April 14, 2021

Budget meeting of the Finance Committee held on Wednesday, April 14, 2021, beginning at 6:00 p.m. in the Selectmen's Conference Room.

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, Maureen Downing, Anthony Alves, Christopher Ganhao and Kim Collins were 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: Anthony Alves, yes; Susanne Boyea, yes; Joan Cavallo, yes; Maureen Downing, yes; Christopher Ganhao, yes; Richard Moskal, yes; Beverly Tokarz, yes; Eric Gregoire, yes.

Members excused: Nicole Parker

Kim Collins also attended in person.

First Order of Business: The Pledge of Allegiance

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Please be advised that there was trouble with the sound system at the beginning of the meeting. New microphones were purchased and didn't transmit well with the conference line.

At this time the committee met with Police Chief Daniel Valadas to discuss his budget. He distributed background material to the members present. It was difficult to understand him. He is looking for nine positions and one dispatch supervisor. He gave an overview of his department and what their needs are. He would like to add a Narcotics Unit, second shift. He met with the Selectmen and explained this Unit. They gave him a conditional approval for one police sergeant, Civil Service position. He would use this position on the second shift. The increases he asked for originally were substantial and would not be feasible. His primary changes would be to add a Narcotics Unit on the second shift. He would like to increase his patrol shift for 12 hours from 3 officers from 4 am to 4 pm to 4 officers and from 4 pm to 4am to 5 officers. This is the staffing they used during the pandemic and used the CARES funding. He would like to keep it permanent position which would mean adding 3 patrolmen. He requested 2 police sergeants and a lieutenant to head an investigative division and asked for an officer for a regional task force and a dispatch supervisor. There are 9 full time dispatchers which Chief Madera created. This was a mandate from E911 State office for the police department to maintain an emergency dispatch. For the Town's population, size and volume they must have 2 people 24/7 – 365. He explained the duties of the dispatchers. He has 4 per diems' officers.

The Dispatch budget has an overage, because they receive reimbursement from 911 due to call volume. Two years ago, they agreed to take 911 calls from the Mass Turnpike. They received about 18,000 more calls then was anticipated. From 60,000 to 78,000. There were transitions this year. Some people left. The training process is 3 to 4 months and a 6-month probation period. His budget was $20,000 for overtime. Current year to date he spent $49,323. He feels $20,000 for a staff of 9 is not enough. He would like that figure raised for FY'22. His OT for Training

was budgeted at $5,000. Currently he spent $11,138. He does receive reimbursement for their training classes quarterly. He used 77% of the FY'21 budget. He would like more money on that line item also. Those reimbursements are offsetting the expenditures. He would like the regular overtime to be increased to $40,000 and the OT for Training $15,000 which would be $25,000 increase for both.

Ms. Collins said that there has been money transferred from dispatch back to police. Her concern is that there is already a 14% increase in his budget for this year. She thinks that maybe the money that he would like could come from other line items as opposed to increasing his budget. The Chief said that he shares some of this budget with the police side. Ms. Collins said there is probably money in the budget to cover the areas he needs since the money can be moved among line items. She can do the transfers of line items with the Chief. She doesn't feel that an increase in the overall budget would be warranted, since there is already a 14% increase. Ms. Downing asked about the full-time dispatcher position. She wanted to know if it includes the new full-time position. It does not. Ms. Collins said the OT amounts change. When they get reimbursements, the money is reclassed out of the budget and put into the grand budget. Ms. Collins doesn't know after the reimbursements, what the overtime for training looks like. They would have to look at that budget closer. From the time she started working with the Town, as soon as that department was started, someone was moved over from the police to dispatch and there has been money available throughout the year. She doesn't feel comfortable at this time to increase the budget more than the 14%. She would rather look for line items to cover it. Mr. Alves suggested that money could be taken out of the per-diem line item since they only used 32%. Chief Valadas said that Chief Madera and Chief Pease decided to consolidate to make a town dispatch. The central dispatch took over AMS and fire. It's the best way to work for the Town. It is the best system in MA, which is similar to Wilbraham.

