

Shutesbury Finance Committee
Tuesday, February 4, 2025 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Bob Groves, April Stein, Susie Mosher, Jim Hemingway, Kathy Salvador and George Arvanitis Absent: None

Attending: Leah Jack, Nate Longcope and Anne Maghill & Jeromy Mailloux- members of the Shutesbury School Committee, Caitlan Sheridan - Union 28 Finance Director, Shannon White-Cleveland - Union 28 Superintendent

Meeting called to order at 6:31 p.m.

- I. Shutesbury Elementary School FY26 budget review
 - A. Budget request has aid applied to specific expenses to show amount of town appropriation
 - B. Total expected spending in FY26 will be \$3,029,295 (3.07% increase) and the school committee is requesting a town appropriation (budget) of \$2,593,638, a \$124,128 (5.03%) increase from FY25. This is the final budget request and it's not expected to be refined
 - C. Rural Aid decreased from \$80k to \$75k
 - D. The Administration category is mostly Union 28 budget, and Shutesbury's share increased due to higher enrollment relative to the other member towns, than in FY25
 - E. Instruction lines increase:
 - i. Office machine maintenance costs are increasing
 - ii. The teacher and staff contract represents the largest increases. Variances on staffing lines are the result of the application of aid and grants to different lines than FY25. There are no significant staffing changes from FY25
 - iii. School choice is being overspent relative to the current balance. The School Committee is concerned that we may be drawing the funds too quickly and this will not be sustainable. School choice balance is roughly \$200k, FY26 funding is estimated to be \$99k and \$138k will be used for the FY26 budget
 - F. Special Education Transportation will remain for a few more years. Using the state circuit breaker aid to cover most of this cost
 - G. No change anticipated in the fuel line. Price changes are small, and the school locked into fixed pricing
 - H. Grants and other revenue
 - i. This section shows revenues other than the town appropriation, that are used to fund the budget
 - ii. This revenue shows the expense lines that each revenue item is applied to
 - iii. Shows the shifting of funding for the different expenses from year to year
 - iv. Circuit Breaker is budgeted for what we received in FY25
 - v. Policy for School choice is that it's only to be used for programs and costs that impact the wider population
 - vi. The REAP (Rural Education Achievement Program) grant of \$16,397 is a federal grant and possibly at risk of not being funded
 - vii. No one can predict what other federal grants are at risk of losing funding, but Caitlan has heard that programs supporting school lunch are expected to continue

- viii. There is a bill filed to challenge the elimination of the federal school grants
- ix. There has been no indication that FY25 federal grants won't be funded

II. Reviewed and approved the minutes of the 1/21/25 meeting, as amended

III. Preliminary FY26 budget review

- A. Reviewed the assumptions for new revenue and underlying expenses
- B. Discussed the draft budget in detail. Many lines show estimates, and more research is needed to determine final numbers
- C. Revenue
 - i. Need to research new growth
 - ii. Regional school debt service not yet available
 - iii. We need to determine if there will be debt service for the (debt excluded) loan for the library building
 - iv. Local aid estimates are being worked on
 - v. State aid is based on the Governor's budget, House and Senate estimates to come
 - vi. No cash or excess levy capacity applied to revenue
- D. Expenses
 - i. Many amounts needed from other agencies, for example School Transportation and Ambulance services
 - ii. Request to the Interim Town Administrator to research some items
 - iii. Some amounts in the budget didn't agree with the information the Finance Committee received. These were sent to the Interim Town Administrator for clarification
 - iv. The Finance Committee needs to research the gas mitigation costs at the fire station and budget impact of PFAS mitigation on the budget
- E. The current estimated deficit for the FY26 budget is \$320k

IV. Four Towns Meeting Preparation, scheduled for February 8

- A. Shutesbury will note that the FY26 total expenses increase is 5.72% using the region's option 1 assessment
- B. Reviewed latest assessment models provided by the Amherst Regional Schools Finance Director:
 - i. No cuts from level services and using the Modified Statutory method results in a 12% increase for Shutesbury – not likely to be approved
 - ii. Option 1 uses the Modified Statutory assessment method after \$1.25m is cut from level services. The Amherst increase is capped at 3%, resulting in a \$92k (5.5%) increase for Shutesbury
 - iii. Option 2 uses a hybrid assessment method and increases the cuts in level services to \$1.4m. Amherst's increase is capped at 3%. This results in lower assessments for Leverett, Pelham & Shutesbury
 - iv. Option 3 uses the Modified Statutory method Level after \$1.0m is cut from level services. Amherst's increase is capped at 4% resulting in a \$111k (6.71%) increase for Shutesbury
 - v. Option 4 uses a hybrid assessment method and increases the cuts in level services to \$1.4m. This method is like option 2 but Amherst's increase is capped at 4%. This

results in lower assessments for Leverett & Pelham, and Shutesbury's assessment decreases from FY25, which is not a viable option

- vi. Option 5 builds off option 4 and keeps the cuts at \$1.4m. It leaves Amherst at the same assessment as option 4, but it redistributes the remaining assessment in a way that increases Shutesbury's assessment. This results in a \$41k (2.45%) increase for Shutesbury
- C. A concern was raised regarding using methods other than the Modified Statutory method, therefore, options 1 and option 3 are favored
- D. Discussed questions the Finance Committee has for the region in advance of the meeting:
 - i. We would like to see what would happen if Amherst's cap was 3.5%
 - ii. Susie discovered that the regional school is not using rural aid to fund the budget and would like the region to consider applying this revenue to the budget
 - iii. It was decided to see what questions the towns have and to see how the four town meeting progresses
- E. At the meeting we will note:
 - i. That in general we support option 1
 - ii. We would like to reduce cuts by applying rural aid to the budget
 - iii. Shutesbury doesn't support the use of hybrid methods
 - iv. Shutesbury doesn't support a \$1.4m cut in level services
 - v. We would like an option that caps Amherst's increase to 3.5%
- F. All methods that the Finance Committee supports result in increases greater than 4% to Shutesbury

Our next meeting is February 8 at 9:00 at the Four Town Meeting and February 18, 2025 at 6:30 p.m.

Meeting adjourned at 9:09 p.m.