February 26, 2020

RECEIVED
TOWN CLERK'S OFFIC
2020 AUG 28 P 2:
TOWN OF LUDLOW

Meeting of the Finance Committee held on Wednesday, February 26, 2020 beginning at 6:30 p.m. in the Selectmen's Conference Room, Third Floor, Town Hall.

Members present: Eric Gregoire, Chairman, Maureen Downing, Joan Cavallo, Richard Moskal, Anthony Alves, Beverly Tokarz and Nicole Parker arrived at 7:00 p.m.

Members excused: Susanne Boyea and Raymond Yando

Kim Collins and Ellie Villano were also present

First Order of Business: The Pledge of Allegiance

Mr. Gregoire informed the committee that there will be a budget discussion with Old Business items. The School Committee was tentatively scheduled. They thought they might want to meet twice but opted to only meet once. That meeting will be scheduled at a later date.

Mr. Moskal reported on the Senior Center Building Project. He didn't have anything to report They haven't met for five weeks. He did report that he suggested that the contractor make a formal presentation of the finances in comparison to what the school offers. Ms. Downing thought that was a good idea. That would be his suggestion for a meeting to be determined. The building is coming along nicely.

Ms. Downing reported on the Harris Brook Elementary School Project. They are on target both timewise and moneywise. She's hoping that there will be an aerial view of the building. Mr. Gregoire attended a School Committee meeting and there was a presentation on the building project and budget for the project. The project came in under bid and on budget. He has the total project budget and will circulate it to the committee. The project is 30% complete. Ms. Downing said for 70% left there are items that could expend a lot of money. They are anticipating $300,000 in change orders which is in reason. Mr. Moskal said that on the Senior Center there is an issue with the parking lot drainage and what that would cost. Ms. Downing mentioned the elevator. The building inspector said State regulations will be changing this year and the hydraulics that are required are bigger units which would cost much more. He suggested that they put in the bigger system to accommodate the new regulations. The school will open in the fall of 2021.

The Chairman discussed the update on the LHS Track and Field Project. The Board of Selectmen met and placed a question on the ballot for a Debt Exclusion on the March 23rd Town Election. The question will be whether or not to fund the Debt Exclusion of the project. As it was presented at the time to the Selectmen it was a project that cost about 2 million dollars. If it were to pass at the election the funds would have to be appropriated at Town Meeting. It would come in front of the Finance Committee at that point. He was just made aware that an invitation was published in the Register that there is a public forum next Thursday at the high school. He encourages everyone to attend. There are a lot of questions about the process and not enough planning around the project. Prior to the Board of Selectmen, he submitted a letter re:

conversations that he had and the feelings of our committee about the information that was afforded to us at the time. Ms. Cavallo said that if it passes at the Town Meeting, is it binding. If it doesn't pass at Town Meeting then they would have to start over. Ms. Downing agreed that this was no where near ballot ready, because not one committee including the Selectmen had a detailed presentation as most large projects put out before the Selectmen, Finance Committee, Capital or Long-Range Planning usually have. This should not have been approved to go to ballot until there was enough information. Mr. Moskal said the same thing happened to the Senior Center and they had to wait. Ms. Downing said there is a process and then it's presented. You get questions and if they can't be answered you find out what those answers are and continue. When all the departments are satisfied then it should go out for a vote. Ms. Cavallo heard that the project would cost $22 on the tax rate. Ms. Collins directed people to the website to see the most resent up to date information that was reviewed by the financial advisor. It was prepared by Ms. Collins and reviewed by Ms. Villano and a representative from the Board of Selectmen. The actual information based on the recap for the tax rate is shown. The grid gives a list of all the projects that are on track. The school and senior center are debt excluded. The communications system is not. It's part of the budget. Ms. Collins explains the tax rate from 2018 and the rates of the taxes from that year to present. We are now at $.74 just for excluded debt. Estimated for FY'20-21, the borrowing is one dollar in excluded debt for projects that are now in place, excluding the trash. In FY'21 $ 23.55 based on an average home value from a few years ago. An estimate that their looking at for the track is 2 or 4 cents on the tax rate. At full borrowing it's 13 cents estimates at $26.00 per year. This is not a number set in stone. This depends on a lot of information that goes into a tax rate. This information is on the website.

