March 13, 2019

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TOWN OF LUDLOW

Meeting of the Finance Committee held on Wednesday, March 13, 2019 beginning at 6:30 p.m. in Conference Room #1 in the Town Hall.

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

Members excused: Susanne Boyea and Richard Moskal

First Order of Business: The Pledge of Allegiance

At this time the committee met with members of the Golf Commission to discuss their budget. Sean McBride, Chairman, Ryan Linton, Superintendent of the Golf Course and Paul Chrzan, Member were present.

Mr. Linton gave the committee an overview of what monies they are requesting in Personnel, General Expenses etc. Personnel was increase 2%. They dropped the Seasonal Labor help by $5,000 to offset cost of raises in the other positions. They increased the fees of the Starters and Rangers because of minimum wage.

General Expenses: mostly stayed the same. A few lines items were decreased based off last year's budget. The increase was a new Contract with the Golf Professional. They adjusted balances out that increase.

Ms. Downing had a question re: the decrease in golf rounds. It's a projected cost. Ms. Collins said that the problem now is that they are not attaining the record projections. Over the past few years they raised rates. The Department of Revenue asks for that information when the retained earnings are certified. If they don't reach close to the revenue number's, this year the DOR will want the Golf Course to back the numbers up. The revenue needs to be based on actuals from prior years not estimates. She said that now would be the time to look at the figures to back them up. If they can't they will have to ask for support from the Town side. They have $93,500 for Indirect Costs, which will be going down. They must make sure that the items that they talked about that the Treasurer will charge off to the Golf Course, are included in their expense numbers as well. The Indirect Costs allocations will go down by the percentages that they agreed too but the actual expenses will go up for salaries and insurance because they will no longer be included in the Indirect Cost. They will have to account for some of the expenses in their regular expenditure line items, but they will see an added decrease in part-time.

Mr. McBride thanked Ms. Collins and Mr. Linton for all their efforts and willingness to cooperate to make the operation a success, but on day one, their starting off with $93,500 in the hole and it's a lot of money to make up in an industry that suffered over the years and that is incumbent on weather. For them to survive they anticipate being open on March 1st and close on December 31st. The reality of that is just not possible.

Mr. Yando asked where they will get the $93,000. Mr. McBride stated that it's from Indirect Costs which are all the shared services that the Golf Course is responsible for, such as

insurances, and Enterprise Funds. Every option is on the table to try and reduce costs and still be able to put out a good product.

Mr. McBride said that they have been fortunate enough that there are a few golf courses that have come off line. They picked up some leads from those courses. They have been pro-active in the off season to contact leads that have been displaced because of golf courses changing ownership hands or closing in general. Their trying to attract some of those customer base. It has increased leads and tournaments and their hoping to increase their daily play as well. They will have significant expenses. They have a very aged cart fleet because they haven't been able to increase their cart revenue rates due to the age of the fleet. Because of liability issues they had to rent golf carts for tournaments and large events at a cost which is generally conveyed to the customer, but it still cost the course. Their looking into entering a three -year lease program to replace the fleet with a buyout at the end and run those carts for an additional three or four years. Generally, the buyout at the end of the contract is $1.00. Their hoping to increase the cart revenues and offset some expenses. Right now, their propriety is to try to minimize the effect of slow play or declining play or economy has had on the overall bottom line. Mr. Linton has submitted one capital expense for a Greens Mower. The mechanic and maintenance crew have been very beneficial in repairing the equipment and extending their life span for a few years. To be able to have a Greens Mower that is reliable is a central force. In the next fiscal year or so their going to be looking at the cart lease program.

Ms. Downing asked if the cost for seed and fertilizer stabilized or did the prices increase. Mr. Linton said that there are two new companies in the area so that increases competition. The cost will be increasing over the next few years as the company's costs have increased. As far as chemicals there are more insecticides, fungicides that have come off patent which would be labeled generic which are cheaper. They use all generic products. Parts for equipment is very expensive, they probably spend $30,000 a year on parts. Once they can replace their equipment, those cost will lessen.

Ms. Collins wanted to confirm the dollar amount of their budget. She stated that their total expenditure budget is $681,797 plus Indirect Costs. The expenditures are at $356,297 for Personnel, $325,500 for General Expenses.

Mr. Linton informed Mr. Alves about the line item on page 3. It's the Golf Professional Services, salary etc.

At this time the committee met with the Recreation Department. Chairman Sean McBride and Debbie Gates represented the department.

Mr. McBride said that salaries are level funded except for a $10,000 reduction in lifeguards.

