

Shutesbury Selectboard Meeting Minutes
February 23, 2026 Virtual Meeting Format
3:00 pm start

Selectboard members present: Eric Stocker/ Vice-Chair, Rita Farrell/ Board Member.

Selectboard members absent: Melissa Makepeace-O'Neil

Finance Committee members present: Ajay Khashu/Chair, George Arvanitis, Susie Mosher, Molly Moss, Laura Soito, April Stein.

Other Staff, Committee members, Board members, and Guests present: Hayley Bolton: Town Administrator, Brennan Mailloux, Ryan Mailloux, Mary Anne Antonellis, Ellen McKay, Michael Broad, Nathan Longcope, Police Chief Devon Pelletier, Fire Chief Leonard Czerwonka, Anna Heard, Tom Siefert, Frank McGinn, Elaine Puleo, Matteo Pangallo, Catherine Hilton, Keith Hastie, Brad Foster, Leslie Bracebridge, Gayle Huntress, Greg Day, Dale Houle

Stocker calls the Select Board meeting to order at 3:06 pm.

All other committees with quorums called their meetings to order at 3:06 pm.

Agenda Review: As posted.

Fiscal Summit:

1. The meeting began with a discussion on the FY27 operating budget. An overview was provided that discussed the current FY26 Operating Budget in the amount of \$7,761,287. The preliminary FY27 Operating Budget is estimated to be \$8,464,539. This equates to an increase of \$703,252 or 9.1%.
 - a. Khashu stated the Finance committee met with all department heads and committees, asking for their proposed operating budgets to better understand their assumptions and requests.
2. Khashu and Arvanitis displayed their screen of the FY27 Operating Budget Forecast and discussed the forces that are driving the increase. It was mentioned that the drivers include obligations such as health insurance, debt service, and school assessments, rather than any added new programs or expanded services spending. The biggest increases will go to the Shutesbury Elementary School (\$163,980), Library Debt-Debt Excluded (\$159,968) and a Health Insurance Assessment (\$148,000). Some other smaller increases include Cost of Living Adjustments, Highway Department increases, and PFAS debt.
3. There was discussion of the tax levy impact. FY26 tax levy was \$6,134,093 whereas FY27 before adjustments is estimated to be \$6,905,510 (12.6% increase). The Finance Committee suggested two options: applying cash reserves to fund budget items like new library operating expenses and health insurance adjustments or

recommending targeted budget reductions such as reducing OPEB contributions by 50% to \$25k and changing library debt from 10 to 15 years.

- a. The proposed cash reserve funding is \$193,964. Proposed budget reductions are \$85,727.
4. Khashu discussed the average single-family tax bill impact and proposed some statistics. He provided the overall assessed value of all taxable property to be \$378,799,063. The average single-family home value is \$417,704. They predict that by using cash reserves and targeted budget reductions, that the projected tax impact will be reduced by \$308 per average household. ~\$7,621 to ~\$7,313.
 - a. Khashu shared that the cash reserves coming into FY27 include about \$1,040,000 in Free Cash and about \$433,000 in Stabilization Funds. Our Town policies/guidelines state that the Town maintain 10% of its operating costs in Free Cash Reserves and then 5% in Stabilization Funds.
 5. Mosher discussed how the budget problem we are in is not a result of spending, but more of a funding problem. It was stated that the majority of the FY27 increase is due to fixed and non-discretionary obligations. They acknowledged that operating costs have increased but state aid is lacking and not keeping up with the pace. This makes it so the Town is now more dependent on property tax revenue as its primary source of funding.
 - a. It was noted that the Town has very limited commercial or industrial tax bases. There has not been any new growth in commercial businesses, nor many potential prospects according to Finance Committee discussions with the Assessor's Office.
 - b. Arvanitis shared that the excess levy capacity, which has been an important buffer in previous years, is shrinking rapidly. Operating cost increases are growing faster than the 2 1/2 % levy limit increase. There may be a need for a Proposition 2 1/2 override in the near future if existing service levels want to be maintained. (Not an immediate decision)
 - c. Mosher stated the Governor said while presenting her budget that we will not be raising state taxes, but because the costs are going up, they are indirectly raising local property taxes. Mosher stated we are working on getting the \$60 million dollars which is shared across 109 towns to deal with the rural aid inequities of the current funding formulas.
 - d. Ellen McKay shared we should be getting more money and benefits from the PILOT for the Quabbin Reservoir which is grossly underfunded compared to the same amount of acreage, or per acre that the Boston area gets from the state. She heard there is not a good chance of them giving us more money.
 6. Discussing long-term stability, it was shared that both debt service for the Library and PFAS are now part of the baseline budget that will be used to calculate the levy limit for FY28 and moving forward.

- a. Health insurance volatility is outside of the Town's control.
 - b. School and municipal cost growth continue to exceed levy growth.
 - c. The lack of no revenue sources or significant cost restructuring will result in the gap between required spending and allowable revenue to persist.
7. Ryan Mailloux shared his outlook on Health Insurance increases, and he stated outside of 6 months, it is essentially impossible to predict, although he stated he believes they will continuously increase annually. He stated more prescriptions are being written than ever before and also mergers and acquisitions amongst hospitals are just rising the costs of healthcare. Mailloux stated we could cut out the middleman of the Hampshire County Group Insurance Trust and offer Blue Cross Blue Shield directly, but quotes have been declined by various providers. Mailloux reiterated that he does not want municipal employees to feel like the Town is just saying deal with the health insurance increases but rather know that the Town is currently looking at what all the options are.
 8. Ellen McKay shared the next Capital Planning meeting is March 4, 2026 to discuss purchasing two snow blowers, a gym divider, and road paving.
 9. The Finance Committee thanked everyone for joining and participating in their Fiscal Summit, and all committees with quorums voted to adjourn their meetings at 4:16 pm.
 10. Meeting Adjourned at 4:16 pm

VOTE: Stocker makes a motion to adjourn the meeting at 4:16 pm, Stocker seconds. Roll call vote Farrell: aye, Stocker: aye, motion carries.

Document and Other Items Used at the Meeting:

1. Fiscal Summit Preliminary FY27 Budget Overview and Fiscal Outlook

Respectfully submitted,
Brennan Mailloux
Administrative Assistant
Town Administrator/Select Board

** A full version of the 2/23/26 SB meeting will be available to view on the Town of Shutesbury's YouTube page: https://youtu.be/jWfDm_vNKZU