RECEIVED
TOWN CLERK'S OFFICE
2020 AUG 28 P 2:36

Ms. Collins gave out FY'21 Requested Budgets. Everything highlighted in yellow were the requests from departments. This was the point at which there was 3 million dollars over what the levy could support. The Budget Sub-committee made reductions overall except for small departments. Any budget under 1 million dollars was reduced by 1%. Any budgets above 1 million was reduced by 3.5 %. There were some departments like DPW that were able to reduce their budget by 55 thousand dollars and with the added purple bags, ½ million dollars in revenue will come in from the bags to help support the budget. On the grid, the red column are the reductions. There was a 1.2-million-dollar reduction to the school and a total allocated out to the Town which is $72,030,166 for the General Fund. This does not include Cable or Enterprise Funds. In addition, there is a tax recap. Next year budget reports show the Level 1 requested budgets, recommended are Level 2 and Finance Committee Level 3 recommendations. Once completed it will go to the Board of Selectmen for the final approval. The committee will get a detailed list of all the department budgets. Ms. Downing asked when the Sub-committee will report their recommendations to the Selectmen? Ms. Collins said the 3rd of March. They will discuss the Level 2 budgets. Ms. Collins and Ms. Villano have had discussions with departments along with the Sub-committee. Their looking at what the levy can handle. The budget has to be reduced. Finance Committee will work out what departments can and can't afford. If there are needy departments, some excess levy money can be used. Maybe $100,000 for all the departments.

The School Department puts their total budget in the Level 1 and 2 areas until they have a better understanding what their budget is, then they will move their numbers to the Level 3 position and allocate their numbers out.

RECEIVED
TOWN CLERK'S OFFICE
2020 AUG 28 P 2:36

Mr. Alves had a question about the middle column with the percentages? Ms. Collins said it was a Level 1 requested budget. Looking at the red Level 2 column, the percentage taken is off the requested budget. Their asking departments to reduce their requests from this year. When they initially looked at the budget, they looked at overtime. 1.3 million overtime for the entire Town. Their task was to determine what can be done with overtime. Can the departments look to see if there are better ways of scheduling? They cut 25% of overtime from every department. After looking at revenue they had and what the departments were requesting, rather then cutting, they went with an overall percent. Overtime is one item that departments need to look at to handle reductions. They had conversations re: Fire Overtime. Their thinking it would be better off adding a position than paying for so much overtime. The committee discussed the benefits of overtime vs. a new position, especially regarding benefits.

Mr. Gregoire asked if the departments took deductions on the whole or in certain line items. Ms. Collins said that the departments will receive an email stating that the Sub-committee took an extra percentage and the departments will determine where the deductions will be taken. The sheets show a total deduction, but not separated.

Ms. Collins explained Chap. 41, Sec. 111F. When Police and Fire have injuries, there is a budget line item for this purpose to charge their salaries to. They also have to pay those officers that replace them. There was never an actual amount in the line item. When the requests were put through, the Chiefs put a number there to help alleviate over budget at the end of the year. The Sub-committee suggested that those line items come out of the budgets and a line item be put in the Treasurer's budget.

Mr. Gregoire asked what amount is built in for Fringe Benefits. Ms. Villano doesn't have numbers as yet, but the health insurance is a lower rate than last year. They budgeted at a zero increase for health insurance and a decrease in dental insurance. The losses were low last year. The insurances are tiered which is a change in the plan design. There are higher increases and deductibles. They originally budgeted for a 10% increase, then they cut it down to 5% and then they were told that the losses were very low. Mr. Gregoire asked what is driving the change from the 2020-21 budget. Ms. Collins said retirement contributions is a big impact at $325,000. She reduced the Health Insurance by $500,000. There was discussion with the different level money totals and the difference between the FY'20 and FY' 21 budgets. Ms. Collins provided previous history of department budgets and background to members. Hard copies will be made for each member going forward.