Mr. Gregoire wanted to know the changes of the value in minimum wage and how many positions are funded through the similar items; lifeguards and programs. Mr. McBride said that they submitted a request two years ago at Town Meeting looking to have adjusted wages for councilor's based on the State changes. What they found now is the councilors would be making the same amount of money as a lifeguard. They always felt, because of the specialized training

and licensing of lifeguards and responsibilities that they have, that there would be a $2.00 increase over the minimum wage for councilors. They submitted a request this year for the wages to increase at the pool to $13.00 an hr. and the head lifeguards to $15.00 an hour. At the pond the lifeguard would be increased to $14.00 and head lifeguard increased to $16.00 an hour. That's not giving them an increase as much as it's in keeping with what the historical difference has been in those positions. They are asking that those positions mirror the same level of increase as minimum wage. Next year it would be a $.75 per hour increase on those positions etc. as the State minimum wage increases. Mr. Gregoire said that would be additional costs above what they submitted. Mr. McBride said they set a budget at $42,000 and it was recommended at $32,000. Ms. Collins said that one of the comments that she made at a Department Head meeting was that the total deduction was taken out of one-line item, but it was up to the departments to determine which line items to take that money from. It appears there but it wasn't meant to be a cut to that line item. She has questions re: counselor's going from $96,000 to $117,000 and after school going from $40,000 to $56,000. Those are the two biggest line items that she sees. She asked what would have caused those increases?

Ms. Downing wanted to know how many councilors they had. Mr. McBride said that there are 36 councilors at summer camp. Ms. Gates said that there is a mistake in the calculation because she based the numbers on 40 councilors. The before and after school counselors, work 17 ½ hrs. per week x 44 weeks x 5 councilors at $12 per hour. Then the director works the same x $14 an hour. Ms. Gates gave the amounts of the salary and said that she will be short in payroll because there are 15 weeks left of school. She should have based the councilors at 36. They had 189 children last summer. Ms. Downing asked how many councilors per groups of children. Ms. Gates answered 1-10. If there is a Jr. councilor the group can grow to 15. Out of the councilors that they have, not all of them are group councilors. That leave 26 councilors. Ms. Downing said that this issue had been discussed last year and the year before; they had more councilors that they needed for the students that they had for enrollment. That is why last year the budget was cut and said that the committee would look at what they did for the number of enrollments for next year. If they can get away with a few less councilors because the enrollment is down, that's what they need to do. There was discussion back and forth about hiring councilors after the camp is open. Recreation is saying that they don't know the enrollment until the camp begins. Councilors cannot be hired after the fact because they find other jobs and there are no councilors to hire. Ms. Downing said that hasn't happened for the last five years. There are also activity councilors in the mix.

Mr. Gregoire would like to know what the enrollment has looked like for the last 3 years. Ms. Gates said the enrollment increased slightly. Last year increased by 15 kids from the year before. It fluctuates. It depends on the economy, employment, un-employment; it depends on several things. Mr. McBride said that the total cost for campers in 2018 is $375 for 7 weeks for the first child.; $325 for the second child of the family and then $295 for each additional child thereafter. He said this is the most affordable program. He said they are providing a service to the taxpayers and families in the community that doesn't exist in other communities. What value do you put on a service like theirs? If you put no value on it, you cap the number of kids and councilors and resolve the issue, but they run the risk of turning kids away. It's the mindset of the Recreation Commission to not turn people away. In their estimation it's always been considered a service that the Town offers and its what value you want to put on it. He doesn't

want to see a cap on the number of kids that their offering this service for the sake of not having enough of employees. The other thing that needs to be looked at is that your dealing with first time employees, young employees that are not the most reliable at times when it comes to showing up to work or being responsible enough to forecast the fact that they need the day off etc. There are turnover issues and their always fortunate enough to have those extra bodies to be able to accommodate for that level of turnover. If they loose 2 or 3 councilors, then they must tell parents that their child cannot attend camp because there are not enough councilors. There was a time when they would have 100 kids apply for 40 jobs, now their lucky if they get 36 kids to apply for 36 jobs. The job market and the potential workers they must choose from is very shallow.

