

Shutesbury Finance Committee
Tuesday, February 20, 2024 Virtual (Zoom) Meeting

Members Present: Ajay Khashu- chair, George Arvanitis, Bob Groves, Susie Mosher, Jim Hemingway, April Stein, Jim Walton, and ex-officio member- Town Administrator Becky Torres
Members of the Public: Tom Seifert

Finance Committee meeting called to order at 6:34 pm

Minutes of 2.6.24 reviewed. The amended version will be discussed at the March 6th meeting.

- A. Town Collector FY25 budget review. Proposed budget \$820. lower than FY24
 - 1. Lock box fee for mailed in tax payments increased \$180.
 - 2. Enough office supplies and postage on hand to reduce each line by \$500.
 - 3. Legal notices fluctuate, but proposed at FY24 level
 - 4. Discussed local option 5% surcharge on Motor Vehicle excise in the Municipal Empowerment Act - cost to upgrade our computer system to bill this increase, must be voted at ATM; not likely a positive outcome

- B. Highway Dept FY25 budget revisions
 - 1. After reviewing previous years' expenses, Highway Superintendent Steve Sullivan resubmitted his FY25 proposed budget
 - a. + \$500 highway expenses for safety training
 - b. Road Marking paint is environmentally safer but wears off quickly. Estimated cost for FY25 is \$15K, a \$5K increase
 - c. + \$12K for gravel road maintenance. Many gravel roads need rebuilding from the sub-base instead of just re-grading. Two types of gravel material needed for this work have increased 32% and 100% since 2011
 - d. Steve was asked to prepare a Capital Plan for gravel road work as an ongoing program instead of putting the cost into the operating budget
 - 2. Other points discussed
 - a. \$84K supplemental state funds provided for rural highway departments are being used for the engineering report for the culverts on Montague Rd. and at the Lake Wyola inlet from Fiske Pond
 - b. The state legislature is working on future increased gravel road funding
 - c. Although snow removal and sanding spending has been relatively light this winter, lowering that budget line for FY25 is ill-advised. The current amount reflects the average year and the DOR allows some adjustments if the fund falls short, but wants a reasonably average number in the operating budget. Some of this year's inventory will be saved for next year.

C. Preliminary FY25 budget review

1. Projected Revenue: (all numbers rounded off to nearest thousand)
 - a. 2.5% Levy increase = \$156K
 - b. New growth = \$40K. We discussed the possibility of projecting new growth at \$50K due to electrical substation upgrade and new poles. Assessors will help estimate this revenue.
 - c. \$144,721 in excess levy capacity can be used, yielding a new tax rate of \$18.91, an increase of \$1.10 (6%) over FY24 if property values stay flat.
 - d. At this point in the process, State aid is projected as mostly level with FY24
 - e. Most local receipts projected the same as FY24. DOR rounded the numbers down. Amherst's in lieu of taxes FY23 payment came late and shows up in FY24 in line 45, so this is projected at 40K less for FY25. The room tax revenue on Air BnB's could be projected at \$15 -20K instead of the FY24 figure of \$4.5K. The new local option to increase this tax by 1% might drive up property values and received negative reviews.
2. We should look over the budget to see if/how we would propose to use cash reserves in the revenue picture for FY25 at the March 19th meeting
3. All the expense numbers from the department budgets are included in this draft. The Personnel Board applied the formula and arrived at a 3.32% COLA increase for FY25
4. The expense lines reviewed were:
 - a. Line 41 Legal = \$20K; This funding level is without FY24's use of \$15K from free cash and reflects a decrease of \$5K over last year's base.
 - b. Line 54 Dam Consultant = \$15K; More regular reports and higher consultant fees increased this line by \$12.5K
 - c. Line 55 Land Use Clerk may be looking at a Conservation Commission Clerk in the future
 - d. Line 62 Equipment Maintenance = \$12.5K; elevator inspection and repairs drive this one up by \$3.5K
 - e. Line 63 and 64 Electricity and Heating will be reexamined and costs assigned more accurately
 - f. Line 68 Building Repairs= \$10K; same as FY24. This budget funds the smaller and ongoing emergency repairs overseen by the Town Administrator. Not to be confused with the Building Committee repair line 177
 - g. Line 76 Office Supplies = \$3K; Increased by \$1K because paper costs have gone from \$30/case to \$80/case
 - h. Line 92 Training Wages and Line 93 Call Wages = rebalanced these two lines and in total reduced by \$1,307
 - i. Line 107 Tree Warden is now the highway superintendent. Expenses?
 - j. Line 115 Elementary Transportation = \$88K; an increase of 20%, \$15K

- k. Line 112 Regional School = 1.6million; Shutesbury increased \$39K or 2.52%
- l. Line 126 Gravel road maintenance= \$40K; the \$12K increase will be reviewed as a capital expense by Capital Planning Committee
- m. Lines 135 and 136 Fire Station Mitigation and Fire Station Temporary Solution Fees, each = \$5K; Licensed Site Professional, Annual reports, filing fees and continued work on solution, but eventually cost may come down depending on the resolution of the gas leak
- n. Line 143 County Health District= \$26K; reduction of \$14K, Agent's health insurance now covered by Erving
- o. Debt Services principal and interest lines Locks Pond Culvert and Backhoe not included yet. Line 178 Transfer to Capital Stabilization covers some of those costs.
- p. Line 173 Insurance and Bonds = \$72K; increased by \$2.5K due to Town Hall increased value

D. Other Business

1. Four Town Meeting: We are glad there was no opposition to the current assessment formula. There is about a \$ 1.7m gap to close. Reductions in administration, teachers, paraprofessionals, and other staff are under consideration. The Regional School Committee will be will be reviewing a new proposed draft budget at their 2/27 meeting. We will request a copy to review.
2. Union 28 completed its Superintendent search and has unanimously offered the job to Shannon White-Cleveland
3. At our next meeting on **March 6, (Wednesday)** we will review the Broadband budget and Capital Plan.

Our meeting adjourned at 8:46 pm