January 20, 2021

Meeting of the Finance Committee held on Wednesday, January 20, 2021, beginning at 6:00 p.m. Mr. Gregoire conducted the meeting from the Selectmen's Conference Room. Members attended the meeting remotely.

Please be advised that by Order of the Governor-Order suspending certain provisions of the open meeting law, G.L.c.30A, Sec. 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 have the option to attend the meeting live or by remote participation.

Members present remotely: Mr. Gregoire, Chairman, yes; Mr. Alves, yes; Ms. Downing, yes; Ms. Boyea, yes. Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Parker, yes and Ms. Tokarz, yes.

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Ms. Collins was also present remotely.

First Order of Business: The Pledge of Allegiance

Mr. Moskal updated the committee re: The Senior Center Building Project:

The building is 100% complete, where the construction is concerned. The punch list items are 95% completed. They do not have a Certificate of Occupancy. During the inspection, the Fire Alarm Control System failed. That will be repaired. The meals will be provided using the old center for the next few weeks. There are minor external problems that will be addressed in the spring. They will be at least $500,000 under the $9.8 million dollar budget. The center will open to the public once the COVID 19 restrictions are lifted. Mr. Moskal asked Ms. Collins about a donation from the Friends that they have, which is in the amount of $21,172. They want to apply that amount towards the building. He wanted to know how the money gets adjusted to the budget? Ms. Collins said in terms of accounting, the funds would not be part of the project. They would have to list the specific expenses that they want the money applied to. She will have a conversation with Mr. Moskal at a later time relative to the distribution. He will call her in a few days.

Mr. Gregoire said that related to the punch list system and the fire alarm system that's preventing the building to have a Certificate of Occupancy, he wanted to know if the $500,000 amount is after the punch list items are addressed. Is the amount already factored in to the budget or is the amount being addressed using some of the savings? Mr. Moskal said it's factored into the $500,000. The failure of the fire alarm panel is a contractor's issue. Mr. Gregoire said its great news. That means the Town will not have to borrow the whole amount that was authorized for the building project. Mr. Moskal said they have almost $600,000; some of that money will be used so there will be at least $500,000 savings.

Ms. Downing updated the committee on the Harris Brook Elementary School Project. As of last month's, meeting, they are on budget and target timewise. There were tours which she was unable to attend, but what she's seen from the pictures, the building looks beautiful. From the reports, they are working on the communications, computer, interior desks etc. The committee meets on Thursdays. She will know more when they meet tomorrow. Mr. Gregoire asked about

the target completion dates. Ms. Downing said that when she looks at the financial dates, it's the end of the summer. When she looks at the monetary schedule it's closer to October, November. The money is still being scheduled at that time line. She believes the building will be completed by the beginning of the school year, for 2021.

Mr. Gregoire spoke about the upcoming budget for FY'22. Ms. Collins said that the budget process will be late in starting because of not knowing what the Governor's number will look like. The numbers should be coming out in a few weeks. Every year she sends out budget spread sheets to departments. Those sheets will be distributed within the next two days. She is requesting that departments update their salaries based on contractual obligations and other expenses are flat or reduced if possible. Estimated local receipts will be lower compared to this past year. There is talk that there will be reduced general local aid. She will use a 15% reduction. She would like the requests returned by January 28th. She referred to the Financial Policies, so one of the things that she's looking at is Free Cash. That is over 1.9 million dollars. Looking at what is needed, she set Financial Reserve Policies and the Free Cash would be between 3-5% of the overall budget. Stabilization should be between 7-9% and 20% reserve for both Cable and Sewer and 10% for Golf. Once the goal is met, there is 3.6 million in Stabilization. They're looking at a 6.4-million-dollar target. Free Cash, is at 1.9 million and their looking at a 3 ½ million dollar target. The Capital Program every year contain leases on vehicles which is a 5-year cap. There is an obligation for those vehicles next year for $250,000 and based on the Financial Policies, they put $300,000 into Stabilization and $100,000 into the Finance Committee Reserve Fund. Out of the 1.9 million, there are obligations of $650,000. Money needs to be put aside for COVID expenditures that may not be covered under the grant being used from CARES and FEMA. Their looking at $400,000 for that use. Once numbers are back from the Governor, she will start plugging the numbers into the recap stimulation to see where everything stands.

Ms. Downing asked Ms. Collins about her thought process about employees etc. Are the departments full staffed, are employees working at home and what is the goal or does that have to be looked at. Ms. Collins feels it's a Town Administrator question. She knows that the Board of Selectmen extended clerical policies honoring quarantine time for employees, paying for the time that they were home. If you need to stay home with children, it can be done but there is a 2/3rds reduction in pay. All policies are extended through February 28th. Ms. Downing felt that a request should be sent to Ms. Villano to ask about employees, new hires through attrition, things of that nature. Ms. Collins asked if this was related to the budget parameters and if so, requirements have not been discussed at this time. Their starting with what they are required to pay contractually and then move on from there. She is not having departments add employee information to their budgets. She's requesting that any new positions, reclassifications or additional steps go through HR and then be looked at through the Treasurers, Accounting and Board of Selectmen before any of those decisions are made.

