March 25, 2020

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LUDLOW, MASS.

Regular Meeting and Budget Meeting of the Finance Committee, held on Wednesday, March 25, 2020, beginning at 6:30 p.m. in the Selectmen's Conference Room, Ludlow Town Hall.

Because of the COVID-19 Impact, be advised that by Order of the Governor suspending certain provisions of the Open Meeting Law, G.L.c.30A.Sec. 20 which limits public access. This meeting can be viewed via cable television as this meeting is broadcast live. Questions can be directed to the committee via email at questions@ludlow.ma.us.

Members we able to attend the meeting via telephone conference call. The Chairman was present at the meeting along with Ms. Barros who was the first visitation. The meeting was televised live.

Members present by Roll Call: Kim Downing, yes; Susanne Boyea, yes; Joan Cavallo, yes; Richard Moskal, yes; Anthony Alves, yes; Nicole Parker, yes; Beverly Tokarz, yes; Eric Gregoire, yes

Members excused: Raymond Yando

First Order of Business: The Pledge of Allegiance

Mr. Gregoire gave guidelines to follow during the meeting. Visitations will be heard by the Treasurer who attended the meeting and the Police Department will be meeting by phone. All members were told to hold their comments or questions until called to prevent confusion. Roll call votes will be taken when voting on any particular item.

If residents are joining the broadcast and want to participate questions can be emailed to questions@ludlow.ma.us. If anyone has a question that can't be addressed, someone will contact them.

At this time Mr. Gregoire welcomed the Treasurer, Elsa Barros to the table to discuss her budget. The budget has been updated and the committee received the new information. She will discuss the Treasures department first.

Personnel Services – There are changes in the amounts that were initially requested and what the Sub-committee deducted. The Salary Account shows an increase. Ms. Barros explained to the committee that she is at Step 4 and increased her salary to Step 6. She is now certified, which intitles her to $1,000 compensation. She has been an employee for over 21 years and feels that she has justified increasing her Steps. She had an employee retire with a savings of $4,941. There is an employee who still receives Steps and the new hire is at the beginning of the salary range. Mr. Gregoire mentioned two columns. The first column is $214,629 and a second column totals $209,688. She said one column is the salary. Her salary is going from $67,000 to $76,000 She broke down all of her line items from last year to this year and got a total of $284,000. That total does not reflect the last change. The Sub-committee's reduction was taken on the non-personnel side. Ms. Downing said that there is confusion and the format is difficult to understand. On her sheets there is a $281,546 total that does not include benefits. The

Treasurer's total is $284,389. Ms. Collins: The total of $281,546 is the base total plus the $4,000 for the Step increases and the last reduction from the Sub-committee, total $277,546. Ms. Downing said this is the same problem we had with the Library and DPW. The departments are not clear on what to do with that last reduction. It shows in the final total, but is not taken out in the line items. The $277,546 figure does not appear on the MUNIS sheets. The committee and Ms. Barros went back and forth with the amounts shown on the sheets, trying to figure out her salary with the Step increases, the 2% increases and the certification stipend. Ms. Collins will prepare new sheets for Finance. Ms. Parker asked why the two Step jump. Ms. Barros explained that many employees have gone to two or three steps higher. Ms. Barros feels that she's been an employee for 21 years, has a lot or responsibilities etc. She and Ms. Collins will get together to work on the totals and the issue will be revisited. Ms. Barros said she never received the email from Ms. Collins re: the last reduction taken by the Sub-committee.

General Debt – There is no change. That total is $3,972,283. Principal $2,559,006, Interest on the bonds is $1,329,411. Temporary Notes - $142,313 includes short term borrowing interest and total debt paying back for payments on Chapin Street School, Ludlow High School and the Senior Center.

Fringe Benefits - There was an adjustment based on what Ms. Barros submitted which was $16,717,823 previously listed. The health insurance for the Town is $3,087,730 and the School is $7,282,039 based on calculations from this year. She calculated about 20 family members coming on throughout the year for insurance, dental etc. Last year there were 973 members to 993 members on the health insurance billing. Mr. Gregoire said there is a reduction on the health insurance. Ms. Barros said it went down 1 ½% but you have to take into consideration the part A Medicare that the Town is paying for. It went up $5,000 from last year. Calculations are based on the current total of employees that are in the plan to date. There will be some employees collecting unemployment during this fiscal year. They also discussed issues with the Covid -19 Virus for next year. Mr. Gregoire would like to revisit the salary increases and also the issue with the Covid Virus.

