

Shutesbury Finance Committee  
Tuesday, February 18, 2025 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Bob Groves, April Stein, Susie Mosher, Jim Hemingway and George Arvanitis Absent: Kathy Salvador

Attending: Gabe Voelker - Interim Town Administrator, Mary-Anne Antonellis – Library Director, Jeromy Mailloux - School Committee, Ryan M – Treasurer, Broadband Committee members: Gayle Huntress and Steve Schmidt, and Diane

Meeting called to order at 6:30 p.m.

I. Broadband Municipal Light Plant FY26 budget review

- A. Total operations cost is forecast to be \$360,850, \$6,992 lower than FY 25 (367,842)
- B. A price increase is expected due to inflation and the need to maintain reserves which were drawn down due to National Grid pole upgrade project
- C. The insurance deductible increased to \$25k from \$15k, which also contributes to the need for higher reserves
- D. The Backhaul expense line will decrease by \$10,500 due to a decreased monthly cost for the 10GB CrownCastle connection
- E. Debt service is decreasing, and in five years it will be paid in full. The subscription rates are expected to be lowered then
- F. Adjusted audit expense to the (now known) actual amount
- G. Subscriber Support of \$5,000 was moved from an expense offset to revenue. 20 Families are receiving assistance
- H. Extraordinary & Unforeseen line will increase by \$8,267 to increase the reserves
- I. SHELd is raising their monthly fee by \$4.00 per customer
- J. Eliminated the \$1,992 (revenue) fee to the Town of New Salem fiber pathway rental
- K. The monthly subscription fee will be Increasing by \$2.00. Shutesbury's is the lowest subscription fee in the state for equivalent municipal services
- L. The electric utility upgrades to three phase power cost the MLP \$200k. This was the cost of moving the MLP lines. There were no grants or aid available for this type of expense
- M. Excess expenses are transferred to retained earnings. These can be spent, but require a vote at town meetings
- N. The current insurance policy has a \$2m limit. To self-insure the MLP would want to build up a reserve of \$1m
- O. Life of the fiber lines is 35-50 years

II. Ongoing PFAS and Fire Station Gas Cleanup Costs

- A. We will be running out of funds for PFAS. It costs \$5,000 per quarter for testing
- B. Gabe is recommending establishing a fund for PFAS and the Fire station mitigations by transferring \$50-\$70k from free cash
- C. It may be better to create the two funds, one for each mitigation project: PFAS \$50k and Fire Station \$10-\$20k. These amounts would cover multiple years
- D. Every house within 500 feet of one that tested positive must be tested

- E. The Massachusetts Department of Environmental Protection requires that testing be performed on a quarterly basis
- III. Elementary School Finance Committee Reserve Fund transfer request
- A. The school will be spending their full FY25 budget
  - B. Request from the school committee for a \$10,000 transfer because the school is currently spending over their projections for heating oil due to the extreme cold
  - C. They are also requesting a transfer of \$6,000 for antifreeze that is needed to protect external elements of the heating system. This is impacting the heating system's efficiency
  - D. The fuel amount in the school budget for FY24 was \$34k, but \$38k was spent. The FY25 estimate was \$35k
  - E. Motion to transfer \$16,000 from Finance Committee reserve to the Elementary School. Motion failed – 3 yea and 3 nay
  - F. Motion to transfer \$10,000 from Finance Committee reserve to the Elementary School for heating oil. Motion passed unanimously
  - G. The school committee will provide more information regarding the need for antifreeze. The school has the funds to pay for this now, but the Finance Committee supported making a future transfer if it must be paid for now
- IV. Debt service for three approved capital projects\purchases
- A. We currently have a bond anticipation note for a highway truck, backhoe and culvert. This BAN matures in May
  - B. The state requires capital loans for the equipment like the truck and backhoe be paid within five years
  - C. The Treasurer recommends that we pay principal for these in FY26. We could have paid principal on the BAN last year
  - D. Interest income rate on stabilization funds is over 5%, so it may be better to keep the loans and maintain our current stabilization fund balances
  - E. Borrowing cost approximately \$3,800 per loan
- V. Four Towns Meeting Debrief
- A. Regional school committee budget hearing is set for Feb 26. They've posted a budget book that appears to be proceeding with the assessment presented at the four town meeting
  - B. Assessments are based on a five year rolling average of enrollment and the current minimum contribution
  - C. Ajay received data from a member of the Amherst Town Council. He'll review and report on this in our next meeting
  - D. Bids for the Track project came in lower than expected and the project will move forward in the spring
- VI. Reviewed and approved the minutes of the 2/4/25 meeting, as amended
- VII. Reviewed and approved the minutes of the 2/8/25 meeting, as amended

VIII. Preliminary FY26 budget update

- A. Plan to review in detail at our next meeting
- B. The current estimated deficit for the FY26 budget is \$355k
- C. Susie recommended that we meet with the department heads to review the draft budget at this point
- D. The new library building is expected to be a net zero building and won't require heating oil. It's an all-electric building with solar panels and the analysis indicates that over the course of the year it will produce all the electricity it needs
- E. Concern was raised that the increase for the Police Chief, whose contract is currently under negotiation, is too low
- F. The Selectboard is addressing the need to assign the tasks of shoveling of sidewalks and maintaining the lawns at town hall and the new library building. This will impact the budget

Our next meeting is March 4, 2025 at 6:30 p.m.

Meeting adjourned at 8:32 p.m.