

Shutesbury Finance Committee
Tuesday, May 4, 2021, Virtual (Zoom) Meeting

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

FinCom Members Absent: None

Non-Members present: Becky Torres, Kevin Rudden (Town Assessor), Deacon Bonnar (Planning Board), Mike Vinskey, Mary Anne Antonellis (Town Library), Paul Lyons, April Stein

6:01 PM Finance Committee Call to Order

1) Motion to approve 4/20 meeting minutes as amended passes unanimously.

2) Planning Board Budget Request (represented by Deacon Bonnar, chair)

- Typically, the Planning board does not have many expenses. This year, there are two unusual issues that are resulting in significant expenses.
 - i) Shutesbury will have increased legal advertising expenses for FY22. If we have five special permit applications for solar projects, the town will incur \$5,000 in legal advertising fees. These are legally required. Each application requires two public notices (each notice costs approximately \$500).
 - ii) Abutters to parcels where special permit projects are going through the approval process have to recuse themselves on votes unless they get a real estate professional to certify that they do not have a financial stake in the decision. It is challenging for the board to meet the minimum number of votes required to render a decision. The planning board is requesting \$1,000 to cover the cost of reimbursing members for this expense.
 - (1) JH recommends that we use Fin Com reserves to pay for this.
 - (2) GA states that town volunteers should not have to pay out-of-pocket expenses to do town business. This request should be supported.
- **Motion to increase planning board budget from \$2,000 to \$7,500 contingent on confirmation from our legal advisor passes 6-1 (SM votes no).**

3) FY22 Capital Plan w/ Capital Planning Committee

- Currently, the only project recommended by the Capital Planning Committee is the annual \$25,000 allocation for the new library fund. A significant upgrade to the elementary school's HVAC system is being considered. However, we are still in the process of obtaining information about the cost and further clarification on whether American Rescue Funds can be used for this purpose.
- There are \$1.1 Million in capital requirements for the culvert and elementary school roof.
- Potential new project: The Massachusetts Public Library Construction Program has funded approximately 220 new library and library renovation projects. Only 13 of those have gone to small towns like ours. The program understands this is a concern, and they are developing a small library pilot project. The competitive grant will be announced this spring and awarded this summer. Instead of covering 60% of expenses (as is usual), this

grant will cover 75% of construction expenses. They have \$3M set aside for this project. If Shutesbury is awarded, planning will occur this fall and construction in FY23. We have approximately \$500K saved in our new library fund. This is a multistep process, and submitting a proposal is just the first step. If awarded, there will be significant details to be worked out in terms of what the town's financial obligation would be.

4) Discussion of funding strategy for upcoming capital projects (culvert and elementary school roof).

- There have been delays in the application process for school construction assistance.
- The School roof will have two phases: Gym roof in FY22 (\$260,000) and the rest of the school roof in FY23.
- The town is looking at approximately \$1.2 Million of potential capital expenses in each of the following two fiscal years.
 - i) Culvert (\$750K)
 - ii) Ford Explorer (\$50K)
 - iii) Library (\$650K)
 - iv) School Roof Part 2 (\$700K)
- Treasurer: We have a substantially high free cash balance. It is in the town's best interest to use a significant amount of free cash for these purposes and not borrow entirely for these FY22 and FY23 projects.
 - i) Current rate: 2.7% on a five-year note.
- SM advocated adhering to the fiscal policies voted in by the Select Board in 2018. Relative to the General Fund revenues, the town should strive for 10% or greater in Free Cash Reserves, 5% or greater in Stabilization, and a debt ratio of 5 – 10%.
- **BG makes a motion to allocate up to \$300K of free cash reserves for the FY22 elementary school roof project. Seconded by GA. Motion passes unanimously.**
- **SM makes a motion to allocate up to \$400K of capital stabilization funds for the FY22 culvert project, with the remaining \$350K to be borrowed. Seconded by AK. Motion amended by GA as follows: to allocate \$250K of capital stabilization funds for the FY22 culvert project with the remaining \$500K to be borrowed. Amendment seconded by SM. Motion passes by a vote of 5-2 (BG and JH vote no).**
- **BG makes a motion to move \$500K from free cash into stabilization accounts. Seconded by JH. AK offers an amendment: motion to transfer \$350K from free cash into stabilization accounts. Seconded by BG. Motion passes unanimously.**

5) Update on Budget

- Select Board has approved an additional .25% increase to FY22 COLA in recognition of COVID-related challenges. This amounts to an additional expense of \$1,010.

6) Other Committee Updates

- SM will be the Fin Com representative on the Police Planning board.

Meeting adjourned at 9:00