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Mr. Gregoire asked if they could forecast the number of kids and councilors over the last two year, which would be a good exercise and history that would be helpful. Ms. Downing said that the Town is very proud of the services that they offer. The programs don't necessarily have to make money, but they must be paid for. The issue is not having the history to back up the budget and it happens every year. She asked if Haviland Pond will open and what happens if it's not open and the lifeguards are hired. Mr. McBride said that since last year and prior to tearing up Center Street they have been asking the DPW and Town Administrator to reach out to Mass Highway and the Town departments on when the project will start. It would have an adverse impact not only to the pond but also would have a very significant impact to those who are walking on Center Street. His opinion would be to close the pond this year until the project is completed. He thinks that it's a massive public safety issue, especially because there is no parking. Mr. McBride asked if the safety issue would be greater than the liability issue of people going to the pond and swimming without a lifeguard? Ms. Cavallo said large signs would have to be posted, but that will not stop anyone from entering the area. He asked if there would be more demands placed on the police and fire department and how would they balance the cost of keeping it lifeguarded to offset the expenses that would fall on the police and fire department. Mr. McBride said that if they hire lifeguards, the pond would remain open. They have no indication that the pond would need to close. If the pond does close, the lifeguards would be laid off. Mr. Gregoire asked where the responsibility lies to say if the pond is open or closed. Mr. McBride thinks it would be the Board of Selectmen. Ms. Downing would like the information about the enrollment. Ms. Cavallo asked questions regarding the junior and regular councilors. Mr. McBride provide the answers as to how many councilors they have and their pay rate. They are paid $12 per hr. and the junior councilors are not paid. The junior councilors pay $50. They are 13 to 15 years old and are to old for the camp. They would have adequate training to be junior councilors. There is one junior councilor per group. Ms. Collins said that if the councilors are dropped to 36 the amount is $106,000 instead of $117,600. The $10,000 will be moved from lifeguards to councilors. Mr. Alves asked if there were ever 200 campers. Ms. Gates said that it's been awhile. He wanted to know the cost per child. Mr. McBride said the first child is $325, second child is $325, each additional child is $295. They did expand the enrollment to a second category where parents who work in Town can have their children enroll in the camp. There are several families who have second and more children. He asked if the councilors are Ludlow residents. Ms. Gates said that for the most part they are. They need certain certification. They need to have CPR and First Aid, prior experience working with children whether they've gone through their junior councilor program or worked in another facility working with children. They would give preference to Town residents.

Ms. Collins asked if the increase for the before and after school programs reduce the number of overtimes needed? When there was an issue before school, there would need to be money to cover Ms. Gates overtime. She works the before school program, the two weeks for camp sign ups etc. Ms. Collins asked if they are any closer accepting payment by credit card or on line? Ms. Gates said to refer the question to the Treasurer. Ms. Cavallo asked what the hours were before school. Ms. Gates answered 6:15 a.m. to 8:00 a.m. After school hours begin when school ends until 6:00 p.m. There is one bus that picks up the campers from all the elementary schools and drops them off at the park. There is one bus in the morning that takes the kids from the park and drops them off to all the elementary schools. Ms. Gates has one family that drops the child off at 5:50, that is why Ms. Gates goes to work at 5:30 a.m. to accommodate that child. That same child goes to the after-school program and stays until 6:00 p.m.

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At this time the committee met with the Board of Public Works. Tom Haluch, Chairman, Amy Priest, Business Administrator DPW and Ken Batista, Interim Director were present.

Forestry Division: It's the same requirement for the Local 98 Contract with a 2% increase for non-union personnel. The Assistant Town Engineer's salary was moved into Administration.

Streets and Highways: There is a decrease due to some employees who retired or left. The positions are filled but the starting salary is at a lower Step. They started at a minimum Step, where the previous employees were at maximum.

Waste Collection: There is one part-time employee and the overtime for Saturday transfer station. That was kept the same.

Cemetery Division: That is the same as last year/ $2,000 for Saturday burials.

Parks and Playground Division: Mr. Frederick moved the employees that were in the Parks Division into Highway Division. Ms. Collins was trying to consolidate the divisions.

Ms. Downing asked if they are hiring extra individuals, changes in labor. Mr. Haluch said that eventually they want to fill the Director's position. Ms. Downing said that last year there was $15,000 for an assistant part-time. She wanted to know if there is a person there. Ms. Priest said not at the present time. Someone was hired but left. They will be hiring someone to fill the position. It's usually a college student. Mr. Haluch explained the situation with the engineers who had a stamp. There use to be 4 individuals, now there is one person. There is really no money in the budget to get back to where they need to be. The Director should have a stamp or someone in the engineer department so that they can prepare plans, designs, etc. in-house. Ms. Collins asked what the Warrant Article is for. Mr. Haluch stated that at the present time the Director of Public Works must have a stamp. He must be a registered certified engineer and have an engineering license. They would like to change the bylaw to hire a Director of Public Works who doesn't have a stamp but is very knowledgeable. They want to change the requirement that the Director does not need a stamp. Its mid-scale funded at $101,593. There are no union positions open, accept for the Director and Intern. There is an Assistant Engineer position on the books, but it hasn't been funded.

