

Shutesbury Finance Committee
Tuesday, December 16, 2025 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Susie Mosher, Laura Soito, Jim Walton and George Arvanitis; Absent: April Stein and Molly Moss; Non-Members Attending: Hayley Bolton – Town Administrator, Ryan Mailloux – Treasurer, Frank McGinn – Building Committee

Meeting called to order at 6:33 p.m.

I. FY27 Budget Requests – Treasurer

- A. Medicare request increased by \$4,896 (9.9%) from FY26. This is based on employee wages. The increase reflects new hires and the annual COLA
- B. OPEB Actuarial review increased by \$1,800. This will be needed along with the current funds that were set aside for the next actuarial review which is expected in the spring
- C. Request to restart the annual \$50k funding to the OPEB fund:
 - i. This will have a positive impact on our bond rating and contribute to lower interest costs for our loans
 - ii. This is particularly true for the library building loan which is currently funded by a one year loan that will be refinanced by a long term bond next year
- D. Treasure Expense line request increased by \$67, rounded up to cover some higher costs such as postage
- E. The following line items will be level funded:
 - i. Short term borrowing
 - ii. Tax Title
 - iii. Treasurer Certification
 - iv. Veteran's Benefits – we are on target in FY26
 - v. Unemployment
- F. Health Insurance request increased by \$148,600 (20%) from FY26:
 - i. This is a conservative estimate, but increases are expected and we are waiting for the rates from the Hampshire County Insurance Trust (HCGIT). Also, the budget must cover possible changes to the group makeup such as a person with single coverage changing to family coverage
 - ii. A review of other insurance providers has shown that the current rates we pay are lower than the optional carrier rates
 - iii. There is concern as to whether HCGIT will remain solvent. If they survive, the increase will be at a lower rate than last year
 - iv. Ryan stated that the premium rate and level of service provided by HCGIT is better than the GIC option
 - v. Susie noted that the legislature is reviewing the issues with the HCGIT, but will not provide financial relief to the towns. But they are offering easy means for transitioning health insurance to a new carrier, including allowing towns to amortize costs incurred over a number of years
 - vi. It was also noted that a significant loss of units (towns) could have a negative impact on HCGIT's solvency

- vii. The size of the Shutesbury population means that our claims data is not available and can't help potential carriers determine the level of risk in covering our employees
 - viii. Ryan is working with insurance brokers to identify other options for our town
 - ix. How labor is structured (part time vs. full time) and potential employees' desire for health coverage are ways to control costs. Ryan advised that this is legally allowed
- G. Ajay received notice that the FY27 County Retirement assessment will be \$254,073, \$5,927 lower than the FY26 budget
- H. Ryan will send us the FY27 debt costs once all the FY27 borrowing has been secured

II. FY27 Budget Request - Assessors

- A. The total budget request is \$1,734 higher than FY26
- B. The increase is all for the Vision Software Maintenance and Cloud cost increase. This is a contractual cost. This software is only used by the assessors
- C. The town will be negotiating with a new head assessor in February and we will be able to determine the salary budgets for the Assessors department, in March

III. Reviewed and approved the minutes of the 12/2/25 meeting as amended

IV. Expense Report Discussion

- A. Hayley created a new report that shows operational budget cost trends and flags year-to-date expenses that are running higher than their budgets
- B. Hayley requested feedback from the committee regarding this report:
 - i. The Committee requested details regarding potential issues
 - ii. Set a range\threshold of overspending for expense lines to trigger researching and reporting to the committee the issues impacting the overspending
 - iii. Suggested that the report always show the percentage of the budgets spent, for key categories. Specifically, lines that vary substantially from year to year: Health Insurance, maintenance lines for Highway and fire, snow removal...
- C. Susie, the school representative, will monitor the Shutesbury Elementary School financial reporting and research and report on issues of concern

V. Finance Committee communication update

- A. Susie recently met with some legislators and other town officials in Leverett regarding advocating for increasing rural aid funding
- B. There is a web site from where citizens can communicate with the state regarding rural aid
- C. Our legislators noted that the state needs to hear from many people and urged the community to send messages now, while the FY27 state budget is being developed
- D. We drafted a message to inform the residents of the opportunity to contact the governor regarding rural aid for the schools

VI. School boiler expense

- A. In August, water was found in the elementary school's oil tank.
- B. The tank was tested and it was determined that it was not leaking

- C. The water was removed by Comm Tank in September so that the heating system could be ready for the cold weather. The cost is \$6,200
- D. Because it's not an ongoing school cost, the building committee is requesting this be funded by the Finance Committee Reserve Fund
- E. The committee debated whether this is a school budget cost or an extraordinary cost
- F. A motion was made to transfer \$6,200 from the Finance Committee reserve fund to the elementary school line. The motion passed: four yes one no

VII. Intermunicipal Agreement: MSBA Roof Project

- A. An agreement has been drafted to allow Pelham to fund their share of the middle school roof with a single payment at the start of the project

VIII. Other Business

- A. A sinkhole was found at the Lake Wyola dam:
 - i. This resulted in the level of the lake being lowered by five feet instead of the typical three foot drop
 - ii. The lake drawdown is complete and the repairs have been determined
 - iii. The repairs will be covered by the design and planning grant
 - iv. Because the current grant has been repurposed for the repairs, the town is planning to seek new grants to complete the design and planning work
- B. It has been suggested that the town contact the state Department of Local Services (DLS) to request an audit of the town's financial practices and report on results of the audit including noting areas for improvement. The Selectboard approved moving forward. There is no cost, but we prefer that it not start until after town meeting
- C. Ajay will be meeting with the Selectboard to discuss:
 - i. Options for trash hauling when the current contract ends. It is expected that a committee will be established to perform this analysis
 - ii. They will also review the compensation policy regarding health insurance and employee benefits and the town and employee contributions to these costs. A committee may be established to analyze this
- D. A preliminary FY27 level services budget was presented to the Regional School committee:
 - i. The estimate results in a 12.8% (\$227k) increase for Shutesbury. This would be lower than in other towns. The budget doesn't include any rural aid and uses some reserve funds (E&D) for revenue
 - ii. Based on the Amherst Town Council recommendation, the budget would need to be cut by \$2.97m
 - iii. The school also presented the impacts of various levels of budget cuts
 - iv. Ajay reiterated that this is preliminary and more work remains
 - v. The next four town meeting will be on January 10

Next meeting is on January 7 at 6:30

Meeting adjourned at 8:54 p.m.

