April 21, 2021

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2021 JUN 17 A 10:36
TOWN OF LUDLOW

Regular and Budget Meeting of the Finance Committee held on Wednesday, April 21, 2021 beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall. All members attended the meeting in person.

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

Members excused: Nicole Parker and Christopher Ganhao

Kimberly Collins was also present

First Order of Business: The Pledge of Allegiance.

Regular Meeting:

Mr. Gregoire stated that all members are participating in person. There are seven members in the room. There are no visitations or correspondence. He asked if there were any updates on the Senior Center Project and the School Project. Mr. Moskal said there is nothing different from the last update with the exception that all Grab and Go lunches are being served from the new Center, three times a week. The Director is taking appointments for specific areas. Ms. Downing said there are no updates. She will be meeting with the School Building Committee on Thursday evening.

Mr. Gregoire spoke about reorganization of the committee. At this meeting, the committee would elect an acting chairperson and then reorganize at the regular meeting in May. Ms. Downing volunteered to act as chairperson.

Moved by Mr. Alves, seconded by Mr. Moskal to approve Ms. Downing as temporary chairperson at the May meeting.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve and sign the Finance Committee Minutes of March 24, 2021 with everyone in attendance
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Ms. Boyea to approve and sign the Finance Committee Minutes of March 31, 2021 with one member absent, as written.
Vote: 7-0 in favor

Moved by Mr. Alves, seconded by Ms. Cavallo to adjourn the Regular Meeting and open the Budget Review Meeting
Vote: 7-0 in favor

Budget Meeting:

Mr. Gregoire explained to the committee that at the Selectmen's Meeting, held on Tuesday evening, Ms. Collins and Ms. Villano presented the Level 2 Budget to the Selectmen that was reflective of some of the increases that have been discussed. The Selectmen approved the Budget

which will move forward to Town Meeting. Mr. Gregoire and Mr. Alves explained to the Selectmen that it would be beneficial for the Board to wait and not send the budget to Town Meeting members to allow Finance to complete their recommendations. The Selectmen made the decision to send the budget out, well in advance of the committee's recommendations. On May 4th, the Finance Committee will provide their recommendations to the Selectmen. As a result of the Selectmen's vote, any change that would be made from the Level 2 Budget would need to be handled by an Amendment to the Budget at Town Meeting on the floor.

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Ms. Boyea asked what their reasoning was for not waiting until they received recommendation from the Finance Committee? Mr. Gregoire said the committee was under the assumption to complete the recommendations by the 23rd., so that the committee would meet with the Selectmen and have the recommendations to present to them. Ms. Collins was under the impression that the Selectmen's meeting was the deadline for the budget. If they didn't approve the budget, no one would see the budget until the night of Town Meeting and it was the belief of the Town Administrator, Ms. Collins and the Board that it would not give the precinct members enough time to review a 74-million-dollar budget. She said that there were times in the past where the Finance Committee provided the recommendations at Town Meeting, but the budget went out beforehand. There wasn't time for the committee to vote on anything, because of long meetings and technical issues. Ms. Downing said that the committee scheduled meeting in order to finish the recommendations. Tuesday evening, however, there were problems with departments that hadn't worked on their budget before meeting with the committee, because they didn't know that they had to. Meetings started late, the usual practice is that the departments change their budget, then there are the recommendations, they put in their needs, the committee gets a copy of that in advance of their meeting. The departments came in not knowing their budgets. She thinks that there was a lack of knowledge on how to prepare their budgets this year. The committee couldn't make decisions because the members didn't have numbers to finalize some of the departments. The committee has always been in sync with the Selectmen so the precinct members would get a detailed budget. The only time it was put on the stage and not mailed was because we couldn't finish the Warrant in time.

Mr. Gregoire said that it's frustrating this year. It's not enjoyable working in two different spheres and not working back and forth where there has been and could be good relationships. He believes that the committee still has a good relationship with the Selectmen. There are areas where the committee can make some changes but the task now is to finish the deliberations and vote based on the benefit of Town Meeting. He will speak with the Selectmen, but the committee has a duty to provide Town Meeting with recommendations that the committee decides upon. Ms. Boyea asked that if the Selectmen wanted the committee's recommendations this early, the budgets need to be provided earlier. The committee has been meeting once, sometimes twice a week since the beginning of March. It's not as if the committee is not putting in the work. Ms. Tokarz feels that the whole process was different this year, more so than last year. There were two people doing the budgets, the committee didn't get all the information early and she believes that many departments were confused, they didn't know what adjustments were made in their budgets etc. Mr. Gregoire said the committee will continue to talk about the process and try to continue to work with the departments and improve the process next year, earlier than this year and work with the departments as liaisons to better understand their needs.

