April 12, 2021

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 17 A 10:36
TOWN OF LUDLOW

Budget meeting of the Finance Committee held on Monday, April 12, 2021 beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall and by conference call.

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 – this meeting will be conducted over conference call and recorded for public access. Eric Gregoire, Anthony Alves, Joan Cavallo was present in the Selectmen's Conference Room. All other members attended by conference call. The recorded meeting will be publicly available through LCTV.

Members present: Eric Gregoire, Chairman, yes; Anthony Alves, yes; Maureen Downing, yes; Susanne Boyea, yes; Joan Cavallo, yes; Nicole Parker, yes; attended for 20 min.; Richard Moskal, yes; Christopher Ganhao, yes and Beverly Tokarz, yes.

Kimberly Collins also attended by conference call.

First Order of Business: The Pledge of Allegiance

At this time the committee met with Steve Santos, Chairman of the Board of Public Works and James Goodreau to discuss the DPW budget.

Mr. Santos explained the DPW's budget by starting with Personnel Services for Overtime for the trees. In the Forestry division, the revised budget for last year was $2,000 in overtime. They use that line item for storm damage. There were a few bad storms in August. See background information that was provided. The $2,000 was un-realistic so they increased the figure to $10,000. The actual year to date total is $7,017.27. He can't control how many storms that are going to occur. Trees are dying, limbs are being broken. When there is a lot of wind the trees are lost and they have to be removed and cleaned up. The DPW is in the Tree USA Program and just received a grant. In order to obtain a grant, there has to be a Forestry division, separate from other line items. The labor is contractual.

Administration: The only change was the custodian. He became an employee of the Town instead of a vendor. The amount of money is the same, it's in a different line item.

Engineering: There is no change.

Streets and Highways: They are asking for two PW-1 entry level positions. They start with 6 or 7 summer positions, but by the end of the season, there are 2 remaining because they don't stay. It would be beneficial to have full-time entry level positions back in the classification plan in order to move forward. The temporary labor positions under Streets and Highways were cut to $27,000. They were going to hire 2 summer help for 4 months for $16,800. They were going to take the balance of the $27,000 and combining it with Waste Collection and Disposal, for a part-time position. They would combine that position and create their own financing for one of the PW-1 positions.

Collection and Disposal: There is a $20,000 full-time position and a part-time position for $25,936 which would be combined with the $16,800 for the PW-1 position for a total of $34-36,000. That is why the summer help budget went from $27,000 to $16,800. Ms. Downing went

over his explanation, stating that they applied for and was approved by the Selectmen for 2 full-time positions, one of which they found money to pay for within another line item. They have placed money for the extra position but didn't offset it anywhere. Mr. Goodreau explained that $32,000 was deducted out of the budget. Ms. Downing stated that they only have 1 position in the budget in that line item. She said that the DPW is requesting additional money on top of that money that is in the budget. Mr. Gregoire explained that they don't have any money for either of the positions. Mr. Santos said the money was taken out of the budget. Ms. Downing said that the $591,270-line item does not include any of the two new positions. Mr. Goodreau said that it covers the two PW-3 positions that were unfunded last year that they are funding this year. There is confusion concerning the PW positions.

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 17 A 10:36
TOWN OF LUDLOW

Ms. Parker exited the meeting at 6:25 p.m.

