April 10, 2019

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2019 SEP -4 A 10:22
TOWN OF LUDLOW

Budget meeting of the Finance Committee held on Wednesday, April 10, 2019 beginning at 6:30 p.m. in Conference Room #1.

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

Members excused: Richard Moskal

At this time Mr. Gregoire continued the budget review and made recommendations for Town Meeting. He explained the procedure and what the committee has for background material. He had a question for Ms. Collins regarding the General Debt and Interest. The excluded debt was added in to the budget and he thought when looking at the paperwork that it was added in twice. Ms. Collins explained that the levy limit calculation at the bottom of the page has nothing to do with the expenses of the budget. It is shown as an expense on the budget and it also shows as a debt exclusion but wouldn't be counting the expense at the top. It washes itself out. She explained that there is a debt exclusion for the Senior Center and High School that is still in the calculations, so he could have seen the two figures. They are all estimates.

The IT Department is requesting $395,689. The extra money is for software in order to streamline the payroll process and the employee self- service portal and training. There were also additional funds for hardware and software purchases, service contracts and MUNIS. The increase for both is $70,000. Mr. Gregoire said this is a good area to phase in new increases. Ms. Villano said this is the first phase with payroll. There are three steps over the next three years. Mr. Gregoire said it's a substantial jump over the next three years. His feels that it's a big increase. Ms. Downing said that IT has been working with the minimum and he controls all the department computers, especially if the MUNIS systems has changed. She feels that they should get what their asking for and Ms. Tokarz agrees. The discussion continued re: what the department does and how important it is to all the employees. Ms. Collins also explained his position and what he does for all the departments and how this phase will help payroll and the portal. Mr. Gregoire wanted it on record that the department is worthy, and he is doing a fantastic job with the scant resources that have been available. His thoughts are the bottom line with reviewing the budget and the bottom line of this budget is going up twice the rate of what it was last year and even on General Expenses and Personnel side the budget is going up at a rate that he feels is not sustainable. This is a hard choice to make but it can be controlled and dialed back.

Moved by Ms. Downing, seconded by Mr. Yando to approve the IT Managers budget in the amount of $395,689
Vote: 5-1-1 in favor. Mr. Gregoire opposed; Ms. Boyea abstained

The Recreation Department: Ms. Downing didn't understand the explanation last week for the 24-25 councilors. There was a background sheet that was sent to the committee from Recreation. She said that if they receive less councilors, how can the increase in the minimum wage bring up the total $30,000? She can understand the amount going up a little because of minimum wage, but the total doesn't make any sense to her. Ms. Collins said that want tends to happen with the councilors budget is that the totals increase and decrease because of that one extra week. The total makes sense when they calculate the extra week. There have been times

that they've been over budget. Ms. Downing wanted to know if there is an extra week this year? Ms. Collins didn't calculate it because she doesn't know when the camp starts. They said they have 7 weeks which comes out to $114,240. Ms. Villano calculated 25 councilors, but she didn't add in the director etc. Ms. Downing said that the committee was going to give them 24 regular councilors and 10 activity councilors and they all get paid the same amount which calculates to $114,240. Ms. Downing said $115,000 should cover it. There is a $10,000 difference in the minimum wage alone. Ms. Villano never understood the extra week. If you have a 7-week program, it doesn't matter if 2 weeks are in this fiscal year and 5 weeks are in next fiscal year. Every year they should be scheduling and budgeting for 7 weeks. Ms. Collins said that depending on when school gets out, they add that extra week, which is their choice. Mr. Gregoire said that if the appropriation has been made, they must manage towards that unless things come up unexpectedly. It's their responsibility to manage their funds. Ms. Villano said, does everyone have to work 40 hours, can you have swing shifts. Mr. Gregoire said they can decide how they want to run the camp, but they must make sure that it's operational and a benefit to the community and the details on how they manage their personnel that way. Ms. Downing said she feels that we should support the program, but not over and above the cost. They discussed some of the overtime issues and how their managing the program. Ms. Collins said that there was a $10,000 decrease before and after school and a $10,000 decrease to the councilors which brings the budget to $388,880. The line item for the councilors would be $107,000 which are 32 councilors.

