

Shutesbury Finance Committee

Tuesday, May 2, 2023 Virtual (Zoom) Meeting

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

Paul Lyons, Moderator

Members of the Public: Mike Vinskey

Meeting called to order at 6:30 pm

1. Minutes of 4.18.23 were not approved. Proposed amendments will be written up and considered at our next meeting.
2. The school roof bid deadline is May 17. The engineer's study estimated the cost at around \$503K, less than the \$750K we had been planning for. We will use \$600K for planning purposes. We may have a firmer cost estimate prior to the ATM.
3. Our timeline and agendas for future meetings are as follows:
 - A. Monday, May 8, at 6:30 to finalize the budget.
 - B. Tuesday, May 9 at 7:00 to meet with the Select Board to review warrant, FY24 budget proposal, and transfer some underspent FY23 lines to Fin Com reserve
 - C. Tuesday, May 23 at 6:30 to review and vote on Finance Committee Annual Report
 - D. Thursday, May 25 at 6:30 to lead FY24 Budget and Capital Plan Info Session with Paul Lyons as moderator
 - E. Saturday, June 3 ATM – Time?
4. Appointing a new member June 2023
 - A. Paul Lyons said he is working on some outreach for a new Finance Committee member to be in place in July 2023. He will put something in the Our Town that will come out on May 22 and post it on Next Door Shutesbury. Finance Committee members are encouraged to do outreach as well.
 - B. People can encourage a broader, more diverse community representation on the Finance Committee (younger, people with kids, women, people with some financial background or very interested in learning).
 - C. The MMA publication Association of Town Finance Committee Handbook is a comprehensive guide to the roles and process in town government and for the Finance Committee.
5. Review of the Capital Expenditure (CapEx) Plan
 - A. Discussion about the warrant articles that describe spending on the CapEx. We reviewed:
 1. Backhoe= \$120K

2. Buildings= 20K
 3. The school roof= \$600K. \$500K already on hand, \$100K left to fund
 4. Floors at Elementary School= \$31K
 5. Added Culvert cost= \$60K
 6. To complete 2021 HVAC bid work= \$33K
 7. Security Camera System for the school= 60K
 8. Lake Wyola draw down permitting costs= \$35K
 9. Professional monitoring/permitting services at Lake Wyola= \$35K
- B. We reviewed the items on the CapEx plan, and explored various options of using cash reserves and borrowing.
 - C. Discussion about spending reserves versus borrowing considered: interest rates, recommendations for municipal debt, maintaining free cash at 10 %, personal finance compared to municipal finance, being able to respond to unforeseen events such as PFAS, comparison with other towns' cash reserve balances, maintaining a strong financial profile for borrowing purposes, moving money from free cash to Capital Stabilization, requiring a 2/3 vote for large expenses.
 - D. A motion was made to apply the assumptions in the CapEx plan (attached spreadsheet), including borrowing to purchase the backhoe. Motion passed: 4 Yes, 2 No.
 - E. This is the Finance Committee's recommended plan. Town meeting makes the final decision.
6. Finance Committee votes on recommendations for relevant warrant articles
 - A. Article 2. Regional School Agreement: Finance Committee recommends unanimously.
 - B. Article 5. Elected Official salaries: Finance Committee recommends unanimously.
 - C. Article 6. Compensating Balances: Finance Committee recommends unanimously.
 - D. Article 7. Accept and Spend grants: Finance Committee recommends unanimously.
 - E. Article 8. Catherine Hilton, Board of Health dual role: Finance Committee recommends unanimously.
 - F. Article 9. Revolving Fund Accounts: Finance Committee recommends unanimously.
 - G. Article 10. \$150K Clean Water Trust Loan for PFAS costs: Finance Committee recommends unanimously.
 - H. Article 11. Budget article passed over until final review @May 8 meeting.
 - I. Article 12. \$120K for Backhoe by borrowing: Finance Committee recommends passed: 4Yes, 2 No
 - J. Article 13. \$100K for School Roof from Capital Stabilization: Finance Committee recommends unanimously.
 - K. Article 14. \$31K for School floors from Free Cash reserves: Finance Committee recommends unanimously.

- L. Article 15. \$60K for Culvert project from Capital Stabilization: Finance Committee recommends unanimously.
 - M. Article 16. \$33K for HVAC from Capital Stabilization: Finance Committee recommends unanimously.
 - N. Article 17. \$60K for School Security Camera System from Capital Stabilization: Finance Committee recommends passed: 5 Yes, 1 No
 - O. Article 18. \$35K for Lake Wyola draw down permitting from Free Cash Reserves: Finance Committee recommends unanimously.
 - P. Article 19. \$35K for Lake Wyola consultant and permitting from Free Cash Reserves: Finance Committee recommends unanimously.
 - Q. Article 20. Community Preservation funds allocated annual revenues to four funds: Finance Committee recommends unanimously.
 - R. Article 21. Community Preservation appropriates administrative funds: Finance Committee recommends unanimously.
 - S. Article 22. Community Preservation appropriation for cemetery stone restoration: No amount given. Finance Committee will review at May 8 meeting.
 - T. Article 23. Community Preservation funds appropriation for parking at Quabbin Lot 15: Finance Committee recommends unanimously.
 - U. Article 24. Town appropriation of \$90,955 to MLP Emergency Reserve: Finance Committee recommends unanimously.
 - V. Article 25. Town appropriation of \$349,560 to MLP Enterprise Fund for FY24 budget: Finance Committee recommends unanimously.
 - W. Article 27. Town appropriation of \$97.50 for KP Law bill of prior year: Finance Committee recommends unanimously.
 - X. Article 28. Town appropriation of \$2,450 for two Police dept. computers from a bill of prior year: Finance Committee recommends unanimously
7. Our next meeting is on Monday, May 8 at 6:30. On our agenda:
- A. Finalize and vote on the 4.25.23 draft budget. Members should review each section and flag any lines for discussion.
 - B. Review and finish up voting on updated warrant articles.
 - C. Approve minutes with amendments from April 18, 2023.

Meeting adjourned at 9:06 pm