December 20, 2023

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TOWN OF LUDLOW

Meeting of Finance Committee held on Wednesday, December 20, 2023, beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Tony Sanches, Aneta Lombardi and Susanne Boyea

Members excused: Matais Goncalves and Dolly Cincone

Mr. Shawn Teece and Mr. Marc Strange were also present.

First Order of Business: The Pledge of Allegiance

At this time, Mr. Strange presented Level 1 budget summary. For 2025 prior year Levy limit is $49,887,699 with 2.5% maximum tax revenue increase of $1,247,192. New growth which is usually a 5-year average is expected to be at $571,395. Local receipts have been pretty consistent, any overage will go to Free Cash (which is used to fund capital improvement projects). State aid has increased in the 1% range over the last 5 years and there were a couple of years where it decreased, so for now the state aid is estimated to be level funded. Budget increase is currently at approximately $1.8 million. Retirement contributions for the town and school are expected to increase by $400 thousand (based on 5 year average) and health insurance costs for both the town and school is anticipated to be at $1 million (average increase of 8%); actual numbers will be known by the end of January. Contractual increase for trash collections is $143,573 and contractual town salary increase is at $377,021. After adding up the increases mentioned above, we're above the $1.8 million increase. Currently we're $2.6 million over the levy capacity; this number will continue to go down as it includes all budget cuts are being made. The town is looking at possibly increasing fees for next year as compared to other communities our fees are lower. The Level 2 budget is due to the BOS and Finance Committee by January 12th and should be presented at the next Finance meeting.

Following level 1 budget discussion, Mr. Strange presented an overview of Capital Improvements Project committee requests – 5-year plan. The estimated Free Cash beginning balance will be $4 million. Projects include:

- General Government:
  - Finance Committee Reserve – $100 thousand
  - Stabilization Fund - $1 million
  - Building Infra Article - $100 thousand
  - Police overtime salaries - $100 thousand
  - Previous year's bills - $15 thousand
  - OBEP - $250 thousand
- BOS
  - Additional funding for LHS sports complex - $561 thousand transfer from ARPA funds
  - LHS wall repair - $500 thousand
  - Town vehicle - $65 thousand (might be withdrawn)
- DPW

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  - Excavator, two pickup trucks and bobcat compact truck loader - $395 thousand for 2026
  - Pickup truck, wheel loader and excavator - $316 thousand for 2025
- Fire department
  - Fire engine – $160 thousand in 2028
  - Fire tower - $335 thousand
  - Ambulance subscription – $346 thousand from fund
- COA
  - Lift van - $35 thousand
- Library
  - Historic windows - $220 thousand
- Police department (for 2025)
  - 2 patrol replacement vehicles - $135 thousand
- School (for 2025)
  - LHS upgrades – $24 thousand
  - BMS upgrades - $24 thousand
  - East upgrades - $24 thousand
  - Pick up truck - $48 thousand
  - East St parking lot & sidewalk replacements - $53 thousand
  - East St fire replacement panel - $115 thousand
  - LHS main gym - heat only - $170 thousand
- Golf
  - Carts - $73 thousand (from golf operating budget)
  - Kitchen upgrades, Toro Sandpro, Greensmaster and Kubota – total of $148 thousand (from retained earnings)

Total Free Cash used - $3 million leaving $1 million for ending balance.

Afterwards, the committee reviewed the remaining 2025 budget calendar dates.

Moved by Ms. Boyea, seconded by Ms. Lombardi to adjourn the Finance Committee Meeting at 7:00 p.m. Vote: 3-0 in favor.

Anne Lombardi

Susanne M Boyea

Ludlow Finance Committee