Ms. Downing asked which positions were approved by the Selectmen? The PW-1 positions were approved by the Selectmen. Ms. Downing asked that if they added in the 2 positions, what number amount would be in the line items instead of the $591,270. Mr. Goodreau said $78,000. She asked what drove the 33% over last year? Mr. Goodreau said that they funded 2 PW-3's that were unfunded last year. Ms. Downing said that they put in 2 positions and are asking for 2 more positions which equals 4 people. That is correct. Ms. Collins said there was some mis-communication in the Selectmen's meeting. They did not realize that the money had been removed from the budget that they wanted to use for one of those positions. When the Selectmen approved the positions, they approved thinking that there was $36,000 + /- that they needed to add to the budget. After hearing the conversation, she thinks what happened was that the budget was reduced from $27,000 to $16,800 which saved $10,200 and then they reduced another line item to make up the rest in Waste Collection and Disposal. They went from $62,000 to $39,000 which is the other area that they reduced in hopes of covering half of a position. Mr. Santos said they removed the summer help, they removed……and from the part-time position, $23,748; $33,948 is what they removed from the budget for the PW-1 position that they were trying to create within the budget. Ms. Collins thought that they were removing the money from those line items into a different line item to fund it. She didn't realize that they removed the money. They shouldn't have had to ask for the additional $37,000, but they are because it was removed from the budget. Ms. Downing said that wasn't accurate. What they need to add is $78,000 because they are asking for 4 positions. Ms. Collins said they need to add the $78,000 but the Selectmen approved the $37,000 based on the information that they had, not realizing that the DPW had already removed $37,000 from their budget, which is the other half. In essence their looking for the whole $78,000. Ms. Downing said the line items has gone up 34% without the two new positions. There was more conversation regarding these positions and the summer help. They feel the PW-1 position is a full-time job with more accountability compared to the summer help. They would still like to have the PW-1 position. Mr. Santos discussed the Overtime budget. They took the balance of the full-time labor position and moved it into Overtime. They took $20,000 out of Overtime from the prior year. There was $35-37,000 in Waste Disposal and then it went to $16,000. They increased that line item to $39,000 for Overtime. The Cemetery Division's overtime is for Saturday funerals. They anticipated that $2,000 should be enough after COVID. The Fleet Division for General Expenses is staying the same. Administration is staying the same.

BPW Engineering is for the MS4 Stormwater which is a State and Federal 10-year permit. They're in the third year for 2021. They sent out a purchase order inquiry. In the past they've been taking money out of their contracted services. In FY'19 they took $17,126.38 from contracted services. In 2020 they took $20,640. In 2021 for compliance the amount is $95,200. The fees are going up because there is more engineering, site work etc. They've been absorbing the cost, but now the cost is very high so they put a line item in the budget. There is going to be a Stormwater Mandate where Stormwater fees will have to be paid by every resident and commercial property. It will be based on a calculation of one's property. The fees will have to go into some type of fund to fund the mandates for projects to upgrade the stormwater system. Municipalities in themselves whether cities or towns are not giving DPW's funding that they need in order to keep up with their infrastructure. The State and Federal government are mandating certain criteria that needs to be followed. The State wants towns to improve infrastructure on stormwater. In order to do that their mandating to set up a fund and do the engineering to see how much the municipalities have to endure. The sewer and water separation are small because it's in the area south of Chapin Street around the Mill area. There is no separation in other areas because the newer areas have already separated. The stormwater flows either into a subdivision retention pond or an outfall newer system. An engineering firm does this work. Going forward if the mandates continue certain steps will be taken to produce the money; at that time, they will have the formula to charge the taxpayers in order to facilitate what construction will be needed to separate it. Mr. Santos would like to put the money in architectural engineering services and next year they might have to add a stormwater line item. They will then take the funds out of engineering and place it into stormwater engineering, other services etc. The $95,200 amount is for this year. It will be paid in the next fiscal year. Mr. Goodreau said there is money coming in to the Town. Solar Farm fees are $5,000 and all subdivisions are $4-5,000 fees. That money could go for stormwater management. He doesn't know what account the money goes into after it comes in. They didn't calculate how much money came in last year. Going forward those funds should go into the stormwater line item.

