

Shutesbury Finance Committee
Wednesday, March 27, 2024 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, George Arvanitis, Bob Groves, Susie Mosher, Jim Hemingway, April Stein, Jim Walton
Attending: Town Administrator Becky Torres, Ryan Mailloux, Treasurer, and Lenny Czerwonka, Fire Chief

Finance Committee meeting called to order at 6:34 pm

A. Request from Treasurer

1. The tax title account has had more activity this year. The current balance in that line is \$800. The treasurer requested \$3K to finish out the year. A motion was made and seconded to transfer \$3,000 from the Finance Committee Reserve fund to the Tax Title Expense line in the Treasurer's budget. Unanimously approved. The Fin Com Reserve balance is now \$52K

B. Request from Fire Chief

1. Due to increased recruitment and participation in training at the fire department, the training wages line has only \$1,537 left to finish out FY24. Three volunteers that have to complete first responder training (90 hours) and there is also the regular Thursday night drills. The fire chief requested \$6k to get through this year. This line was underfunded last year. The Finance Committee recommended \$3,000 come from Finance Committee reserves and if the call wages line has a sufficient balance, make \$3K a line transfer in May. A motion was made and seconded to transfer \$3,000. From the Finance Committee Reserve fund to the training wages line in the Fire Department budget. Unanimously approved. The Fin Com Reserve balance is now \$49K

2. Reconsideration of FY25 proposal for training wages followed. Currently there are nine firefighters and the chief is talking to two or three other candidates. Many volunteers work out of town so it is important to have a trained pool of fire fighters to respond when there is a call in Shutesbury. OSHA is considering a new mandated training that may impact the FY26 budget. We considered increasing the training line to ramp up for anticipated increasing expenses. A motion was made and seconded to fund the training wages line in the FY25 Fire Department budget at \$27K. Unanimously approved.

C. Regional School Budget discussion

1. Another four-town is now scheduled for April 20 to share information on the budget the regional school approved on March 14. This budget is significantly higher than the budget the four towns discussed on Feb. 17. The regional school committee restored almost 1 million dollars to come closer to the level services budget projected for FY25. They voted to fund all student-facing positions. Shutesbury and Leverett both have town warrants that must be posted with budget numbers before 4/20, for town meetings on April 27. Amherst Town Council (ATC) is meeting on April 1 and their Finance Committee on April 2. There will be a public hearing on the regional school budget by the ATC on April 25, and passing their town

budget on May 1. Pelham's Annual Town Meeting will be May 11. All of this indicates that the timeline for coming to some sort of consensus and timely votes makes it very difficult to pass an FY25 town budget at our April 27th town meeting.

At this point it seems there are three possible paths for us to consider:

1. Put the 8.2% increase in our FY25 budget and not recommend it as the Finance Committee
2. Put the budget number we saw at the 2/17 Four-Town Meeting in our proposed FY25 budget
3. Find a tenable budget number that we can offer at the Four Town Meeting

The committee noted and will also consider the benefits of using a high increase that can be lowered at town meeting (law does not allow for budget increases on town floor) and/or leaving town meeting open and reconvening at a date when the final regional budget is determined and can be approved.

D. Review of our drafted FY25 budget

1. We are currently looking at a reasonable new growth figure of \$55K, \$15K more than originally estimated. There were a couple of small expense additions: longevity bonus, newsletter, annual town report, a couple positions wages increased to align with FRCOG table, planning board expenses and we added in \$3K in training wages. \$12K was taken out of the gravel road maintenance line since we agreed FY25 funding should come out of cash reserves.

2. We reviewed the Capital Expenditure table

a. We agreed on five capital items to come out of Free Cash:

police cruiser \$70,588

police body cameras \$12K

highway storage container \$4.5K

highway generator and propane tank \$25K

school painting and external repairs \$25,860

b. We agreed to fund \$30K from free cash with an additional \$10K in the operating budget for Building repairs. We plan to ramp up the amount in the operating budget and decrease the use of cash reserves for this expense over the next few years.

We agreed to spend \$40K out of free cash for a state mandated education cost that is temporary.

c. These expenses together draw about \$208K from Free cash reserves.

d. Gravel road maintenance \$12 K will come out of capital stabilization this year.

e. We looked at our ending cash reserve balances; free cash 11.5%, capital stabilization and stabilization at together at 7.1% as a percentage of our operating budget. We recognize that we have a tighter budget and it is unlikely that we will have as much free cash certified in November 2024.

3. With this draft we may be looking at using \$50K in excess levy capacity to meet the operating budget. That includes the 8.2% increase for the regional school budget that is far from settled.

Our next meeting is April 2 at 6:30 p.m. We will continue the budget review, come up with some tax rate and average tax bill impacts. Meeting adjourned at 8:57 p.m.