March 20, 2019

Meeting of the Finance Committee held on Wednesday, March 20, 2019 beginning at 6:30 p.m. with a Regular Meeting. The Budget Meeting continued after the close of the Regular Meeting. The meetings were held in Conference Room #1 in the Town Hall.

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

Members excused: Susanne Boyea

First Order of Business: The Pledge of Allegiance

Regular Meeting:

Moved by Ms. Downing, seconded by Ms. Cavallo to approve and sign the Finance Committee Minutes of March 5, 2019
Vote: 7-0 in favor

Mr. Gregoire said that after the election it is traditional for the committee to re-organize. This will be done at the regular meeting of April 17th. Our Bylaws indicate to designate a member to serve as the acting chairman to hold the election of officers. Mr. Alves will inform Mr. Gregoire if he's available to attend the April 17th meeting.

Mr. Moskal updated the committee on the Senior Center Building Committee. He informed the committee that they did hire an OPM. There is an Architect that has been hired. The land has been purchased. A project plan had been developed and they are delayed one week because of the snow storm. A budget and tracking report have been prepared. He gave the report to Ms. Collins and she will do an analysis. He has an issue on the budget. From the Finance perspective, he doesn't know who is in charge of the money distribution, how it's to be distributed. It appears to him that the contractor has control of everything. He doesn't feel comfortable with that. He will talk with Ms. Collins about disbursements and who actually signs off on the money for the land etc. Ms. Villano said that the Town Meeting members voted to purchase the land, the Board of Selectmen signed off on it, the Treasurer cut the check for payment and the Accountant keeps track of it. Mr. Moskal doesn't understand the process from the Treasurer's standpoint. Ms. Villano said that the OPM is usually the Project Manager. He will be in charge of the invoicing and will present the invoices to the Senior Center Building Committee at which time they will vote to approve and sign off on them. The Building Committee will vote to process the invoices. He said that has not happened to date. Ms. Villano said maybe the OPM has not had anything that he wants to invoice. The Architect's contract is not signed yet so there won't be any money disbursed until the contract is signed by the Board of Selectmen. Ms. Downing gave an example of some of the procedures that the School Building Committee handles. She said that copies should be made of all the invoices for the committee to keep. Ms. Villano said that there also should be a file cabinet at the Senior Center that starts from the beginning of the project all the

way through the end of it. There has to be copies of everything. The Accountant will keep the original copies. There is a form that is used by the OPM that is given to do the drawdowns and payouts that are signed by the Building Committee. Mr. Moskal said that on Thursday, the OPM is meeting with the Police, Fire, Planning departments, Board of Health and Ms. Villano at 3:00 p.m. Mr. Moskal said that there is a plan that shows the sites and what the building will look like. The Architect has a floor plan for the facility and all the drawings. The groundbreaking will be November, 2019. It's a twelve-month cycle. Once the site plan is approved by the committee it should be released for the public. All the drawings for the school are on the school building website to see their progress. Mr. Moskal said the plans are 99% complete for the Senior Center. Ms. Villano informed the committee that the OPM's name is Daniel Palada. He works for P3 Inc. One of his highest reviews from references is that he's on time if not early and on budget if not under. He will be the driving force for the project. If there is an occasion or need to meet jointly with the OPM or committee, that would be helpful. The Treasurer could also be invited in to give an update or overview of the bonding process. Mr. Gregoire and Ms. Downing said that would be helpful to invite the Planning Board and to know the milestones and what the sections of the short-term borrowing are and when they will be marketing out long term for both project and other projects.