Ms. Downing agrees with everything. She feels that there are good relationships with the Selectmen and the departments. She feels that there needs to be better communication rather than use the word relationships, which the committee always had. Mr. Alves agrees with everyone else and similar to what was said. The amount of time that has been spent working with the budgets, not until this meeting is the committee comfortable with making approvals. He was surprised that the Selectmen were comfortable voting on the budget when the committee was still not ready to make decisions.

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Mr. Gregoire said that the committee will continue to go through the Level 2 requests. It makes sense to look at the worksheets that Ms. Collins provided in terms of the summary sheets and some of the changes that were made, to get an understanding of anything new and talk through information that was received from departments.

Ms. Collins reviewed the Recap sheets. The only thing that changes in terms of the budgets from the last meeting was there was a reduction to Recreation Commission for $26,091, bringing their budget to $421,019. In looking at their budget for the past 6-7 years, the highest budget was $390,000. In FY'20, their budget was $388,000, when they were holding camp and the pond was open and everything was functional. In FY'21, their budget was reduced to $324,000 and that was strictly because they shut down the pond, afterschool program and summer camp. The reason for the $26,000 cut was there was no real explanation for why they were asking for almost a 40% increase in their budget. They calculated at 30 councilors, what they would need and added 12 ½% for minimum wage increases for the past two years. With that decrease, their budget is still $421,019. Ms. Downing said that the biggest issue with them over the years is the number of councilors that they think their going to hire which is usually 40. They were asked a few years ago to calculate how many campers they serve and what was the level. The committee saw that the level kept going down, so the committee took the line item and lowered it. They were told that if they get an increase in camper's they go to Finance for more funds. They always requested to many councilors. Their estimates were always too high, based on the history of the number of campers coming in. Ms. Collins said that their minimum wage increases, is the majority of their budget. Mr. Gregoire is confused about the Recreations calculations that they provided. The calculations and number that was budgeted were different. There was discussion regarding the different calculations that they provided between the different tiers. There have been 2 minimum wage increases since FY'20, so Ms. Collins did factor in those increase percentages which was $30-40,000. There was further discussion on the number of councilors, etc. and the lack of information given by the department to make a clear recommendation on what their budget should be. The other issue is there is not an option to bring departments back for a discussion because of the time constraint. Mr. Alves stated that if there was no additional information provided by the department he would not be in favor of any increase over the last year. Ms. Boyea said going forward the departments that have issues with their budgets should meet with the committee early in the process so if they have to meet more than once, there will be time to do that. Ms. Collins said that it would be beneficial to have liaisons to departments to get a better understanding of their budgets. The committee always had liaisons, but didn't approach the departments last year because of COVID.

Ms. Collins said the only other changes are on the Tax Recap side. The majority of the adjustments are coming from the governor's budget proposal. There were increases and

decreases in certain line items and all it does is affect the levy increase overall. The reduction from Recreation overall was plugged into the Snow and Ice deficit. She explains that the deficit for snow and ice last year was $13,000 and that is what the figure is for this year. We are upwards of $100-150,000 because of a mild winter. She wanted to put money into the deficit, so that if it is raised on the Recap, there will be enough money to do so. The other items were in Free Cash. The Police Chief has asked for an Article for Overtime. She used $100,000 as a place holder. The Board of Selectmen wanted to set up an article for the 250th Celebration for Ludlow for $25,000 and $163,906 was added for Capital Projects. After everything was approved, the total was $402,419. At the time the Level 1 budget was set up, she didn't have all of those requests in. Total Free Cash for Capital Projects was $402,419.

