

# Shutesbury Finance Committee Fiscal Year 20 Budget Report

We have prepared a balanced budget for FY20

## 1. Significant Operating Increases and Decreases Compared to the FY19 Budget:

- A. Total Budget Increase: \$145,958
- B. Local School: \$134,225 budget increase
- C. Regional School: \$320 decrease
- D. Town Employees Salary (new positions and wage increases): \$24,136 increase
- E. Retirement County: \$19,038 increase

## 2. Larger Projected Revenue Increases/Decreases:

- A. Net Tax Levy Used in FY20 Budget: \$130,707
- B. New Growth including PILOT: \$60,000
- C. State Aid: \$18,823 increase
- D. Total Projected Annual Tax Increase of \$148 on average home of \$248,628

## 3. Cash Reserves Summary, beginning balance, 7/1/18

- A. Free Cash \$1,253,860
- B. Capital Stabilization: \$572,518
- C. Stabilization: \$269,431

## 4. Capital Stabilization FY19

- A. Special Town Meeting Broadband Construction Approved: \$274,000
- B. Capital Stabilization Balance after Special Town Meeting 3/26/19: \$298,518

## 5. Finance Committee FY20 warrant article capital expenses recommended:

- A. Funded from Free Cash: \$33,281:
  - 1) Shutesbury Elementary School playground retaining wall: \$2,082
  - 2) Fire Department Equipment cleaning equipment : \$5,699
  - 3) Unemployment Revolving Fund: \$15,000
  - 4) Town Buildings Committee: \$10,000
  - 5) Veteran's Flag Holders: \$800
- B. Funded from Capital Stabilization: \$64,354:
  - 1) New Ford F5009 chassis for the Fire Department Rescue Vehicle: \$64,354

## 6. Cash Reserves if all warrant articles pass (Section 4 above):

- A. Free Cash \$1,245,276
- B. Capital Stabilization: \$234,164
- C. Stabilization: \$269,431

## 7. Upcoming Capital Projects

	Estimated Costs
A. Culvert on Locks Pond Road (by dam)	\$350,000
B. Elementary school roof: \$300k+ (after State subsidy)	\$300,000
C. Paving – Highway Department	\$45,000
D. Paving – School	\$85,000
E. Building Committee Projects	\$100,000
Total	\$950,000

**8. OPEB (Other Post Employment Benefits) Trust Fund**

- A. Actuarial liability: \$2,300,000
- B. Saved so far: \$536,036 before FY20 funding
- C. Annual funding from operating budget: \$50,000
- D. State gives towns 30 years to fund their liability

**9. Thoughts on the future**

- A. All four towns in the regional school district are approaching the 2.5% tax levy ceiling (\$25 tax rate)
- B. Continued maintenance to 40+ year old school building
- C. Archives and Records Storage
- D. Grant funding to add to the Library Building Fund
- E. Anticipated items from capital replacement
- F. Invest in projects that reduce operating costs (i.e. solar photovoltaic systems)
- G. School costs:
  - 1) Shutesbury's school population is increasing in proportion to the total regional school population
  - 2) Loss of multiple grant funds for early childhood education
  - 3) Towns in region unable to agree on a long term school budget assessment allocation method
  - 4) The region's health insurance costs
  - 5) Increasing assessments for School Choice and Charter assessments
  - 6) The school population has decreased over the past ten years. Future population of the school is unclear.