Moved by Ms. Downing, seconded by Ms. Cavallo voted to approve the Recreation Commission's budget in the amount of $388,880
Vote: 6-0-1 in favor. Ms. Boyea abstained

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The Police Department's budget is $3,802,380. The Chief accepted a $40,000 cut to his budget. Ms. Collins said that they only need a contract until they get the radio communications up and running, which should be at least a year-2020. Mr. Yando asked if that was a dely. Ms. Villano said it's a little bit of a dely. They planned to be at least a month ahead. They must bring this back to Town Meeting because of how the motion was made. Mr. Gregoire is concerned with the Overtime Training. There is a 20% increase just in that one-line item. The Chief provided material for the committee and there is a lot of time used for accreditation. The Chief hopes that the department will be at full capacity this fiscal year. Ms. Downing said that the State mandated unfunded mandates and instead of training and policemen going out to do rifle, shooting and targeting once a year, they had to go out twice a year. In the past the training has increased, and the training is always unfunded. The Chief has tried to bring in house training to curtail the cost. Mr. Gregoire is concerned with the increase. Ms. Downing said that their basic budget was cut by $40,000. If it had not been cut, she would agree with Mr. Gregoire, but it's already been cut. Ms. Villano asked the Chief what his overtime needs would be based on going forward with his Article for Town Meeting. His original letter stated between $100,000-$150,000. She thinks it bodes another conversation with the Chief, because if he's looking for a 20% increase on his overtime training it's taking over regular overtime. Mr. Alves asked if the overtime line items go overbudget every year? Ms. Downing said they are always over budget in both Police and Fire in overtime. Within the last five years, they used their overtime Article maybe twice. It all depends

on activity and what happens to warrant the overtime. In speaking with the Police Chief, he thought that he would have better knowledge on how much money he would need for the Article by the end of April. Ms. Collins said that if you look at his actuals and combine the two overtime accounts, it's $450,000 in overtime per year. Every year he is a good $150,000 over budget, but he's been relying on positions that weren't filled and areas that he could pull the money from. She doesn't know if he still has those areas. The expenses haven't gone up, they've been consistent, about $100,000-$150,000 over budget. Mr. Alves asked about the treadmills and was the amount for those taken out of the budget. Mr. Gregoire explained that it was part of the $40,000 cut to his budget.

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Moved by Ms. Downing, seconded by Mr. Alves to approve the Police Department's budget in the amount of $3,802,380
Vote: 6-0-1 in favor. Ms. Boyea abstained

Moved by Mr. Alves, seconded by Ms. Downing to approve the Police Dispatch budget in the amount of $401,948
Vote: 6-0-1 in favor. Ms. Boyea abstained

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The Fire Department's budget is $2,924,942. Ms. Downing said that some of the items that were cut was the replenishment the gear. They must be replaced every 10 years and they need extra gear because they are required to clean the gear. They need to have extra gear. It's a concern to Ms. Downing because they need that equipment. Ms. Collins said that he took his portion of cut reduction of $20,000 out of other equipment.

Moved by Ms. Downing, seconded by Mr. Alves to approve the Fire Department's budget in the amount of $2,924,942
Vote: 6-0-1 in favor. Ms. Boyea abstained

Moved by Mr. Alves, seconded by Ms. Downing to approve the Ambulance EMT budget in the amount of $1,002,351
Vote: 6-0-1 in favor. Ms. Boyea abstained

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School Department's budget is $32,440,679. Mr. Gregoire said that they also included a level service budget in the amount of $32,568,268. Ms. Collins said that the $32,244,484 includes them asking for $115,000 back from what was cut, then they also submitted a sheet on the level service budget which would add $300,000 more to bring the total up to $32,568,268. Ms. Downing had a few issues. There was a lot of conversation about why the school needed the extra $115,000. One of the things they mentioned is that they absorbed $225,000 in this current year's budget, for three students. The other thing was that they mentioned pre-purchasing, books supplies etc. over $200,000. If they can absorb $225,000 within their budget and still look to pre-purchase, it seems to her that they don't need the $115,000. We are 35% over net school spending which is the minimum.

