Shutesbury Finance Committee
Tuesday, August 26, 2025 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Susie Mosher, Molly Moss, Laura Soito, April Stein, Jim Walton and George Arvanitis   Absent: None   Non-Members Attending: None

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

I. <u>Meeting schedule</u>
   A. The Town Administrator will coordinate the meeting schedules of the Select Board with the Finance Committee. FinCom proposes that their meetings be held on the 2nd and 4th week of each month and the SB meet on the 1st and 3rd weeks
   B. A Special Town Meeting is scheduled for September 30, the Select Board will vote on the warrant articles on September 9

II. <u>Special Town Meeting Items</u>
   A. Actual FY25 school transportation bills totaled $1,611.46 over budget. A warrant article will need to be drafted to approve funding this
   B. Town Accountant was not aware of the FinCom transfer for $5,695 for the SES HVAC, leaving the FY25 Elementary School line with a negative balance. It was funded by a line-item transfer from the from Snow Removal line. A warrant article will need to be drafted to approve funding of the snow removal line
   C. Highway superintendent salary is $3,694 more than the amount budgeted for FY26. Warrant article one has been drafted for this to approve funding this amount
   D. Tax Collector salary is $1,787 more than the amount budgeted for FY26. Ajay will collect more information regarding this amount. Warrant article two has been drafted for this
   E. Emergency Management Director stipend was not funded in FY26. The requested amount is $3,000. It's believed that this role was under the old fire chief contract. Ajay will collect more information. It's possible that additional funds will be needed for the Fire Chief under their new contract. Warrant article three has been drafted for $3,000 request
   F. Prior year IT bills totaling $1,332.83 are unpaid. Warrant article four has been drafted for this
   G. An additional Health Insurance cost increase will take affect on October 1st:
      i. The estimated additional FY26 increase for this is $124k
      ii. Town employees will also see an increase in their insurance withholding from their pay checks. It was suggested that the town review the split of covering these costs between the town and employee withholdings
      iii. Those who live in and work for the town will feel this increase in their property tax bills and pay checks
      iv. Concern raised about the stability of the current provider and whether we should consider transferring to another provider. This will require in-depth analysis and possibly an ad hoc committee
      v. It was suggested that we meet with the department heads to see if any lines can be decreased to help offset this increase in the budget. It was determined that there is not adequate time to do this

H. The Committee agreed to recommend funding of these items as follows:
    i. FY25 school transportation bills - Cash reserve fund transfer
    ii. Snow Removal line - Cash reserve fund transfer
    iii. Highway Superintendent salary – Increase budget and fund with the tax levy
    iv. Tax Collector salary – Increase budget and fund with the tax levy
    v. Emergency Management Director stipend – Increase budget and fund with tax levy
    vi. Prior year IT bills – Cash reserve fund transfer
    vii. Health Insurance (HI) Increase:
        1. Cash reserves - $12,500
        2. One year decrease FY26 OPEB Trust Fund budget line - $50,000
        3. Fund with the tax levy - $61,500. Once the actual increase is determined, this amount will be adjusted to the extent it differs from $124k
    viii. Agreed that the cash reserve fund transfers would be from Free Cash unless this is not allowed because they are not yet certified. If not allowed, then the reserve funds would come from the Stabilization fund

I. Summary of funding recommended:
    i. Total cash reserves used: $21,139.29
    ii. Tax Levy increase: $69,981.20
    iii. Impact of the tax levy increase would be an additional $77 for the average single family tax bill, over the anticipated increase reported at the annual town meeting

J. It was noted that funding health insurance from the OPEB fund at this time could negatively impact the town's bond rating

K. Discussed need for better communication with the town accountant and treasurer. Discussed possibly assigning a FinCom member for this, scheduling periodic meetings with them or asking the Town Administrator to manage this communication

III. FinCom members are needed to service on the following:
    A. The M. N. Spear Library Reuse committee - Susie and Ajay volunteered
    B. Police Chief Search committee - Jim volunteered

IV. Amherst Regional Public School fiscal sustainability group
    A. The Massachusetts Association of Regional Schools (MARS) has not completed their report
    B. The group's next meeting will be a briefing of the report with no group discussion
    C. A follow up meeting will be held to discuss the report
    D. A "Four Towns Data Group" (subset of the sustainability group) will compile a report of financial data that will complement the MARS report

V. Reviewed and approved the minutes of the 8/05/25 meeting, as amended

VI. Other Business
    A. A new detailed town expense ledger report (starting with FY26) is now being published on the town website

Next meeting is at 6:30 p.m. on September 8

Meeting adjourned at 8:43 p.m.