At this time the committee met with Lt. Brennan and Lt. Valadas to discuss the Police Department's budget by telephone conference call.

The two areas that will be covered is Central Dispatch and the Police Department budget. Mr. Gregoire checked to see if they provided the totals that were taken as a result of the Budget Sub-committee's reductions. They provided a worksheet to the committee. Their new figure is $3,849,865. There has been one retirement and there is a pending retirement by the end of the fiscal year. Those two positions will not be staffed. They cut $60,700 from their line items; $10,000 was cut from Career Incentive. In General Expenses they had to increase the budget because of the tasers and projected equipment at $4,000 each.

Personnel Services – One retirement which was the Chief and another employee at the end of year. Not filling two patrolmen positions. Changes from the prior year is in Ch. 111F. The Treasurer will be managing that account in FY'21 injuries on duty which is covered by Ch.

111F, consisting of salaries and overtime. Ms. Collins said that the line item will still be charged by the department but it will be transferred in the Fringe Benefits budget to the Treasure's department which will cover those expenses. Ms. Lisa Halpin joined the conference call to explain some of the budget items. Ms. Downing saw differences in their budget and the MUNIS budget. The gas line item was reduced to $50,225. This made up for the difference in the Taser lease. The difference is $12,275 which is the contract on the lease. Mr. Alves asks about the increase in the clerical salaries. Ms. Halpin said there is no longer a part-time worker. Now they have a full time 35 hr. position which is the difference. Ms. Parker asked about the three full time clerical positions. There are 31 patrol officers and 1 who is currently serving in the military until 2022. They are allowed to hire an additional officer until that officer returns. There are 4 officers in the academy.

General Expenses: Taser Lease is a contract. Protective Equipment was cut in order to meet the number that was reduced. That line item was reduced by $4,000. Police Training Tuition will try to find some monies there. Fuel costs have come down $2,000.

Central Dispatch: $75,000-76,000 is funded from State 911 Reimbursement Grant. The total budget is $451,427. There are 9 full time dispatchers and two per-diems. Two police officers work dispatch per contract. Whenever a seat goes unfilled, the police officer fills it. It's fully funded. $451,428 was submitted but the Sub-committee cut another 1% which calculates to $4,514. The final budget would be $446,914. Mr. Alves had a question re: Education Training Supplies increase from $1,000 to $3,000. The increase has to do with purchasing cartridges for the Tasers. They have to train and recertify every year. They qualify two time a year, which is required because it's a Certified Agency which was recommended by the MA Training Council. This year they have to update the Law Manuel's. Ms. Downing had a question about the Capital Outlay budget. She asked about the vehicles. Lt. Brennan said they asked for 1 additional vehicle. Other vehicles for canine etc. they are single purpose vehicles. One needs to be replaced, beyond 5 years. Two replacement vehicles are within their budget. Questioned $19,000 for additional vehicle and $60,000 for replacement vehicle and $7,500 for lease replacement. She asked for an explanation. Lt. Brennan provided those explanations. Lt. Brennan said the base price for the vehicle is $60,000, $19,000 is the additional equipment that needs to be added to the vehicle and the $7,500 is a service contract, radio equipment. The Taser Lease was also explained. It's a 5-year lease. There was a second payment in the amount of $12,275 made in February. They paid $7,500 the first year and the next 3 years is $12,275. Mr. Gregoire thanked the Lt. Brennan and Lt. Valadas for their time and Ms. Parker thanked them for their service.

Mr. Gregoire explained the closing of the Budget Meeting and start of the Regular Meeting. He also explained how the motions will be made and a roll call vote will be taken.

Moved by Ms. Downing, seconded by Ms. Cavallo to adjourn the Budget Meeting and open the Regular Meeting at 7:59 p.m.
Vote: Ms. Downing, yea; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Alves, yes: Ms. Tokarz, yes; Mr. Moskal, yes; Ms. Parker, yes; Mr. Gregoire, yes. 8-0 in favor

Regular Meeting:

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The Police Department will be discussing two Reserve Fund Transfer requests that they submitted.

The first Reserve Fund Transfer is in the amount of $4,775.00 for Taser Leases. The first-year lease for the tasers was discounted by $4,775 and was inadvertently input into the MUNIS system at that amount for the next 4 years. The amount for subsequent years is $12,275.00. This will correct the amount in FY'20 and going forward in the next budget cycle.

The amount of the Reserve Fund is at $100,000. This is the first transfer this year.

