September 19, 2018

Meeting of the Finance Committee held on Wednesday, September 19, 2018 beginning at 6:30 p.m. in Conference Room #1 in the Town Hall.

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

Members excused: Heidi Fogg and Anthony Alves

First Order of Business: The Pledge of Allegiance

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At this time the committee reviewed the Special Town Meeting Warrant and voted on the Articles as follows:

ARTICLE 1: To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money for **UNPAID BILLS AND/OR OVEREXPENDED ACCOUNTS OF PREVIOUS YEARS;** pass any vote or take any action relative thereto. Submitted by the Board of Selectmen.

The amount to be raised for the Unpaid or Overexpended bills is $17,150.55.

Moved by Ms. Downing, seconded by Ms. Boyea to approve Article 1 in the amount of $17,150.55.
Vote: 6-0 in favor

ARTICLE 2: To see if the Town will vote to provide specific authority to the Police Department to enter into a Lease to Own Taser Contract on behalf of the Town, the execution of which shall extend five years from the date thereof as regulated by Town of Ludlow Bylaws, Chapter II, Regulating the Conduct of Town Business, SECTION 15, which authorizes the extension of contracts beyond three years when "specific" authority to do so has been given by vote of the town; pass any vote or take any action relative thereto. Submitted by the Board of Selectmen.

This is to allow contracts for the Town to continue for a five-year period. Contracts are allowed for only three years. This Article will extend the contract time. Money for the tasers was included in the FY'19 budget. There is no dollar amount being asked for this Article

Moved by Ms. Downing, seconded by Ms. Boyea to approve Article 2 as written
Vote: 6-0 in favor

ARTICLE 3: To see if the Town will vote to raise and/or appropriate a sum of money to be used to offset the unexpected deficit to the debt service for Fiscal Year 2019 for the borrowing for the Chapin Street Elementary School and Senior Center projects; pass any vote or take any action relative thereto. Submitted by the Town Treasurer.

This Article has already been approved. The Article was recommended by Bond Counsel to make sure that the Town is completely transparent with the project and the borrowing. The

borrowing is already occurring. The Town voted to approve the borrowing at the last election. This Article is appropriating the money to the projects. Ms. Collins said that the dollar amount is $501,000 which is being appropriated. The debt excluded portion is $.25. This pays the interest on the borrowing while their building the two projects.

Moved by Ms. Downing, seconded by Ms. Cavallo to approve Article 3 as written for the Chapin Elementary School and Senior Center Project.
Vote: 6-0 in favor

ARTICLE 4: To see if the Town will vote to transfer from Sewer Enterprise Account Retained Earnings and/or borrow by the issuance of bonds or notes such sums of money as may be necessary for the Sewer Division Capital Improvements during the fiscal year beginning July 1, 2018; pass any vote or take any action relative thereto. Submitted by the Board of Public Works.

The dollar amount is $140,000 coming out of the Sewer Enterprise Retained Earnings. Ms. Collins said the DBW is trying to take money out of this account. The Retained Earnings was certified on June 30, 2017. You have an entire fiscal year to take that money out of the account, which would have been June 30, 2018. The DPW's retained earnings will not be certified until November 1st, so technically, they can't take money out of Retained Earnings at this Town Meeting. She would recommend postponing the Article.

Moved by Ms. Downing, seconded by Mr. Moskal to postpone action on Article 4 until the legal issues of not being able to take money out the Retained Earnings are settled
Vote: 6-0 in favor

Mr. Yando entered the meeting at 6:50 p.m.

ARTICLE 5: To see if the Town will vote to transfer from the Ambulance Subscription Fund a sum of money not to exceed Forty Thousand Dollars ($40,000) the purpose of which is to purchase a Deputy Fire Chief's vehicle; pass any vote or take any action relative thereto. Submitted by the Board of Selectmen.

There is a lengthy statement in the background information regarding the Article. Mr. Moskal doesn't recall any discussion on purchasing a vehicle and he would be against it at this time. Mr. Gregoire said that it wasn't formally presented as a proposal for the Finance Committee to consider any action previously. The Fire Chief had mentioned it and the purchase of a vehicle has come up before in conversation from the previous Chief. It did come before the Capital Committee and they did support it but did not act on it officially. Ms. Collins said that the Chief did go before the Board of Selectmen and they supported it. Capital will support the Article at their next meeting. The money will not affect the tax rate. There was much discussion for and against taking money out of the Subscription Fund.