Ms. Downing said there will be some layoffs. The Sub-committee is not recommending new positions, new hires, replacing employees etc. The school is in a dire position. She feels five years out there will be problems. Have to be very conservative financially. In viewing department budgets, Mr. Gregoire said they have to keep that in mind, being conservative. There was discussion on decreases in budgets in several departments. Property and Liability insurance

is increasing because of the new buildings. Legal Services is also being increased. Ms. Collins said that the DPW approved going to a "Pay as you Throw Program". Anything you put at the curb would have to be in a purple bag. It's the most equitable way to pay for the trash until the Town gets trash barrels. As of July 1st. the purple bags will take effect. The resident will buy the purple bag. The DPW will not take anything if not in a purple bag. Ms. Collins said that it could be possible to purchase a 13-gallon trash bag for those people who don't have that much trash. It was voted at a DPW meeting and then at a Selectmen's meeting. Ms. Villano said that the DPW will be doing media work prior to July 1st. Ms. Cavallo said people should be made aware before the voting of the track. There will be duel streaming for recyclables. One week they will pick up bottles and plastic and the following week will be cardboard and paper. Blue bins will be made available at the DPW and also recyclable stickers and purple bags for sale. When residents purchase the purple bags, the Town will recoup $500,000 on the budget to reduce 3 million dollars deficit of the budget. We are now paying for recycling at the amount of $300,000. The Town use to get paid for recycling. Every Town has the same problem. Ms. Cavallo said the DPW should start advertising that this will happen in July. This will lead into a full automated trash pickup. The Revolving Fund will be increased to $150,000 for the bags. Moving forward if the bags are bringing in a lot of money, more will go into the Revolving Fund to fund part of the bins. There will also be a Grant that the Town can apply for this purpose.

RECEIVED
TOWN CLERK'S OFFICE
2020 AUG 28 P 12: 36
TOWN OF LUDLOW

Departments that the committee would like to meet with starting on March 11th. and every week thereafter during the month of March would be: Police, Fire, DPW, School Department, Building Inspector, Hubbard Memorial Library, Recreation Commission, Council on Aging, Treasurer to discuss Fringe Benefits. Send out a memo to the departments and have them provide what they are requesting and the details included in their Level 2 budget. Also send out a notice to all departments asking if they would want to meet with Finance. The departments meeting with the committee have to provide backup information and have the department head or committee member attend the meeting. Ms. Collins explained the increase in the HR position and her reclassification, which occurred over the course of a year and a half. The Dispatch budget was also discussed.

The Regular Meeting will be held on March 18th along with a Budget Meeting. The School Department would like to meet the last week of March, beginning of April. Ms. Collins said that the Fire Department could not meet on March 11th. The Track and Field Committee will not be meeting with the committee on March 3rd. as scheduled. Mr. Gregoire will have a conversation with them; there is no reason for them to meet because voting is March 23rd, so the committee would have no impact on this issue. Ms. Downing would like them to meet with the committee on March 18th. and answer some questions. It will be on air and people could get some information on the project. Mr. Gregoire said that there is no real action coming from Finance. The process has already been bypassed and it doesn't make sense to have a meeting. There will not be a meeting on March 3rd.

Moved by Ms. Downing, seconded by Mr. Moskal to adjourn the Finance Committee's Meeting at 8:00 p.m.
Vote: 7-0 in favor

RECEIVED
TOWN CLERK'S OFFICE
2020 AUG 28 P 2:36
TOWN OF LUDLOW

Ludlow Finance Committee