April 11, 2018

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2018 SEP -4 A 11:21
TOWN OF LUNENBURG

Budget Meeting of the Finance Committee held on Wednesday, April 11, 2018 beginning at 6:15 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Maureen Downing, Chairman, Eric Gregoire, Heidi Fogg, Susanne Boyea, Joan Cavallo, Richard Moskal, Raymond Yando, Anthony Alves and Beverly Tokarz

First Order of Business: The Pledge of Allegiance

Ms. Collins and Ms. Villano did not attend the meeting.

Ms. Downing addressed the re-organization of the committee and everyone agreed that Mr. Alves will be designated as the person to stand in for the chairman when the nominations will be held.

Ms. Collins was supposed to speak on Article 4 in the Special Town Meeting. Since she is not available, Ms. Barros wrote an explanation of the Article. The Article reads to raise and appropriate or transfer funds in the deficit Fringe Benefit account in the amount of $335,000.

Ms. Barros wrote that the reason for the shortages are because from July to March there was an extra 22 employees come on to the health insurance. We have had unforeseen employee injuries related to Chapter 111F and Workers Compensation. We have had 5 employees retire and anticipating 2 more to retire before June and unemployment.

Ms. Downing said those issues were not anticipated in last year's budget, so they must be paid. She gave a breakdown on the Free Cash analysis as follows: Capital, $200,000, Stabilization, $450,000, Reserve Fund, $25,000, Chapter 90 deficit for prior years is $25,000 which will come out of Free Cash and Fringe Benefits, $335,000.

Ms. Downing said that at the Selectmen's Meeting from last evening, Ms. Villano sent a memo to all of the Managers as follows: Good Afternoon, as you may have been aware, members of the Budget Sub-committee met with the Board of Selectmen at their meeting of April 10th to discuss the FY'19 budget. After their initial review of the budget request and the FY' 19 perimeters previously set it is more apparent than ever that there will have to be some budget reductions. The Board voted to notify all departments that their budgets are to be no greater than the FY'19 adjusted recommended, at this junction of the budget process. It does not mean that it will be reduced further. Attached you will find a copy of the working budget for all departments and the recommended reductions to date that have been excepted by the Board. The blue column outlines the reduction and the last column is what the budgets will look like. The Selectmen, Finance, Assessors and Budget Sub-committee will continue to review the budget, revenues, tax impact over the next couple of weeks to see if further cuts will be necessary. We appreciate your continued cooperation in this difficult process. If you have any questions or concerns, please contact any member of the Budget Sub-committee, the Accountant, Finance or myself.

Ms. Downing said that the committee will have to put a hold on any votes. The Board of Selectmen is going to recall the DPW and the Budget Sub-committee at their meeting on the 24th. Hopefully by then the Assessor's have looked at updated numbers and see if other local revenues

will be coming our way. If MGM is coming, the Town will receive a stipend from them this year. When the budget was looked at a few weeks ago, it was over our Levi Limit. That can't be done legally. Nothing can be done until the 25th. Schedule a meeting for May 2nd and 9th. just in case meetings are needed before the Town Meeting on May 14th.

Mr. Gregoire said that the conversation with the Board of Selectmen touched upon the fact that for the past two decades the Town has been funding the Levi with surplus, Free Cash and Stabilization as a revenue source, taking money from saving to put towards general operating expenses. We are now in a situation where that is not replenishing at the same rate and we don't have the same flexibility to do those types of things and it's not keeping pace with rising costs across the departments with budget requests and the needs that we see this year. He feels that this is a correction year to set out a new base line for where we can build up going forward. Ms. Downing said the Town has been living beyond their needs and supplementing the funds.

At this time the committee met with Steven Frederick the DPW Director and Town Engineer to discuss the DPW Articles.

