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Town of Ludlow, Massachusetts
Finance Committee Joint Meeting

Minutes of February 4, 2026

Meeting began at 6:00 p.m.

Members Present: Tony Sanches, Susan Boyea, Mike Kelliher, Michael Kelley, Aneta Lombardi, Chad Mullin, and Bill Nicoll

Also Present: Marc Strange, Town Administrator, and Cheryl Allen, Finance Director (Remote)

Members Absent: Susan Boyea and Michael Kelley

First Order of Business: The Pledge of Allegiance

Mr. Sanches congratulated Cheryl Allen on her promotion to Finance Director.

OLD BUSINESS

Committee to review current fiscal YTD Municipal Expenditures:

Committee is going to review at a later date.

NEW BUSINESS

FY27 Budget Workbook review and discussion:

Mr. Nicoll attended the School Committee budget subcommittee meeting where Dr. Tiano presented one option in order to close the budget gap. That was staying within the 2 1/2 % which Mr. Strange spoke about. The school committee would like to see more than one option, especially with all of the confusion with the actual budget. Mr. Nicoll did suggest they hold off on voting on the budget for another week.

Mr. Kelliher agreed that the School Committee should hold off on the vote for the budget. There have been too many versions of the budget thus far and they should definitely hold off voting for now.

Mr. Sanches explained that the Governor's proposal is in the packet and looks like there was an increase to Chapter 70 from last year. It should be about a 2.21% increase. So, they are proposing \$15.184 million to the schools, that may help close the gap.

Mr. Mullin stated that he attended the Select Boards meeting last night and the Town Administrator did provide an update as of yesterday to the budget and where they were at. Mr. Mullin and Mr. Strange did press the Select Board on priorities for the Finance Committee to work through with the Town Administrator moving forward. They talked about the deductibles for the health insurance to \$1k/2k. A number of the Select Board members wanted to stay at the 2.5% increase for the schools. Mr. Strange is going to present the 3% as well just to see what that looks like. They also talked about the reclassifications and the new position requests that have come through. That is still being looked at, and Mr. Strange will present some numbers for that as well. The takeaway from the Select Board priorities was looking at increasing the deductibles, the 2.5% for the schools, but also looking at the 3% and reclassifications and new position requests that are before the town.

Mr. Sanches asked if there was any discussion from the Town Administrator as to how he got to this positive \$222,085.

Mr. Kelliher stated that it was local aid being higher than anticipated but he couldn't find it on the cherry sheet.

Mr. Mullin stated that it was the Governor's numbers coming in higher and that was a further windfall from the initial plus the health insurance going from 18% to 15% to 11% to 7.51%, which is where we are now.

Mr. Kelliher agrees that with the health insurance increase being at 7.51% and the cherry sheets being better than expected is the reason for those numbers we are seeing now. They have not worked in the options in terms of the higher deductibles in health insurance, so those levers are still there.

Ms. Boyea stated that the levers should not be needed now that they have a positive \$222,000.

Mr. Kelliher stated that there is \$222,000 in excess levy capacity at this point.

Mr. Sanches stated that it is without the \$1k/2k deductible, without any increase in receipts and no trash fee increase.

Mr. Mullin explained that the Select Board did have some conversation about the local receipts and it was very conservative. They don't want to increase them unless there is something more tangible that they could hang their hat on to warrant an increase.

Mr. Kelliher asked if the new position of Recreation Director was going to address the issues the town has with the parks? There is a lot of maintenance issues with the fields. He feels there should be a clear plan laid out before voting for that. There was discussion about two new Firefighters being funded through the ambulance subscription fund and there was some mention that it shouldn't come through there, that it should be in the budget. He also mentioned seeing what the school budget will look like at 2.5% and 3% because at 2% there were 10 FTE positions being cut and he would like to know what kinds of cuts there will be.

Mr. Sanches did state that the school will still be approximately \$600,000 in the deficit so they will still need some kind of cuts and also reminded the committee that FTEs are hours not people.

Ms. Boyea asked what the overage actually does. Do they have to spend all of it.

Mr. Kelliher stated that it will affect the tax rate.

Mr. Sanches stated that the Select Board still has to decide on reclassifications and new positions.

Ms. Allen stated that having unused capacity means the town has room to raise taxes later without exceeding the limit.

Ms. Boyea agreed that it makes sense to spend it.

Mr. Mullin asked if he is going to give a new presentation with the updates.

Mr. Strange stated that he will probably have everything ready for a new presentation on March 3rd. He explained that one of the articles is going to be a bond for public safety complex and Vets Park. They are waiting for an updated cost on the public safety complex for HVAC. Last year it was around \$4 million. Capital wanted to push it off a year. Vets Park will be updated

fields, gazebo, playground equipment and a couple of pickle ball courts. These will be debt exclusions. This will be about \$7.5 million for both.

Mr. Sanches stated that that will add to maintenance in town.

Mr. Kelliher asked what changed on the cherry sheets.

Mr. Strange stated that it was mostly chapter 70 and assessments. He also stated that if they go up on the health insurance deductibles then the rate will go down to about 4%.

Mr. Sanches stated the Health Stabilization Fund will help and having the option to increase the deductible again will also help.

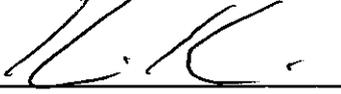
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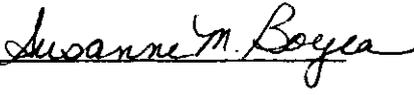
Mr. Sanches read the letter from Jamie Tomas, DPW Director, regarding the Snow and Ice Budget being over expended as of January 23, 2016.

Moved by Mr. Mullin to adjourn, seconded by Mr. Kelliher. Vote 5-0. All in favor.



Chairman



Ludlow Finance Committee