

**Shutesbury Finance Committee**  
**Wednesday, October 6, 2021, Virtual (Zoom) Meeting**

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

Members Absent: George Arvanitis

Town Administrator: Becky Torres

Non-Members present: Rita Farrell, Leslie Luchonok, Kevin Rudden, Mike Vinskey

Meeting called to order at 6:31

**1) Fire Station Parking Lot Repaving Project (Bids above approved project cost)**

- a) 4-5 years ago we received an estimate to repave the Fire Station parking lot.
- b) Fire Department requested \$25K to complete the project. Those funds were allocated and have been held in a reserve account for this purpose.
- c) Various delays. Owner of the company passed away. Project was put on hold because of water line issue.
- d) 4-5 years later the department is revisiting the project. Project was put out for a new bid. The lowest bid came in at approximately \$56K. An additional \$31,816 are needed to complete the project with the lowest bidder.
- e) BG suggests that the project go back through the usual process including another review by the capital planning committee.
- f) BT responds that this is not the role of the Capital Planning Committee.
- g) Several Fin Com members suggest that this needs to be brought to town meeting. Paving season ends in November so there is a narrow window for a special town meeting.
- h) SM states that another option would be to allocate funds from the Fin Com reserve account.
- i) Leslie Luchonok asks how many \$\$\$ are in the Fin Com reserve fund. BT responds that approximately \$74,500 remains.
- j) **SM makes a motion to transfer \$31,816 from Fin Com reserve fund to Title 30 – Fire Station Paving fund. Jim Walton seconds.**
- k) BG states that he does not support the motion because he believes this should be reviewed by town meeting. The cost is significant and should be considered by the town.
- l) JH asks if a Fin Com reserve transfer of this size requires a town vote. JH asks if the project would be more successful if it was done in the Spring since there is a lot of moisture in the ground now.
- m) BT states that the bid itself has a requirement
- n) **Motion passes 4-1 with 1 abstention (BG Votes No, JH abstains)**

**2) Review Minutes from 9/22/2021**

- a) **Motion to approve 9/22/2021 minutes as amended passes unanimously 5-0 with 1 abstention (BG).**

### **3) Review Budget Meeting Schedule**

- a) BG requests that Fin Com receive budgets in advance of the department meetings. It is critical for our work that we have an opportunity to review these proposed budgets in advance of meeting w/ the department heads.

### **4) Free Cash, Stabilization, and Capital Stabilization Review**

- a) **SM makes a motion endorse following the policies outlined in Town of Shutesbury Municipal Finance Guidelines, approved by the Select Board 2018. Motion seconded by AK.**
- b) BG states that these are guidelines and not law. In any given year we have a responsibility to exercise our authority to represent the interests of our taxpayers. The capital stabilization account requires a 2/3 majority vote and is meant to be used for large capital projects.
- c) SM reviews 4 financial policies from the Fin Com handbook:
  - i) Free cash should be 10% of budget
  - ii) Stabilization should be 5% of budget
  - iii) Debt should be between 5-10% of budget
  - iv) Fin Com reserve should be no less than 1% of budget
- d) Mike Vinskey: it doesn't make sense to me that the Fin Com would make a policy handbook and then have their hands tied for making changes to those policies. If those policies don't make sense, there should be a relatively easy way to make those changes.
- e) JW: all 7 of us have our own bias when it comes to our financial policies. It was a good idea for the town to bring in an unbiased expert (Joe Markarian) to help us develop these guidelines. It is important that we have guidelines and that we follow those guidelines.
- f) JH: It seems to me that the 10% free cash recommendation was never a mandate. It was more of a "it would be nice if it happened."
- g) MC: Asks for clarification about whether the motion states that these guidelines are binding vs. aspirational goals. BT responds that these are aspirational goals.
- h) JH states that the Finance Committee has already approved these guidelines, hence the motion is a waste of the committee's time.
- i) AK recommends that we have a more structured process for reviewing the guidelines. Perhaps we should have a process to review the guidelines every 5 years where we have a subcommittee review the guidelines and make recommendations for changes.
- j) **Motion fails with a 3-3 tie vote.**

### **5) Expense Report Review (7/1/21 – 10/10/21)**

- a) BG asks where free cash is on the expense report. BT clarifies that free cash is never included in the expense report. She also updates us that free cash has not been certified yet.
- b) JH asks what the Transfer to Capital Projects Fund line represents. BT clarifies that it is an accounting detail. She will bring a more detailed explanation to our next meeting.
- c) BT states there will be another request for Planning Board reimbursements for conflict of interest evaluations.

**6) Committee Updates**

- a) MC for Personnel Board: Began a review of wages and salaries. Committee approved a job listing for the Board of Health clerk.

**7) Future Meetings**

- a) October 20<sup>th</sup> – 6:30PM

Meeting adjourned at 8:25 PM

## **Attachment A: FY 23 Department Budget Meeting Calendar**

Wednesday, Dec. 1	Highway / Police
Tuesday, Dec. 14	Fire / Library
Tuesday, Dec. 28	Open
Tuesday, Jan. 11	Shutesbury Elementary
Tuesday, Jan. 25	Treasurer / Assessor
Tuesday, Feb. 8	Accountant / Collector
Tuesday, Feb. 22	Broadband MLP
Tuesday, Mar. 8	Capital Planning
Tuesday, Mar. 22 or 29th	Warrant Articles approved
Saturday, April 30	Annual Town Meeting