June 19, 2019

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Meeting of the Finance Committee, held on Wednesday, June 19, 2019 beginning at 6:30 p.m. in Conference Room #1, in the Town Hall.

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

Kim Collins and Ellie Villano were also present

First Order of Business: The Pledge of Allegiance

At this time the committee met with Fred Pereira, Town Collector requesting a Reserve Fund Transfer in the amount of $2,000. The reason for the transfer is because the fees collected for fiscal 2019 are higher than budgeted for. These fees are paid out to the Deputy Collector. The fees are paid after they are collected but the account is negative $120. There are two weeks left to the year, he doesn't know the exact amount he will need, there is money in other accounts, but he feels that the $2,000 will be enough. The current balance in the Reserve Fund is $40,485.

Moved by Ms. Downing, seconded by Mr. Yando to approve the Reserve Fund Transfer for the Collector in the amount of $2,000.
Vote: 8-0 in favor

At this time the committee met with the Department of Public Works to discuss their Interdepartmental Transfers. Mr. Barry Linton and Mr. Tom Haluch were present

Mr. Gregoire said that the total amount of the transfer is $235,000. Why were there gaps in the salary line item accounts. He knows that there were vacancies throughout the year. Mr. Linton said that the Director left last October, that was most of the money. There were two other employees that left. One person they did hire but he never obtained his CDL license, so they let him go. Their looking to fill that position. Ms. Collins asked if the line item that their referring to is for $97,400. Mr. Linton said it was. Mr. Gregoire said that it looks like there are two separate line items that are both labeled Streets and Highway Salaries, with two different account numbers. One if for the $97,400 and the other one is for $14,100, which totals $106,000. Ms. Downing asked if there is a problem with budgeting. It's a substantial amount of money in one area to be over. Mr. Linton said there were three positions that were vacant. Two positions have been filled. Ms. Downing asked what the account is where the money is being moved to. Mr. Linton said it's for outside engineering services. Ms. Downing said there is a budget for that purpose, why would they move money that they don't know their going to spend? The dams need to be reviewed and they use outside engineering. Ms. Collins said there were some negative numbers and they offset the large amount that their transferring from and then started moving money where they needed it in terms of general expenses. Mr. Gregoire said the last three-line items are general expenses that are in the Fleet Division. They are Purchase of Services and Contracts, Vehicle Repair and Supplies. Mr. Gregoire asked why there was excess money in those accounts. Mr. Linton said the mechanic has been out for 2 months, so there is money in vehicle repair. There aren't as many repairs on the newer vehicles. Purchase contracts, they

needed a vehicle to prepare the diamonds. The new Scare Fire and Mower cost $39,000. Ms. Downing asked if that purchase should have gone to Capital. The Scare Fire cost $28,000. They asked if it was purchased. It has been ordered. There was discussion re: Capital purchases and why they didn't go before them. The committee had several questions regarding the transfers, and the ordering of the equipment. If the purchase didn't go through Capital, it's against the Bylaw. Ms. Collins didn't approve the purchase to date so the Town wouldn't be liable for it. Ms. Collins said that there is $235,000 in transfers but $178,000 is what is really moving from salaries to general expenses. In terms of what she can see on the spreadsheet the majority is made up of $90,000 from the rubbish, the rest of the funds are going into streets and road repairs. They received a grant that was going to cover a good portion of the sidewalks. There is extra money in the budget because of the grant. Mr. Haluch explained where the money is going and what expenses they have. The bigger issue is the piece of equipment that was purchased. The committee doesn't feel comfortable approving $235,000 which included the piece of equipment. Ms. Downing would consider reducing the amount. Mr. Haluch asked if the cost could be reduced by $20,000 and lease the equipment. That is against the law. Mr. Gregoire had a question re: Rubbish and Garbage and why there is a $98,000 overage in the current year. He was under the impression that they were still under contract for the previous year. He would like to know what drove the overage. Mr. Linton said the contract is always close to the end of July and doesn't get paid until the next year. They start off $70-80,000 less. The Director was trying to move the funds to the current year. Ms. Collins said that is not actually true. There are 12 months of expenses in each year. It's consistently paid and it's not like their getting 13 months of expense in one year. The bigger issues are that one of those contracts is not a set monthly amount. It's based on the tonnage. When it's budgeted it's not being budgeted correctly? They're always running out of money. There is always enough money to cover one of the contracts. The other contract, is a number based on tonnage. Mr. Linton said recycling use to be free. Their going to start paying $55-60 a ton to get rid of recycling. That will turn into a $90-100,000 next year. Mr. Haluch would like to keep some of that money to use for expenses. Ms. Collins said nothing came through for expenses on the last warrant and she is not sure what is coming through on the final warrant.

