

Shutesbury Finance Committee
Tuesday, March 24, 2026 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Susie Mosher, April Stein, Laura Soito, Molly Moss, Jim Walton and George Arvanitis; Absent: None; Non-Members Attending: Hayley Bolton – Town Administrator, Ryan Mailloux – Treasurer, Tom Siefert

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

I. Meeting with the Treasurer

A. Clean Water Debt:

- i. This \$76,797 “water pollution abatement “loan was issued in 2012
- ii. It’s an interest free loan and we’ve been paying annual principal since 2013
- iii. \$3,860 is the FY27 payment
- iv. This loan payment had not been in the debt service budget in prior years but was being paid. It may be funded by another part of the budget, possibly the WPAT Septic Repair or Fire Station Mitigation lines. Hayley will research this

B. Library Loan:

- i. Ryan indicated that a ten year loan is more attractive to bond investors than 15 years. Most lenders are not willing to invest beyond ten years due to interest rate risk and longer term loans have higher interest cost
- ii. The option for a 15 year payment:
 1. A bond anticipation note (ban) with annual renewals for 10 years (the maximum allowable number of ban years) with a refinancing for five years after ten years is an option
 2. Each year’s principal payment would be 1/15th of the loan
 3. Interest will change with each annual renewal
 4. We will have the option to change the principal payment amount each year. We could increase the principal portion from 1/15th to 1/10th (or some other level) of the loan amount if finances improve
- iii. Current interest is 3.5%
- iv. Discussed pros and cons:
 1. Ten year loan has a lower cost over the life of the loan but higher tax impact each year
 2. 15 year option has a lower tax impact each year and better aligns the loan to the life of building so future residents will share in paying the loan. However, the 15 year option will cost more in interest over the life of the loan. 15 principal and 10 ban is more flexible
- v. The Treasurer has authority to manage debt, but Ryan prefers us to work together on managing borrowings and is open to the 15 year option
- vi. The committee asked Ryan to finance the loan with the fifteen year option

C. Capital Project Loans

- i. Ryan noted that best practice is to pay off assets in no more than ten years and manage the capital schedule

- ii. Ryan will produce a debt service schedule for the remaining life of the existing loans and help us determine how best to finance the fire truck and the possible school paving project
- iii. Discussed the need for maintaining a stable level of debt each year to avoid fluctuations in property taxes
- iv. The state has set loan terms for each type of equipment. The term of these borrowings can be extended, and many towns have extended their fire truck loans to as far as 15 years
- v. Ryan will join us in future debt management meetings

II. Reviewed and finalized the FY27 Budget

- A. There were two changes since our last meeting:
 - i. Increased library expense by a small amount to meet state funding requirements for certification
 - ii. Added \$600 to the Water Committee Quality line
- B. FRCOG total includes building inspector and was change (lowered):
 - i. Building Inspector line will be \$7,056. Plumbing inspections were added to services causing a larger increase than past years
 - ii. Council of Gov't Assmnts – FRCOG will be \$17,026
 - iii. This needs to be double checked
- C. We won't add the \$3,860 for the Clean Water Trust loan because this may be covered in another budget line. Hayley will follow up
- D. Discussed increasing Water Resources Com. Expenses to \$1,000, but left at zero and increased the Water Quality line from \$4,000 to \$5,000
- E. Decided to fund a portion of the school transportation increase with cash for \$15k
- F. Snow Removal is \$98,500 overspent in the current year. We can fund this with a FinCom transfer, line item transfers and/or a free cash transfer. Any uncovered cost will be paid through the FY27 tax levy
- G. Increased the use of free cash to fund a portion of the Elementary school temporary special education costs, to \$130k

III. Emergency Dam Repair

- A. Discussed the warrant article to repair the dam for \$83,845
- B. Decided to fund this from the Stabilization Fund. This will require a majority vote and is meant to stabilize taxes for non-capital purchases
- C. Discussed existing funds that may be used for the dam repairs. Hayley will check with the Town Accountant to see to what extent existing funds are available for this repair
- D. Haley is preparing a grant to help fund anticipated future repair
- E. Ajay adjusted the warrant article to fund up to \$83,845 with the expectation that other funds may be available to cover a portion of the repair cost

IV. Voted on the proposed draft warrant articles

- A. Article 1 - Regional School Budget: Finance Committee voted to recommend – unanimously
- B. Article 2 - The FY27 Operating Budget: Finance Committee voted to recommend – unanimously

- C. Article 3 - Set Salaries for town employees: Finance Committee voted to recommend – unanimously
- D. Article 4 - Authorize Treasurer to enter into compensating balance agreements: Finance Committee voted to recommend – unanimously
- E. Article 5 - Allow Selectboard to accept grants: Finance Committee voted to recommend – unanimously
- F. Article 6 - Approve appointing Cat Hilton to Board of Heath Administrative Consultant while also serving as a town official - Finance Committee voted to recommend – unanimously
- G. Article 7 - Walter Tibbets Cemetery groundskeeper while also serving as a town official - Finance Committee voted to recommend – unanimously
- H. Article 8 - Spending limit for Revolving funds spending limits for - Finance Committee voted to recommend – unanimously
- I. Article 9 - Funding the purchase of a tractor - \$64,318 - Finance Committee voted to recommend – unanimously
- J. Article 10 - Sprayer \$10,630 - Finance Committee voted to recommend – unanimously
- K. Article 11 - Elementary school engineer \$15,800 - Finance Committee voted to recommend – unanimously
- L. Article 12 - Elementary school Snow blowers for \$6,000 - Finance Committee voted to recommend – unanimously
- M. Article 13 - Replacement of the elementary school mechanism for the stage and center dividing curtains for \$15,000 - Finance Committee voted to recommend – unanimously
- N. Article 14 - Clicker system for town meetings for \$5,700 - Finance Committee voted to recommend - five yes and one opposed
- O. Article 15 - Data digitization Services for \$15,725 - Finance Committee voted to recommend – unanimously
- P. Article 16 - Transfer from Stabilization an amount not to exceed \$83,845 for dam repairs in FY26 per the dam order issued on 12/3/2025 - Finance Committee voted to recommend – unanimously
- Q. Article 17 - Borrow \$800,000 for a fire truck - Finance Committee voted to recommend – unanimously
- R. Article 18 - Motion to raise the minimum value of property subject to taxations to \$6,500 - Finance Committee voted to recommend – unanimously
- S. Article 19 – Reauthorize the Means testing Senior Citizens property Tax Exemption - Finance Committee voted to recommend – unanimously

Next meeting is Tuesday March 31 at 5:30 p.m. at town hall

Meeting adjourned at 9:09 p.m.