Article 10: Sewer Enterprise Retained Earnings. Ms. Downing read the entire Article. Mr. Frederick explained the Article. At this time the Public Works have not identified any projects, so this Article may be postponed. He said that there will be other projects in the spring on Grimes and Rood Streets. Mr. Yando had a question asking if no money was appropriated for this Article, what would happen next year if the DPW needed funds. Mr. Frederick explained that the department would have to go back to the Town Meeting or Special Town Meeting to place another Article for acceptance. They would need authorization from the Town to expend those monies which come out of the Enterprise Fund. Projects associated with these funds was a new sewer line from Cumberland Farms to the Chicopee town line and a section of a new sewer near Randall's Farm on Rood Street, which is a $400,000 project.

Article 11: State Chapter 90 Highway Aid Funds for engineering, construction, re-construction and or repairs to Town road and bridges. Mr. Frederick said their are ready to receive $700,000 from the State.

Article 12: To authorize the Board of Public Works to enter into a contract with MADOT for the maintenance of public roads for the ensuing year. This relates to Chapter 90. This Article will permit the DPW to use the Chapter 90 funds.

Article 13: FY'20 budget for the Enterprise Fund for the closing of the Landfill. Mr. Frederick said this is for the monitoring which ranges in cost from $7,000 to $10,000. It's a standard Article out of the Revolving Fund. It's not a budgeted item.

Special Town Meeting

Article 3: Expenses for road projects that are ineligible to be paid from Chapter 90 funds. Mr. Frederick said the amount is $25,000. This Article will clean up balances from Chapter 90 projects dating back to 2002. Mr. Gregoire asked for an example of a project that would be in eligible for Chapter 90 funds that carried a balance. Mr. Frederick said police fees. MADOT

will not pay for police details. Line striping costs that were lingering because the bill came in late and the project was closed out etc. They have about $970,000 in the account that will be used for projects on Miller Street and on Holyoke Street for $870,000. There will be $100,000 remaining until the next $700,000 comes in July. He will be working to close the books on projects that have been completed instead of leaving them open to clean up the accounts. Mr. Frederick informed the committee about the Center Street project and what will be happening within the two years span that it will take to complete the project.

At this time the committee met with Chief Madera to discuss his department's Articles.

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Special Town Meeting

Article 5: Deposit money into the Police Dispatch accounts to assist in any unanticipated costs for the transition of Central Dispatch.

The Chief said that now he received a 45-day notice for transition. He must wait until Town Meeting to make any movement because of the budget process that has been put forward. Unless he has approval of his budget, he is not allowed to move forward with the project. He has a mandate to move forward, but he made cuts to the police and dispatch side. If he has be make more cuts, then he will have to cut services. The operating expenses are at 0 parameter. The original cost of $457,000 was calculated to run the centralized dispatch. With the adjustments that were made, that budget has been reduced to $387,776 for the next fiscal year. It was decreased that much because the State incentive funds can be used to support the budget, but it can't be put in the budget. He removed a large amount of money in overtime and training. He will go after grant monies from State 911, Undercover Training. He explained what the training entailed and what the State money is used for. They received $48,000 for cell surcharge which goes back to the department. He can apply that money to run dispatch. He will recommend postponing the Article, because he can't start to centralize until after the May Town Meeting.

Regular Town Meeting

Article 2: Radio Communications System.

The Chief has had many presentations re: The Radio Communications System. The Town Meeting body approved an Article to establish a Radio Advisory Committee which was given the mandate to provide a budget to obtain a consultant to come in and study the whole communication's system in Town. That system includes, the police, fire, school and DPW. The present system is in dire need of replacement. It was put in to the police department for $345,000 in 1995 and updated in 2005 for $450,000, no other departments received updates. The Fire Department is operating under their system which is over 25 years old. The DPW's is an ad hoc system and the school only has one radio system that works that runs between the police and high school. No other schools are connected. The system doesn't meet today's standards when it comes to public safety and community safety. The consultant's proposal is to revamp the whole system to create a single platform and have all the departments including the Health Dept. and Senior Council on Aging on the system. Each school would be able to communicate with the central office and with police, fire, DPW etc. The old system is down and their using a temporary

system. The original national pricing is a 6.42 million dollars project which includes towers which the Town will own. The Procurement Process would bring the total to 4.8 million dollars. The Chief is hopeful that the City of Chicopee would come in with Ludlow and update the State's tower on Nash Hill Road. The tower needs to grow about 40 feet. Chicopee has an adequate security building. He wouldn't do anything with the State's tower on Tower Road because it is a 1964 tower and doesn't belong to Ludlow. They could put a building there and add their own lines which would lead to the Town's own security system. Each tower is $850,000. He feels he could do a lot better at the 4.8 million and end up with the system they want.

