

Shutesbury Finance Committee  
Tuesday, February 21, 2023 Virtual (Zoom) Meeting

Members Present: Ajay Khashu, Bob Groves, Jim Hemingway, Susie Mosher, George Arvanitis, Melody Chartier and ex-officio member, Town Administrator Becky Torres

Member absent: Jim Walton

Members of the Public: Allen

Meeting called to order at 6:32 pm

1. Minutes of 2.7.23 approved as amended.
2. Becky presented the FY24 Assessor budget for review.
  - A. Without an Administrative Assessor, the budget lines are best estimates.
  - B. The certification line of \$1K depends on who gets hired for the Administrative Assessor.
  - C. The computer software maintenance line (CAMA) is projected with a 10% increase.
  - D. 504 Classification and Personal property will need to use some outside expertise. David Burgess, assessor consultant, recommended we use a program. There are over 1,000 calculations involved.
  - E. The Personal Property and Utilities valuations are separated from the property town values to keep track of those components.
  - F. The cell tower's valuation has not completed by a professional consultant but will be.
3. Four Town Meeting debrief
  - A. The salary question from regional school administration were likely in light of current contract negotiations. Towns would have given a better prepared answer if that and other questions had been sent to the towns ahead of the meeting.
  - B. If salaries increase by more than 2.5% other lines such as field maintenance are squeezed.
  - C. The pressure on the operating budget may result in migrating some expenses to capital.
  - D. Comparison with other town salaries and salary sustainability was raised.
  - E. Perhaps our Annual Finance Committee Report's final section should be presented in two parts – Opportunities / Risks in light of projecting how future regional school budgets may affect us.
  - F. An update on the track project funding would be helpful. Looking at the rest of the 10-Year capital plan, it would add flexibility if a town could apply some free cash instead of debt through borrowing. George and Susie will write a letter to get clarifications from the region.
  - G. There has to be a rewrite for the regional agreement because the assessment formula has changed to 100% statutory with guardrails. It is likely that opening up the agreement for editing will mean other sections will be debated.
  - H. The Student Opportunity Act will be sending state funds to eligible districts and ARPS is not likely eligible for that funding. The issue of declining population (a statewide-phenomena) may lead to funding cuts if grandfathering is not kept in place. Our legislators are well aware of this problem.
4. Talking Points for future Aaron Saunders meeting
  - A. Our State Representative Aaron Saunders will hold monthly meetings the first Tuesday of each month at 12:30 in the Shutesbury Library. There were about 14 people attending the

- first February session. Some of those attending came in support of HD1020 and HD652, Forest Protection bills.
- B. Aaron was a select board member in Ludlow and is well aware of the issues small towns face. He mentioned Chapter 70, Charter School funding problems, PILOT formula shortfalls, MSBA project funding problems, municipal solar, and needing a small-town lens on state legislation. He came to Shutesbury with people from DEP to review the town well that tested high for PFAS. The Clean Water Trust is finding municipal water supplies, not individual homes.
  - C. For the March 7<sup>th</sup> meeting, discussing the high cost of utilities impacting citizens and towns and state aid will be brought up as well as reiterating some of the February topics.
5. Committee Updates
- A. The COLA for FY24 will be 3%, using the three-year rolling average formula agreed to. That formula will be due for the three-year review for FY25.
  - B. The School Committee sent in their approved reductions for their FY24 proposal; the increase is lowered to 3.72% or \$83,773 – fuel and electricity being most significant. The school will have the new phone system in soon. Next up, a security camera system they need. Although they have two new curriculum systems under review, the administration expects to meet the cost for the new materials to fit inside the budget.
  - C. The MLP surveyed rates in the area and Shutesbury rates are the lowest by \$10/month. This is due to the town having the highest subscriber take rate – close to 90%. The recent storm caused significant damage. The insurance company has been contacted.
  - D. Personnel Board said the concept of a regional land use agent turned out to be expensive due to the benefits that would go with the position. Other towns were not on board. Sometimes a regional position is needed for expertise and does not result in cost cutting.
6. Meeting Calendar review
- A. Working backward from the currently scheduled May 20, 2023 Annual Town Meeting (ATM) we laid out the remaining tasks on our calendar. It looks likely that the Select Board will have reasons to move the date for ATM to June 3rd.
  - B. The governor's budget is due by March 1. The legislature is not likely to have their budget out until late March or early April. State revenues and new growth will have to be estimated, as usual.
  - C. If there is a Finance Committee minority report, it will be reviewed before ATM.
  - D. We scheduled a discussion about the format for the SES budget in regards to school choice funding and expenses.
7. Expense report through February review
- A. Some expenses we know about have not been expensed yet, for example The Finance Committee Reserve fund balance will be \$33,950.
  - B. The snow and salt line is 80% spent, but we don't know if this covers all the bills.
  - C. The contract for electricity expired in December and the price rose from .105 to .16/kw. With mini-splits as part of the heating system, our electricity use will go up, but there should be some drop in oil use.

Our next meeting is March 7 and Accountant/Collector/ and Capital Planning are on the agenda.  
Meeting adjourned at 8:25.