

Shutesbury Finance Committee
Tuesday, January 13, 2026 Virtual (Zoom) Meeting

Members Present: Ajay Khashu - chair, Susie Mosher, April Stein, Laura Soito, Molly Moss, Jim Walton and George Arvanitis; Absent: None; Non-Members Attending: Hayley Bolton – Town Administrator; Anne Magill – Shutesbury Elementary School Principal; Caitlin Anderson May – Union 28 Director of Finance and Operations; Shannon White-Cleveland – Union 28 Superintendent of Schools; School Committee members: Nate Longcope, Katrina Catalano and Jeremy Mailloux

Meeting called to order at 6:33 p.m.

I. FY27 Highway Department Budget Request:

- A. Total initial request is \$191,785, an increase of \$26,500 (16%) from FY26
- B. Snow Removal:
 - i. Dave was unsure how much to fund
 - ii. He noted that we are currently running a deficit: sand and salt costs are high.
 - iii. He estimated that \$65,000 is the expected cost for FY26.
 - iv. The unusually high spending in FY25 was due to the purchase of a plow.
 - v. The committee recommends \$60,000 for this line
- C. Decreased the Uniform line by \$1,000. The department stopped using the laundry service. The town will provide work clothes, and the employees will be responsible for the cleaning of their uniforms
- D. Tools & Equipment request is an increase of \$2,500. The line is for tools only
- E. Highway Expenses will remain level at \$3,000
- F. Highway Material request is an increase of \$7,000. This covers a wide range of items and costs are rising. Dave has identified many hazards in town that need to be addressed
- G. Machinery Maintenance request is an increase of \$12,000:
 - i. Aging equipment including the front-end loader, have required service and parts costs are higher
 - ii. The grader is currently in the shop waiting to be repaired:
 - a. Dave has applied for a \$250k gravel road grant for the purchase of a new grader
 - b. This along with Chapter 90 funds is expected to be enough to cover the cost of a new grader
 - c. Delivery of a new grader may take a year from the order date, so we most likely will need to repair the existing grader
 - d. Not sure that the lease program for the grader is available. This was a temporary program, Dave will check on this
 - e. Not sure if there will be another gravel road grant next year. If there is, there are other needs that it would cover
 - f. \$675k is currently available in Chapter 90 with a large project planned for West Pelham Road, but Dave expects there will be sufficient funds for a new grader
 - g. If we purchase a new grader then we can lower this line

- H. Gravel Road Maintenance funding will remain level at \$28,000. Dave will make a capital request for a sprayer which would save money on material used for dusty roads. Adding material to dirt roads is expensive. We are using a new road material which holds better and lasts longer
- I. Road Markings request is an increase of \$5,000. Added additional white lines per the request of the Selectboard. FRCOG helped with the last project, which cost \$21,936
- J. Catch Basin Cleaning request is an increase of \$1,000. We haven't been able to clean all basins and the increase will allow us to clean all the basins that need cleaning
- K. Total highway budget Increase is now \$35,625k

II. FinCom Transfer request: Highway Department Equipment Maintenance

- A. The full \$28k budget for this line has been spent
- B. There is a labor bill outstanding for the load repair: \$1,500-\$2,000
- C. Dave will determine the amount needed for the remainder of the year and submit the transfer request for our next meeting

III. FY27 Elementary School Budget Request

- A. Caitlin's addressed questions submitted by the FinCom prior to this meeting:
 - i. The higher transportation cost is due to an out placement to a school (Chicopee) that's farther away from town
 - ii. An audit is required in FY27 at a cost of \$6,500. This is required every three years and its cost was not being accumulated in each year's budget. Suggestion to fund it over three years needs to be discussed with the town accountant to determine if this option is feasible
 - iii. For the current year, the new out placement started in January. We expect to have sufficient funds for this year and won't make an emergency funding request from the state
 - iv. Discussed establishing a stabilization fund for managing large increases in special education costs due to out placements:
 - a. This requires a school committee and town vote
 - b. It will need to be a line in the school's budget
 - c. The selectboard must approve all expenditures from this fund
 - d. There is a statutory limitation of how much we can have in this fund
 - e. School choice cannot be used for specific students. It must be for general needs and may not be allowed for this. The Superintendent will follow up on this question
- B. The FY27 budget request is \$163,981 (6.32%) higher than FY26
- C. The out of district tuition and transportation is causing the large budget increase
- D. State revenues are stagnant requiring a greater contribution from the town.
- E. Shutesbury's student population is growing relative to the other towns, so our portion of the Union 28 cost has increased
- F. Instruction section's overall increase is due to higher contractual obligations and decreased grant funding
- G. The Professional Development cost increase is due to the loss of federal grants
- H. All Paraprofessionals are supporting Special Needs requirements

- I. The transportation cost of \$350/day for the out of district placement to Chicopee is the best rate. This cost would be the same no matter how many students are transported
- J. The current (FY26) out of district placement is substantially larger than was expected. The placement had been in a public school setting, but is now in a non-public school setting
- K. The school has lost Title II and Title V funds
- L. The REAP grant of \$18k is a federal grant and is at risk of being eliminated. May need to address the loss of this grant in FY27
- M. Reviewed the five year rolling average of enrollments. Started tracking the average enrollments from FY23 and determined each year's average from that point. The five year average will be reached and start rolling in FY28. Shutesbury's average has been growing steadily
- N. State funded Rural Aid of \$16M in FY25 dropped to \$12M in FY26. The aid allocated to each town is based on per capita income and population per square mile. Shutesbury's aid was \$63k actual in FY26, so we are planning on receiving \$60k for FY27
- O. Discussed the need for clear communications to the community given the large increase
- P. The School Committee has not approved the budget presented
- Q. It was noted that the total increase would be 2.39% without the out of district placement

IV. Four Towns' FY27 Budget meeting debrief

- A. All four towns are feeling the same financial difficulties and had large tax increases in FY26
- B. Pelham's average single family tax bill rose by about \$1,000 and they may need a 2 ½ override to fund the regional school budget
- C. Another four town meeting will be needed to determine the final budget, but a date has not been determined

V. Reviewed the next FinCom Town Announce communication

- A. The next issue is about Finance Committee tools and processes. A subtitle will be added noting the specific scope of the article
- B. The communication will describe how the budget is developed and funded
- C. It will address the proposition 2 ½ limit and excess levy capacity
- D. It will also provide info for contacting state legislatures
- E. A draft was sent to a citizen for feedback regarding its clarity for those unfamiliar with town finances
- F. Discussed the need to have seminars in town to explain various aspects of municipal government to help the community better understand town operations and finances

VI. Other Business

- A. Library Loans
 - i. Preliminary debt service costs for FY27 show that the Library loan will have a 10 year term
 - ii. The library building plan was for this to be a 20 loan to lower the tax impact and spread the building cost over a period that better aligned with the building's useful life
 - iii. The Selectboard will follow up with the Treasurer to discuss this issue

iv. We would like to hear back from the Selectboard about this issue to ensure we don't miss the deadline for changing the term

Next meeting is on January 27 at 6:30

Meeting adjourned at 8:43 p.m.