

Shutesbury Finance Committee
Tuesday, November 17th, 2020, Virtual (Zoom) Meeting

Members present: Jim Hemingway, Ajay Khashu, Jim Walton, Susie Mosher, Bob Groves, Melody Chartier, George Arvanitis

Members absent: None

Select Board members present: Melissa Makepeace-O'Neil, April Stein, and Rita Farrell

School Committee members present: Lauren Thomas-Paquin and Steve Sullivan

Non-Members present: Becky Torres, Leslie Luchonok, Mike Vinskey

7:01 pm Finance Committee Call to Order

- 1) Joint Meeting w/ School Committee and Select Board to Plan for the upcoming Four Town Meeting
 - These three committees typically meet in advance of the four-town meeting to discuss negotiating strategy with respect to what regional school assessment method Shutesbury intends to pursue.
 - Last year the region agreed to an assessment method that utilizes a 45% Statutory Method (using a 5-year rolling average).
 - BG urges the committees to stay committed to a strategy of gradually shifting the assessment method toward 100% Statutory Method (w/ 5-year rolling average).
 - AK recommends that the town accept a 1-year pause in the move towards Statutory Method, anticipating that the town of Amherst will have experienced a significant reduction in critical revenue sources.
 - LL and MV argue that Shutesbury should continue to move towards the full statutory method.
 - GA suggests the option of giving our partner towns a future date by which Shutesbury expects the region to have adopted a 100% statutory assessment method. For example, Shutesbury could argue a position that by FY24 or FY25, the town will only vote for the statutory method. For this year, GA argues that “we need to play ball.” GA further states, “I’m opposed to being antagonistic this year, but we should be firm about our long-term goal.”
 - LL suggests that our region’s economic outlook may never return to “normal.”
 - Steve Sullivan reports that Union 28 has met with Leverett and Pelham, who report that they have lost a sizable number of students for this year. Specifically, Pelham has lost 20 students from their elementary school roster, leading them to make the difficult decision to drop their preschool program for this year.
 - This year the region is experiencing a significant reduction in the school population.
 - SM suggests that we ask other towns to provide specific information that will help us develop our strategy. This could include:
 - i) Per pupil spending per town
 - ii) Tax rate for each town
 - Select Board member Rita Farrell says that it is important for the town to have a general position, but we should avoid talking about specific percentage goals at this point.

Select Board and School Committee Adjourn

2) Motion to approve 10/20/2020 minutes as written passes unanimously (7-0).

3) State Budget Updates

- We received an updated Cherry sheet.
- Holding tight on Chapter 70 and lottery funds.
- No new news on Foundation education budget.

4) Review Assessors Report on the filing of this year's Recap with DOR

- Question they have every year is whether to split tax rate for Residential vs. Industrial properties. They chose not to this year.
- Tax rate for FY 21 is \$22.66. This is a \$1.38 decrease from the Fiscal Year 20 of \$24.04. \$0.97 of that decrease came from a one-time use of Free Cash at Town Meeting.
- SM asks if there is a role for the FinCom to have a general discussion about promoting or rejecting future solar projects. What would be the best way to have that discussion? BT says it is the Select Board's role to approve a pilot. Planning Board's role is to issue permit. GA says it would be wise for FinCom to have a representative participate on committees that look at economic development issues.
- BT says that the Select Board is putting together a new committee that will discuss economic development, financial policy, etc. Expected to roll out by the beginning of 2021.

5) Review Expense Reports

- BG requests that expense reports be sent to the FinCom in advance of our committee meetings so that we have an opportunity to review.
- Will review November expense report at next meeting.

6) School Choice Funding

- The position of the town has been that school choice funding could not be counted on the revenue side of the school's budget.
- School choice funding received is presented on the town's revenue budget, but the amount of funding is not added to the revenue total.
- BG has researched how this issue is treated in other towns and has shared some related documents, including the school committee budgets from the towns of Pelham and Leverett. BG also cited the following from the State school choice guidance:

"The appropriating body, however, may take into account the availability of school choice revenues and other special revenues in deciding how much to appropriate above the net school spending requirement."

- BT responds that authority over those funds belongs strictly to the school and only the school committee can make the decision to add those funds to the school's budget.
- SM suggests that we ask the School Committee to update us on their school choice plan.

- The school committee can choose to factor in their school choice revenue when preparing their budget request.

7) Future meetings: December 1st: Meet w/ Highway and Police departments.

Meeting adjourned at 8:59