher too. Mangano responded that he agrees and that he is working to model cash flow, interest rates, etc. Faerber said that the risk needs to be evaluated incrementally. Sarat responded that new sources of funding have emerged recently and that the new project is "highly precedented". Griesemer said that the library building can be mortgaged and town debt can be refinanced if need be. Kubiak and Miller spoke in favor of letting the project go out to bid. Walker asked Mangano for modeling of the impact on various scenarios on the town budget. Schoen agreed with Walker's request and expressed concern that there is the perception that the Town has bottomless pockets. Pam noted that the library has deed restrictions which will affect getting a mortgage. Sharry replied that they could potentially get a mortgage against the endowment instead of the building or land. Sarat emphasized that the Town and library are partners. Sharry urged that people send letters to legislators asking for help.

VOTE

Motion: Griesemer moved, Miller seconded that the Finance Committee recommend to the Town Council that they reauthorize the Town Manager to enter into a new MOA with the Jones Library Incorporated acting by and for its Trustees

Discussion: Griesemer said that the original MOA didn't include the possibility of the Town abandoning the project or who pays for what, when, or the issue of fundraising.

Therefore a new MOU is called for. Holloway asked if a renovation estimate will be part of a new MOU. Griesemer said that we already have a repair estimate and that a new one would cost around \$100,000. She said further that renovation other than the current project is not currently under consideration and will be even more costly. Schoen said that the motion as proposed is too broad and should be closer to what the Trustees agreed to; that it should be a bridge MOU to get through the bidding process. Bockelman said that any MOU he would sign will reflect the goals of the Trustees vote and that he does look at it as a bridge. Members and staff discussed the timeline for decision points in the process. Griesemer said that this new MOU would not add to or change the previously agreed upon budget. Griesemer said it would be better to leave the current MOU intact and add this newly proposed bridge at the discretion of the Town Manager and Town Council. Schoen said she hoped information could be gathered along the way for alternatives to the project. Pam and Mangano noted that about \$2.2 million would need to be returned to the MBLC if the project is stopped after the bidding. Hegner spoke in favor of the motion and also said that we need to understand how the library will fit in relation to the four big town capital projects.

Voted: members voted 3-2-0 with Schoen and Walker against; non-members voted unanimously in favor—the vote passes

Motion: Miller moved, Griesemer seconded to reconsider the previously approved motion

Discussion: Miller said she wants to pass a motion that they could all support

Voted: unanimously in favor

Motion: Schoen moved, Griesemer seconded that the Finance Committee recommend that the Town Council reauthorize the Town Manager to enter into a Memorandum of Agreement between the Town of Amherst and the Jones Library, Incorporated, acting by and for its Board of Trustees, with an addendum/amendment that includes a bridging agreement for the time period prior to moving to construction.

Discussion: Mangano asked if the intent was to keep the existing MOA. Bockelman said that this wording looks fine.

Voted: Vote: 5-0, 3 resident members in support

4. Approval of Minutes No minutes considered

5. Committee Meeting Schedule and Future Agenda Preview

Steinberg raised a number of issues that the committee needs to review in coming meetings, including trash pickup, streetlights, a street acceptance proposal, and the special act to allow Amherst to create a tax on real estate transfers.

6. Items not anticipated by the Chair 48 Hours in advance

None

7. Adjourn

Steinberg declared the meeting adjourned at 6:20 pm

Minutes prepared by W. Kaizen

Record of Agenda Packet Materials and Documents Presented:

09-13-2022 Finance Committee Agenda

2022-04-12 DRAFT Finance Committee Minutes

2022-04-26 DRAFT Finance Committee Minutes

2022-05-03 DRAFT Finance Committee Minutes

2022-05-10 DRAFT Finance Committee Minutes

2022-05-12 DRAFT Finance Committee Minutes

2022-05-17 DRAFT Finance Committee Minutes

2022-05-19 DRAFT Finance Committee Minutes

2022-05-24 DRAFT Finance Committee Minutes

2022-05-26 DRAFT Finance Committee Minutes

2022-05-31 DRAFT Finance Committee Minutes

2022-06-07 DRAFT Finance Committee Minutes

2022-06-21 DRAFT Finance Committee Minutes

2022-07-19 DRAFT Finance Committee Minutes

2022-09-06 DRAFT Finance Committee Minutes

21-06C Appropriation and Borrowing Authorization - Jones Library - signed

21-36 Council Order - Authorization for Town Manager to Sign Library MOU

22-08A CPA Appropriation and Borrowing - Jones Library - signed

7.b. Town Council 9.12.22 - Jones Library Update

Email from Lynn Griesemer re Jones Library 09-05-2022

Entire Project Timeline 1-27-21

ScenarioMilestones20220911

SECOND DRAFT of Questions for Library and Town as of 9-12-2022 with additional Councilor Questions