

Shutesbury Finance Committee
Tuesday, October 17, 2023 Virtual (Zoom) Meeting

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

Absent Member: April Stein

Finance Committee meeting called to order at 6:31 pm

Minutes from October 3, 2023 were approved as written.

1. Chapter 70 Foundation funding follow-up discussion

A. Our objective is to better understand what factors contribute to the foundation formula so we can advocate for improvements on our stagnant or decreasing Ch. 70 aid. The formula is well defined in the materials from DESE – we are not likely to get a change the formula. Possible factors involved in our state education aid:

B. population – statewide the population is declining; so is Shutesbury’s. Our aid is currently “grandfathered in” and will not go lower than the current level despite drops in population.

C. The Student Opportunity Act, passed in 2019 has a three-year closing the gap plan starting with FY22. The state has increased education spending for disadvantaged communities to address education equity issues. Amherst Regional Schools will not be a recipient. Our district has a relatively high Equalized property Valuation (EQV) and the school is funded above the minimum contribution levels. We have students with special needs, some low-income families and some EL students, but overall, we are not the type of district for whom the state is boosting funding. Pelham and Amherst are building affordable housing. This may change our demographics and our costs to meet these needs

D. Property values have risen sharply across the state, but perhaps not equally in all communities.

E. Charter School and School Choice assessments and revenues may be contributing to our district’s financial drain. We live in an area with many specialty-charter schools to choose from with parents who can provide transportation.

F. We wondered if excess levy capacity could have any effect on our foundation funding

G. We could benefit from more exploration of this topic. Ajay and Susie will meet as a subcommittee to get a historical picture and highlight the Ch. 70 factors in play.

2. Review of FY24 Budget Mock-Up

- A. On September 5, 2023 the committee approved a new budget format to be presented at 2024 Annual Town Meeting which would condense some departments or areas of the budget into two lines: operating expenses and wages. This would provide a format that would be simpler to read and give departments flexibility to move spending between items in a line as needed, not to exceed the bottom line
- B. George explained the mock-up model he created combining some of the budget lines. Some budget areas were more appropriate to combine. His perspective was that there was little reduction in the number of lines, that we should consider what lines to leave separate to provide clearer information. He also had concerns that the process of maintaining two linked versions (two workbooks) may lead to errors and will need increased effort for accuracy. The Town Administrator is the guardian of the budget and would need to be able to work with it. Assessing the amount of effort required is a factor to consider
- C. Becky asked what version would be published. Having two versions in print might be confusing at ATM
- D. There was discussion about condensing more lines to meet the format/goals approved on September 5
- E. We will all get a chance to review the mock up and come to the next meeting with our observations and recommendations. Our decision on the format can be revisited

3. Project Updates

- A. The Locks Pond culvert has completed all its permitting, has the cement pieces installed, and is at the backfilling and compacting stage. The paving and guardrails are expected to be scheduled for early November. Paving temperatures are good to Dec. 15
- B. When the big crane was at the fire station loading the cement components, it accidentally backed over the septic tank and broke it. The construction company will take responsibility for replacing it
- C. PFAS testing will have to be done quarterly on all homes, even those that initially tested negative. That is about 60 homes and will add to the monitoring expenses
- D. The RQ for the high school track project is for design, permitting, construction, and different surfaces. The original funding authorization would have to be rescinded and a new proposal would have to be voted by the current school committee if a different option (non-turf) was considered. The costs and funding are yet to be determined

4. Expense Report Review – tabled until November 1 meeting

5. Committee Updates

- A. Personnel Board will need a Finance Committee member to be appointed to the negotiating committees for the Town Administrator and the Police contracts
- B. The Assessor Administrator, David Burgess, has completed the property valuations. New growth figures are a little higher than projected in the FY24 budget and will be out soon. The tax rate will be ready to set in another month or so
- C. We moved the Elementary School Committee budget review with the Finance Committee to January 30 so that they will have completed their approval process earlier in January. We will review the draft and submit questions as we did last year

6. Other Business

- A. Bob requested a subcommittee be formed to study school choice. Ajay asked that he come to our next meeting to articulate the goal(s) of the subcommittee
- B. Fin Com Topics from the perpetual list that we want to address are:
 - 1. drafting a statement offering support for the current assessment formula for the regional school before the four-town meeting. Anna Heard, our school committee represent to the region should be contacted
 - 2. The levels for stabilization and capital stabilization funds
 - 3. review of Capital Plannings 25-yr plan – any updates?
- C. To avoid a conflict with Halloween, our next meeting will be on WEDNESDAY, November 1 at 6:30. Items on the agenda are:
 - 1. review expense report
 - 2. Chapter 70
 - 3. the alternative budget format
 - 4. school choice subcommittee

At the Tuesday, November 14 meeting, we are scheduled to review of the FY25 budget proposals from Highway and Police. Liaisons should check in with their departments.

Meeting adjourned at 8:31.