March 6, 2019

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

Members present Eric Gregoire, Chairman, Maureen Downing, Joan Cavallo, Richard Moskal, Raymond Yando, Anthony Alves and Beverly Tokarz

Members excused: Susanne Boyea.

Ellie Villano and Kim Collins were not present

First Order of Business: The Pledge of Allegiance

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Mr. Gregoire explained the Budget Sheets with Departmental Requests that have been reviewed by the Budget Sub-committee. Their recommendations are listed. The Sub-committee met with the Board of Selectmen, presenting the preliminary requests. They scanned over to see what figures were not reasonable or feasible and made increases or decreases to some of the departments. This would include health insurance, fringe benefits etc. The Board of Selectmen were in support of the changes as this is a good starting point in reviewing the departments. The conversation melded along long-term benefits forced by increased costs to taxpayers. Adjustments will have to be made if possible, in order to curtail the rise in taxes which would be their goal.

There were no parameters given to departments this year. The department heads looked at what it would cost them to run their department. Last year and prior years by giving parameters it created a false sense of numbers and, would be setting a different total needed for the departments.

Ms. Downing said that this year they asked departments what they would need in General Expenses instead of the percentages asked for in previous years. The departments would have to justify their increases and what they needed for funds. The Sub-committee reviewed the entries and cut expenses in a few areas.

The Tax Recap Analysis Sheet outlines the actual approved budgets for FY'17, 18, 19 and the proposed budget for FY'20, forecasting what the Taxes and Levy Limit would look like. It outlines the New Growth, Debt Exclusion Actual Levy and Excess Levy Capacity. Chapter 90 funds is down $3,000. The new total is $696,000. The figures do not include the debt exclusion for the new school and Senior Center. The figures are monies just to run the Town's operating budget.

Mr. Moskal asked when the ground breaking will be for the new school. Ms. Downing said that their still paying bills for all the testing etc. Two million dollars has been paid out to date. The State designates what stages of the building project need to be completed and at what time. The State pays as each phase is completed. The Senior Center costs are paid up front for everything.

Another $50,000 must be added to the General Interest and Debt bringing the total to $2,568,224.

The committee discussed the budget meeting schedule with departments. On March 13th, the committee will meet with the Westover Golf Commission, Recreation Commission and Department of Public Works. On March 27th, the School Committee, Police Department and Fire Department are scheduled. Ms. Downing feels that those three departments are to large to all meet on one night. Mr. Gregoire will speak with the Chiefs prior to the meeting re: time limits. Ms. Collins doesn't believe the Westover Golf Commission is ready for a meeting. Their problem lies within their Retained Earnings account. That account has been depleting for years, now there are no funds available. They will have a problem for FY'19. Ms. Tokarz will check to see if the Golf Course will have their detailed budget completed for the meeting.

Ms. Downing said that the Hubbard Memorial Library does not show the split in their budget. They have changes in their Personnel line item showing a $10,000 increase and a $4,000 increase in their General Expense line item. Ms. Downing has concerns that they comply with the State. She would like them to bring in their calculations as they usually. Ms. Tokarz will schedule a meeting with them on March 20th. The IT Department has some increases. Ms. Villano will probably be able to give an explanation relative to those increases. Wait to hear from Ms. Villano before scheduling an appointment with Mr. Blanchard.

Mr. Gregoire suggested that the committee review the Town Warrant in early April if no other appointments with departments are necessary. Ms. Cavallo and Ms. Downing would like to see the breakdown of line items in the Recreation Commission's budget. Most of the committee members had concerns about the funds in the Lifeguard line item and wondered if Haviland Pond will open this summer due to the road construction. Mr. Gregoire said that their budget has increased and it's partly due to the new minimum wage benefits. Ms. Tokarz will make copies of the detailed report for the departments that are meeting on March 13th.

Ms. Downing said that the committee could review the Warrant on April 3rd and review the budgets of the smaller departments. Mr. Gregoire agrees stating that the budgets with increases or deductions can be reviewed and voted on.

Mr. Yando asked if there were any Contracts that need to be negotiated. Mr. Gregoire stated that the School and all bargaining units have had a base factored in to their budgets. If they had a 2 1/2 % increase for their last contract, that amount was factored in. The Fire Department is in the last year of their Contract and on the Town side, all Contracts are settled. The School Contracts still must be negotiated and finalized.

Ms. Downing stated that there are two Articles for Police and Fire Overtime which is in the Special Town Meeting. Mr. Alves stated that there were two new hires in the Fire Department. They will start out at Dispatch and in the summer, they will attend the Academy. That is when the Fire Department will need coverage, which accounts for more overtime. Fire Departments in surrounding communities have a Mutual Agreement for mutual aid if we or other towns need assistance. Mr. Yando said that the Fire Department generated money through the ambulance service.

Another question was asked about the health insurance. A few years ago, money was spent to have all retirees placed under the Medicare plan. Ms. Downing mentioned that Ms. Villano in

changing health plans is now seeing some savings to the Town. Ms. Villano will answer any questions regarding health benefits.

Mr. Yando asked if there were requests for personnel. Mr. Gregoire stated that there were some shifts in personnel and re-organizing departments. No new positions have been brought forward. Mr., Gregoire mentioned that the health insurance has increased $500,000 over last years figure. Three fourths' is on the personnel side. Ms. Downing wanted to know if new positions have been added or are there positions that haven't been filled.

Mr. Gregoire would like copies of the detailed budgets for those departments that the committee will be meeting with.

Mr. Alves made a motion to reappoint Ms. Cavallo and Ms. Downing. In checking the records, they were appointed last April. No letter will be sent to Attorney DaCruz or to the Town Clerk.

Moved by Ms. Downing, seconded by Mr. Yando to adjourn the Finance Committee Meeting at 7:30 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee

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