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Ms. Downing asked how many positions were added. She knows that a position for Human Resources went from part-time to full-time and there are two at DPW. At the DPW, there were two slots that were approved that were never filled. Then they asked for two additional slots, one of which they would absorb in their department, but found out they couldn't absorb anything. So, there are three additional people that they didn't have in the prior year. Ms. Collins said that they have a 5% overall increase which included the two PW3 positions, that they had on the books, but didn't fund because the Town did not fund positions. Then the Level 2 increase is $37,000 for one PW1 which brings the total to 3 positions. Ms. Collins said it's technically one new position. The other two, they had in their budget. In FY'21, money for the two positions was taken away from them, but in FY'22 the money was put back because they need to hire those positions. The Selectmen agreed to give the DPW $37,000 to fund one of those PW1 positions, but they have two PW1's available to them; one of them won't be funded. In addition to that, there is $95,000 for the State Mandated MS4 for storm water. The DPW talked about a mechanism for them to charge residents in Town a storm water fee. That would be able to go into a Revolving Fund to cover the charge. That is a State mandated issue and they don't know if that can be done. There is no current source of revenue to fund the mandate. The Police was given a Sergeant's position and the $107,919 covers the Sergeant, if they get a career incentive and the EMT Stipend. In Dispatch they had a position that wasn't filled, so Ms. Collins took it away, and then the Police filled that position during the year. That is why their budget went up 14%. Ms. Downing said that they have 4 ¼ positions if you count the part-time position to full-time. Her issue is that fringe benefits didn't increase. There is a grace period of one month holiday, but that won't continue. Why wouldn't fringe benefits increase? Ms. Collins said that the intent is there are several buffers that are put in fringe benefits by the Treasurer for health insurance, in case people are added on to the insurance or come off it. Those positions are included in the buffer for this year. Next year fringe benefits will be calculated again, based on what is being paid out and then the Treasurer would be adding another buffer for next year. Last year's fringe benefit budget will have more or less $700,000 remaining for FY'21. The budget for fringe benefits is based on the prior year people who are enrolled and Ms. Barros calculates the actuals. The insurance is decreasing by a negative 6% this year, there is not an increase to health insurance. It's based on actuals not on history of what the prior year was. There were additional budget discussions with Mr. Gregoire, Mr. Alves and Ms. Collins re: Listing of Enterprise Funds, Deficits, Golf Enterprise Fund numbers at $699,134 which will increase the Levy. Ms. Collins will adjust that number. The Levy will increase to $374,336. The Recap assumption and Levy will be different. The Recap is a budgeting tool and figures are not sent out to precinct members.

Ms. Downing asked if the trash expenses increase? Ms. Collins said they did. She also asked about the school. Additional salary requests were $260,000 and Additional General Expense requests were $375,945. When the school met with the committee, Ms. Downing asked if the $260,000 will be covered by COVID dollars? The number of $241,997 has been calculated in to their budget. Ms. Collins said that when Mr. Gazda requested his level service budget, it was a 6% increase over last year. Ms. Collins reduced it to 4% in hopes to stay within the Levy limit. They couldn't, so the Budget Sub-committee made the decision to put the original request in at 2% because they couldn't fund all the departments with such a large increase in the schools. The $241,997 brought the total school budget to 2.79%. Mr. Gazda will rely on COVID grants to cover the money that was cut, but it is not specifically for COVID items. That would be on the Level 2 increase. There was discussion back and forth on what was said at the meeting with the school department.

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Mr. Gregoire spoke about the Sergeants position. What does the $107,919 cover in the Level 2 Budget. Ms. Collins said the $107,919 is for the new Sergeants position that the Selectmen approved. In the police budget, there was supposed to be a line item for a patrolman that was to be unfunded. They needed a position to hire another person. That was a $57,000 item that the Chief added to his budget request that should not have been there. He also forgot to add a $75,000 Sergeant position. He only listed six positions and there are seven positions. The net between the two figures brings a deficit in his budget of close to $20,000. It has not been added back in. There should be money in his budget to fill that deficit. He also asked for $200,000 in overtime. There wasn't money available to be adding all of his requests. Ms. Cavallo asked if the Chief will be asking for the money at Town Meeting? Ms. Collins informed him that the $20,000 will not be funded. Ms. Cavallo mentioned the 9 positions that he wanted. Ms. Collins hopes he doesn't ask for that request. If he does and the Precinct Members approve it, the Town will have to vote on a 2 ½ Override.

The committee will vote on the Level 1 budgets that had no changes:

FY'22 Level 2 Budgets/Depts. that have no changes.

