

SHUTESBURY FINANCE COMMITTEE
Minutes for Feb. 10, 2009
Shutesbury Town Hall

Members present: Eric Stocker, chairman, Bill Wells, Rus Wilson, Patrick J. Callahan, Lori Tuominen and Elaine Puleo. David Dann, town administrator, Becky Torres, Ralph Armstrong and Al Springer, selectmen; Dan Hayes, Michael DeChiara, Marianne Jorgensen, Kristen Luschen, School Committee; Charlie Paulin, Union 28, Joan Wickman, Union 28 superintendent, Robert Mahler, school principal, Leslie Bracebridge, secretary to the selectmen.

The joint meeting of the Finance Committee, School Committee and selectmen convened at 7:06 p.m.

The minutes of the Jan. 27, 2009 meeting were approved unanimously.

Eric gave an overview of the current federal, state and local economic situation and said things are bad and getting worse. There was a discussion of what level of state aid could reasonably be anticipated for the next fiscal year and it was generally agreed that the very best that could be hoped for is level funding, but that cuts are more likely.

Elaine said it now appears that the Finance Committee was wise to seek an override last year to stabilize the town's finances and curtail the use of reserves to balance budgets.

Dan Hayes said the School Committee has been working hard for several years to restrain budget increases and has been able to turn back some money to the town in recent years. This has been done in part by charging higher fees for some programs, such as the instrumental music program. The School Committee said it has been able to bring its budget into line with the 2.75-percent increase sought by the Finance Committee through a complete review of spending and cutbacks in many areas.

Joan Wickman said the budget they have produced is a level-service budget with no additional personnel or positions.

Michael DeChiara said while the budget target has been met for another year, he believes the level of cuts that requires is quite serious.

Elaine asked if the Union 28 budget, which is part of the Elementary School budget, should be increasing by a larger percentage than the overall spending plan. If that is the case, she said, the school is in essence absorbing a cut. Joan said the increase is due to the fact that Shutesbury's proportion of the region is increasing. Dan Hayes said the Union 28 committee discussed this issue, but decided not to seek to lower Shutesbury's assessment.

Marianne Jorgensen discussed the regional school budget. She said the financial situation in Amherst is driving the budget process and it is currently set to increase by 3.5 percent

overall. This is a 5.7-percent reduction from a level-service budget and will require significant program and other cuts.

For Shutesbury, the current regional budget reflects a 1.4-percent cut. Overall, she said a formal budget proposal will be brought to the regional school committee on Feb. 25. She described the budget process at the regional level as chaotic.

David Dann presented a report for fiscal 2009 that showed the town's projections were about \$58,000 short. This figure was comprised of revenue shortfalls created by the loss of \$20,000 in lottery aid and \$15,000 in investment income. On the expense side, there is about an \$8,000 higher fuel bill, \$5,000 in snow removal wages and \$10,000 in snow removal expenses, bringing the total to \$58,000.

David said savings of about \$45,000 can be found in various accounts including retirement, unemployment, insurance bonds and other small accounts.

He also reported that free cash reserves stand at \$459,586 and stabilization is \$216,000, for a total of \$675,586 in reserves or about 12 percent of the budget.

Eric noted that the Finance Committee reserve currently has a balance of about \$38,000.

David said the current version of the FY10 budget has a funding gap of \$25,627 based on very conservative revenue estimates. He said he can find savings of \$29,343, if necessary to close this gap, but that requires some cutbacks in part-time staff.

There was a discussion on whether to continue to include 3-percent raises for town workers, and if those raises, which cost about \$22,000 are removed, whether contract town employees such as the town administrator, police chief, highway superintendent and fire chief, should be renegotiated to bring them into line with other town workers.

The Finance Committee told David to increase the regional school budget line to a 0 percent increase and to implement the various cuts he discussed.

The next meeting is set for Feb. 24.

The meeting adjourned at 9:36 p.m.

Submitted by Patrick J. Callahan.