The Police Department budget has some increases but didn't factor in additional sergeants, lieutenant or patrolman positions. The figures are not correct. Ms. Collins said that on the budget sheet there are six sergeants. The Chief said that there are seven sergeants. That figure has to be corrected, which will be a problem at this point. The figure of $79,821 is missing from his budget. He has a 2% increase to the overall budget, which is only contractual. She feels that it's weird that there is a 2% increase and lost a $80,000 position. She feels that there must be increases somewhere else. If one position is missing, all of the line items will be affected. For the full-time patrol, the increase is $92,000 which is 6%. She would expect that line item to increase 2%. Ms. Collins will have to look at the Chiefs budget in detail. Ms. Downing said that the bottom line for the police is $3,908,263. He's looking to add $108,000 to that figure for the sergeant's position that was approved by the Selectmen. The Chief explained other shortfalls in his budget, and what he needs especially for overtime and training. He said that the State is going to mandate more training with firearms, defensive tactics, use of force and driving. All of those cannot be done virtually. It's all hands on and classroom. Ms. Downing asked what figure he would be looking for. The Chief said $407,000 would be an appropriate number, which was the figure given in 2020. The Chief informed the committee of all the training that needs to take place next year for a minimum of $112,286. The Special Police would be $22,000. Ms. Downing said that the Chief is looking to go from $163,000 to $407,000. Mr. Gregoire said there are officers leaving, transition in dollars to address overtime and training through the year. The Chief went on to mention what his needs are. Ms. Collins asked if he's done anything to alleviate the

overtime. The previous chief said that at times rather than giving people overtime, he changed schedules, he made that people took comp. time when they were getting short of money in that account. One of the biggest issues at this point is that they just uncovered a $79,000 position that wasn't budgeted for. He's looking for $200,000 to where the overtime needs to be and at some point, there isn't anymore excess levy to give. Her concern now is what can the Chief do within his budget to move things around to different line items or adjust schedules or adjust how he pays out overtime. She asked if he looked at any of those options. The Chief said that he did. He's noticing two trends. One is the event driven cost and training overtime. Ms. Downing said that there aren't any questions about details, it's about what the Town can afford and the numbers taken from MUNIS. How did those numbers get into MUNIS, they make no sense? She asked what the Chief would prefer - having a sergeant or getting more money in his budget. The Chief said he would put it towards the sergeant's position. He'll go in front of Town Meeting if he needs more money. Mr. Gregoire asked if the Chief's intention is to ask for additional staff every year? The Chief said that it is. It's a 5- or 10-year plan. One additional sergeant allows him to operate an active narcotic unit and gives him a sergeant to manage busy shifts. He will have 3 sergeants assigned to the second shift and early evenings, which is busy. Ms. Collins said that the levy limit does include the sergeant's position, which is in the Level 2 budget. His budget is $4,016,182 which includes the funds for the position, which is included in the levy limit of $191,931. Ms. Collins said that based on what she is calculating, there seems to be an additional $42,000 in the patrol line item. She will sit down with the Chief and go through the line items to figure out if funds can be moved around within the line items.

At this time the committee met with the Recreation Commission. Sean McBride and Debbie Gates attended the meeting, to discuss their budget.

Mr. Gregoire said that Mr. McBride will speak about everything that is not related to the camp and Ms. Gates will talk about questions related to the camp. Ms. Downing doesn't understand the situation. Mr. McBride explained that he has a ruling from the Ethics Commission that he can't participate in discussion related to the camp, because he has a relative working for the camp.

Personnel Services – The one area increased is in overtime. Ms. Gates is responsible for many aspects. She's also the pool manager. If there is an issue with the pool, she's required to be there under the contract with the State to have a certified pool operator. She has the certification, so there is added responsibility with that. Ms. Downing questioned the line item which had no money in it. Mr. McBride explained that the money was removed because of COVID and their asking that it be replaced. MUNIS put in a zero amount. Ms. Collins said that they were asked to only do contractual obligations and general expenses. They are now asking for additional money. The line item is Additional Overtime. They are asking for $6,000. Mr. McBride also explained how Ms. Gates fills in mornings at the morning and afternoon school programs etc. Instead of hiring a part-time employee, this method ensures that there is coverage since they are obligated to have a director and a certain number of employees to attend to a certain number of students at the before and after school programs.

