

The Trustees have asked me to take a few minutes to address some common concerns, as well as some issues recently raised at the most recent Board of Selectmen's Meeting. I'd be happy to answer any remaining questions, as well. We would all be here, but before this meeting was scheduled, the library had scheduled an information session. Why are the Trustees before you now? According to the Master Plan (finalized in 2012), a new library facility is a priority for the town, along with the Police Station and DPW facility. The need for improved library facilities was identified as a Key Issue in Section 1.3, and as a Priority Action in Section 1.4. In addition, the recommendation was made that all three facilities pursue grants to offset the cost. The Library is the only facility to accomplish this task.

Town of Sutton Master Plan

"The Library needs additional space as it is so small that there are issues meeting State standards for purchase of new materials because there is limited space to store new materials. Additionally, space at the Town Hall must be utilized for many programs and the programs are limited as a result of scheduling within this building."

Again, this is not the library's document, this is the town's Master Plan.

The Master Plan highlighted the need for additional community meeting space and recreational programs. The Library is the main source for non-sports recreation for all ages in the town, providing educational lectures, concerts, music and movement programs, STEAM learning opportunities, early literacy programs and programs for tweens and teens. The new Library has been designed to allow multiple programs at once, and offer a meeting space that can be opened to the community without the need for opening and staffing the library. This large community room can also serve as a safe, accessible polling place, rather than disrupting the safety and educational activities at the Schools.

Schools Don't Offer a Viable Meeting Space

When the community meets in a school facility, some staff must be available, at a cost to the town or the end-user, if the use is allowed at all. Of course, nothing can be scheduled when school is in session. The School Building Use Policy is available at suttonschools.net. There are many requirements that might be difficult for some groups to meet, especially a "Certificate of Insurance with limits of, at least, \$1,000,000 Bodily Injury and Property Damage Liability per occurrence/\$3,000,000 aggregate."

Planning the New Library

Regarding implementation, the Master Plan indicated that the Library Planning and Design process should begin with the planning and design grant application in 2013, as shown in the implementation Matrix in section 9.0. The Planning and Design Grant was awarded, with matching funds provided from Library retained state aid, and interest from a trust fund. The Construction Grant Application was submitted in January 2017. All planning, design and grant submission activities were completed with no costs incurred by the town. It is unfortunate that

the Police Station and Library projects are now back to back. The Police Station was also set to commence design in 2013 according to the Master Plan, but design was delayed until the end of 2016, and then made ready for Spring 2017 Town Meeting. As early as Spring 2016, the Library Director and Trustees had advised the Board and Town Administrator that we expected to submit a warrant article for the project for Fall 2017. As a side note, the library could not possibly have developed a plan to utilize the police station space, when our design process began almost three years before the Police Station began their design process.

Confusion about the Compliance Assurance Agreement

Selectman Limanek stated that proceeding with this project would jeopardize critical town services due to the second clause of the Compliance Assurance Agreement requirement that the building remain a public library. The second clause of the agreement does call for the building to remain a public library for at least 20 years. As an attorney, Mr. Limanek should have noticed that public library is not capitalized and not a defined term within the agreement. The second clause is silent as to the level of municipal support. The third clause does state that the library must qualify for state aid only until the final grant payment is made, which is the first year that the new facility is open. After the first year the new library is completed, it could be open 1 day per week with volunteers if the town budget was really in such awful shape. Frankly, given that the library would still be less than 1% of the Town's Operating Budget, it would be unreasonable to assume that all the money would go there first. The intent of the clause is to ensure that the building funded with a \$5.1 Million grant by the Massachusetts Board of Library Commissioners is not turned over to some other municipal or other non-library use in that 20-year window. In no way does this prioritize the library's funding over any other town department, but protects the MBLC's investment as well as that of the voters in Sutton who voted in favor of the development of a Library.

Shaw Farm

This recalls the town's investment in the Shaw Farm site itself. The town purchased Shaw Farm for \$4.5 Million in 2007, after a town meeting vote. At the time of purchase, it was to be used for a variety of municipal needs. After eliminating multiple sites, The Library Planning and Design team made careful considerations when placing the library on the Shaw Farm site to not impact any other current or planned uses for the Shaw Farm Property. All development is beyond the 100-foot wetland setbacks, and outside the 100-foot envelope of the potential vernal pools. Critical Terrestrial Habitat is 750 feet from the edge of the vernal pool, covering approximately 40 acres. The recommendation is to limit development to less than 25% of this area. The Library will use approximately 2.5 acres of the over 130 acres included in the property. Regarding the development of Shaw Lane, the engineering firm GGD reviewed Site Conditions, along with the prior Shaw Master Plan and adequate costs are included in the budget for the development of Shaw Lane. For any project to proceed at Shaw, these expenses must be faced.

The Budget

The overall budget is \$11,190,985. The grant, including Green Incentive is \$5,153,000. This budget includes the building, parking lot, paving, running utilities, septic, well, furniture, fixtures, equipment and widening Shaw Lane. The average tax impact is 31 cents per \$1000 assessed value, about \$9 per month for an average residence in town. Should the project proceed, the Capital Campaign will continue to fundraise to help offset the impact. As of today, the Campaign is approaching \$50,000. The library also intends to apply for further grants for various aspects of the project, such as the public use computers. This budget also includes over \$1,600,000 to cover cost escalation for 3 years, and \$600,000 in additional contingencies. Look again at the estimate for cost escalation for 3 years, \$1,600,000. How much more will this project cost in 10 years? Will there still be grants?

From an operational budget perspective, the Library's current operational budget is approximately \$208,000, with an anticipated \$50,000 increase to cover utilities and maintenance. Most of the library budget goes to salary and wages (approx. \$155,000), with the remainder for CW/MARs fees, materials purchasing, subscriptions, and supplies. The library also pursues grants each year, and receives about \$10,000 in state aid. The building has been designed to run with the current staffing levels. Currently, the library must remove an item for every item that comes in to the library. The Library's collection will be allowed to grow utilizing the current materials budget, we will simply stop removing items from the collection. All this represents less than 0.8% of the town's overall operating budget, with which we provide services to over 1000 unique households in this town. 200 items per day, every day we're open, 6 days per week. The value of the items circulated last year was greater than \$1,042,000 if everyone had to purchase the items instead of borrowing. Translation, households who use the library save an average of \$1000 per year. New users always welcome.

Sutton Bond Rating

The last point of concern that we'd like to address is Sutton's bond rating. Selectman Limanek felt that this debt exclusion could possibly be the straw that broke our bond rating from AA to A. He likened a bond rating to an individual credit score, but bond ratings are much more complicated than just debt load, income and payment history. A bond rating has many elements that are analyzed by the ratings agencies prior to a final rating. The Town Administrator stated that Standard and Poor's would be coming in to evaluate Sutton in the next week and an excellent presentation on their ratings methodology is available at the Mass CTA School website. There are 7 factors in a municipal bond rating, and they are weighted differently. 30% Economy, 20% Management, and then 10% each Institutional Framework, Liquidity, Budgetary Performance, Budgetary Flexibility, and Debt and Contingent Liabilities. It seems a far greater percentage of the score is related to how diverse the employers are, revenue stream trends, operational budget management, capital stabilization funds, OPEB funds, the Master Plan and the Capital Plan. This rating has much more to do with how well our Town Administrator and Town Accountant do their jobs, and the growth and economy of Sutton than any one new bond measure. As Trustees and citizens of Sutton, we would appreciate clarification from this Committee regarding this

concern. Thank you for your time and efforts to understand the issues that come before this Committee.

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