Mr. Gregoire said that if a department wants to request personnel changes, they can go through said step and carry through parallel to the budget process in terms of considering it for FY"22. Ms. Collis said that is the hope what will happen. Mr. Gregoire also touched upon the COVID funds in the amount of $400,000. He wanted to know if she heard back relative to the reimbursement under the CARES ACT for those amounts. Ms. Collins said that she has not.

They're in the middle of their reconciliation process. The Town has a consultant that work with CARES and FEMA to submit all the requests. She hasn't heard back as to what amount has been denied out of that first request. Mr. Gregoire wanted to make sure that the money will be used to fill obligations that the government did not allow the Town to claim, not for future costs. Ms. Collins said that was correct. It would only be an Article that would be available if needed. If not needed, the money would go back into Stabilization.

Ms. Parker asked if the $400,000 was a true number and what items does Ms. Collins think will not be accepted through CARES. Ms. Collins feels their being extra cautious. Initially, last year $500,000 was the number they talked about. She feels that maybe salaries wouldn't be accepted, such as overtime, police, fire overtime and quarantine pay. That number was a number that was pulled out of Free Cash that they could hold and put back in to Free Cash if it wasn't needed. Any of the larger purchases that they made, they contacted CARES to get approval for the purchases.

Ms. Downing asked Ms. Collins about the amount of money that was submitted this year that she's waiting to hear on. Ms. Collins said it's close to a million dollars, because she hasn't heard on the first or second group. The last time she looked at the numbers was 1.8 million to begin with. They have $800,000 remaining. It's close to a million. Ms. Downing asked what ballpark percentage is salary related for staying at home. Ms. Collins feels, maybe 1/3rd.

Ms. Gregoire feels that conversations will be needed with departments re: new expenses and requests that were not built in to a level funded budget last time. There could be associated cost with the Senior Center coming on line that were not built into the general expenses in prior years. There maybe cuts that need to be made or how other needs have to be addressed in the facilities or cuts that were taken in prior years that might not hold over into FY'22. Ms. Downing agrees and also thinks that if any of the departments are thinking of adding staff or raising classifications, she feels that if staff is working remotely from home, she's not sure if it's good policy to hire new people. Ms. Collins pointed out that the amount of people who have been working from home or have taken 2/3rd's pay are very few. There is not a large amount of people. She agrees with Ms. Downing about new positions. The areas that might need new positions is the Senior Center or School because of the new buildings. Mr. Gregoire feels the same, the worse thing is agreeing to bring personnel on and then having to cut the position. He feels they need to take the balance approach as in the past and be mindful of new hires on the personnel side plus benefits. He feels that setting dates to get into a budget schedule will depend on Ms. Collins and reviews of requests. He feels towards the end of February, beginning of March would be a target date to get started on the budget.

Moved by Ms. Downing, seconded by Mr. Alves to approve and sign the Finance Committee Minutes of September 23, 2020
Mr. Alves, yes; Ms. Tokarz, yes; Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Parker, abstain, Mr. Gregoire, yes. Vote: 7-0-1 in favor. Ms. Parker abstained

Moved by Mr. Alves, seconded by Ms. Boyea to approve and sign the Finance Committee Minutes of November 18, 2020

Mr. Alves, yes; Ms. Tokarz, yes; Ms. Downing, abstain; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Parker, yes; Ms. Gregoire, yes. Vote: 7-0-1 in favor. Ms. Downing abstained

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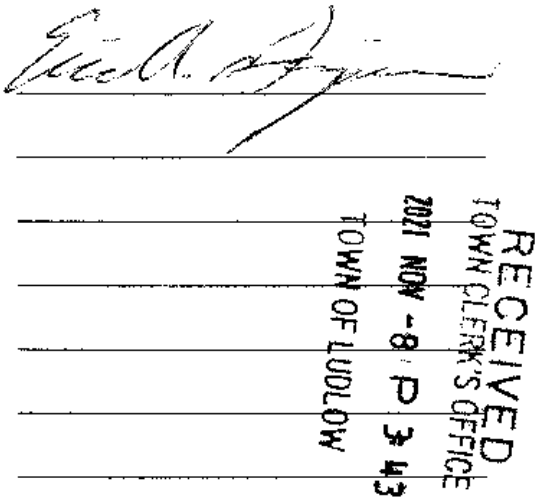
Ms. Parker informed the committee that Mr. Alves was appointed to the Bylaw Committee as a representative of the Finance Committee and she was appointed as a Citizen.

Mr. Gregoire said that there are active candidates for the vacancy on the Finance Committee. He is working with the Town Moderator on the next steps taken and review of the candidates. He will update the committee when more information is obtained.

Ms. Downing asked if when interviewing the candidates, they could be in person meetings. He will check with the Town Administrator. There was a directive from the Selectmen that Board's should be meeting virtually under almost all circumstances. He will follow-up about that. As to how the interviews will be handled, he is working with Ms. Villano on how that will be done.

Without objection from any member, Mr. Gregoire adjourned the meeting at 6:38 p.m.



Ludlow Finance Committee