Moved by Ms. Downing, seconded by Mr. Alves to approve the School Department's budget in the amount of $32,129,259
Vote: 4-3 in favor. Ms. Boyea, Ms. Cavallo and Mr. Gregoire opposed

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A question was asked by Ms. Boyea and Mr. Alves who were absent for this meeting. They viewed the meeting on cable and because of that, they can vote. The question was do they only vote on one department budget or one full meeting: Mr. Gregoire said that it was his understanding that they can voted on the full meeting.

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The Department of Public Works budget is $3,077,227. Ms. Villano said that they have 2 Articles at Town Meeting to change the bylaws. One Article requires that they appoint a Town Engineer annually. They would like that wording taken out of the bylaws. The other Article states that the Engineer be a Civil Engineer and have a P.E. The language is wrong for today's climate. Currently there is an opening for a Director/Town Engineer, temporally until the Articles pass. If they don't pass, they must work within the bylaws. If the Article language is deleted, they will then begin to look at the whole process to split those two positions. That takes a lot of background effort and research and approval of the Board of Selectmen. The DPW are struggling to get someone to be both the Town Engineer and Director. They were hoping that if they could get rid of the bylaws, they would have new job descriptions.

They answered the questions re: The Recycling Contract. They gave a range of the amount of the contract based upon tonnage as of this year the cost could be from $76,000 to over $122,000 per year. This amount is not included in their budget. They also provided information on what streets they would target to repair out of this year's budget. Ms. Collins said that they had $185,000 is Streets and Road maintenance. That line item increased by $40,000. They took a cut in it as part of the cutbacks. Mr. Gregoire also spoke about the engineering position that was filled last year but not this year.

Moved by Mr. Yando, seconded by Ms. Cavallo to approve the Department of Public Works budget in the amount of $3,077,227
Vote: 5-1-1 in favor. Mr. Gregoire opposed, and Ms. Boyea abstained

Moved by Ms. Downing, seconded by Mr. Yando to approve the Snow and Ice budget for the Department of Public Works in the amount of $240,000
Vote: 6-0-1 in favor. Ms. Boyea abstained

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Health Department: $370,951 budget. Ms. Villano stated that the Board of Selectmen approved the new position at a level and range. During their discussion they provided documentation on where they would be saving money for a Health Agent. One of their service contracts will be done away with. They won't have the part-time inspectors, the temporary nurse position will be reduced by $7,749, the OT Nurse will be reduced by $2,700, and Inspectors by $3,500. Ms. Collins said that in addition to that the other staff reductions would be $20,000. The Septic Inspections is in a Revolving Fund and that contract is paid out of that Fund. The cap will be reduced to $4,000 so the $20,000 will revert to the Town. It will cost the Town $30,000 plus for

benefits for the new position, which calculates to $45,000. Other towns have this position. Ms. Villano explained the pro's of having this position. Ms. Downing wanted to make sure that this is mandated by the State. Mr. Gregoire said that requirements of inspections are mandated by the State and that person will be doing the inspections.

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Moved by Ms. Downing, seconded by Mr. Yando to approve the Health Department's budget in the amount $370,951
Vote: 7-0 in favor

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Moved by Ms. Downing, seconded by Ms. Cavallo to approve the Hubbard Memorial Library budget in the amount of $508,564
Vote: 6-0-1 in favor. Ms. Boyea abstained

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**Warrant Articles Discussion:**

Mr. Gregoire would like to discuss the Articles that have funding that the committee will look to appropriate and their source. The standard Articles will be discussed next week as the committee voted on each Article. Ms. Villano explained the Articles:

Article 3: Celebrate Ludlow - $3,000

Article 4 – Budget

Article 5 – Establishing the annual expenditures limits for the current Revolving Funds. On-site Sewage System has been reduced to $4,000. There use to be an Article for each of the Revolving Funds. The DOR said to put them all together and make a bylaw. They just must establish the annual expenditures limits for every year. There are several expenditures. She's waiting for an amount of the purple bags at the DPW. The $26,000 for the purple bags have been the same amount for years.

