January 16, 2019

Meeting of the Finance Committee held on Wednesday, January 16, 2019 beginning at 6:30 p.m. in Conference Room #1 in Town Hall.

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

Members excused: Maureen Downing, Richard Moskal and Anthony Alves

First Order of Business: The Pledge of Allegiance

At this time Mr. Gregoire read a letter from Heidi Fogg as follows: After careful consideration and thought I'm resigning from the Finance Committee. I have work obligations that conflict with the commitment and obligations that's expected from the committee. I've enjoyed working with everyone over the years and I wish everyone well. Regards, Heidi Fogg

Mr. Gregoire said that it's unfortunate but thanks Ms. Fogg for her service. She's been a member of the Finance Committee since 2006. He notified the Town Clerk and Attorney DaCruz who does the actual appointments to the Finance Committee to inform them that there is an impending resignation from the Board.

Moved by Ms. Boyea, seconded by Ms. Cavallo to accept Ms. Fogg's letter of resignation and send her a letter of thanks for her service
Vote: 5-0 in favor

Mr. Gregoire said that one of the things that he was thinking about is whether the committee should advertise for the position at this time. Does the committee feel that it's necessary to appoint someone at this time or wait until the budget process is completed? Mr. Yando feels that the position should be filled as soon as possible. Ms. Cavallo and Ms. Boyea feel the same way. The vacancy will be placed on cable; inform Mr. Hill and Mr. Blanchard. If there are any letters of interest, then the committee would interview the candidates.

The budget development process.is in progress. The Budget Sub-committee with department heads and Selectmen have just begun meeting and reviewing the department budgets. Ms. Collins said that the department heads had to go through their contracts and determine what is required for their salaries. They were then asked to include what funds they needed to keep their departments running with their general expenses. They were not given any parameters. At this point it's a wish list. The sub-committee are currently reviewing the budgets.

There have been changes as to how quickly the budget process can get underway regarding departmental meetings with the Finance Committee. There are changes on the Board of Selectmen that must be dealt with. They have a large say re: the budgets. At this point Ms. Villano doesn't know how quickly she can have discussions with the Selectmen, depending on a quorum of the Board. As of next week, there will only be three active members on the Board of Selectmen. Ms. Cavallo asked what Selectmen are up for re-election. Mr. Gregoire answered, Derek DeBarge and Brian Mannix. Requests will be evaluated for affordability, need etc. Notices have not been sent out to departments through the Accountants office asking for their requests.

Ms. Cavallo remarked about the article in the Register relative to the school needing 2 ½ million dollars for a track and field behind the High School. Ms. Collins said they need the track, field and there was talk about the concession. They can't hold meets at this point. They need it, so their asking for it. They were trying to get outside money from donors. It's in the beginning stages to ask companies for large donations. Mr. Gregoire said that this is the first year that the tax rate is not being subsidized with Free Cash. They are in a position where they're still trying to find out the financial position.

Mr. Gregoire discussed the format for budget review with Ms. Collins and Ms. Villano and the committee's sessions with departments. The process will not start as early as in the past. The sub-committee has evaluated the small departments; it would be a good time to change the format of the process to offer opportunities to the small departments to meet or not meet with Finance if there are no drastic changes to their budgets.

Ms. Collins said that instead of all the long spread sheets and different reports that were produced last year, this year, after the sub-committee gets to a point where the budget is ready for Finance to review there will be one report. It will include the initial column with requests from the departments, second column will be figures from the Budget Sub-committee and the third column will be the final budget that include changes from the Finance Committee and approval from the Board of Selectmen. She feels that it will be better to view the percentage increases between salaries and general expenses and then determine which departments Finance needs to meet with. The Board of Selectmen will not give parameters at this point, because of all the different contracts and other changes that are currently in play. Mr. Gregoire feels that this would be a more realistic picture of what each department needs.

Mr. Yando asked what contracts are not settled. The school department is not settled and therefore there is retro-active pay etc. Ms. Collins explained that even though the contracts are not settled, the 2% is already factored in their budget. Previously when a department would end up with a deficit because of negotiations they would have to ask Town Meeting for the money to fund retro payments, currently it's already accounted for in the budget. Ms. Collins will check on the Recreation Commission's budget re: funding of summer camp, using money allocated for Haviland Pond. There was also discussion on the before and after school programs at the Recreation Commission and if there are enough funds coming in to support the programs.

Mr. Yando informed the committee of the minimum wage increase which will affect the budgets. The Recreation budget increased because the councilors etc. are all hourly employees.

The committee discussed the tax rate and how this is the first time in fifteen year + that Free Cash was not used. The tax rate increased $.25. This amount does not include the new school or senior center. At its peaks the estimated rate increase will be $.31. It will be below $.40. It will be three or four more years before the full borrowing takes place.

The committee also discussed the fact that not many students ride the bus to and from school. They spoke about the terrible system in place when picking up children after school. They mentioned the East Street School and Middle School. The school department is paying for many busses. Ms. Boyea thinks that busing must be allowed up to sixth grade. She mentioned the system in Belchertown and Ms. Cavallo also mentioned the system in East Longmeadow and

Lexington. The committee feels that the school department should investigate the restrictions as far as grades, the mile ½ restrictions etc. and the low attendance on busses.

Minutes cannot be signed because there is not a quorum for signature. Bring them back to the February meeting.

Ms. Boyea and Mr. Yando will not be available during the month of February and part of March.

The next scheduled meeting will be held on Wednesday, February 20th in Conference Room #1.

Moved by Mr. Yando, seconded by Ms. Cavallo to adjourn the Finance Committee meeting at 7:40 p.m.
Vote: 5-0 in favor

Eric A. Gagnon
Raymond A. Yando
Joan C. Cavallo
Susanne Boyea
Beverly Tokarz

Ludlow Finance Committee

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