Regular Lifeguards – Their request is $40,688. The increases with the lifeguards and hourly employees are adjustments that are made because of the increase in minimum wage. In order to maintain the difference between minimum wage and what the lifeguards make, they increased their salary like the minimum wage increases. They have additional certifications and training

that they need to attend and pay for and they have more responsibility. They are budgeting for the same number of lifeguards as they did two years ago, which is 17. Ms. Downing had several questions pertaining to the lifeguards and their salaries. There are pond and pool lifeguards. Pond lifeguards are paid more than pool lifeguards. Pond lifeguards line item is $40,688. Pool lifeguards line item is $47,850. There is $15,000 for just the pond lifeguards, and $15,000 for the pool. That's $30,000 for 17 lifeguards. Ms. Collins asked for a calculation for the increases. Ms. Gates will forward the calculations to Ms. Collins. There was much discussion on the salaries of the lifeguards and the calculations. They work 12-14 weeks. The figures don't add up. Ms. Collins stated that the budget never seems to be on target. This has been a problem every year. She feels that it's more important to look at the calculation of how may people their paying, how much their paying them at this point rather than comparing year to year figures. Going forward, Ms. Collins suggests that a spreadsheet be made with each councilor's, lifeguards etc. to get an accurate number.

After School Program – Ms. Gates informed the committee that they are budgeted for 6 councilors and a director in one line item. There is a $25,000 increase for the school year which is 44 weeks. Ms. Downing said it's an $81 a week increase, on the high side. Mr. Gregoire wants to know what is driving the increase? Ms. Gates explained that they all work 17 ½ hr. a week at 44 weeks. The director is paid $15.50 an hr. for the 44 weeks. The councilors are paid $13.75 an hr. for 44 weeks. Ms. Downing said that is $392,500 without the $6,000 which is $92,000 over. Mr. McBride figured out the payments and calculated $62,370 which is just for the councilors. Ms. Downing suggested that Ms. Collins work with Recreation to calculate comfortable numbers.

Advertising – Mr. McBride said there is an increase in advertising. He said that it's a struggle to find councilors. Ms. Downing sees an increase in advertising. Mr. McBride said that they were instructed to flatline their budget at what it was which was $900. They are asking for an additional $900. They will continue to work with the human resources department to look at alternative mechanisms for positions. They use to send out press releases, but the papers don't print them. There is a charge for everything.

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Pool Chemicals – The cost has increased significantly because of production. The budget will increase, but they don't know to what degree. At this point they are not asking for additional money, but once they received their quotes, if the cost is higher, they will be asking for additional funds. That cost comes out of Other Supplies. Ms. Collins said that when they are preparing their numbers for Finance, she looked at their history. They were closed down for FY'21 so their budget dropped down to $324,000. Prior to that their actual approved budget has never crossed $400,000, over several years. She knows that minimum wages have increased, but questions almost 40% increase on an entire budget? She would like very detailed reasons for the increases.

Ms. Downing finds it frustrating that both the police, recreation and a few other departments, didn't have the correct budget figures. They had more requests, but additional like item requests that didn't come in before the time period. She feels the memo has to be changed. The committee's assumption prior to the meeting is that they wanted changes, they would talk with the accountant. There seems to be a disconnect with the departments. Our job is not to work the budget with departments. The committee's job, when all the final numbers are presented, is to

look at their budget as a whole. Ms. Collins said that the past few years, nobody has asked for anything else, because they couldn't. Because of COVID, the year before that, budgets were being cut. This year there is a frustration level from all sides. Everybody came in at the last minute. There has been so much complaining and confusion about the budget, going forward, Ms. Villano and Ms. Collins will sit down and come up with very distinct deadlines and how the budget process is done. Ms. Downing's concern is that right now, it is the eleventh hour. Mr. Gregoire said that if we commit to a standard, it's across the board. He was expecting to finalizing things, but because of the two departments that came in today, that is not possible. Mr. Alves asked about the budget being forwarded to the precinct members? He asked if it was a requirement. It is not, best practice is sending it out, but it can be presented at Town Meeting. The deadline is for the mailing of the Warrant.

