

Shutesbury Finance Committee
Wednesday, March 6, 2024 Virtual (Zoom) Meeting

Members Present: Ajay Khashu- chair, George Arvanitis, Bob Groves, Susie Mosher, Jim Hemingway, April Stein, Absent member: Jim Walton
Attending: Town Administrator Becky Torres Gail Huntress, MLP manager, Ellen McKay, Capital Planning Chair

Finance Committee meeting called to order at 6:34 pm
Minutes of 2.20.24 reviewed and approved as amended. 2.6.24 minutes will be reviewed at our next meeting.

A. MLP Broadband FY25 budget review

1. Some budget lines have been merged, making a more simplified budget per recommendation of the town accountant.
2. Increases in budget: routine maintenance, insurance, COLA for manager and other employee costs, (tba), a portion of Accountant and Treasurer's costs, and Extraordinary and Unforeseen added up to \$15,102. Debt Service dropped by \$1,100.
3. A new cost of \$5K for low-income subscribers.
4. \$7K administrative fee will be offset by federal grant revenues of \$14,730
4. \$1, 992 in revenue is anticipated for Dark Fiber rental by New Salem will offset increases.
5. The operating budget increased by a net \$2,280. The expected 5 more subscribers will cover this increase

B. Capital Planning: Review FY25 proposed projects

1. All projects were unanimously approved by Cap Planning Committee at the 2/28 meeting. The chair of the committee noted that the departments were very helpful and diligent in researching capital items.

2. The Police department
 - a. requested a F150 pick-up truck instead of a car for its next cruiser due to the dirt roads they travel. The state bid list is for \$70, 588. The police do not need a chase car; they need durability. The department has improved its maintenance schedule and will maintain three, not four, vehicles for use. We discussed electric vehicles. At this time the police chief found other towns with electric or hybrid cars are frequently in the shop for more expensive repairs and therefore are less reliable for the department. There is a one-year delay of availability for them, and thousands of EV cruisers have been recalled

b. six body cameras; current ones are failing. After the chief researched models that other towns recommend and secured a grant to fund half the cost, the expense to Shutesbury will be \$11,268

3. The Highway department

a. needs a storage unit for equipment. Estimated expenditure up to \$45K

b. a generator, accompanying propane tank and rewired panel were approved for up to \$25K. The current 100-amp service must be replaced. Although the electric company just installed a three-phase wire that brings more reliable service to the town, when the power goes out, this is the only department responding to the emergency without a generator for lights, heat, communications, etc.

c. The gravel road maintenance line was increased by \$12K, from \$28K to \$40K as a plan to bring gravel roads back up to more than sub-base level.

4. The Elementary School

a. engineering study proposed painting and exterior trim repair estimated at \$163,460. There is about \$137,600 left over from the roofing project that can be allocated toward this new work. bringing the remaining funds needed down to \$25,860. The project is not subject to DCAM standards since the work is under \$150K and the balance of the estimate is the contingency fund.

b. Our discussion covered whether an engineering study was necessary. The engineering costs include drafting the deliverables for the bid package, architectural drawings, summary project letters and expertise for resolving any problems after the work is completed. We discussed use or preference for local contractors to do the work, possibly at a lower cost. The competitive bidding process awards the contract to the lowest bidder unless there is a lack of qualification or reputation. The bidding process does not favor or restrict local bidders.

5. The Buildings Committee- requested \$40K to meet some of the repairs listed on the inventory spreadsheet they created. This expense is currently listed in the operating budget. The source of funding this expense will be discussed.

C. Continued FY 25 budget discussion

1. We need an updated new growth figure.

2. We could move the \$40K building repairs cost from operating to cash reserves funding for FY25. We may gradually re-incorporate this expense back into the operating budget as it is likely an ongoing expense.

3. The Finance Committee reserve was increased in 2011 from \$40K to \$72k to cover unanticipated special education costs. Increasingly, other costs have been funded in that budget line. Should any funding for sped costs come from Fin Com reserves?

4. We debated proposing the Rural Aid revenue amount in the elementary school budget be increased from \$65K to \$80K. FY 24 Rural Aid came in at \$86K and the Governor has proposed rural aid to be level funded in FY25. Ann Gobi, the director of the newly formed Office of Rural Affairs, is a strong rural aid advocate. State Rep. Aaron Saunders said rural aid to education is the state's current strategy to surgically target education aid instead of across the board increases of Ch 70 money. Any current Ch 70 increases target lower income school district via the Student Opportunity Act. Susie will email this a revenue increase as part of their budget with the School Committee

5. At the moment, state revenues are coming in lower for FY24. How will this impact FY25?

6. Using cash reserves for:

- a. \$40K Building repairs
- b. \$12K for gravel road maintenance
- c. \$30K for state mandated school expense and

with the \$15K increased rural aid revenue in school budget, this brings the possible use of excess levy capacity impact down from \$145K to \$48K. Other concerns were raised about using free cash for reoccurring costs, possible use of free cash for this year's \$50K OPEB line, and questioning whether budget cuts should be made; all fiscal tools under consideration.

7. Average single family home family tax bill - George will send us the DLS spreadsheet on this metric. Shutesbury is currently ranks 176³⁴⁶ and that 50.9 % in the state. There are other tabs on the bottom of the sheet that compare the history of Shutesbury with Amherst, Pelham and Leverett. Shutesbury has managed its budget growth most steadily.

8. OPEB - George ran through some of the scenarios for the OPEB funds. The projection of different interest rates, varying the % of portion funded, etc. He will send out a spreadsheet we can try out different projections on.

9. The debt service for FY25 has not been confirmed by the Bond counsel yet. Those numbers will have to be put in the draft budget.

Our next meeting is on March 19 at 6:30 and we will continue to shape the FY25 draft budget. Meeting adjourned at 8:49 pm