

Shutesbury Finance Committee
Tuesday, February 23, 2021, Virtual (Zoom) Meeting

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

Members Absent: None

Non-Members present: Becky Torres, Leslie Luchonok

7:03 PM Finance Committee Call to Order

1) Broadband committee is not ready to discuss their budget proposal tonight. We will meet with them on 3/23. FinCom is required to review the Broadband budget even though it is an Enterprise fund.

2) Motion to approve 2/9/21 meeting minutes as amended passes unanimously.

3) Preliminary FY 22 Revenue Projections

- Key Points:
 - i) State law does not allow us to assess a tax rate over \$25 per \$1,000 of assessed value.
 - ii) We are at the Levy Limit now at \$5,791,004. We are not able to show any new growth for FY 22 because it would put us over the Tax Levy Limit. We are seeking guidance from the Department of Revenue on how we should proceed.
 - iii) Maximum allowed Levy is \$5,822,642.
 - iv) We are currently anticipating a Total Tax Levy of \$5,350,461. This would result in a tax rate of \$23.68 assuming the Total Town Assessed Value remains the same as last year.
 - v) There is a slight increase in anticipated Chapter 70 aid (+ 0.47%).
 - vi) There is an anticipated 3.5% increase in Unrestricted General Government Aid (UGGA).
 - vii) Anticipating a significant increase in School Choice receiving tuition (approx. 36%).
 - viii) Projected Total revenue = \$6,667,200 (+.4 %).

4) Preliminary FY 22 Expense Projections

- SM points out 2 discrepancies \$124,535 for Police Wages (line 84). This is due to the Expense projections including a 3% salary increase as per their union contract.
- BG suggest we eliminate the Veteran's Benefits line for this year since there are currently no veterans receiving this benefit. BG also suggests we fund the Library Development and OPEB Trust Fund allocations through free cash as a way to provide tax relief to town residents.
- The current expense projections include annual salary increases only for the Police Department and schools. BT reports that the anticipated budget increase associated with pay increases for other municipal employees is \$6,700 per 1% increase.

- The projected assessment for the Amherst Regional School District was based on the FY21 assessment formula (45% Modified Statutory).
- GA recommends that we not fund the Unemployment Compensation fund through free cash.
- BT is going to follow up with the Town Treasurer for clarification on the proposed \$3,000 increase in the Short-Term Notes line.

5) Miscellaneous Topics

- SM requests that the FinCom have a discussion on the use of Free Cash and member feedback on the proposed budget.
 - i) JW suggests that we have a broad, philosophical discussion of what are the appropriate uses of free cash and what is the appropriate amount of free cash for a town like Shutesbury to carry.
- The School Committee is having a budget hearing on Thursday. BT has asked Bruce Turner to look for and be prepared to discuss any possible reductions from the budget proposal that was prepared in October.
- The Select Board has voted to create a working group to study the issue of Shutesbury's police needs.

6) Select representatives to Salary Review and TA's FY22 Contract

- Current Personnel Committee members GA and MC will represent FinCom for the upcoming Salary Review.
- BG will represent FinCom on the negotiation on the Police Dept MOU.
- Jim Walton will represent FinCom on the Town Administrator contract negotiation.

7) Future meetings: 3/9, 3/16, 3/23 (Broadband)

Meeting adjourned at 9:14 PM