November 18, 2020

Meeting of the Finance Committee held on Wednesday, November 18, 2020, beginning at 6:00 p.m. remotely. Mr. Gregoire conducted the meeting from the Selectmen's Conference Room. Members joined the meeting remotely.

Be advised that by Order of the Governor- Order suspending certain provisions of the open meeting law, G.L. c.30A, § 20 which limits public access – Please feel free to view this meeting via cable television as this meeting is broadcast live. Questions can be directed to the committee via email: questions@ludlow.ma.us***

Members present: Roll Call: Eric Gregoire, Chairman, yes; Anthony Alves, yes; Susanne Boyea, yes; Joan Cavallo, yes; Richard Moskal, yes; Nicole Parker, yes; and Beverly Tokarz, yes.

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Kim Collins was also present, remotely

Members excused: Maureen Downing

First Order of Business: The Pledge of Allegiance

Correspondence:

A memo was received from the BPW that they reorganized on August 18, 2020 as follows:

Steven Santos, Chairman, John Davis Jr., Vice Chairman, Barry Linton, Alex Simao and Daniel Soares, members.

The second item of Correspondence is a memo from Ellie Villano, Town Administrator re: Tax Classification Hearing. The memo reads as follows: The Board of Selectmen will conduct a Tax Classification Hearing on Tuesday, November 24th at 6:15 p.m. in the Selectmen's Conference Room, Town Hall. The hearing has been scheduled for public questions and/or comments regarding the proposed adoption of percentages of the local tax levy to be borne by each class of real and personal property for the taxable year ending June 30, 2021.

They invited a member to attend. Mr. Gregoire will be attending the meeting on behalf of the committee.

Old Business:

Ms. Downing is not in attendance to give an update of the school building project.

Mr. Moskal updated the committee on the Senior Center Building Project. He said that everything is on schedule except for the painting. They will be painting when there is heat in the building. The Certificate of Occupancy will be available in December instead of the end of November. The final completion date of the building will be in mid-January, which will include all of the punch lists items. They are about a month behind. Full occupancy will be driven by the virus etc. They are looking at a limited occupancy which Ms. Zepke will explain at their next meeting. The contingency is about 8.4% below budget which gives them $575,290 available cash as of last week.

Mr. Gregoire thanked Mr. Moskal for scheduling the walking tour in October. It was very impressive relative to the design, etc. Mr. Alves also said the tour was great. He wanted to know about the ribbon cutting on the opening day. Mr. Moskal said that hasn't been discussed. The driving factor will be determined by the Certificate of Occupancy date.

New Business:

A Bylaw Review Committee will be established by the Board of Selectmen to review and update the general bylaws for the Town. They will have its own Charge and Charter. There will be nine members; one representative each from the Board of Selectmen, Town Administrator, The Board of Public Works, Police Department, Fire Department, Human Resources, Finance Committee Mr. Alves and Ms. Parker are interested in volunteering. The schedule of meetings would be established once all the members are appointed. The committee will not meet until the new year. Ms. Parker said that she could apply as a citizen if Mr. Alves is still interested.

Moved by Ms. Parker, seconded by Ms. Cavallo to appoint Anthony Alves as the Finance Committee's representative to the Bylaw Review Committee

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

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Mr. Gregoire said that there has been a vacancy on the Finance Committee for several months. It's been unaddressed because of the circumstances that happened in the last year. He wanted to have a discussion about advertising for the position and when the committee would like to bring someone on board. The vacancy would be posted on the website and LCTV and he will reach out to the Town Moderator to see if there would be anything that he is looking for in addition to the evaluation of potential candidates to the committee. Mr. Alves thinks its wise to get a new member appointed before the budgets begin. Ms. Cavallo asked if the Selectmen could mention the vacancy during their weekly telephone call report.

Mr. Gregoire read the vacancy notice that was used in the past, as follows: The Town is accepting applications for a member to serve on the Finance Committee. This is a non - compensated position and the individual wishing to serve can contact Eric Gregoire with his phone number or a letter of interest to his email address. Persons with a financial background or knowledge of local government are encouraged to apply. The deadline will be on December 29th.

Mr. Alves agrees with advertising. Get the applications by the end of the year and then interview in January. Ms. Tokarz asked if Mr. Gregoire wanted the notice sent to LCTV and to Mr. Blanchard to place the notice on the website. She will also inform the Selectmen's Office that the committee appointed Mr. Alves to the Bylaw Committee. Mr. Moskal asked if more people are needed on the committee? Mr. Gregoire said that the Bylaws state that there are nine members. At this point it's worth evaluating the situation. If there is no candidate then we will stay with the eight members. The only problem would be on a deadlock vote.

The FY'21 Budget. The State Budget has worked its way through the legislature based upon the Governor's revision. There is good and bad news to that. The good news is that it's funded through the House recommendations and what was recommended in the Senate, which is still under consideration. The talk is to level fund up against FY'20, the general unrestricted Local

Aid and Chapter 70 for Ludlow. In our budget assumptions the plan was to reduce that spending and all indicators leaned towards cuts in those areas. Now, there would be a $700,000 gain for FY"21 in terms of funding Local Aid flat against FY'20. That will help the Tax Levy. The bad news is coming out of the State Budget. The budget is relying on the 1.5 billion dollars from the Stabilization Fund. For FY'22 there will be a problem. The 1.5 billion dollars gets supplemented by more money drawn on the Stabilization Fund or Federal Aid or cuts and Revenue increases. State Aid in FY'22 will be changeling. The Town's Free Cash was certified at 1.9 million dollars. That is the highest it's been over the past four or five years. That's a good position to be in.

The only department re: budgets that Mr. Gregoire's heard from was the DPW which is based on factors on weather, storms and the need for forestry to clear trees. They are reaching out early to manage their budget and address some of the issues.

Ms. Collins said that the reason the Free Cash is 1.9 million dollars is that the Town had big under spending based on timing of borrowing and credits that were received from COVID. The Town was awarded the possibility of 1.8 million dollars in COVID money. They already requested 1.2 million of that. The good possibility is that a good part of that money will be denied. All the departments are relying on the fact that they use the COVID money and not their department's budget. She feels that a sizable portion of the Free Cash will end up in an Article to offset some of those expenses that may not be approved by the CARES ACT. In terms of the budget, the largest departments like the DPW, Police have taken the time to review their budgets so that they're on tract. In terms of the Recap, Local Receipts are down. Going into the new year in terms of budgeting, that will be reduced even further, because excise taxes are low, hotel tax, meal tax, Medicare, are lower than expected. Local Receipts will be lower. The good thing is that the general Local Aid is higher than expected in FY'21 but in FY'22, there will be cutbacks in Local Receipts and State Aid again in terms of budgeting.

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Ms. Parker asked if Ludlow hired a firm to help with the CARES Act. Ms. Collins said that the Town has the same agency as Palmer has for that purpose. For the larger purchases, school and police, she requested approval before hand. It's the smaller items that will add up, between departments, that she doesn't know if they will all be approved.

Moved by Ms. Parker, seconded by Ms. Cavallo to accept as presented the Finance Committee Minutes of October 5, 2020.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Parker, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 7-0 in favor

If there is a need for a December meeting, it will be held. Otherwise, there will not be a meeting in December.

Moved by Ms. Parker, seconded by Ms. Boyea to adjourn the Finance Committee Meeting at 6:35 p.m. Vote: 7-0 in favor

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_____ _____ _____ Ludlow Finance Committee