Shutesbury Finance Committee
Monday, August 3, 2026
Virtual Meeting

FinCom Members Present: Ajay Khashu - chair, Frank McGinn, Molly Moss, Susie Mosher, George Arvanitis, Meredith Pustell (joined 7:29 p.m.), and Laura Soito; Absent: none.

Staff and Guests Attending: Hayley Bolton – Town Administrator, Mary Lou Conca

Ajay Khashu called the meeting to order at 6:31 p.m.

I. Review meeting minutes
   A. VOTE: Khashu motioned to approve the minutes from June 16th as amended. Mosher seconded. Arvanitis: aye, Khashu: aye, McGinn: aye, Mosher: aye, Moss: aye, Pustell: absent, Soito: abstain; motion carries.
   B. VOTE: Khashu motioned to approve the minutes from July 14th as amended. Mosher seconded. Arvanitis: aye, Khashu: aye, McGinn: aye, Mosher: aye, Moss: aye, Pustell: absent, Soito: aye; motion carries.

II. FY 26 End-of-year transfers
   A. Discussion of variances
      a. Legal expenses - unanticipated legal guidance and counsel utilized for Personnel Board work including updating the personnel handbook.
      b. Independent audit - cost was higher than expected.
         i. Normally every 2-3 years. Question as to why this wasn't covered by rollover of annual contributions.
         ii. Need to determine if changes are expected in the coming year's funding cycle.
         iii. Hayley and Ajay to confirm audit frequency, anticipated cost, and rollover balance.
      c. Electricity – added cost due to lag between when library went live and solar panels kicked in.
      d. Town Administrator salary - higher because FinCom didn't have the contract when developing the budget.
      e. Fire - additional fire calls and subsequent training.
      f. Veteran benefits - a little more than planned.
      g. Snow and ice – increased costs for wage and material expenses.
         i. Anticipating additional state funding for snow and ice to be allocated by formula and grants but is not in hand for end of year transfers.

h. Rubbish/Sanitary landfill – budgeted amount was based on contract.
    i. Hayley will follow up with Recycling Coordinator, Meryl Mandell, to determine the nature of additional costs.
i. Highway wages - unspent because of an unpaid leave.
j. Clerk salary - unspent because without clerk for most of the year.

B. Review and approval of transfers
   a. Total of $92,282.17 in spending above budget.
   b. Transfer schedule provided by Gail Weiss, Town Accountant, proposed utilization of remaining FinCom reserve for snow/ice and line transfers for the others as follows:
      i. $47,485.45 for Snow & Ice Wages utilizing the remaining FinCom reserve fund.
      ii. $2,472.66 for Select Board Admin Asst transferred from unused Town Clerk Salary budget line.
      iii. $1,194.12 for Town Administrator Salary transferred from unused Town Clerk Salary budget line.
      iv. $4,065.00 for Independent Audit transferred from unused Town Clerk Salary budget line.
      v. $153.12 for Treasurer Expenses transferred from unused Asst Treasurer budget line.
      vi. $4,699.21 for Legal Expense transferred from unused Town Clerk Salary budget line.
      vii. $1,873.87 for Buildings/Electricity transferred from unused Town Newsletter budget line.
      viii. $309.77 for Buildings/Internet Communications transferred from unused Buildings/Telephone budget line.
      ix. $3,183.15 for IT Support transferred from unused Town Clerk Salary budget line.
      x. $7.91 for Energy & Climate Change Committee transferred from unused Council of Governments budget line.
      xi. $2,981.80 for Fire Dept Training Salaries transferred from unused Police Wages budget line.
      xii. $5,225.84 for Fire Dept Call Response Wages transferred from unused Police Wages budget line.
      xiii. $718.00 for Ambulance Service transferred from unused Town Newsletter budget line.
      xiv. $206.60 for Highway Superintendent transferred from unused Highway Wages budget line.

xv. $8,033.06 for Snow & Ice Wages transferred from unused Highway Wages budget line.
xvi. $46,338.07 for Snow & Ice Expenses transferred from unused Health Insurance budget line.
xvii. $2,535.82 for Rubbish/Recycling Hauling transferred from unused Highway Wages budget line.
xviii. $5,836.60 for Sanitary Landfill transferred from unused Highway Wages budget line.
xix. $2,198.43 for Veteran Benefits transferred from unused Health Insurance budget line.
xx. $249.14 for Medicare transferred from unused Health Insurance budget line.

C. VOTE: Khashu motioned to approve line-to-line transfers reflected in this document as recommended by our accountant. Arvanitis seconded. Arvanitis: aye, Khashu: aye, McGinn: aye, Mosher: aye, Moss: aye, Pustell: absent, Soito: aye; motion carries.
D. Accountant also identified unbudgeted longevity bonuses for the custodian and highway superintendent but did not provide funding source.
E. VOTE: Khashu motioned to provide conditional approval for two additional FY26 line-to-line transfers, $500 for the custodian's longevity bonus and $300 for the highway superintendent's longevity bonus, to come from a source recommended by the accountant. Mosher seconded. Arvanitis: aye, Khashu: aye, McGinn: aye, Mosher: aye, Moss: aye, Pustell: absent, Soito: aye; motion carries.
F. [This brought the total line-to-line transfer to $93,082.17.]