Moved by Ms. Downing, seconded by Ms. Boyea to approve the transfer of $4,775 for the taser difference
Vote: Ms. Downing, yes, Ms. Boyea, yes; Mr. Alves, yes; Ms. Tokarz, yes; Mr. Moskal, yes; Ms. Parker, yes; Mr. Gregoire, yes. 8-0 in favor

The second request from the Police Department is $20,000 to address Training Overtime. Due to a change of command of the Chief of Police, the Police Department is required, by policy, to complete inventory of the Department Property and Evidence room. This has required the use of unforeseen overtime expenditures to complete this task.

Two officers are trained in property and evidence. It took 220 hours for the both of them. Thirteen to twenty weeks to complete it. They are doing this on the weekends and it has to be done in 30 days after the change of command. They have some extra time because there has not been a Chief named to date. Ms. Parker asked if there could be a policy change. Lt. Brennan said that it can't be changed. It's the first time being done. He doesn't see it taking as long the next time. They purged a lot of evidence and destroyed several fire arms. That task hasn't been done in 24 years. The Chief has to designate an officer to help do this task. It's controlled by two custodians whose primary job is to man the evidence room. They also have other duties.

Moved by Ms. Downing, seconded by Mr. Alves to transfer $20,000 to fill in the deficit in Training Overtime

Vote: Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Tokarz, yes; Mr. Moskal, yes; Mr. Alves, yes; Ms. Parker, yes; Mr. Gregoire, yes. 8-0 in favor

Mr. Gregoire thanked the officers and Ms. Halpin for all they do for the community.

New Business: The reason for meeting in this capacity is around the COVID-19 impact. Mr. Gregoire said this is a time of a lot of uncertainty around what is coming next. The budget that is being worked on is a very good picture of where we thought FY'21 is going to land. The Town is now confronted with rapid changes. He attended the Selectmen's Meeting giving the results of the Budget Sub-committee and the Finance review of the budget. This could be a rocky road ahead not only financially for our community but for the country.

Ms. Downing said that she listened to the Selectmen's meeting. This budget was prepared before the COVID-19 situation. She is concerned about revenues, meal tax, hotel tax, people who can't pay taxes, local receipts going down and also the money allotted to the Town may not be money that the Town can count on. Unemployment will be going up, which the Town pays upfront. She thinks we should consider a secondary back-up budget and maybe move Town Meeting back to give a little more time to see where we are and formulate a new budget if needed. Mr. Gregoire shares some of those concerns and agrees with the moving back of the Town Meeting and what the impacts could look like in the new fiscal year.

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Ms. Collins said they did mention to the Selectmen that due to the COVID-19 pandemic there are opportunities for the Town to get emergency funding with opportunities to appropriate funds in terms of cash flow. The Treasurer will be monitoring. She will be looking at collections and if we do need additional funds, they will be made available by borrowing. She feels that the Level 2 budget should be looked at like we have no excess Levy capacity. The $400,000 that is estimated could be changed. She doesn't know how fast the DPW will implement the trash collections. A lot of the excess Levy is coming in from the Fire Department based on ambulance revenues. If the committee is asking the Fire Department to reduce their budget, the third ambulance is not necessarily going to be going out. They will look at the Level 2 budget and move forward from there. Looking at no Levy capacity. The Selectmen also requested from the Finance Committee to determine, with a recommendation, if Town Meeting should be delayed as well. Mr. Gregoire feels that was a good summation of the meeting. There is the ability to delay Town Meeting pending legislation from the legislature. It has to be adopted by June 30th so the budget can be operational at the beginning of the fiscal year. The time for Town Meeting could be between June 15th – 20th. The Selectmen will be looking for a new date to schedule the election. The committee could provide guidance and views about the budget. He is open to thoughts of the committee. He could draft a letter to the Selectmen as to why it would be in the best interest of the Town to delay decisions on the operating budget in light of the COVID impact. Ms. Parker agrees to delay the Town Meeting so that we can find out what the State and Federal government will do in the near future. She likes the budget that shows a negative increase in the insurance. She has a concern in the increase in payroll. The committee has to be responsible with decisions, that is why the payroll is a concern to her. Addressing the excess Levy, she believes that money should be saved. Any excess should be saved in her opinion. She doesn't want to give raises or added expenses because of the uncertainty of the future. Her opinion is that we conserve as much as we can and delay the Town Meeting and take the excess Levy and not use it as savings but as emergency money in the future. Mr. Alves also agrees to delay the Town Meeting and Election to the latest possible date. This will allow us to acquire the most information we can on the national level and then will allow us more time to meet again in person and make decisions at that point. Ms. Downing agrees with Mr. Alves and asked if the committee should vote to send a letter representing the Finance Committee requesting that the Town Meeting be pushed back as far as possible. Mr. Gregoire said there should be a vote and he would draft a letter to advocate for the Town Meeting to be pushed back to the latest date possible

Moved by Ms. Downing, seconded by Mr. Alves to voted to send a letter through the Chair to the Board of Selectmen requesting that the Town Meeting be pushed back as far as possible to provide more time to re-evaluate the pending budget.

