

Shutesbury Finance Committee Minutes
Tuesday, April 21, 2020, Town Hall, 7pm

Members Present: Eric Stocker, Bob Groves, Jim Hemingway, Ajay Khashu, Rita Farrell and Weezie Houle Jim Walton **Members Absent:** **Non-Members present:** Becky Torres, **Selectboard:** Elaine Puleo, April Stein, Melissa Makepeace **Broadband Committee:** Gail Huntress, Steve Schmidt, **Guests:** George Arvanitis, Jeff Lacy, Mike Vinskey, Paul Lyons, Kathy

- 1) Minutes of March 10, 2020 approved as amended.
- 2) Review the Open Meeting Law requirements
 - a) Bob reviewed his letter and Open Meeting Law process that
 - b) Motion passed unanimously to enter Bob's email into our minutes for record keeping.* See below
- 3) Review the Budget
 - a) Health Insurance is very tight
 - b) Police Wages is under spent
 - c) Highway Snow removal is not fully spent either.
 - d) Regional Transportation is a question Becky is going to look into.
 - e) We might have about \$103,000 to put into Free Cash.
- 4) Broadband
 - a) Operating Budget
 - b) They are in very good shape financially.
 - c) Discussion about financing. Ryan will make the final decision, but we will discuss it when the time comes.
 - d) Gail is moving tracking to the Enterprise account.
 - e) Motion passes unanimously approve the MLP Enterprise Budget.
- 5) Review the effect of Covid19: Becky attended a workshop on the Covid19 situation:
 - a) They are optimistic about FY20, as we have \$3.5B.
 - b) She doesn't know about unemployment and can't get through to the office.
 - c) The Select board voted for everyone to stay on payroll.
 - d) They said that they might have to decrease the state aid budget by 15%. It is the only projection we know now. The legislature is trying to hold state aid harmless.
 - e) Discussion about Bob's letter.
- 6) FY21 Budget
 - a) Review Expenses
 - b) Increase in ambulance, building inspector, Salaries, hauling, Mass Recycling will cost 20% more, Human Services decrease in Veterans benefits, Culture and recreation +\$200.
 - c) The debt for Fire Truck and dump truck debt capacity will be moved to Transfer to Stabilization.
 - d) Increase in Retirement by \$10,000.
 - e) The health insurance line has been increased for next year. There is no rate increase for next year.
 - f) Medicare went up, insurance and bonds went up,
 - g) Fire station line has been removed as we will pay for the future expenses with the Fire Station Fund.
 - h) DCAM waiver for the school roof. Anything that is over \$200,000 has to be DCAM. If we can't get a DCAM waiver, we will have to go out to borrow.
 - i) Discussion about debt capacity being built into our budget.

- j) Fund 30 Accounts: The funds must go back to the financing source from where they came.
 - i) Lake Wyola – Came from stabilization – Becky estimated that \$5-10,000 to finish the project.
 - ii) Hazardous Waste Clean up – We could move \$24,016.16 back to Free Cash
 - iii) Alternative Energy – That can go to Stabilization
 - iv) Sidewalk – \$24,200 can back to Free Cash
 - v) Fire and Highway are earmarked for paving – They are going to try to do the project this spring.
 - vi) School Security can go back. The school floor, they need more
 - vii) School Gutters can go back
 - viii) Energy Efficient projects in the Budget - \$35,441.71 can go back to Free Cash
 - ix) About a total of Funds 30 and the Energy Efficient projects of \$120,000 can go back to Free Cash or Stabilization.
 - x) Motion passes unanimously to recommend to the Select Board to move excess funds from Fund 30 to their respective source, Free Cash or Stabilization.
- 7) Motion passes unanimously to transfer \$35,441.71 Energy Efficient projects in the Budget to return to Free Cash or Stabilization from where it came.
- 8) Meeting adjourned at 9:15pm
- 9) Upcoming Meetings
 - a) May 5, 2020, 7pm, Budget Review, Initial ATM Warrant Review
 - b) May 19, 2020, 7pm, Final Budget Prep/final ATM Warrant Vote
 - c) June X, 2020, 7pm, Town Meeting Prep
 - d) June X, 2020, 7pm, More Town Meeting Prep if needed
 - e) June 27, 2020, 7pm, Town Meeting

10) *Bob's Letter:

Hello All,

I hope you are all well.

I think it is a shame that we have not up to now to address the implications of the pandemic on Town finances. I hope we can put this issue at the top of our agenda in our next meeting.

We are sailing in uncharted waters and we must apply the precautionary principle because we do not really know what is ahead with the disease or the local, State or National economy.

Many in our Town are out of work and will be so for the foreseeable future. This means that, though some are still getting paid, many others are not. They may lack savings and are being put under stress by this crisis. The effects of the pandemic are being felt very unevenly. We have an obligation to adjust our spending with those who are most vulnerable in mind. This was true before the disaster but is more obviously true now.

State revenue will be sharply reduced and aid to Shutesbury will likely shrink too. Property tax receipts in Shutesbury could go down significantly.

So, what to do?

In my opinion, we should reduce spending now in FY 20 and plan on sharply reducing spending in next year's FY21 budget.

It seems to me that barebones budgeting should be employed.

Simply put, we should not be spending on anything by choice, only by necessity.

This would protect us, to some degree, from the very real risk of a prolonged financial disaster.

The last draft of FY21 budget that we received was on 2/24. I plan on going over that budget and marking it up. I will highlight lines which I think can be significantly reduced or eliminated. I think we

should all do this and see what can be done. I will forward that to you before our next meeting.

Questions:

Could we freeze or reduce all salaries? Is this even possible? Will signed contracts preclude this?

Alternative could be letting some people go. The PD is interviewing candidates for a new hire.

Should we ask the Chief to suspend this?

SES, Town Hall and Spears Library are all closed to the public. Are we spending any less money?

For example, are we still paying for transportation to and from SES, Amherst Regional? If so, did the contractor lay off his drivers?

Are laid-off town employees eligible for unemployment insurance? Could, should any employees be let go? What are the implications of this issue? Are we still paying for cafeteria workers, food, custodial services, etc?

Could we propose that all departments to reduce FY21 spending to some fraction of last years budget and let departments figure out how to accomplish this?

Postpone any capital requests?

I attended (by Zoom) the Selectboard Meeting of 4/14. We discussed this issue. I hope we (Fincom) can start to work on this ASAP.

Thanks,

Bob