Article 6 – This is a new program which is to adopt Chapter 49, Sec. 5N which allows for a Veteran Abatement Program. The law was established through the Valor Act. The Town must adopt it and then the Selectmen would develop rules and regulations and the process of how the program would work. In the law there is a maximum of $1,000 for x number of hours based on minimum wage. It's like the Senior Abatement Program but for Veterans. Ms. Villano went on to explain the Senior Abatement Program which is based on the Federal minimum wage. She also explained the new Veterans Program. The money will come from the tax recap. The Board of Selectmen would write the rules and regulations and present it back to Town Meeting for approval, then it would become a bylaw. It would be brought back at the October Town Meeting and if approved will be implemented next year.

Article 7: The DPW Article to delete sec. 27 which is where the BPW annually appoints an Engineer. Also talks about them being the Clerk of the Works for the Planning Board, they must be involved as the Clerk of the Works if there are any alterations or repairs from the original construction that exceeds $500 and it's just an antiquated bylaw.

Article 8: Deleting sec. 34 which is no person shall be employed as the superintendent of the Department of Public Works unless said person has attained a bachelor's degree in civil engineering and hold their professional engineering registration from the Commonwealth of Massachusetts. There is a job description for the Director of Public Works/Town Engineer. If the position splits, there would be two complete job descriptions. The DPW would like to remove the section of the bylaw. It doesn't mean that their removing it from the job description. This bylaw holds the department to it. They can't make changes to the job description.

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Article 9: The DPW is requesting that $200,000 be transferred from their Retained Earnings for Capital Projects.

The committee would like to schedule a visitation with the DPW next week to discuss their Articles.

Articles 10,11,12: These are standard contracts. One Article is to appropriate Chapter 90 funds; One is to enter into the Contract with MassDOT in the amount of $696,635 and the last Article is to transfer from the Landfill Enterprise Fund $10,000 for the Closure of the Landfill.

Article 13: Capital Improvement Article. The Fire Department, Police Department, Golf, DPW all came in with requests to the Capital Planning Committee. They recommended approval and gave their recommendations to the Board of Selectmen which they did approve the requests and voted to put it on the Warrant. The total amount that they voted to appropriate is $387,513 of which $132,000 comes of the Ambulance Subscription Fund for the last year of a payment of a ambulance and purchasing of a new ambulance under a 3 year lease; $11,513 from the Golf Retained Earnings for purchase of a Greene Mower under a 3 year lease; $244,00 of Free Cash will be used towards the rest of the items which include a sander/salter dump truck which is in the 3rd year of it's lease; they agreed to a purchase of a freight liner dump truck with plow through a 3 year lease- first year $33,000. The truck was totaled by the insurance company and they received proceeds of a $125,909.99 which will go towards the purchase of a new truck. Ms. Villano said that Capital has been making a commitment to turn the fleets and keep them maintained and upgraded. They had 4 sander/salters that were in bad shape. This is the last of the 4 that's been replaced. In the Fire Department there was the last payment of a lease for one ambulance and they agreed to a purchase of a second ambulance through a 3-year lease instead of a 4-year lease. The ambulances can't last 4 years. The last item for the Fire Department is the purchase of a new engine. The present engine is a 1992 model. It will be on a 5-year lease for $654,000. The 1st payment will be $134,000.

Article 14: Transferring money into the Building Infrastructure Article. No money has been placed in that Article for several years. If allowed, they would recommend putting in $50,000 from Free Cash which would pay for any unforeseen problems and repairs that must be taken care of.

