

## Shutesbury Finance Committee – December Fiscal Update

As shared last month, the Shutesbury Finance Committee is providing a series of **Fiscal Updates** to help residents better understand the development of the Fiscal Year 2027 Town budget. This second installment outlines several specific challenges shaping this year's budget cycle.

Shutesbury—like many Massachusetts communities—is feeling the combined effects of **inflation, rising operating costs, and essentially flat state aid**. With state support not keeping pace with expenses, a growing share of the budget must be funded through the property tax levy, placing increasing financial pressure directly on residents.

Several factors are driving this year's budget constraints:

- **Personnel costs:** To attract and retain the employees who provide essential services, the Town faces rising costs for wages, health insurance (43% !), and post-retirement benefits.
- **Deferred capital needs:** Delayed building repairs and postponed capital investments are beginning to require attention.
- **Obligations and compliance:** We must repay previously approved debt and adhere to state and federal regulatory and reporting requirements, e.g., PFAS.
- **Limited revenue options:** Payment in Lieu of Taxes (PILOT) for state-owned and other exempt land rates have increased at a slower rate than local property taxes. In addition, towns are restricted from adopting local income or general sales tax.

To help moderate impact, the Finance Committee is reviewing all available tools, including the limited and carefully considered use of reserves or excess levy capacity, as we did last year. More information about these approaches will be provided in our January update.

Addressing these challenges will require sustained attention and collaboration across the community. Residents can stay informed by attending [Finance Committee meetings](#), watching [recorded sessions](#), visiting the Finance Committee [webpage](#), or joining the [Town Announcement List](#). Finance committee members are available to engage with interested community groups and other Town committees. In addition, postcard-writing opportunities at local events are being developed for those interested in state-level advocacy.

We appreciate your engagement and your efforts to share this information within your networks. Staying connected and informed will help us navigate this budget cycle together.