

January 16, 2018

The meeting of the Board of Selectmen held on Tuesday, January 16, 2018 beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall.

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Members Present: Chairman Brian Mannix, William Rooney, Manny Silva, Carmma Fernandes. Derek DeBarge was absent.

First order of business: The Pledge of Allegiance.

Correspondence

20. Dana Cormier request to be considered for the Ludlow Board of Registrars position. Moved by Mr. Mannix seconded by Ms. Fernandes to schedule an interview for Dana Cormier. Vote: 4-0 in favor.

21. Michael Sweeney, Executive Director Massachusetts State Lottery notifying the Board that the following agent Basic Mini Mart, 192 East Street will be eligible to sell the Keno to go product. Moved by Mr. Mannix seconded by Ms. Fernandes to file item #21. Vote: 4-0 in favor.

22. Chief Madera, Police Department request to charge off medical bills and lost wages to Chapter 41, Section 111F for injuries sustained by a Police Officer on December 30, 2017. Moved by Mr. Mannix seconded by Ms. Fernandes that we charge off medical bills and lost wages to Chapter 41, Section 111F for injuries sustained by a Police Officer on December 30, 2017. Vote: 4-0 in favor.

23. Robert O'Connor, Director informing the Board that the Whitney Field Bleachers project was not selected for the Parkland Acquisitions and Renovations for Communities Grant Program funding for this year. Moved by Mr. Mannix seconded by Ms. Fernandes to file #23. Vote: 4-0 in favor.

24. Aurila Batista requesting to be appointed as a Democratic Election Officer. Moved by Mr. Mannix seconded Ms. Fernandes upon the approval of the Democratic Town Committee that Ms. Aurila Batista be appointed as a Democratic Election Officer.

Unfinished Business

Board to sign Local Licensing Authority Review Record for Primavera Restaurant

Board to approve and sign the Selectmen minutes of October 4, 2017. Moved by Mr. Silva seconded by Mr. Mannix to approve the Selectmen minutes of October 4, 2017 with all members present. Vote: 4-0 in favor.

New Business

Board to review and approve the ballot questions wording – pending Special Town Meeting approval. The language has been reviewed and approved by Town Council and Bond Council. Mr. Mannix has questioned that there is no amount being there and so called the amount being there and so called the amounts required to pay for the bonds so anybody could come up with any number for the dollar amount that they wanted to make it a hundred million dollars. Ms. Villano stated that it is approved at town meeting with a dollar amount. Mr. Mannix it is not here on a questions why am I giving you a blank check for whatever amount may be required. Ms. Villano said this is the way the ballot questions have been presented, it is the taxpayers taking on the debt thru debt exclusion I am sure the educationally process will be fully vetted from this point forward up until the time of the election. Mr. Rooney when does this have to approved by.

Moved by Ms. Fernandes seconded by Mr. Silva that we approve the ballot question wording as written. Vote: 4-0 in favor.

Board to abate the Selectmen's Invoice #543 for the Corner Café as follows, Common Victualler \$20.00, Entertainment License \$20.00, they are no longer in business.

Moved by Mr. Mannix seconded by Mr. Silva to abate the Invoice #543 for the Corner Café. Vote 4-0 in favor.

Board to approve and sign the Memorandum of Agreement between the Town and the National Correctional Employees Union Local 130 (Dispatch).
Moved by Mr. Silva seconded by Ms. Fernandes to approve the Agreement between the Town and the National Correctional Employees Union Local 130. Vote: 3-1 in favor, Mr. Mannix opposed.

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TOWN OF LUDLOW

6:15 p.m. Liquor License transfer for Laires, Inc. DBA Primavera Restaurant.

Attorney John DaCruz on behalf of Laires Inc., Kyle Laires and Kim Laires.

Moved by Mr. Mannix seconded by Ms. Fernandes to open the public hearing on the Liquor License transfer for Laires Inc. at 6:15 p.m. Vote: 4-0 in favor.

Mr. Rooney: For clarification there does not need to be notification of abutters.

Ms. Villano: Correct.

Mr. Rooney: Attorney DaCruz tell us what you have here?

Attorney DaCruz: As you indicated we a transfer of a Liquor License and looking at the application, there is three things that we are looking for it is the transfer of the license, the pledge of the license and the change of Manager regarding Primavera Restaurant from Dias Nuno Inc. the Manager of record, we submitted Kyle Laires and the owner is Kim Laires and George Laires they are the two shareholders in Laires, Inc. the application is completed everything is the same and nothing is changing other than the license is being transferred and the ownership is going to change. Kyle and Kim are here if you have any questions for either one of them that is pretty much it.

