

SHUTESBURY FINANCE COMMITTEE
Minutes for March 11, 2008
Shutesbury Town Hall

Members present: Eric Stocker, chairman, Rus Wilson, Al Springer, Lori Tuominen and Patrick J. Callahan. Guests: David Dann, town administrator, Becky Torres, selectwoman.

The meeting convened at 7:04 p.m.

The minutes of the Feb. 26 meeting were approved unanimously.

Becky reported on the March 6 meeting in Boston with the officials from the Massachusetts School Building Authority over the disallowed costs from the elementary school project. She says another box of material from Union 28 was found and that new warrants totaling between \$65,000-\$70,000 were discovered. Overall, she says the town was told it can expect that \$150,000 in costs will be honored, with another \$75,000 likely. There is some chance the town may be granted another \$65,000 and a slim chance at being granted another \$48,000. At this point, she says, we have to await the decision of the full board that will meet at the end of the month.

Eric says Elaine told him that the Shutesbury School Committee is preparing a budget that can be adopted if there is no override this year.

Eric also reported that he has talked to Rep. Steve Kulik about prospects for the next state budget. The House is currently drafting its version of the proposed spending plan. Kulik says state lottery revenue will remain the same as last year, that Chapter 70 funds will be the same as those in the governor's budget, and that at a minimum, payments for PILOTs and regional transportation will be the same as last year.

David Dann then presented the committee with several budget scenarios as part of an overall debate about the need for an override. One was a budget proposal that includes a 1-percent increase over the current year that would require additional cuts of \$125,000, and one with no increase.

David says the current budget gap between requested spending and available revenue is \$165,000.

There was a discussion of how much it is prudent to spend on maintaining the town roads, regardless of whether an override is approved.

There was general agreement that any override requested of the town should accomplish two key goals: prevent the need for another override for between four and five years, and provide enough money to "reset" the budget this year so that costs will be covered and no reserves need to be spent. The secondary goal is to use an override to help replenish the town's reserves up to a level near 15 percent. In addition, the override should allow the

town to move the cost of the capital budget from being paid for with free cash to being included in the main town budget paid for with annual tax revenue.

David Dann was asked to draft proposed budget for the next several years showing what a 3 percent increase in revenue and 4 percent increase in spending will look like.

It was also agreed to add \$10,000 to the Finance Committee reserve next year and another \$10,000 for gravel road upgrades.

David says the budget articles for the Annual Town Meeting need to be signed by the selectmen on April 15, so details of the override need to be finalized by then.

The next meeting was set for March 10 at 8 p.m. with the selectmen.

The committee will also meet April 1 at 7 p.m. to meet with the auditor.

The meeting adjourned at 9:20 p.m.

Submitted by Patrick J. Callahan.