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 15 A 10: 36
TOWN OF LUDLOW

Ms. Downing thought that they had all good ideas. Her concern is, if this year the mandate is $95,000, what is the long-term plan? Fees need to come in to offset the cost, just like everything else that is long term. There are seven more years for the mandate. She is not sure that the Town can afford to support this, without some sort of offset. Ms. Collins said that the $95,000 that needs to be paid in 2022, in the past, some of the work has been done by Town employees. Is there any possibility that any of the tasks can be taken on by Town employees as opposed to sending the project out to a company? Mr. Goodreau said the Town employees are doing as much work as they can. Last year they were able to accomplish $50,000 in work. Currently there is no director, and no time to do everything. Their trying to do as much as they can. The big problem is there is a lot of testing that needs to be done and the DPW doesn't have equipment to do the labs, samples etc. They will try to do as much as they can to get the number down. In 2021, they brought the figure down $50,000. The original quote was $89-90,000. They were taking the money out of contracted services. They can't afford that long term. Ms. Collins said they should set up a revolving fund to pay for the services going forward, but the fund would have to be created at a Town Meeting and explain what revenues are going into the fund and how their being expended and it would be subject to MGL's. They could look into it, she's not sure about it and it won't be a funding source in FY"22. It would probably be the following year if at all possible. Mr. Gregoire said the money is going into the General Fund, so it's a wash but Ms. Collins said it's a problem because it's competing with other budget items. Ms. Downing asked

if this revolving fund could be accomplished at the October Town Meeting? Ms. Collins said that typically all revolving, sewer, enterprise funds have to be in the Annual Town Meeting, but she will look into it. Ms. Downing said that the $95,000 is not in the budget, whether it's offset in the General Fund and competing with other departments, that's another $95,000 that would come out of the $150,000. She is not sure how the amount can be covered. Mr. Gregoire said there isn't a plan to cover the amount for the past three years or going forward. There needs to be a plan. More discussion transpired concerning plans on how to obtain the money to cover the mandated expense. Ms. Downing asked if the mandate is qualified to come out of water and sewer fees? Mr. Santos said no. Ms. Downing said that another fund would have to be set up and find a way to steer money into that fund. Mr. Santos said that the stormwater permits that come in are going to the general fund. Ms. Downing said that maybe those fees can be increased when it's separated out and make a plan going forward to try to look at the next seven years. That needs to be done with Ms. Collins and a plan made going forward to try and get something looked at for the October Town Meeting. Mr. Santos said that the DPW should have come in on the first year of the mandate and presented it to the board and committees.

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 17 A 10:34
TOWN OF LUDLOW

Mr. Goodreau explained the Solid Waste contract for hauling, which is about $21,000 per contract. The difference in the figures is from the increase in the contracts. They're still working on trash fees. Joe Alves is working with MUNIS; Ms. Collins has the accounts set up. Ms. Collins is working with both Mr. Joe Alves and the Collector's Office. Mr. Santos is working on different consolidations. Mr. Santos said a letter will have to be included with the tax bills explaining that the trash fees are from last July to this July. In between the tax rates for next year bills will be produced for trash fees from this July to the following July. Residents will be paying retro for a service that they already have. An abatement form will also be included and a notice will be placed in the Register. Ms. Collins explained that the issue is the excel file that has all the names and address of residents is not in the format that MUNIS would like. It will have to be billed like the taxes are billed. Her concern is that Mr. Joe Alves does not meet with MUNIS until April 26th. She doesn't see the bills going out until the end of May, which concern her because the bills will be due the end of June. They will have a revenue deficit of over $600,000 this year. There is an Article at the Annual Town Meeting that if the bills don't go out in time, they will have to use Free Cash to cover the revenue deficit or raise it on the tax rate, which would put the Town into an override.

Snow and Ice: Mr. Santos didn't add funds to that budget. He would like to put more money into Public Work Supply which is the salt. Year to date $140,000 has been expended in salt. They did go over the budget this year by $25,000. He was looking for more funds in equipment and overtime, but the only concern is the salt which is a continuous override. Pretreating the roads before the storm is cutting into the overtime budget. He has limited resources for manpower. He explained the procedures both when there is a small storm vs. a large snow storm. He knows that if the Snow and Ice budget is high, he cannot lower it down. They have to expend the entire budget before they get State of Emergency reimbursement. Ms. Downing was told that they can carry over three years to have an overage with the State. Ms. Collins said if they have a deficit, it gets raised on the following years recap. If it's an actual declared disaster, they get three years. Ms. Collins said they can over expend Snow and Ice every year, it doesn't matter but you have to raise it on the following years recap, which they do every single year. This year is the least that they over expended. Mr. Santos said that they have never been under what the snow budget has been. Their always over. Mr. Gregoire asked if they had a request to raise the amount in the line

item. Mr. Santos would like to place an additional $10,000 in Public Works Supply's which is salt, if possible.

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 17 A 10:16
TOWN OF LUDLOW

Sewer Enterprise: Mr. Santos provided copies of bills from Springfield Water which is 1.5 million. The other line items are salaries. Mr. Santos said there is a list of sewer accounts for FY'21 which are all municipal buildings that do not pay a sewer bill. The DPW pays for those buildings out of the Sewer Enterprise Fund in the amount of $71,934. There are 4800 sewer users. They are paying $14.99 per user for every municipal building. He believes that the departments should be paying their own sewer bill. They pay their own water bill. The DPW is paying Springfield Water for those buildings. He feels the buildings should be put in to the budget to offset the $71,000 to reimburse the Sewer Enterprise Fund. The municipal buildings pay all their utilities, they should be able to pay their sewer bills. Ms. Downing said that the residents will still have to pay, but in taxes. It will have to be paid one way or another.

Ms. Downing has questions on the 14% increase on part-time clerical. Mr. Santos said it's contractual. Personnel is all contractual. There is one clerical and two full time employees.

In General Expenses, Vehicle Repair and Maintenance and Building Repair and Maintenance and Gasoline line item. Mr. Goodreau said they eliminated line items that were duplicates and combined them into one line item. The General Expenses went down .9% total. The line items that they weren't using are no longer there and moved the money into the line items that they are using. Mr. Santos said that if there are any questions or concerns, reach out to the department.

Ms. Downing asked Ms. Collins on the new requested budget sheet for the Level 1 & 2 budget. The DPW is asking for $36,740, now it's $78,000 but there was no change in benefits to cover that under Level 2. For the 2 new positions, were the benefits included? Ms. Collins said that the 2 positions that their asking for, no benefits were added in because there is a sizable cushion in benefits. The Town is getting a 1-month pass for COVID. Ms. Downing would like a notation in the Level 2 request stating that the benefits are not included in this budget. Ms. Collins said the benefits are never in the requested positions, they are in the benefits line item. Whatever money is in department budgets, it's strictly salary for the employees.

Mr. Gregoire would like to vote on those departments that don't have any changes or requests that the committee take some recommendation votes to start the process so that they will be finished by Wednesday evening. The committee agreed. Police and Recreation Commission will meet with the committee on Wednesday evening. Departments that don't have a Level 2 increase or additional requests can be voted on, as follows:

Moved by Ms. Downing, seconded by Mr. Alves to approve the Moderator's budget in the amount of $560.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Board of Selectmen's budget in the amount of $329,516
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes; Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Finance Committee's budget in the amount of $3,393.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

RECEIVED
TOWN CLERK'S OFFICE
2021 JUN 17 A 10:36
TOWN OF LUDLOW

Moved by Ms. Downing, seconded by Mr. Alves to approve the Town Accountant's budget in the amount of $204,829.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Ms. Cavallo to approve the Treasurer's budget in the amount of $289,838.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Collector's budget in the amount of $268,313.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve Town Counsel's budget in the amount of $176,000.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Town Clerk's budget in the amount of $135,941.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Elections budget in the amount of $86,815.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes. Vote: 8-0 in favor

Moved by Mr. Alves, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 8:00 p.m.
Mr. Alves, yes; Ms. Boyea, yes; Ms. Cavallo, yes; Ms. Downing, yes; Mr. Ganhao, yes; Mr. Moskal, yes; Ms. Tokarz, yes; Mr. Gregoire, yes; Vote: 8-0 in favor

Ludlow Finance Committee