

Shutesbury Finance Committee
Wednesday, April 3, 2024 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, George Arvanitis, Bob Groves, Susie Mosher, Jim Hemingway, April Stein, Absent: Jim Walton

Attending: Town Administrator Becky Torres, Anna Heard, Shutesbury School Committee member and Regional School Committee representative

Meeting called to order at 6:36 p.m.

A. Review FY 25 draft budget

1. We began with a summary of what is happening with the regional school budget in the other three towns. So far, no town has agreed on a clear plan. The Leverett Select Board is considering using the Four Town budget number from February 17 in their proposed FY25 budget, then having a separate warrant article for voters to consider the additional amount needed for the 8.2% increase. The Leverett Finance Committee is split on this concept. We would want our legal counsel to weigh in on the legal aspects of this idea. Amherst and Pelham committees will be meeting later in April. The Four Town meeting on April 20 will be the opportunity to share ideas, with time to caucus, and perhaps to come up with a plan.

2. One possible rationale for Shutesbury's increase for the regional school budget is to allocate 5%, an amount that is higher than our February 17th assessment. This percentage will not necessitate using excess levy capacity in our current draft budget. We understand the regional budget needs to be ramped up for the future and a 5% increase is a start.

3. 5% was also suggested as a target increase, given the increases in some of the other categories in our town budget. Being mindful of balancing other department needs is part of our plan. We are also aware of the impact of capital costs at the region coming in the near future. How will those costs be met? There is no separate revenue source for these costs.

4. The modified statutory assessment formula seems to be lost in this process. Disregarding the current assessment method by working backwards from 8.2% guardrails in the current proposal will impact future assessments. If the budget passed by regional school committee was met with the modified statutory assessment without guardrails, the increases in assessments would be:

Amherst = 7.33%, Leverett = 12%, Pelham = 16%, and Shutesbury = 6%

5. Another approach for Shutesbury's regional budget number would be an increase of \$93,495, the 6% increase shown in the assessment formula. This would support the assessment formula and necessitate using only \$13,050 in Shutesbury's excess levy capacity. It is unlikely that the other three towns can meet their assessment percentages. This would likely incur some further regional school budget cuts, barring any last minute revenues for the region. For Shutesbury, this plan would yield a budget with a tax rate of \$18.53, (up from \$17.81) and increase the average single family home tax bill by about \$250. A motion was made and seconded to increase the FY25 regional school budget by 6%. Passed unanimously.

6. With the draft budget complete, the Finance Committee voted unanimously to recommend an FY25 budget of \$7,207,878

B. Minutes from 3/6, 3/19 and 3/27 were reviewed and approved as amended.

C. Misc.

1. George is working on a draft of the Annual Finance Committee town report. He asked to include remediation of the gas leak in the “risk section”

2. We got an update on the likely changes in the Assessor’s staffing pattern and its potential fiscal impact.

3. We will get the updated budget and warrants to look over before **we meet with the Select Board on Tuesday, April 9 at 6 pm, in person or by zoom.** We will discuss the budget and vote on recommendations for relevant warrant articles.

Meeting adjourned at 8:28 p.m.