Shutesbury Finance Committee Fiscal Year 2017 Budget Report

We have prepared a balanced budget for FY17

1. Some of the larger operating increases compared to the FY16 budget:
   * Regional School: $45k
   * Local school: $25k
   * Non-school Employees Salary $22k (approx. 3%)
   * Health Insurance: $27k
   * OPEB (Other Post Employment Benefits): $10k
   * Total actual increase $146k, 2.4%

2. Some of the Projected Revenue Increases (Decreases):
   * 2.5% levy increment: $118k increase
   * New growth: $20k increase
   * Receipts over forecasted amounts for FY16 Budget (State and Local): $40k increase
   * Charter Tuition: ($14k) decrease
   * Local Sources: ($13k) decrease
   * Debt Exclusions: ($8k) decrease
   * Total projected increase $146k

3. Cash Reserves Summary
   * Free Cash $1.3M
     Used for non-operating expenses - requires simple majority vote by town voters
   * Capital Stabilization: $672k
     Used for anticipated re-occurring capital expense which in the next 2 years include specifically a playground, classroom floors, sidewalk, paving parking areas, HVAC upgrades, roof repair, air quality improvements, windows and doors. Requires 2/3 majority vote
   * Stabilization: $255k
     Our town's savings account, requires 2/3 majority vote.

4. Finance Committee FY17 warrant article capital expenses recommended:
   * Highway Dump Truck: $192.5k
   * Building Renovations: $25k

5. OPEB (Other Post Employment Benefits) Trust Fund
   * Annual funding is $50k, all from the FY17 operating budget
   * Saved so far: $218k
   * An actuarial review is scheduled in FY17
   * State gives towns 30 years to fund their liability

6. Thoughts on the future
   * Continued maintenance to 40+ year old school building (capital requests expected in FY17)
* Anticipated items from capital replacement
  * Installation of Broadband in town

* Regional school costs:
  - Shutesbury’s school age population is increasing in proportion to the total regional school population
  - Shutesbury has initiated a town committee to study regional assessment methods
  - The region’s OPEB commitment
* Decreasing population at the Elementary School
* Regionalizing Pre-k through 12 grades
* Invest cash reserves in projects that reduce operating expenses (i.e. a solar photovoltaic system to reduce town electricity costs)
* Costs to update the current Master Plan

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**Average Single Family Property Tax Bill by Local Town - 2003 to 2016**

- Amherst
- Leverett
- Pelham
- Shutesbury