

FAC Meeting 1.7.22

Members Present: Gordon Little, Sheila Morse (chair), Anne Rider; Rusty Marine (SB Liaison)

Members Absent: Timm Harris, Lynn Pancake

Meeting called to order at 12:30

1. **Recognition of Public:** Isaac Wagner, Consultant to Guilford on Library Expansion Project
2. **Approval of minutes** of 12.10.21: Anne moved and Gordon seconded that the minutes be approved. Vote to do so was unanimous.
3. Review of **Library Expansion Project** and use of Town Funds
 - a. Isaac thoroughly reviewed the history of the project, from 2018 on. Those interested in this discussion should go to the FAC page on the Town's website to view the video of this meeting, once Peder puts it up. It was very helpful and provided a number of insights to the FAC committee members, including:
 - b. Financing - the proposed mix of funding sources is good and includes tax credits, Town funds, grants, fundraising on the part of the Friends of the GFL, and loans. Isaac believes that it would be a stretch to apply ARPA fund parameters to this project.
 - c. Isaac doesn't know the particulars of the \$195K in bond funds available to the Town, nor can he speak to their original purpose. He noted that bond loan interest rates are lower than other loan interest rates. *Peder has promised to get this bond fund information for the FAC the week of 1.10.22.*
 - i. Of the potential \$400K in loans, were the Town to use the \$195K in bond funds available, the overall interest cost of the total loan would be lower than going for \$400K in a USDA Rural Development loan.
 - ii. If the maximum loan was through the USDA, annual repayment is approximated at \$1800 / month (\$21,600 per year) for 30 years. *This figure has varied since 12.1.21.*
 - d. Time is of the essence: building costs are likely to increase in the future, or perhaps plateau.
 - e. Members discussed the impact of the Library becoming a Municipal entity some years ago, the \$300K set aside for the library's capital improvements, the fact that the expansion will cost in excess of \$1 million, and that there will be increased operating and loan costs to the Town going forward long into the future.
 - f. **To summarize: FAC members have mixed feelings about the project because of the cost of the building and costs going forward but acknowledge the expanded capacity to serve the adults and youth of our community. They agree that the plans make sense and that the carrying costs to the Town (which**

annually will be up to \$21,600 in interest + the additional monthly operating costs) will benefit the Town for a long time to come. The FAC is in favor of the SB asking the Town to vote on a bond issue.

4. Review of discussion of **recommendations to SB on Employee Compensation**
 - a. At its 12/27/21 meeting the SB asked the FAC to weigh in on the proposed across-the-board 5% wage increase for Town Employees in the FY2023 Town Budget and their plans to consider bonuses in addition to the proposed 5% increase.
 - b. **The FAC agrees that a 5% increase, while high, is justifiable because of the increased Cost of Living Allowance factor.** It was noted that Town residents may not benefit from such an increase.
 - c. **The FAC is opposed to bonuses for two reasons:**
 - i. **The SB has not conducted regular performance reviews with Town Employees. These reviews would potentially provide supporting data for bonuses. it is problematic to justify bonuses, absent reviews.**
 - ii. **The Town leaves itself open to charges of discrimination, lack of transparency, etc., absent reviews,**

Gordon moved and Anne seconded to adjourn the meeting at 1:46. Vote was unanimous.

Below is a copy of the FAC 12.10.21 report on this topic.

- d. Sheila reported on a conversation with Michael and Zon, SB members, during which the following suggestions were covered:
 - i. Review latest Compensation Report from VLCT to evaluate Guilford's status. *Rusty commented that he'd done so in the spring at Richard's request and found that Guilford's salaries are in line with those from across the State. He wasn't sure if our benefit package, which includes paying 100% of the health insurance premium, is on a par with or better than other Vermont towns.*
 - ii. Use the October CPI as the basis for across-the-board salary increase level.
 1. *Some of the FAC members felt that a 5.2% salary increase is excessive, and suggested that increases be more merit based than across-the-board.*
 2. The SB may wish to take a rolling 12-month average for the salary increase rather than one month's figure.
 - iii. Take into consideration employees' thoughts and wishes vis-à-vis salaries.
 - iv. Rather than giving larger-than CPI raises, consider giving one-time bonuses, or merit increases, to indicate appreciation for those employees who have gone above and beyond their normal duties and

responsibilities to take care of the Town's business during times of COVID.

- v. SB members were reminded that it is essential to conduct Performance Reviews **annually**, not just when there's a problem with a specific employee. This is not a discretionary practice and is explicitly laid out in the Personnel Policy,
 - vi. Whatever actions the SB takes vis-à-vis salaries for FY23, the rationale for that action should be transparent and clearly explained to the public.
- e. As a side note to the salary discussion, the FAC learned that SB members do not regularly review all invoices and timesheets that make up the warrant for payment at each meeting. Former SB members on the FAC stressed the importance of observing this particular checks and balances procedure.