February 14, 2018

Budget meeting of the Finance Committee held on Wednesday, February 14, 2018 beginning at 6:15 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Eric Gregoire, Acting Chairman, Heidi Fogg, Susanne Boyea, Joan Cavallo, Richard Moskal and Beverly Tokarz

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Members excused: Maureen Downing, Anthony Alves and Raymond Yando

Ms. Kim Collins and Ms. Ellie Villano were also present

First Order of Business: The Pledge of Allegiance

The committee met with several departments to review their budgets for FY'19.

Ms. Collins, Town Accountant informed the committee of the changes made to the budget this year. The departments were given a Recommended FY'19 Budget for both Personal Services and General Expenses. Personal Services: Use rates agreed upon in the Union Contracts with a raise of 2% for Non-Union personnel. General Expenses: There is a 0% increase. Each department is to review their expenses and decrease any line items if they can. If there are any changes, a detailed explanation of the changes will be necessary. There are no increases to Minor Capital Items. The overall budget was $64,468,000 and the adjusted amount is $64,633,694.

At this time the committee met with Fred Pereira, Town Collector to discuss his budget.

Payroll is a 2% increase according to the guidelines. His staff will receive their Step increases and one employee will now receive longevity. General Expenses: There is a 0% increase in all items except to the Deputy Fees. He increased the amount to $55,000. This account is not a true expense because money is collected before giving it out. The total increase to the General Expenses is $3,000. The total increase to Personal Services is $3,443. Mr. Pereira feels that he can live within this budget. Only add the General Expense amount to the spreadsheet.

Ms. Collins informed the committee that all the increases discussed at tonight's meetings are not reflected in her spreadsheets at this time. She will make the adjustments. The committee will hold to make recommendations as we move forward in the process.

At this time the committee met with Angela Tierney and Penny Lebel from the Conservation Commission.

They stated that they can manage with the part-time employee that they have. The salary is a 2% increase and there is no longevity. General Expenses are level funded. Dues increased by $10.00. They also feel that they can live within the budget parameters.

At this time the committee met with Carrie Riberio, Human Resource Manager

There is a Step increase for the Administrative Assistant and the cost of living increase. There are no other changes. She said that in the future she will be asking for more assistance as the

work load has increases. She feels that by 2020 she will need more help or hours added on to her present assistant. There are no changes to General Expense.

At this time the committee met with Kim Collins, the Town Accountant.

There is an increase in Salaries of $3,000 due to Ms. Collins certification in 2019 and a potential retirement payout. There is also an increase on Conference and Travel of $184.00 for required training bringing that total to $1,000. The rest of the budget remains the same.

At this time the committee discussed the Finance Committee budget.

There is a 2% increase in the secretary's salary. There was a change to the budget of $100,000. Instead of an Article, having to do with reserve funds, going into the Warrant, the money was placed in the budget. This money is used for departments to fill in gaps if departments are in need of additional monies. Ms. Villano said that the Articles (there are three of them in different accounts) were added into the budget because they are annual Articles. There would be a clearer picture of the funds. The Supply line item was decreased by $10.00 to $190.00 and the Dues and Membership line item was increased by $10.00, to $285.00. This change was necessary to accommodate the rate increase in MA Dues.

At this time the committee met with Ellie Villano, the Town Administrator to discuss the Board of Selectmen's Budget and Public Buildings Budget.

Selectmen: There is a difference in the Selectmen's services accounts of 19%. There is an increase in Personal Services of $914 due to Negotiated Contract, Incentive Days and Working out of Grade. General Expenses remained the same but the Town Audit and Celebrate Ludlow were Articles which now have become part of the budget.

Town Moderator: There is a 2% increase in salary which is a $10.00 increase

Board of Appeals: There are no increases. The secretary merged with the Building Department so there is no Personal Services. The General Expenses remained the same.

Public Buildings: There is a 2% salary increase for the custodians. The services were kept at 0% increase. There is a concern regarding the gas account. Ms. Villano doesn't know if the rates will increase or not. It is too early to calculate a difference. The electric bills increased by 1/3% from 6 cents to 9 cents with the solar farm. There is a $4,627 requested adjustment for personnel due to Step increases, for contractual obligations. The Library maintenance was figured into Public Buildings. The new budget is $650,456.

Property & Liability Insurance: There is a 7% increase. Brings the total up to $400,000. Over the last several years, Chapter 41, Section 111F for Police and Fire Self-Pay has never been budgeted for. They never had the insurance coverage for it. A study was done. They can now get insurance for Chapter 41, Section 111F. They spent $85,000 and $50,000 in medical expenses in 2017. With the insurance there are two options. One is $57,000 and the other is $60,000. She is hoping to add this but is hesitant. If there is only a 4% increase in insurance rates and not a 7% increase then she feels that they can consume the cost of the added insurance. She feels that it's time for the Town to go in that direction. Over a 5 year span the Town has paid out more that the charge of the insurance. The current year is staying on trend like in 2017.

Sealer of Weights and Measures: There is a 2% increase in Salary which factors out to $82.00 and there is no increase in General Expenses.

Animal Control: There is a 2% increase in Salaries and no increases to General Expenses. They keep their expenses down. Their biggest expense is electricity. They share the pound in Wilbraham and the other expense is the disposal of the animals.

Safety Committee: There is a 2% increase to Personal Salary and no increases to the General Expenses. Total $2,398.00

Streets & Traffic Lighting: There are no increases. Over time the money has gone down because of the lock in of electricity and the solar. There has been $20,000 in saving over the past two years. They have the ability through schedule Z to take that percentage once the credit is gone and add it to the Street Lights. They also limited the types of street lights that new subdivisions can put in. There is a large majority of street lights that the Town rents. There are not many that the Town owns. That would be a burden to the Town, but they are looking at LED lighting. They are trying to be designated as a Greens Community again. If that happens it opens up the doors to more grants and green initiatives. That would be in the future. There will be an Article at Town Meeting for the Stretch Code. The gap between the new building codes and stretch codes are very close. In a few years there will be a new stretch code.

Historical Commission: There is no salary; 0% across the board. Utilities (telephone, alarm and electric) for the First Meetinghouse are paid in the Public Buildings account. Their goal is to get the building up and running.

Town Counsel: Ms. Villano is requesting that the Legal Services be increased by $25,000 because the Town is in an Appeal Process. They will be paying for two outside Attorneys during the process. She has no idea what the legal cost will be. The Town is required to pay for counsel for the Board of Appeals for a certain case and the Board of Selectmen has their own private counsel that they are utilizing. There are two additional lawyer fees that need to be paid for re: the Fuller Street project. Ms. Collins will email Ms. Tokarz all of the proposed changes that the departments brought forward. She will update the spreadsheet after each department meets with the committee.

Ms. Villano made a comment on the spreadsheet for salaries that Ms. Collins developed. It's a cleaner, neater document that all departments will be using town wide. Mr. Gregoire also commented on the work that has been done for the budgeting process and how it has improved over the years and also compliments Ms. Collins and Ms. Villano on their initiatives.

The next Regular and Budget meeting will be held on Wednesday, February 28, 2018 beginning at 6:00 p.m.

Moved by Ms. Fogg, seconded by Ms. Boyea to adjourn the Budget Meeting at 7:25 p.m. Vote: 6-0 in favor

Ludlow Finance Committee