Article 15: Reserve Fund, $100,000 from Free Cash

Article 16: Placing money into the Stabilization Fund. They would like to place $450,000 from Free Cash

Article 17: May be postponed

**Special Town Meeting Warrant**

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Article 1: Unpaid Bills in the amount of $16,738.09. That money will probably be taken from Free Cash

Article 2: Purchase of a 14-passenger lift van for the Council on Aging in the amount not to exceed $81,000. There will be a 3-year lease. The first payment is $27,000 from Free Cash. Because of the necessity of the van, placing the Article in the Special Town Meeting would allow the Council on Aging to move forward with the purchase of the van after 7 days of the Town Meeting. If it went into the Annual, they couldn't order the van until July 1st.

Article 3: Overtime expenses to the Police Department. A final number will be finalized by the last week of April

Article 4: Adds some additional language to the Senior Center Building Committee. In 2016 the Senior Center Building Committee was established by vote of Town Meeting. It was originally going to be appointed by the Moderator which he recused himself from doing that so it had to be amended so that they would be appointed by the Board of Selectmen. The committee is looking to add language that says that in the "event of a vacancy, the Senior Center Building Committee would be able to vote on a replacement member". Ms. Villano is working with Town Council on the language because she thinks it has to be sponsored by the Board of Selectmen.

Article 5: Deals with the $129,909.99 for insurance damages. This Article will transfer that amount from the insurance damages account into a special article which will allow the Town to utilize the money for the down draw.

Article 6: Request for funds to upgrade the Central Dispatch. Not to exceed $40,000. The breakdown is as follows: $17,000 for the telephone, $5,600 for the TTP lines; $1,800 for a decoder $1,400 for the door monitor; $1,200 for the electrician. Ms. Villano feels that some of the items could be taken care of through the budget, public buildings. She would ask to cover the cost of the telephone system and the TTP lines. She feels that the rest of the expenses could come out of the budget. She feels that all items accept the $17,000 and $5,600 could be paid out of the budget. This would complete the entire dispatch system and allow the two departments to communicate with each other, the intercom system to lock down the doors etc.

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Enterprise Fund: Ms. Collins provided the committee with breakdowns. The indirect costs will be reduced. Many items will be charged off by the Treasurer's based on what the true numbers are. The Accountant's office will do a percentage of salaries. The insurance company, based on property and liability what percentage can be attributed to the Golf Commission to get a true number and charge off the insurance to them. The insurance is in the Golf Commission budget. It's usually a higher number, the Accountant is working to try and get true figures for departments. The new number for the Sewer Enterprise Fund is $1,674,047. A good portion of the increase is the Springfield Sewer fee in the amount of little over $200,000.

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The Cable budget is $376,702. These funds come out of Retained Earnings. There were many upgrades made and some that still need to be done. All the money from Cable goes into their fund. They support themselves and the rest of the money goes in to Retained Earnings. The Cable department can use that money. Ms. Collins explained how the percentages work from subscribers which is given to the Town. The money will be given to the Town on an annual basis. Ms. Villano said that in the Contract, they have 2 or 3 years that the Town will receive an additional amount of money for capital projects. The money gets deposited into a Cable Account.

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Number changes for some departments:

Westover Golf Commission is $648,297; Cable is $376,702

Moved by Ms. Downing, seconded by Mr. Alves to approve the Sewer Budget in the amount of $1,674,047
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Landfill Enterprise Budget in the amount of $10,000
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Golf Enterprise Budget in the amount of $648,297
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Ms. Cavallo to approve the Cable Enterprise Fund Budget in the amount of $376,702
Vote: 7-0 in favor

There will be a meeting next week. Invite the DPW and interview with a candidate to fill our vacant position. This will be at a Regular Meeting.

Moved by Mr. Yando, seconded by Ms. Downing to adjourn the Finance Committee Meeting at 9:03 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee