February 17, 2021

Meeting of the Finance Committee held on Wednesday, February 17, 2021 beginning at 6:03 p.m. remotely by conference call.

Please be advised that by Order of the Governor; Order suspending certain provisions of the open meeting laws, G.L. c.30A, Sec. 20 which limits public access – This meeting will be conducted over conference call and recorded for public access. The chairman and the Assessor were present in the Selectmen's Conference Room. All members attended by conference call. The recorded meeting will be publicly available through LCTV.

Members present: Eric Gregoire, yes; Anthony Alves, yes; Beverly Tokarz, yes; Joan Cavallo, yes; Richard Moskal, yes; Maureen Downing, yes; Susanne Boyea, yes.

Members excused: Nicole Parker. Ms. Collins was not in attendance

At this time the committee met with Joe Alves, Assessor, to discuss his request for a Reserve Fund Transfer in the amount of $12,000 for payroll purposes.

Mr. J. Alves informed the committee that one of his clerks retired and he went through the process of hiring another clerk. It was a lateral move, he didn't require more money, so he hired someone to fill the open position. Now he realizes that he's $12,000 short in payroll, because it was taken out of his budget. He was assured that everything was in place before hiring the individual, then the money was subtracted from his budget, when additional cuts were made. He was very upset. There was no due process, the money was just eliminated. He feels that a process should be put into place and not have someone just decide to decrease his budget without any notification. No one explained the cut, he was told he could fill the position, then there was the cut. His department is not the only one going through this. It makes for hard feelings between departments etc. Mr. Gregoire said that he's sorry that he feels that way that there was a process or where he thought he was budget wise, to where his original request was. He feels there might have been a miscommunication when he thought was, he originally requested to what was recommended by this body and then not brought to his attention. Mr. J. Alves said he would have come to Finance if that was the process, but it wasn't. He talked to the Town Administrator and he was assured it was fine to hire someone. Mr. Gregoire wants to make it clear that what was submitted at Town Meeting and what was approved at Town Meeting, the meetings afterward was public information and there was communication up and down with other departments. He's perplexed that departments weren't aware because there is a process that was followed and that departments weren't aware of the recommended budget aside from the requested budget. There were personnel decisions that they were trying to assume to balance the budget. They were not looking on the personnel side to create a reason to cut. There was an indication to lead that way. Mr. J. Alves said he didn't know about the cuts and no one explained it to him. Again, he was allowed to hire someone and then his budget was cut.

Ms. Downing asked Mr. J. Alves if the unanticipated retirement had not happened, would he have had enough money to cover his payroll? Mr. J. Alves said yes, because the $12,000 was there as a regular budget line item. Mr. J. Alves explained more about the process and how the

process is not what it should be. Mr. Gregoire said it's a valid conversation to have re: feedback with the Town Accountant and other department heads. Ms. Downing said she doesn't understand how the committee would have cut payroll, when that area is never touched.

Moved by Ms. Downing, seconded by Ms. Cavallo to approve the amount of $12,000 for the Assessors Office to cover the shortfall in the payroll.
Mr. A. Alves, yes; Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 7-0 in favor

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At this time Mr. Moskal updated the committee on the Senior Center Building Project. The CO was approved last week. They officially own the building. The majority of the new furniture has been delivered and the remaining items from the old facility will be moved on Friday.

Ms. Downing updated the committee on the Harris Brook Elementary School project. They are on target and fine with the budget. The building is looking wonderful. She has to commend them for being on target as far as getting things done with the COVID issues and on point with money. Mr. Gregoire asked if the same reimbursement rate is being anticipated? Has anything changed? Ms. Downing said their anticipating the same rate depending on what is reimbursable. Until the building is complete, they won't know. They are anticipating the same amount which is 50%. The only thing that is not reimbursed is the administrative building.

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There was a general discussion on the FY'21 budget. He spoke about the Year-to-Date Report for this year, providing data on how the performance is for this year and what departments are utilizing their FY'22 budget. That report was as of the end of December, 2020. He would like to see the monthly reports, so the one for January should be available. That could be the year- to-date expense for FY'21. Ms. Downing said as she looked at the percentages, there are several areas she has questions on. The Insurance, School, DPW as far as expenses and something on page 64 called Operating Transfers. At six months the budget should be anywhere between 45% and 55% or 60%. Somethings at the School are at 90%, 97%. The Insurance is paid up front, but some areas were way over what was budgeted. Also, the DPW for their General Expenses. Going forward she would like to take a look at those items and have some questions answered. She doesn't want to find that in March there is a shortfall. Mr. A. Alves agrees with Ms. Downing especially with the School; there are a lot of line items that are high percentages already. The question involving the DPW is, are there any updates with what they have going on and is there a better grasp of their situation. Mr. Gregoire said he is working with Steve Santos, Chairman of the DPW on their budget and tracking their year- to- date actuals. He reached out and wants to partner with the committee to track their expenses through the year as well as what they can use to develop their budget requests for FY'22. He spent a little time with their budget and spending and has a little insight in that area. When you look at their year before, it shows them at 70% expended through the year as of December. Included in the General Expenses is the Trash Contract, which is about a million dollars. That is incumbered mostly through the beginning of the year. That Contract is driving their percentages up. When you exclude the Trash Contract and the expenses which are still open and not incumbered, it's 50% used in their non-trash General

Expense. By breaking out the trash, shows a truer picture of their spending. That would be an area to check into.

Ms. Downing asked if it would be wise to have someone from the School Department come in to explain their budget going forward into next year's planning; why the budget is like it is and do they anticipate going into part of next year's budget. Mr. Gregoire is open to that suggestion. It's a good suggestion because of the COVID impact. He will ask to see if there is an interest in the school department to meet with the committee as to where they are and their perspective.

Ms. Downing asked if a letter could be sent regarding the Insurance. Is it related to COVID or other situations going forward over the next six to ten months that would impact the next budgeting cycle? Mr. Gregoire also would like some answers regarding the Golf Commission and where their budget is year to date. He heard from the Chairman of the Golf Commission, earlier this year, that play was up 30% and they were having a better year. It would be good to track and monitor their situation and ask questions to understand how they will be doing for FY'21. Ms. Downing would also like numbers as to what the Stabilization Fund is, some estimated numbers anticipated for Free Cash and anything that would be productive to be able to put forth in our calculations going forward for this year. Mr. Gregoire agrees. Ms. Downing also spoke about the situations during COVID with the taxes on restaurants, meals etc. They're not going to be as much. Mr. Gregoire said we have to be diligent about the revenue side and what would warrant attention.

Mr. Gregoire said based upon the conversations that he's had; departments are still working on their budget requests for FY'22. He thinks the budget meetings will begin close to the second week of March. Ms. Downing said that there could be a meeting with the school department and when all other finance information requested is received from Ms. Collins, there could be a preliminary meeting to answer questions and to start talking about which departments the committee would want to meet with. Ms. Downing spoke about the memo that went out to the departments for budgeting purposes. There were no guidelines as far as hiring, step increases etc. It was very basic information. Mr. Gregoire doesn't disagree with Ms. Downing. Requests will have to be monitored.

Mr. Gregoire informed the committee that the Governor released his House #1 budget, seeing Chapter 70 money and Unrestricted General Fund Aid for cities and towns. The Governor level funded across the board and provided some increases in Chapter 70 funding. He's hoping the legislature will match where the Governor is at with regards to increased funding. Based upon the Governor's House #1 budget, Ludlow would receive 13.8 million dollars in Chapter 70 money which is $13,867,413. Local General Unrestricted Aid would be $3,357,431. The increases from last year in Chapter 70 is $71,000 and $113,000 increase in the General Local Aid. He feels it's a positive sign from the State funding.

Ms. Cavallo asked if the committee could receive a paper copy of the FY'22 budget, as in the past. Ms. Tokarz will organize that and make the copies for all members.

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Moved by Ms. Downing, seconded by Mr. A. Alves to approve and sign the Finance Committee Minutes of January 20, 2021, as written.
Mr. A. Alves, yes; Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 7-0 in favor

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Mr. Gregoire informed the committee that the Town Moderator, Michael Szlosek, has appointed Christopher Ganhao to the committee. He will be available to meet with the committee at the next meeting. He is a full-time accountant and is excited about his appointment.

The committee will have their regular meeting the third week of March and have a tentative meeting the second week of March. The meetings will begin at 6:00 p.m.

Moved by Ms. Downing, seconded by Ms. Cavallo to adjourn the Finance Committee meeting at 6:56 p.m.
Mr. A. Alves, yes; Ms. Downing, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 7-0 in favor

Ludlow Finance Committee

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