October 18, 2017

Meeting of the Finance Committee held on Wednesday, October 18, 2017 beginning at 6:00 p.m. in Conference Room #1, in the Ludlow Town Hall.

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Members present: Maureen Downing, Chairman, Eric Gregoire, Joan Cavallo, Raymond Yando, Sue Boyea, Anthony Alves and Beverly Tokarz

Members excused: Richard Moskal and Heidi Fogg

Ms. Kimberly Collins was also present

First Order of Business: The Pledge of Allegiance

At this time the committee discussed the November 6th Special Town Meeting.

Ms. Downing stated that the main Article is to apply money from the Stabilization Fund to offset the tax rate. That Article was excluded in the last Special Town Meeting, so that is why the November 6th Special Town Meeting is taking place.

Article 1: Vote to rescind the amount authorized to be appropriated and/or borrowed under Article 17 of the Warrant for the May 8, 2017 Annual Town Meeting. This has to do with the 50/50 Historical Preservation Grant which was not awarded to the Town, in the amount of $163,485. (The Town appropriated that amount for the match if the Town was awarded the Grant).

Moved by Mr. Gregoire, seconded by Mr. Yando approving to rescind the amount authorized in Article 17 of the previous Town Meeting
Vote: 6-0 in favor

Article 2: Vote to transfer from the Sewer Enterprise Account Retained Earnings for the Sewer Division Capital Improvements during the fiscal year beginning July 1, 2017 in the amount of $300,000. (This Article will not impact anything; the money is coming out of the DPW Enterprise Fund)

Moved by Mr. Gregoire, seconded by Mr. Yando to approve the Article contingent that there are no specific changes in relation to the previous authorization of $300,000.
Vote: 6-0 in favor

Ms. Boyea entered the meeting

Article 3 & 4: Prohibition on Marijuana Establishments. In accordance with MGL Chapter 94G, Sec. 3 all types of marijuana establishments, as defined, in MGL Chapter 94G, Sec. 1 and as may otherwise be defined by MA law or regulation, to include, without limitation all marijuana cultivators, marijuana testing facilities, product manufacturers, retailers, on-site consumption at a business location, any other types of licensed marijuana related businesses and the conducting of any activity for commercial purposes by whichever name used, shall be prohibited in the Town of Ludlow. This prohibition shall not be construed to affect the medical use of marijuana as expressly authorized by the provisions of Chapter 369 of the Acts of 2012 and 105 CMRF 725.

Ms. Downing read the background relative to the Article which states that this law allows governing bodies of the 91 cities and towns that voted NO on Question 4 in November 2016 to pass an ordinance or bylaw banning recreational marijuana retail in their Towns. A retail ban would in no way affect the legality of use, growing, or gifting of marijuana in Ludlow.

Article 4: Vote to amend the Zoning Bylaws by adding a new section to Section III General Use Regulations 3.2 Prohibited Uses. Subsection 3.2.3 Prohibition on Marijuana Establishments

Mr. Gregoire stated that the Selectmen are choosing to exercise the option underneath the law that the legislature just adopted, otherwise it would have to go to ballot and be voted to ban retail shops, which is what communities were doing before the legislature adopted this streamline version for communities that didn't vote in favor of it. The Report of the Planning Board is required prior to voting. Ms. Downing feels that the Planning Board will stand up on Town Meeting floor and give a report.

There are two Articles which pertain to the marijuana prohibition. Mr. Gregoire said that Article 3 pertains to the general Bylaws which talks about how businesses and entities interact in the community and Article 4 is the prohibition within the Zoning Bylaws.

Mr. Yando stated that the Town would not gain any revenue if the prohibition passes. Mr. Gregoire stated that was mentioned when the question was on the ballot which was only for growth and not sales. The facility that wanted to come into Town was a growth facility and the product would be shipped off to somewhere else. The Town turned that down. It's all a loss in revenue but the Board of Selectmen mentioned the CARES Coalition. They don't want to let anything of this type in Town.

Moved by Mr. Gregoire, seconded by Ms. Boyea to recommend approval of Article 3
Vote: 6-1 in favor. Mr. Yando opposed

Moved by Mr. Gregoire, seconded by Ms. Boyea to recommend approval of Article 4
Vote: 6-1 in favor. Mr. Yando opposed

Article 5: Vote to transfer a sum of money from the Stabilization Fund to be used by the Board of Assessors in determining the FY'18 tax levy.