The Fire Department applied for a FY'18 Grant to purchase portables and mobiles because they need them now. They are being purchased to meet the analog technology and are designed to accept the new technology, P25 digital going forward. That would be a $300,000 savings. The communication system will be in one project. The Chief gave extensive explanations of the new system and how the old system is not functioning.

Ms. Downing said that the committee will not finalize any votes at this time. The committee agreed to finish voting on the Articles. At this time the committee will voted on Articles from the Regular Town Meeting.

Mr. Gregoire stepped out of the meeting

Article 10: Sewer Enterprise Fund. This Article will be postponed

Moved by Ms. Fogg, seconded by Ms. Cavallo to concur with the postponement of Article 10
Vote: 8-0 in favor

Article 11: Chapter 90 Highway Funds, to accept it

Moved by Ms. Boyea, seconded by Ms. Cavallo to accept Article 11 as written in the Warrant
Vote: 8-0 in favor

Article 12: Chapter 90 Highway Funds, to utilize the money in the amount of $700,000

Moved by Ms. Boyea, seconded by Ms. Fogg to accept Article 12 as written in the Warrant
Vote: 8-0 in favor

Article 13: Closure of the Landfill, in the amount of $13,000

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve Article 13 as written
Vote: 8-0 in favor

Mr. Gregoire returns to the meeting

There is no information from the Capital Committee. Article 14 will be dealt with at the next meeting prior to Town Meeting

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Special Town Meeting:

Article 2: $4,800,000 Radio Communication System

Moved by Ms. Fogg, seconded by Mr. Moskal to approve Article 6
Vote: 9-0 in favor

Article 3: $25,000 to clean up deficit balances for the Board of Public Works

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve Article 3 in the amount of $23,000
Vote: 9-0 in favor

Article 4: Treasurer's $335,000 from Free Cash

Mr. Gregoire said that it would be prudent to wait on this Article as the Treasurer and Ms. Villano had mentioned that they are still working with the numbers and it might fluctuate. Ms. Collins prepared a sheet and the amount is within $30,000 of each other. The committee agreed to hold the Article

Article 5: The Police Chief will postpone

Moved by Mr. Gregoire, seconded by Ms. Boyea to concur with postponement of Article 5
Vote: 9-0 in favor

Articles 4 and 14 are being held until the next meeting.

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The next regular meeting will be held on April 25, 2018. There will be a re-organization at that time. The meeting will begin at 6:15 p.m. Mr. Alves has been designated as a third party who is not an officer to take over the meeting for nominations. He will read from the Bylaws and call for nominations etc. If anyone wants to run for a position, call Mr. Alves. There will be nominations on the 25th. After that the Police Chief will meet with the committee to request funds for overtime. Then the regular meeting will be closed, and the Budget meeting will open. At that time the committee will know more information on the budget situation. There were departments that have been cut. The Recreation Department was cut $40,000. Ms. Downing spoke to the Selectmen and any Free Cash that is left over will be put into Stabilization and moved to the October Town Meeting. She suggested watching any overages on existing accounts going to the end of the year and she also suggested that when the time comes for Interdepartmental Transfers that only necessary items be looked at, otherwise the money wouldn't be spent.

There will be a meeting on May 2nd and May 9th if necessary, depending on the work that needs to be accomplished. There will be a meeting prior to Town Meeting on May 14th.

Moved by Mr. Alves, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 7:54 p.m.
Vote: 9-0 in favor

Ludlow Finance Committee

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