Ms. Collins went through the adjusted changes on the summary sheets, as follows:

The Town Administrator had an updated quote for Property & Liability Insurance. She was able to cut $25,000 off that budget. In reviewing the Recap, she noticed that the Snow and Ice budget deficit is level with last year. Her concern is that the deficits have been around $150,000 on an average. The amount budgeted is $13,000 bring the amount to $38,000, which is low, but there is excess levy to cover it.

The Selectmen approved a position for a split sergeant on the Police Department. They approved it contingent upon it not increasing the budget and affecting the levy. In the process of doing that, Mr. Goncalves noticed that the Golf Enterprise deficit, raising $100,000 raised another $11,000 for a capital item that was paid for. She removed both of those items which brought the levy up by $110,000, which covered the PD position. That is why the levy did not decrease.

The DPW spoke with the Selectmen and they approved $36,740, because the DPW believed they had money in their budget to cover the other half of that request. They did not have the funds in their budget. That money will be removed from their budget. They also added the $95,000 because it was mandated. That email was shared with Mr. Gregoire. He stated that the Assistant Engineer clarified that the MS4 Stormwater Requirements costs were paid out of their Contracted Services account for the 1st year. They negotiated down the year 2 costs and paid that balance out of their Contractual Services. The year 3 costs were scoped around year 2 and most of the year 3 costs are not going to be completed because they don't have the software forces to perform the work. Their working to bring the costs down and then there is the year 4 costs. It's a $95,000 quote and it's mandated. The Selectmen agreed that the amount had to be added to the budget. The hope is that the DPW will be able to cover some of the cost, but there is no grantee. Ms. Downing said this is a 10-year project and some sort of revolving fund will need to be looked at. Ms. Collins said this is money already coming into the Town which is already being relied on in Local Receipts. Ms. Collins said the revenue and expense is being taken away and there is no effect on the budget. Mr. Gregoire said there are other avenues to address the issue. He researched other communities and spoke about some other ways for an alternative approach.

Ms. Collins looked into the agreement with MGM. They have been paying on target. Year 3 for FY"22, they will receive the payment. They paid $100,000 for year 1, $175,000 in year 2, their

slated to receive $100,000 for the next 3 years, $175,000 in year 6 and $100,000 in years 7,8 and 9. She did add the $100,000 into the Recap which helped with the excess levy.

After all the changes there is a 3-cent increase in the tax rate, which equates to a little over $100 on the average tax bill and $191,931 in excess levy. They spoke about the study done with MGM which happened in 2013. Ms. Villano might know about that study. Ms. Collins will look into it. There was conversation re: the 3-cent increase and the increases and decreases in the budget to make up that final outcome. There was also conversation relative to what positions were approved overall on the requests of the departments. Ms. Downing said this is not balancing the budget because of some of the extras in money they received from MGM, COVID etc. Mr. Alves had several questions for Ms. Collins re: the changes mentioned and agrees with Ms. Downing that the budget is not an all-encompassing view of requests and how tight will this budget get for all the requests accepted. Is the Free Cash being applied to Capital, bills, recurring items etc. Ms. Collins points out the Free Cash and what has been approved. Free Cash is not used for recurring items. It's been used for Stabilization for Reserve, Infrastructure, Classification Plan, Leases, individual one-time purchases. They should have $5-600,000 in Free Cash once all items are approved. Mr. Gregoire touched upon the trash fee. There will be a meeting with MUNIS to try and get the trash bills out and hopefully the due date will be before June 30th. If they don't receive the money by June 30th, there will be a revenue deficit.

Mr. Gregoire said that there is a regular meeting for next Wednesday. Because of Patriots Day, there can't be a meeting on Monday. Mr. Alves and Mr. Gregoire will participate in the Selectmen's meeting next Tuesday. The committee will be meeting every Wednesday before Town Meeting. Another meeting could be added. Ms. Tokarz will send out a memo to see what other dates for a meeting would be feasible.

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Moved by Ms. Downing, seconded by Mr. Alves to adjourn the Finance Committee Meeting at 8:40 p.m.

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

Ludlow Finance Committee