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Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Alves, yes; Ms. Tokarz, yes; Mr. Moskal, yes; Ms. Parker, yes; Mr. Gregoire, yes. 8-0 in favor

Mr. Gregoire will draft the letter and give it to the Board of Selectmen

Ms. Parker signed out of the meeting at 8:35 p.m.

Ms. Downing would like to propose to look at ways, while working with Ms. Collins to discount the Levy Limit and other ways to come up with savings to try to get a Plan B action if needed. Ms. Collins looked at the Level 2 budget and there is the half million dollars. The Treasurer did come forward and reduced her budget by $700,000 which could be the cushion at this point. It may go up from unemployment and insurance. She feels they need to leave a half million in the account and not rely on it for other things. Ms. Downing agrees. There are shortages in the current year. Mr. Gregoire said that's part of the conversation, to do some e-valuation work. Ms. Collins is working with departments to designate spending on certain activity for reimbursements by the State government and Finance needs to evaluate expenses born by the community or losses of revenue. The committee should be looking at all the impacts.

Ms. Collins asked about the signatures on the Reserve Fund Transfers. It only requires one signature. Mr. Gregoire will execute the paperwork appropriately.

Moved by Ms. Collins, seconded by Ms. Boyea to approve and sign the Finance Committee Minutes of January 15, 2020.
Vote: Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Alves, yes; Ms. Tokarz, yes; Mr. Gregoire, yes; Mr. Moskal, abstained. 6-0-1 in favor. Mr. Moskal abstained

Moved by Ms. Downing, seconded by Ms. Cavallo to approve and sign the Finance Committee Minutes of February 26, 2020
Vote: Ms. Downing, yes; Ms. Cavallo, yes; Mr. Alves, yes; Ms. Tokarz, yes; Mr. Moskal, yes; Mr. Gregoire, yes; Ms. Boyea, abstained. 6-0-1 in favor. Ms. Boyea abstained

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Ms. Collins asked if the committee voted on the issue of new hires, positions, salary increases etc. Mr. Gregoire said no official vote was taken. The committee will consider any issues while meeting with the departments. Ms. Collins said the numbers on the spreadsheet on the Level 2 budget do not include any personnel changes. They are outside the Level 2 budget. If there are any changes the amount would be added. Ms. Downing said that the budget Sub-committee would make a recommendation with changes discussed. No new hires, no classification changes and then it would go to the Board of Selectmen and they would make a decision going forward. Finance Committee would make a recommendation after meeting with the departments. If the

department had a serious issue, or certain circumstances the increase would be considered. Ms. Collins said there have been a lot of changes over the past few years. One of them is contract changes, new positions etc. This doesn't go before Town Meeting as in the past. For all the personnel changes the cost would be $150,000. Ms. Downing said the parameters for personnel changes according to what she understands, is not the Finance Committee's job. It comes from the Selectmen and is filtered down to Finance. If there is a certain circumstance, the committee would recommend that those parameters not be used. Many departments have not changed their budget line items to reflect the last reduction. The money was taken off the final total, but the departments never reduced their line items. Mr. Gregoire said that the changes are off to the side of the spreadsheets and is in the Level 2 Sub-committee column. Those numbers will be added in to the departments budget. Ms. Collins said when the budget goes to Town Meeting there are totals for Salary, General Expenses and Capital budgets. The bottom-line budget will get approved. They do not look at line items. She will make sure that the departments will make adjustments in their line items. Ms. Downing is requesting that a memo be sent out to the departments that before they come before the committee that adjustments be made in their line items to reflect the bottom-line budget. Mr. Gregoire will follow-up with departments to make sure that they are understanding of what the Sub-committee reductions were.

Moved by Ms. Downing, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 8:54 p.m.

Vote: Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Alves, yes; Ms. Tokarz, yes; Mr. Moskal, yes; Mr. Gregoire, yes. 7-0 in favor

Ludlow Finance Committee