III. <u>Tighe and Bond contract extension</u>

a. Background
   i. It was discovered that there is PFAS associated with the fire station that had moved into the groundwater.
   ii. Contracted with Tighe & Bond to provide service for mandated testing and reporting. This contract is now expiring.
   iii. Received a proposal of ~$100,000 per year for three-year extension to service. Needs to go through the procurement process given the cost.
   iv. Seeking to extend the contract for 6 months to maintain minimum compliance in the interim, which was quoted for ~$63,000
   v. Quote doesn't include bottled water delivery, laboratory services, public notice letters.

vi. Scope of project has changed to include more households, more POETs, and new state reporting requirements that involve more steps.

b. Discussion

i. This appears to be an ongoing expense with no outside funding. Have been utilizing loans to cover.

ii. Hayley has talked to other TAs who use a different vendor and there is a state approved vendor list that we can use to start the procurement process now for a multi-year contract starting January 2027.

iii. Committee requested:

1. Presentation of underlying math e.g. cost per test or household
2. Comparison of services provided in last contract
3. Explanation for the difference in half year to one-year costs between quotes.
4. Identification of related costs that are not covered in the contract.
5. Confirmation of balance for current source of funds.

iv. Decision to be made about appropriating additional funds based on this information.

v. No current external funding source, some state level work related to funding and identifying mitigation strategies.

IV. <u>Long range planning</u>

a. Background

i. George has created a tool to support long range planning by projecting operating budgets, revenues, and tax levy requirements from FY27 through FY32 using inflation/growth assumptions by category.

ii. It is intended to provide guidance to the Committee while they are making decisions about the budget.

b. Sections

i. Expense section organized by department and can be unfolded to drill into more detailed costs.

ii. Income sources used assumption of rate increases based on year-to-year increases over the last 5 years. Can add projections as data is available from the legislature e.g. Quabbin or PILOT funding changes

1. Tax levy determined by taking projected expenses less income from other sources (including cash).
2. Tax increases currently assume a 6.8% annual increase in total assessed value, which may be too high given current market conditions.

iii. Summary section
   1. Identifies key factors that could be provided as a snapshot.
      a. Total percentage increase
      b. Tax levy increase.
      c. Excess levy capacity.
      d. Debt exclusion.
   2. Suggestions from committee
      a. Add total operating budget to summary
      b. Add tax levy to summary
      c. Add projected non-tax revenue e.g. state aid
      d. Add section with reserve fund balances
      e. Try to project cash balances when tied to the capital plan
      f. Create a printable/PDF version – size document

iv. Debt services
   1. Contains values for existing loans from Town Treasurer, Ryan Mailloux.
   2. Fire truck assumed for FY28 with 10 year loan, but this may change. Could consider funding capital stabilization fund in FY28 if this debt doesn't come in until FY29.
   3. Grader received grant for $250,000– have requested info on how highway department may be able to fund the difference

c. Next steps
   i. Appears very close to being a useful tool for FinCom members and will be helpful in modeling different scenarios.
   ii. Members need to review assumptions and bring thoughts on assumptions, clarifying questions, and consider approaches to next meeting.
   iii. Assumption areas identified as in need of attention are education, trash contract, PFAS debt service, property valuation growth.
   iv. Proposed seeking feedback from the Department of Local Services, Treasurer, and former Town Administrator.

V. <u>Other updates</u>

a. Annual Report - Ajay received request for FinCom annual report and confirmed that we have previously provided the report provided at town meeting and budget. George to send copy – due by August 31st.

b. Heat Pumps at School -No updates on technical assistance grant for heat pumps at elementary school. A comprehensive building assessment is required and will be completed on an expedited basis – expecting report by mid-August. Consensus growing to use air sourced heat pumps rather than ground sourced due to cost and speed of installation, but will have impacts on the parking lot project.

c. Assessor – new assessor has been in role for 3 months and is catching up on things that we've not had the capacity to do.
d. Capital planning - working on their long-range plan. There are things missing in the existing plan and the dollar values need to be updated due to inflation. Want to finish before starting the next capital budget cycle.

VI. Public Comment

a. Mary Lou Conca asked if budget planning tool is currently available to public. Indicated that it is currently a draft, but could be made available as finalized.

Meeting adjourned at 8:35pm.

VOTE: Khashu motioned to adjourn. Arvanitis seconded. Arvanitis: aye, Khashu: aye, McGinn: aye, Mosher: aye, Moss: aye, Pustell: aye, Soito: aye; motion carries.

Exhibit Summary

1. Meeting minutes for June 16, 2026
2. Meeting minutes for July 14, 2026
3. Schedule of Proposed Budget Transfers – Fiscal 2026
4. Expenditure Ledger prepared 7/16/2026
5. Tighe and Bond proposal for Licensed Professional Services
6. Long Term Budget Forecast tool
7. Email from Michael DeChiara regarding heat pump grant