Moved by Ms. Downing, seconded by Ms. Boyea to approve $208,000 for Interdepartmental Transfers for the Board of Public Works
Vote: 8-0 in favor

Ms. Collins will investigate the Chapter 90 question. Do they need to go before Capital for purchases of more than $20,000? Ms. Collins said that they could purchase items with Chapter 90 money.

Moved by Ms. Downing, seconded by Ms. Cavallo to approve the Public Buildings Interdepartmental Transfer in the amount of $24,000
Vote: 8-0 in favor

Mr. Yando asked if there is an anticipated deficiency in the accounts that the funds are being transferred to. Mr. Gregoire and Ms. Villano answered yes. Ms. Collins explained that anything from the "transfer from area" and the "transfer to area" is that when the budget is voted on it is

based on salaries and general expenses. The only reason that these transfers are being done is because the departments have every right to use their money how they see fit for their budget. If you see huge money from salaries going into general expenses, that indicates that the department is not budgeting their salaries correctly or something out of the ordinary is happening. The whole point is that the department knows at the end of the year that those salaries and general expenses are going to go negative. That would be the only reason that there is money moving. The Modernization Act provided for departments to move 10% of money within their budget to take care of negative line items, as they do now. In years past that couldn't happen. The department would have to go before the Finance Committee to ask for the funds.

Moved by Ms. Downing, seconded by Ms. Boyea to approve the Town Accountant's Interdepartmental Transfer in the amount of $1,000
Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Police Department's Interdepartmental Transfer in the amount of $12,707
Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Fire Department's Interdepartmental Transfer in the amount of $57,600
Vote: 8-0 in favor

$20,000 is for the Radio Communications lease.

Moved by Mr. Alves, seconded by Ms. Boyea to approve the IT Departments Interdepartmental Transfer in the amount of $6,500
Vote: 8-0 in favor

This is for the MUNIS System upgrades and Service Contracts

Moved by Ms. Downing, seconded by Ms. Boyea to approve the Board of Health's Interdepartmental Transfer in the amount of $1,500
Vote: 8-0 in favor

Moved by Mr. Alves, seconded by Ms. Boyea to approve the Council on Aging's Interdepartmental Transfer in the amount of $5,000
Vote: 8-0 in favor

Moved by Mr. Alves, seconded by Ms. Boyea to approve the Veteran's Agents Interdepartmental Transfer in the amount of $2,500
Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Ms. Cavallo to approve the Treasurer's Interdepartmental Transfer in the amount of $2,500
Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Ms. Boyea to approve LCTV's Interdepartmental Transfer in the amount of $5,000 for Contractual Services and HVAC Work
Vote: 8-0 in favor

Ms. Downing had a question concerning the Golf Course and an additional $5,000 into Officials. Mr. Gregoire had a conversation with Mr. Linton, and he indicated that it was a mistake in budgeting for his own salary and the assistant superintendent. That was an oversight and it was corrected. The total is $19,700.

Moved by Ms. Downing, seconded by Mr. Alves to approve Westover Golf Commission's Interdepartmental Transfer in the amount of $19,700
Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Finance Committee Minutes of April 10, 2019 as presented
Vote: 8-0 in favor

Moved by Mr. Alves, seconded by Ms. Cavallo to approve the Finance Committee Minutes of April 18, 2019
Vote: 8-0 in favor

Moved by Mr. Alves, seconded by Ms. Cavallo to approve the Finance Committee Minutes of May 13, 2019
Vote: 6-0-2 in favor. Ms. Downing and Ms. Boyea abstained

Mail Items:

Memo's from Ms. Collins re: Year-end payroll and invoice information

The Board of Appeals reorganized on June 8, 2019 as follows: Anthony Jarvis, Chairman, Kathleen Bernardo, Vice Chairman, Alan Aubin, Manny Lopes, Joseph Wlodyka as members and Nicole Parker, alternate member

Mr. Gregoire signed the payroll worksheets

Moved by Ms. Downing, seconded by Ms. Boyea to adjourn the Finance Committee's meeting at 7:40 p.m.
Vote: 8-0 in favor

Ludlow Finance Committee