Moved by Ms. Downing, seconded by Mr. Alves to adjourn the Regular Meeting and open the Budget Meeting.
Vote: 7-0 in favor

At this time the committee met with Gary Blanchard, IT Director. He handed out updated budget spreadsheets to the committee. The initial increase that he asked for was $30,000. He explained that amount in the background information. Since FY'15 with the exception of an increase of the budget for some software that he was told that he needed to purchase, there was no increase to his budget. In that five years which he listed his required payments for items has increased nearly $40,000 per year. MUNIS has increased to $20,000. It goes up 4.8% on average per year. Software and training, new software, permitting software has increased for new users. Antivirus software has increase from $9,000 for three years to $15,000 every three years. He explained about the problem with malware, the server didn't reboot properly during a power failure. Those problems cost $7-10,000 within the last 3 weeks. He cannot survive without an increase. He's keeping everyone up and running, but the equipment is outdated, there aren't replacement parts for some of the printers, copiers, new equipment needs to be purchased. He's looking to update the payroll system to get rid of all the paper that is being used. It would be automated. The process would be completely paperless. The cost of that implementation is $34,000. Year two forward that would be another $3,000 added to his budget under the MUNIS software.

Ms. Villano informed the committee about the meeting with the Computer Advisory Committee re: the automated payroll system. It's in two phases. Effective July 1st they will automate the payroll system and January 1st, the self-serve system will take place, which allows every employee to hit the portal so they can see everything about themselves, including their paystubs, tax forms etc. Their goal is to have everyone use the same process, which will integrate into

MUNIS. They spend $17,000 on paper and toner. Ten out of 850 employees are not on direct deposit. He's asking for $34,000. Everything was outlined on his background materials. Mr. Moskal asked if he did a ROI on the $34,000 investment; what the savings would be. He has not. It will save on paper and toner; the money is for software. He can't calculate what the employees will save on time. That would take a long time. Ms. Villano said that you would never save what your investment is. Mr. Blanchard said that paying for a feature is not necessarily an investment. Mr. Gregoire mentioned that there would be savings in different areas. He asked about the Personal Services salary. He has a full-time employee. Mr. Gregoire said that his request is about an $18,000 increase in terms of the Service Contracts and other General Expenses which is not replacing equipment. The $18,000 would cover all the items that could not be purchased because of the lack of funding for the past several years – fire walls, servers up to date, hard drives replaced in a timely fashion. Mr. Blanchard said that five years ago he had $40,000 more to spend to make sure the printers were up to date etc. He doesn't have that money now because of the budget cuts

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At this time the committee met with members of the Hubbard Memorial Library. Ms. Chris Davis, Chair of the Trustees and Patrick McGowan, Director.

Mr. McGowan handed out background information to the committee. The State Aid formula was presented. Mr. McGowan explained that the main component is the Municipal Appropriation requirement which consists of the average of the last 3 years allocated to the library times 2.5%. The average is $476,721 x 1.025, $488,639. The recommended budget that he submitted is $508,564. The Municipal Appropriation Expenditure requirement is equal to 15% for 100% compliance which is equal to $73,221.

He explained the breakdown of line items and the dates that they have been expended in FY'19, his State Aid expenditures for Building Maintenance and Supplies and additional expenditures from the Hubbard Library Memorial Fund to cover other associated line items. These funds are donations to the Library etc. Ms. Villano said that she pays some repairs out of Public Buildings, the Library has a small budget for small repairs. The HVAC replacement will be paid through Public Buildings. It's going on three years that the Selectmen took over the utility costs for the Library. She's also taking on the sprinkler and testing and elevator service contracts. The cleaning service bid for FY'20 increased to $13,157 from $11,940. Their CWMARS being part of the consortium was $25,477 for last year. Part of that cost is associated with having network connections. He spoke with Mr. Blanchard and as of June they will be transferring over to the Town network which is faster at a savings to the Library of $732, so the line items will be reduced to $24,473. The Book Expenditure budget is $74,000. Last year it was $71,000. He requested an increase to $78,000 for this year. The 100% compliance for this year would be $73,221. They want to make sure that there are no problems with compliance for State Aid. They applied for a grant and was awarded $15,000. Mr. Moskal asked about the door and its replacement. They did not replace the door; it's been working so there was no adjustment for

that. Mr. Yando mentioned a calculation that needed to be changed. Mr. McGowan also informed the committee of their materials that are more technology related and replacement of data base materials in streaming format. They acquired access to new content such as Quello Concerts and Acorn TV. Mr. Gregoire said that he feels that the Library is addressing the needs of the public to make sure that utilization stays up and that residents are engaged in the Library and utilize the resources.