Moved by Ms. Downing, seconded by Mr. Alves to approve the Conservation Commission's budget in the amount of $36,474.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Planning Board budget in the amount of $150,516.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Board of Appeals budget in the amount of $5,176.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Public Buildings budget in the amount of $730,992.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Dispatch budget in the amount of $509,603.
Vote: 7-0 in favor

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Moved by Ms. Downing, seconded by Mr. Alves to approve the Fire Department budget in the amount of $3,113,949.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Moskal to approve the Ambulance-EMT budget in the amount of $1,053,159.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Building Inspector's budget in the amount of $231,826.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Sealer of Weights and Measures budget in the amount of $4,490.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Safety Committee's budget in the amount of $2,533.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the DPW Snow and Ice budget in the amount of $240,000.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Traffic/Street Lighting budget in the amount of $291,000.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Hubbard Memorial Library budget in the amount of $521,832.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Historical Commission Budget in the amount of $1,420.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the General Interest/Debt budget in the amount of $2,501,586.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Fringe Benefits budget in the amount of $15,863,090.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Moskal to approve the Sewer Enterprise Fund budget in the amount of $1,774,988.
Vote: 7-0 in favor

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Moved by Ms. Downing, seconded by Ms. Boyea to approve the Landfill Enterprise budget in the amount of $10,000.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Moskal to approve the Golf Enterprise budget in the amount of $699,134.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Cable TV budget in the amount of $396,946.
Vote: 7-0 in favor.

Mr. Moskal asked where the Cable TV budget comes from. Ms. Collins said that Cable is a Receipts Reserved for Appropriation Fund. All the revenue that comes in funds their budget. This year there is $150,000 for broadcasting in the High School auditorium and improvements that their making. That money comes from Retained Earnings.

The Warrant will be ready to send out to the committee on Thursday. Next week we will start scheduling departments to review the Articles.

Mr. Gregoire said that he would like another opportunity to have information provided from the Recreation Department about the buildup in FY'22, and a question to the school on the increase on their Level 2 budget. What makes up their increase in the Level 1 budget and how much is related to COVID items and general operating concerns and whether or not they would be a subsidy from COVID dollars. Get a response from the Superintendent.

Mr. Moskal wanted to know the status on the trash collection fee. Ms. Collins said that there are issues with uploading the data into MUNIS in order to bill. After the meeting with MUNIS, hopefully the billing will take place in one to two weeks. The money would be due on May 30th and the hope would be to collect three quarters of the money by June 30th. There will be a revenue deficit if not enough revenue is collected above what is budgeted or you don't have an available budget in the expenditures. At the end of FY'21 there will be $600,000 left in Fringe Benefits and Free Cash can be used to cover the revenue deficit, if the money doesn't get billed out before the end of the year.

Ms. Cavallo asked about the trash and the change to big containers, and bags. Ms. Collins said that there was a meeting with the Selectmen and DPW. The DPW had voted to go with using all purple bags. The Selectmen approved it and that money would be used to purchase bins, and move towards a fee system for those bins. The DPW decided to reverse their vote and vote to charge a $100 flat fee. That fee would mean that purple bags are still used for overflow trash, bins will be filled with regular trash bags and each household will pay $100. That is the $646,000 in revenue on the Recap sheet. This fee will stay in place until otherwise stated. There will be an abatement that seniors can file for. She doesn't know the specifics. Mr. Gregoire said that everyone will get billed the same rate and the seniors will have to file for an abatement in

order to pay the reduced rate. Ms. Boyea asked about the grant that was proposed when the purple bag option was being implemented and also has an explanation gone out to the residents re: $100 fee? Ms. Collins said that when the DPW was proposing the grant for the purple bag idea, there was an Executive Director who was in charge of that. He no longer is employed by the Town. Now the fee is being proposed and there has not been any information sent to households. There could be information on the DPW website. There was more discussion on the fee and what other measures could be taken by the DPW to inform the residents. Mr. Gregoire will ask the DPW for an update to all the questions mentioned.

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FY'22 Level 2 Budgets/Depts.

Moved by Ms. Downing, seconded by Ms. Boyea to approve the Assessors budget in the amount of $301,939
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Property Liability budget in the amount of $675,000.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Ms. Boyea to approve the Emergency Management budget in the amount of $19,000.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Ms. Boyea to approve the Animal Control budget in the amount of $29,877.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Board of Health budget in the amount of $361,757.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Council on Aging budget in the amount of $454,070.
Vote: 7-0 in favor

Moved by Ms. Downing, seconded by Mr. Alves to approve the Veterans Services budget in the amount of $382,840.
Vote: 7-0 in favor

The only department left to vote on are IT, Police Department, HR, DPW, Recreation and Schools. Votes will be taken at Monday's meeting. The Warrant will also be reviewed and decide what departments to meet with. The intention is to meet in person if possible.

Moved by Mr. Alves, seconded by Mr. Moskal to adjourn the Finance Committee meeting at 8:05 p.m.
Vote: 7-0 in favor

Ludlow Finance Committee