Moved by Ms. Downing, seconded by Mr. Moskal to approve the transfer of funds from the Ambulance Subscription Fund in the amount of $40,000
Vote: 4-2-1 in favor. Mr. Moskal and Ms. Boyea opposed. Mr. Yando abstained

ARTICLE 6: To see if the Town will vote to amend the Zoning Bylaws of the Town of Ludlow by removing **SECTION XI: Temporary Moratorium on the Sale and Distribution of Recreational Marijuana:**

This Article will remove the moratorium which has expired. This is merely cleaning up the Section. The Bylaws and Policies and Procedures are in place for recreational marijuana outside of the Moratorium. The Planning Board voted to recommend approval.

Moved by Ms. Downing, seconded by Mr. Moskal to approve Article 6
Vote: 7-0 in favor

ARTICLE 7: To see if the Town will vote to amend the Zoning Bylaws of the Town of Ludlow, **SECTION III: GENERAL USE REGULATIONS. 3.0 GENERAL REGULATIONS. 3.0.5 Private Swimming Pools by deleting from a. ", but in no case shall the pool be located nearer than ten (10) feet to any side or rear lot line. A pool must be located at least ten (10') from all structures. Exception: Pool Decks."**

The Planning Board voted to postpone the Article

Moved by Ms. Downing, seconded by Ms. Boyea to concur with the Planning Board's vote and postpone Article 7
Vote: 7-0 in favor

ARTICLE 8: To see if the Town will vote to amend the Zoning Bylaws of the Town of Ludlow, **SECTION V: OVERLAY DISTRICT REGULATIONS. 5.1 BUSINESS IN THE AGRICULTURE: MODERATE DENSITY OVERLAY DISTRICT 5.1.3 Site Design by adding j. The Planning Board may waive up to 25% of the required parking spaces under Section 6.4 PARKING REQUIREMENTS in the Agriculture Moderate Density District.**

The Planning Board voted 3-0 to recommend approval of this Article.

Moved by Mr. Yando, seconded by Ms. Downing to approve Article 8 as written
Vote: 7-0 in favor

ARTICLE 9: To see if the Town will vote to amend the Zoning Bylaws of the Town of Ludlow by changing from **Residence A** to **Business A,** a parcel of land owned by Francisco Leitao, Trustee, located at 607 Chapin Street (Assessors Map # 16A, Parcel 99) and described as follows:

The Planning Board voted to approve the Article by a 5-0 vote.

Moved by Mr. Yando, seconded by Ms. Cavallo to approve Article 9 as written
Vote: 6-1 in favor. Ms. Downing opposed

ARTICLE 10: To see if the Town will vote to amend the Zoning Bylaws of the Town of Ludlow by changing from **Agriculture** to **Residence A,** a parcel of land owned by Justin Dias and Nancy Goncalves, located at 1322 Center Street (Assessors Map #33, Parcel 45) and described as follows:

Moved by Ms. Downing, seconded by Mr. Moskal to approve Article 10 as written
Vote: 7-0 in favor

ARTICLE 11: To see if the Town will vote to acquire by purchase or otherwise, the fee simple interest, and to raise and appropriate a sum of money therefor, and accept the following described Maria's Way as a Public Way:

Moved by Ms. Downing, seconded by Ms. Cavallo to approve Article 11 as written
Vote: 7-0 in favor

ARTICLE 12: To see if the Town will vote to acquire by purchase or otherwise, the fee simple interest, and to raise and appropriate a sum of money therefor, and accept the following described Sunset Ridge as a Public Way:

Moved by Ms. Downing, seconded by Ms. Boyea to approve Article 12 as written
Vote: 7-0 in favor

ARTICLE 13: To see if the Town will vote to acquire by purchase or otherwise, the fee simple interest, and to raise and appropriate a sum of money therefor, and accept the following described Turning Leaf Road as a Public Way:

Moved by Ms. Downing, seconded by Ms. Cavallo to accept Turning Leaf Road as a Public Way
Vote: 7-0 in favor

ARTICLE 14: To see if the Town will vote to acquire by purchase or otherwise, the fee simple interest, and to raise and appropriate a sum of money therefor, and accept the following described Harvest Drive as a Public Way:

Moved by Ms. Downing, seconded by Ms. Cavallo to accept Harvest Drive as a Public Way
Vote: 7-0 in favor

ARTICLE 15: To see if the Town will vote to acquire by purchase or otherwise, the fee simple interest, and to raise and appropriate a sum of money therefor, and accept the following described Autumn Ridge Road as a Public Way:

Moved by Ms. Downing, seconded by Mr. Moskal to accept Autumn Ridge Road as a Public Way
Vote: 7-0 in favor

ARTICLE 16: To see if the Town will vote to raise and appropriate and/or transfer from available funds a sum of money to be used to purchase the 4.35acre property located at the Corner of State Street and First Avenue and described below, to be used to house the new Senior Center;

The committee discussed this Article in length. Mr. Moskal said that the submitted price from WestMass and three appraisals was $435,000. Once the Article passes, Ms. Villano can start negotiations. Ms. Downing wants to make sure that the Article doesn't lock in anybody to purchase the property, it gives Ms. Villano and/or the Board of Selectmen the ability to negotiate. Mr. Moskal said it goes beyond that because the Board of Selectmen must approve any purchase of land and that is what the Article is for. The Selectmen want the authority to

purchase the land. Mr. Moskal said there was a process to make that land unique, so they didn't have to do the RFP, which the Selectmen approved. The funds are included in the borrowing.

Moved by Ms. Downing, seconded by Ms. Cavallo to approve Article 16
Vote: 7-0 in favor

ARTICLE 17: To see if the Town will vote to transfer a sum of money from the Stabilization Fund to be used by the Board of Assessors in determining the Fiscal Year 2019 tax levy; pass any vote or take any action relative thereto. Submitted by the Board of Selectmen.

The Board of Selectmen agreed to postpone action and not to move forward with any plans to draw on the Stabilization Fund at this time to put towards the Tax Levy.

Moved by Mr. Yando, seconded by Ms. Boyea to support postponement of Article 17
Vote: 7-0 in favor

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Mr. Gregoire updated the members on budget planning for FY'20. It's very early and materials haven't gathered to date. He asked the members if they had anything to discuss from last year's session and asked if there could be improvements from the departments perspectives in terms of filling the budget as well as the committee's review. The Budget Sub-Committee along with Ms. Villano and Ms. Collins will begin having discussions about building the base line budgets and the templets for departments towards the end of the calendar year.

Ms. Downing spoke about a discussion that was had at the Selectmen's Meeting stating that the budget was very tight this year at a 1.38% increase. Because of the projects that will be going on, their feeling is that they don't want the regular budget to be hurt because of the big projects. The contractual obligations are around 2% again. Ms. Collins said that if they get leaner and leaner on the budget, at the end of the year, expenses haven't been budgeted high enough that their coming in under budget for the Town to receive Free Cash. One of the main ways to get Free Cash at the end of the year is that if you underbudget your revenues so that your bringing in more than expected or if the expenses are overbudgeted and in the past they have come under budgeted expenses. This year it's about $300,000. In 2019, they budgeted only a 1.3% increase. She worry's that at the end of the year there won't be much coming back into the reserves. One of the biggest things being pushed is it's not recommended that the reserves go down. Ms. Downing said that for the past ten years the Finance Committee has been trying to say to put a sum into Stabilization and the Selectmen wouldn't do it. She feels that the committee should make a point of recommending that what isn't used out of Free Cash from the Articles or Capital, should go into the Stabilization Fund to build it up. The Bond Rating stayed at an AA- but there were concerns that the funds were being taken out of our reserves. In 2017 it was 8%, and 11% several years ago. The Bond Council doesn't want to see that. Putting some money back is a big issue. The budget will be inflated by at least $500,000 because of the projects when calculations are being figured for FY'20 and the concern that Ms. Collins has is, will the Selectmen vote to cut the $500,000. Ms. Downing said the figure should be separated out of the budget and figured in the regular debt service. More discussion was taken regarding the bond rate etc.

Mr. Gregoire said that he received a memo from the Selectmen that they approved a committee to examine the potential uses of buildings that will be vacated by the projects coming on line.

The Selectmen are looking for representatives from different committees to serve on this working group committee to evaluate what the buildings could be used for. He wanted to know if a member was interested in serving. Ms. Downing said that she would be interested.

Moved by Ms. Boyea, seconded by Ms. Downing to peruse and approve the Finance Committee Minutes of June 6, 2018
Vote: 5-0-2 in favor. Ms. Cavallo and Mr. Moskal abstained

Moved by Ms. Boyea, seconded by Mr. Yando, to peruse and approve the Finance Committee Minutes of June 27, 2018
Vote: 5-0-2 in favor. Ms. Cavallo and Mr. Moskal abstained

Reminder to attend the Special Town Meeting on Monday, October 1, 2018 at 7:30 p.m. at the High School

Moved by Ms. Boyea, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 7:50 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee

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