Ms. Downing stated that instead of taking and applying funds to offset the tax rate in May. This year rather than applying the money in May, they planned to move the money in October. In May money was moved into the Stabilization Fund, almost $800,000 as a holding place. There is 3.7 million dollars in change in Stabilization with and including the $800,000 with Free Cash. The Selectmen determined that 1.6 million would be applied to lower the tax rate to under $19.00. There will be 2.1 million dollars in Stabilization. If the money is not applied to the tax rate, it will go up to $1.00 per thousand. This way it will be $.45 projected. Ms. Collins went into a more detailed explanation of the calculations and the setting of the fees.

Moved by Mr. Yando, seconded by Mr. Alves to approve and concur with the transfer of 1.6 million dollars from the Stabilization Fund to offset the tax rate
Vote: 6-1 in favor. Mr. Gregoire opposed

Ms. Collins prepared a sheet calculating two scenarios that was presented to the Selectmen re: tax rate calculations. The first scenario was $800,000 from Free Cash and then 1.5 million which was the maximum amount that they wanted to put towards the tax rate. Ms. Downing's goal was to get the tax rate under $19.00 based on what's coming in the future if the Town votes to pass the Senior Center and/or School and other projects. Scenario 1 using $800,000 would bring the tax rate to $19.33; Scenario 2 using 1.5 or 1.6 million dollars would bring the estimated tax rate to $18.99. The total budget is $70.5 million dollars. The local revenue for taxation is 31 million.

If there is a tight budget that the Finance Committee recommends and the Selectmen agree, Ms. Downing is still going to push for stabilization money; if it's a very tight budget, she would want to increase the Finance Committee's money because she has a feeling that departments would need more funds to manage their budgets etc. Ms. Boyea said that when the Selectmen set the parameters they should say what % or not should be used. Mr. Gregoire said the contractual obligations will stay with what they are. Ms. Collins said Union contracts are not included, so there would be layoffs. Level is a cut. Ms. Collins said that this past year contracts were not included and flat lined general expenses. This year it could include contracts and that's where the layoff would come into play.

The Budget Sub-Committee will be meeting to devise some sort of a plan for guidelines for personnel issues, etc. Mr. Gregoire said money Warrant Articles need to be justified as to what is really needed and what is not, and communicating to departments, Town meeting members about the situation the Town is in. Ms. Downing doesn't think that there should be any capital funding this year, unless there is something that is absolutely necessary and the Selectmen decide that it's needed. Those issues will be discussed at the Budget Sub-Committee meetings. Ms. Collins said that she has a budget reconciliation sheet that would be helpful for those meetings. The Senior Center impact starting in 2019 will be twenty-six cents on the estimated tax rate. The School starting the first year is twenty-one cents then goes to sixty-one cents and together it's an impact. If the regular budget goes up 21/2% then add the projects, that is a huge increase. Both projects will be debt exclusions.

By law in order for the Senior Center and School projects to go to ballot there has to be a Special Town Meeting 45 days before the March election. The Selectmen approved the Senior Center project and there is a question on the School, but they plan to be on the ballot in March also. The Special Town Meeting will be held in January to approve the School and the Senior Center projects to go on the Town ballot in March. Mr. Gregoire said its 90 days rather than 45 days. Both groups will reach out and do web casts, advertising, discussions with departments and committees and residents to inform them of the projects. Mr. Yando said that the residents voting on the projects should expect increases for the next several years if approved. He's not sure how informed the average homeowner is. There hasn't been a lot of discussion on the issues. Ms. Downing said that hopefully there will be articles in the paper and open meetings with invited citizens to attend. Both Town websites will carry an explanation of the projects.

Moved by Mr. Gregoire, seconded by Mr. Yando to approve the Finance Committee Minutes of October 2, 2017
Vote: 5-0-2 in favor. Ms. Boyea and Mr. Alves abstained

Next Wednesday the Senior Center Building Committee invited the Finance Committee to take a tour of the Senior Center. Four members will attend.

On Monday, November 6, 2017 there will be a Special Town Meeting beginning at 7:30 p.m. in the Ludlow High School auditorium.

The next meeting of the Finance Committee will be held on Wednesday, November 15th. and the December meeting will be held on the 13th beginning at 6:00 p.m. If there is no business the meeting will be cancelled.

Moved by Ms. Boyea, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 7:20 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee

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