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The committee discussed the budgets of several departments that are not meeting with Finance.

Mr. Moskal would like a ROA from Mr. Blanchard

Mr. Gregoire said that an email was sent out to all departments informing them that not every department was scheduled to come before the committee. If they would like to provide information regarding their requests, they are welcomed to do that as well as come in to meet. The Board of Health would like to meet and discuss their budget.

Town Moderator – Budget is just salary.

Board of Selectmen – There was a reduction and a minor increase in the salaries which offset the general expense increase. The department overall came in under budget. Ms. Villano explained that it all had to do with new staff being paid at lower levels.

Finance Committee – Minor increase in payroll to $3,280

Town Counsel – Increase from $112,000 to $116,000. That is a contractual services increase. It's the cost of an additional attorney.

Human Resources – Budget went from $109,935 to $114,317. Increase in salary and a $1,000 charge for General Expenses. Ms. Villano stated that the Board of Selectmen provided an upgrade in the HR Directors calcification to a Grade Level 5. They are also evaluating upcoming vacancies to provide support to that department. It is their intent to expand that department. Mr. Yando said that HR department will get an increase if their going to get additional personnel. That salary figure should increase on the personnel side. Somewhere there should reflect a reduction. Ms. Villano agreed. Mr. Gregoire said that should show up in next year's requests if there was an expansion to the department. Ms. Villano said that there will be an increase maybe with just a transfer from one department to that one. It will happen in FY'20 by the middle or end of the year. Ms. Downing said that it will just move the money from one department to the HR department. Mr. Yando said that what is given this year acts as a basis for next year. Ms. Villano said the job description hasn't been finalized but it is the intent that based on retirements a position will be answering to HR and will be reflected.

There is a decline in the Elections budget from $107,000 to $99,796, because of a decrease in elections.

Conservation Commission – Budget from $32,809 to $35,536. The request is coming through on the personnel side. There are no changes to general expenses. Ms. Downing asked why the increase is 8% and not 3%. Ms. Villano said that it's a small department and there is a longevity increase and Step increase which are contractual issues.

Mr. Gregoire said that there was a response received from the Recreation Department on some of the questions that were asked. He will work on the format for their meeting with the committee. Mr. Yando stated that they are advertising for positions. It was in the Register for both venues. He thought that there was a question as to whether or not Haviland Pond will be open or not because of the construction. Ms. Villano said they thought the construction will be on the other end of Center Street. Campers use the pool. Walking was also a concern. Ms. Downing said that her concern was the number of councilors hired. There was a discussion regarding the number of councilors needed.

Ms. Downing asked if Ms. Collins could provide a year to date printout of the expenses for the DPW from last year. Ms. Collins has pulled together a summary report and is working on the formatting. It will be sent out to the committee and hard copies made if necessary. There is also a detailed file for police and fire for their requests. The committee can review them for next week's meeting.

Mr. Moskal asked about the resume that was in the packets. Mr. Gregoire said the candidate will be interviewed at our regular meeting on April 17th. One candidate applied. Mr. Gregoire spoke with Atty. DaCruz, he will not be able to attend the interview, but would like the committee's recommendation.

Mr. Yando asked about the Article that the DPW has to lower the standard for the Director. He wanted to know if that was because their having trouble getting a candidate with the credentials that presently exist? Mr. Gregoire said yes, they were having trouble finding an engineer with a stamp. Ms. Villano said the DPW met with the Board of Selectmen and they were tasked with going back to their board to review and re-evaluate the two requests. They will be re-submitting to the Selectmen at the April 2nd meeting.

Moved by Ms. Downing, seconded by Ms. Cavallo to adjourn the Finance Committee's meeting at 8:08 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee