

Shutesbury Finance Committee
Tuesday, January 9, 2024 Virtual (Zoom) Meeting

Members Present: Ajay Khashu, George Arvanitis, Bob Groves, Susie Mosher, Jim Hemingway, April Stein, and ex-officio member, Town Administrator Becky Torres

Absent: Jim Walton

Finance Committee meeting called to order at 6:35

Minutes of 12.12.23 approved as amended. Minutes of 12.21.23 approved as written.

A. Assessor FY 25 budget request reviewed

1. Two increases anticipated are: computer software maintenance for Vision CAMA, up \$1,382 and GIS web hosting and maintenance up \$1,100. The web hosting has not increased for a couple of years. We can expect another increase of \$1K in FY 26
2. There was no need for a training budget because we have very qualified staff now; the Assessors' expenses stayed the same
3. The budget lines for Reevaluation, Class 504 Utilities, and Personal Property Valuations add together to \$8K this proposal, a reduction from FY 24 combined budget of \$10K. Some of this work is being done by Roy Bishop, a consultant.
4. Although property values went up this year due to the real estate market, there has not been much abatement activity – yet

B. Treasurer FY 25 budget request reviewed

1. The only requested increase is a 3% COLA for Medicare costs.
2. The negotiation for health insurance rates will begin soon. There may be a double-digit increase, but it is too early to tell. In FY 23 we underspent the Health Insurance line by about \$56K. FY24 spending looks closer to budget
3. Unemployment costs look stable, barring any big layoffs
4. A review of the OPEB line will be done at a future meeting

C. Four Town meeting debrief

1. Information was sent to us after the Dec 16, 2023 meeting. This precipitated a request for further information: a. What is the history of school choice enrollment numbers? B. Does the total regional population numbers include school choice students? c. What is the historical teacher/student ratios? Bob will send a request to Interim Superintendent Doug Slaughter's office
2. No issues were raised at the 12/16 meeting concerning the assessment formula. Shutesbury had the least increase, 1.37%, Amherst is looking at a 3% increase and the 4% increase guardrails were put into place for Pelham and Leverett. With early revenue and cost projections, this draft budget would require a \$1.93M cut. We will have to see

what the state's response to Ch 70 will be. The loss of ESSER funds with COVID effected services/personnel still needed to support students is part of the problems. Inflation and increased labor costs are part of the pressures.

3. Structural budget reform due to declining enrollment was brought up. Costs to maintain the buildings are skyrocketing. The current capital plan is not manageable for any town.

D. Energy and Climate Action Committee (ECAC)

1. We received a request from ECAC to create a revolving fund for groundwork costs of consulting, engineering, scope of services documents, etc., for future climate mitigation projects. The "seed money" needed was estimated at \$2K – \$10K per project.

2. Without a ready fund to draw on, Shutesbury cannot respond quickly enough to qualify for state and federal grants. It is anticipated that more of these grants are in the pipeline

3. The process for this type of fund could be an annual town meeting allocation that would roll forward and accumulate so ECAC can work on multiple grants if available. Spending from this fund would require Select Board approval

4. Consultants are expensive. Working with other town committees such as the Buildings Committee or looking for regional support from FRCOG could help clarify the projects and perhaps reduce the consulting costs. Some companies will provide the expertise and do the groundwork engineering specifications

5. A dedicated revenue stream could be identified the way the SREC credits were set aside for future energy projects. Unfortunately, that \$12K and other Fund 30 revenues were voted into free cash at the 2020 Annual Town Meeting as the town faced the unfolding COVID crisis

6. The Finance Committee Reserve fund is used for unanticipated emergencies rather than as a source for general funds

7. The Finance Committee would like to see the details – timeline, costs, grant requirements, etc., of a specific grant opportunity that this proposal could have met in the past or for a grant that is coming

E. Miscellaneous

1. Federal laws for PFAS testing now requires more dual POETs , increasing Shutesbury's costs significantly. We will exhaust our current zero interest loan for \$150K by June. The town is applying for more Clean Water Trust emergency funds

2. The speed boards are functioning intermittently. They were the lowest price items

Next up is the Special Town Meeting at the Elementary School on January 16, 2024 at 6 p.m.

Our next Finance Committee meeting is January 23 at 6:30. On the agenda so far are:

Review the expense report

Shutesbury Elementary School budget review – Susie will follow up on some committee questions. Meeting adjourned at 8:38 p.m.