

Shutesbury Finance Committee Minutes
Tuesday, February 9, 2010, 7 p.m., Town Hall

Finance Committee Members Present: George Arvanitis, Patrick Callahan, Weezie Houle, Lori Tuominen, Rus Wilson, Bill Wells

Visitors: Becky Torres, Al Springer

Members Absent: Gary Hirshfield

1. Meeting called to order at 7:10pm
2. Approve minutes from January 12th & 26th as amended.
3. Reports from committees
 - a. LFNAC – Lori and Weezie: There was a meeting last night, February 8. The architects presented several revised options from the previous meeting. LFNAC discussed them all, narrowed choices, asked for revisions for next meeting for one of the options. Weezie showed Fin Comm some of the proposed options in the pdf presentation. Rus and George suggested a simple tall two plane gable rather than the multi plane as presented.
 - b. Capital Planning – Lori and Rus:
 - c. CPA – Meeting date for orientation is Feb. 11. Current revenue is \$63,595 without the match.
 - d. Personnel – George - Personnel asked what Fin Comm is doing about salary increases. It is the Fin Comm chair's opinion and committee's intention to give the town employees a 1.5% increase for equity, morale, sanity and fiscal responsibility. Patrick volunteered to be on both negotiating committees for both the 1) Police Chief and 2) Officers.
 - e. School Committee - Weezie – none
 - f. Broadband – Weezie – Weezie reported on the Western MA Broadband Council meeting that met last Saturday. The group is seeking to form an alliance to form a municipally owned and operated non-profit fiber to the home company that would run fiber to the residents of approximately 35 under- and un-served towns in western MA. It could mean revenue for the town 10-15 years in the future.
 - g. Regional School update – Patrick & Becky: At the regional school committee meeting last Saturday, Amherst asked "What are we going to do about the budget. Shutesbury said we could support an increase up to \$44,000 plus the \$28,000 extra we had from last year for a total of \$72,000. Pelham and Leverett said they could do about the same. Amherst showed what they could do and what cuts they would have to make if Amherst gets their override and if they get the support from Pelham, Leverett & Shutesbury. The figures Shutesbury was using are based on -5% increase of chapter 70 aid. The Legislature has set the local aid and hence the regional transportation budget. This should be a reliable figure going forward.
 - h. State budget update – Some slight improvement in the state revenues. There will be some flexibility. Tax collections for January came in slightly higher than anticipated \$34,000,000. If the economy is picking up we would expect to see the tax revenues to go up by a much larger amount.
 - i. Education reform changes – Becky spoke to the positive ramifications of the new language regarding schools being able to pull out of a union. This couldn't happen without lots of town input, meetings, and negotiations to a new scenario. Stan Rosenberg was successful in the new

Ed reform. He tried to get regional transportation it under Chapter 70. He did get language that stated that any cuts to Chapter 70 are proportionate to Regional Transportation.

4. FY11 proposed budgets are looking good due to several factors including the Regional School surplus and debt service.
5. Expense Reports – reviewed and looking good
6. Revenue Reports - reviewed and good
7. Proposed FY 11 budget
 - a. It was reviewed by Select Board on Saturday and tightened up a bit. Includes 0% increase in all depts. And 1.5% increase in salaries. Regional budget is affecting the revenues. See 3. g. It looks pretty good overall given the state of the state, town and economy.
 - b. Proposed Revenue Highlights:

Capacity to tax has gone up. The Actuals for FY 09 didn't bring in as much revenue as we anticipated. We had a shortfall of revenue between \$60 and 80,000 from FY09. We have to be careful to max our revenue. Because we have a potential shortfall, we need to be very conservative with our revenue projections. Becky moved about \$50,000 out of the carried forward numbers to help absorb a potential decrease in revenues. She also reduced the projected Chapter 70 by \$60,400 and Lottery revenue by about \$30,000. The legislature is setting the Local Aid in March. Amherst is going for an override in either March or April. We may not know what the exact regional budget is before town meeting.
 - c. Proposed Expense Highlights:

Finance Committee Reserve fund is level funded. The overall budget expenses increase would have been about 1% but it is actually .63% due to \$25,000 for the Fire station cleanup. Our LSP, the DEP and town officials are thinking that there may be a second underground tank due to the increase in gas fumes. We are pushing to identify the new plume of gas and deal with it now rather than put it on the long term plan.
8. News business
 - a. Health Insurance follow-up from discussion – FY 09 the budget was under spent by \$72,000. We will have a 5.4% increase between FY 10 and FY 11.
 - b. Capital spending
 - i. If we have to spend the extra \$ from the lowered assessment, we have no money for capital expenditures.
 - ii. Cost recovery program for Fire Station. They are going to do a financial analysis and we need to even out our capital spending over a few years and look at our debt. The school will be paid off in two years.
9. Next meeting – February 23rd, 7pm
10. Meeting adjourned at 9:10pm