Operating Budget: Fleet Division for Vehicle Repair and Maintenance. They did not increase the budget from last year. Administration is the same as last year. Other Services: copier service

Engineer Department: Stayed the same as last year. Operations Division: Stayed the same as last year. $70,000, for Northern Tree, Sidewalks, Fertilizing by a private company for the parks. Ms. Downing wanted to know if the money from the last two years rolled into Street and Road Maintenance; it did. Traffic Maintenance and Other Services, decreased.

Solid Waste Division: Increased, 1.2 million/Waste Management for Solid Waste Collection Services and the Disposal with Casella. They increased it by the contractual obligation. The Transportation Services is for hauling out of the transfer station, stayed the same. The term of the contract for the trash is one more year. Mr. Gregoire asked what the cost of running the transfer station on weekends was and how is the center of service generating revenue and what is the cost for stickers. Is there revenue and what is the cost to provide the services. Mr. Batista thought it was a break even, even with the disposal of the goods that you need so they don't find items on the side of the road. If the price gets to high to use the transfer station for disposal there will be more and more items on the side of the road. They did increase the fees from $10 to $15 yearly plus the disposal costs of items. Mr. Batista said that grinding the brush is another expense. They try to do that yearly at a cost of $10,000.

Building Division: Same as the prior year. There are repairs in the roofing, doors needed, the Moody Street Pump Station needs some repairs. The last upgrade was in 1979. The District Division is mainly utilities, gas, oil, water which was kept the same as the previous year. These are estimated costs, not actuals in the budget. More research will be done on utilities.

Capital Outlay: They are no longer asking for the $25,000. They were asked to find $20,000 to cut. They will cut $10,000 out of the Building Repair and Maintenance division. Currently there is $14,000. Mr. Batista thought that if they cut the amount there would still be enough funds to repair the roof and doors for their facility, which would leave a balance of $7,000 for their facility and the pump station. The other $10,000 would be cut from the Operation Division. There is $195,000 for road maintenance, dropping the amount to $185,000. That account can be supplemented with Chapter 90 funds. They received notification from the State that the department will be receiving $690,000 which is lower than last year. The last project request was done by Steven Frederick which was last August. They haven't started those projects, but that will be their spring lineup. They will use $300,000 from this year's budget before July 1st.

Snow and Ice Budget: Same as last year. They just went into deficit. There was 48 inches of snow this winter. There were three events with snow and freezing rain. The salt is used for those storms. The Declaration of Emergency letter will be sent shortly. They were $6,000 over in the account.

Trash: There is a $75,000 increase this year. The contract for disposal of recyclibles is due to expire this year. There are 72 communities that are included in that. Currently it is out to bid. They don't know at this point what the numbers will be. Bid opening is May 9th. They usually see a revenue for recycling, but it is likely that they will now see a fee. Ms. Collins asked if the Revolving Fund could cover the recycling? Ms. Priest said that she didn't see why it couldn't. They will investigate it. Mr. Gregoire asked if there were a scale of options or will the Town just

be paying for the recycling. Mr. Haluch said that it's a consortium of several towns. The bids will come out and the Town will have to pay their share. Mr. Gregoire said that the bid opening will come right before Town Meeting. The budget will be set at that time and there won't be much room to move monies since it will be effective July 1st. Mr. Haluch said they will have an exact number for the October Town Meeting and adjustments can be made at that time if needed. Mr. Batista said they can see how much their recycling tonnage is and plug in a number. Mr. Gregoire said that would be good to know to have some information as they are planning for everything else and in October it can be a reference point. Ms. Priest said the bags have decreased since they started. Their generating $50,000 a year. Anything over $26,000 goes into the Revolving Fund and the remainder goes into the General Fund. Ms. Collins said that if they determined that those funds could cover the payment, it could be changed by the Board of Selectmen.

Mr. Gregoire said that next week there will be Visitations with the Hubbard Memorial Library and IT Department. He would like to set aside a block of time to cover some of the smaller departments to review their requests. It is also a regular meeting. The first or second week of April, Ms. Villano will attend the meeting to answer questions re: the departments that didn't meet with the committee.

Mr. Gregoire will draft questions to the Recreation Commission and Department of Public Works and continue to follow-up on the information requested.

Mr. Gregoire had concerns regarding the Recreation Department and if the cuts that they experience in this fiscal year, had been realized. Ms. Collins reviews the number of councilors that they accounted for and what changes will be made. He feels that there will be shortages and not from the councilors. Ms. Collins feels that the shortfall will come from overtime. They only budget $6,000 but it could be upwards of $15,000. There was discussion on how the overtime is used and if it could be managed more efficiently. Recreation does receive a report every month. The other concern was the opening of Haviland Pond. Ms. Villano will investigate that issue.

Moved by Ms. Downing, seconded by Ms. Cavallo to adjourn the meeting at 8:15 p.m. Vote: 6-0 in favor

Ludlow Finance Committee