

Shutesbury Finance Committee
Thursday, February 19, 2026 Virtual (Zoom) Meeting

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

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

I. Review Draft FY27 Operating Budget

- A. The preliminary COLA is a 2.59% increase and has been applied to all eligible salary lines. The Personnel Board will review and are expected to approve this increase at their next meeting
- B. Reviewed the budget changes made since the previous meeting
- C. Discussed proper accounting for School Choice and Charter School Tuition
- D. The town may need to increase the Library Expense line by \$150 to ensure we meet the 2.5% increase in Library funding that's required by the state
- E. The committee deleted the Town Clerk Certification - \$1,000
- F. The "Council of Gov't Assmnts – FRCOG" increase of 54.41% will need to be explained
- G. The preliminary total budget is \$8,465k. This results in a deficit of \$390K before applying excess levy capacity to revenue. The average single family tax bill increase would be 12.6%
- H. There are two items that may increase the total budget: Salary Alignment study adjustments and possible Library building operating costs

II. Discussion regarding decreasing the impact of budget increases on the tax levy

- A. Considered two methods for lowering the tax levy:
 - i. Applying Cash Reserves. This would be done to fund expenses that are not ongoing, to ease the impact of new\increased costs on the budget and to fund expenses that we will be reimbursed in the future
 - ii. Lower budgets (budget cuts)
- B. Discussions about decreasing tax levy current steps to do so:
 - i. Total elementary school out of district placements costs will be \$228k. Fund 50% of this with cash reserves
 - ii. Discussed the cost\benefits of extending the life of the library building loan term from 10 to 15 years. Estimated tax levy decrease is \$39k. Discussion needed with the Treasurer
 - iii. Ajay will follow up with the Treasurer regarding the final Health Insurance increase. The committee agreed to use \$50k in reserves to ease the increase of this cost if the budget increase is not lowered
 - iv. Discussed impact of not funding OPEB on bond rating and need to understand this better. Decided to fund the OPEB account for \$25k and use cash reserves to fund it
 - v. Building Repairs\Maintenance Fund spending has been low, so decreased increase from \$40k to \$20k
 - vi. Applied \$5k to ease in the increase in library building costs

- vii. Total use of cash is \$194k and cuts amounted to \$59k. The result of these changes was a tax levy of \$6,652 and an 8.4% increase in the average single family tax bill
- viii. Discussed the need to review capital requests and analyze cash in a future meeting

III. Plan for Fiscal Summit meeting

- A. We will note the lack of new revenue growth and the impact on taxes of the lack of growth
- B. If the trend of this year and last continues, we will use up our Levy Capacity and will need proposition 2 ½ overrides in the near future
- C. We will add the Highway Department increase and COLA Impact to the budget and tax impact summary we present
- D. Discussed Clickers for town meeting – capital costs and annual subscription fee. Annual fee may not be in the budget. Ajay will follow up with the Moderator
- E. Discussed the need to control the tax impacts by using cash reserves for the budget. This is not normally prudent and will not be sustainable without new revenue
- F. The FinCom will not support new positions for FY27
- G. It's important to note that we have a funding problem not a spending problem. Small increases in state and local aid and no substantial growth have caused large tax increases
- H. Plowing of some private roads has been discussed by the town. Options include the town plowing these roads or paying contractors to do so and charging a betterment fee to the affected property owners to recover these costs. Conversely, a discussion about not plowing any of these roads is being discussed by the town. Several private roads are not plowed by the town and residence collectively contract and pay for plowing themselves
- I. Agreed to summarize the current budget and funding outlook and our goal to lower the average tax increase to under \$500 per home. We will solicit feedback from managers about the messages to convey at the annual town meeting
- J. We will remind everyone that the budget process is not complete, new growth may change, new state aid numbers are coming. Ajay will produce bullet points of issues affecting the budget

Next meeting is February 23 at 3:00 p.m., hybrid at the library

Meeting adjourned at 9:11 p.m.