Mr. Rooney: Any questions or comments.

Mr. Silva: You are TIP certified, right.

Mr. Laires: Yes.

Attorney DaCruz: I have provided a copy of the certification.

Mr. Silva: Kyle you have been doing this for a while so you know what is going on and what is required.

Mr. Layers: Yes I have been shadowing to see what goes on there.

Mr. Silva: I have known the Laires for quite some time and I have no issues.

Ms. Fernandes: Your, experience in dealing with Alcohol and Businesses in restaurants.

Mr. Laires: I worked at school as well and served at events I served wine and liquor, I was Tippi certified at school and had to do it again for this.

Mr. Mannix: I am all set.

Mr. Rooney: We are looking for three separate motions one to transfer the license, one to pledge the license and the other to change the manager.

Moved by Mr. Silva seconded by Ms. Fernandes that we change the license for the manager for Primavera Restaurant on East Street. Vote: 4-0 in favor.

Moved by Mr. Silva seconded by Ms. Fernandes to allow the pledge the License to Primavera to the Laires. Vote: 4-0 in favor.

Moved by Mr. Silva seconded by Ms. Fernandes to transfer the license from Dias Nuno, Inc. to the Laires, Inc. Vote: 4-0 in favor.

Moved by Mr. Mannix seconded by Ms. Fernandes to closing the hearing at 6:20 p.m. Vote: 4-0 in favor.

Visitation - Fire Chief Pease

Mr. Rooney: This is a follow up from our last meeting concerning your request for action taken by this Board for the Deputy Chiefs position. At that time we had some questions and some concerns and we decided to withhold any action and invite you in.

Chief Pease: Before you have any questions I would like to give you an up to date on the description of the job and what the Deputy Chief has been doing over the last few years with our department. Just to give you a little bit of an overview in 2001 we did 1602 medical calls. In 2017 last year we responded to 3183 which is essentially doubling that number in a period of sixteen years just looking back further to 1988 we had thirty fulltime firefighters and responded to 560 medicals and generated about twenty three thousand dollars' worth of income for the ambulance service back then the cost of operating was about fifty eight thousand dollars essentially the town was running in a thirty five thousand dollar deficit. Last year we have 2017 thirty two firefighters that is counting the whole department we responded to 3,281 medicals the operating budget of the ambulance service was close to nine hundred and fifty thousand dollars between the ambulance subscription and the revenue generated actually income to the town we have close to one point two five million dollars coming in which the difference there operating is close to three hundred and five thousand since the development of the Deputy Chiefs position he essentially is our Emergency Medical Director his job first and foremost is to manage the

ambulance service right now we run three paramedic level transporting ambulances and one engine that is essentially a paramedical engine that has all the paramedic gear right now we have oversight in our department for the office of emergency medical services which is a state organization we renew our licenses thru but we are also regulated thru the national registry of EMTs which is new sense 2016 the Deputy manages all our education and our continuing education which is essential for everybody maintaining their certification he schedules the classes that you need throughout the year for the fire department which consist of 32 EMTs mostly paramedics and the twelve at the Police Department he manages their certifications and also schedules all of their classes. One mistake with our certification or our ambulance license we could completely loose our ability to operate the ambulance service and in turn leave the town without any ambulance service to be provided, and again the income that is generated will not be there if we are not here to manage that and essentially make sure that we are providing that service and the level of quality of the service that we are providing. The Deputy Chief is also in charge of quality assurance of both our emergency medical services and our emergency medical dispatch, so he is making sure we are following the guidelines set forth by the national registry and also overseeing our narcotics and the administration of our narcotics one mistake and that could lead us in big trouble with the DEA and our medical control so if we do not have the Deputy overseeing the narcotics administration the restocking, in this day and age with opioid epidemic there is a lot of oversight and mistakes our not taken very lightly so if we were to have any error that could potentially revoke our license to operate. So, again without somebody being there every day and being the Deputy Chief to oversee that operation mistakes could be made. In essence right now we are threading water and a Captain is filling in and but they work a rotating shift so they are there a quarter of the time. I need one person that is there to oversee this operation every day of the week that basically covers most of his jobs as our emergency medical service director secondly he is also in charge of the fire training as in any industry technology is changing building construction is changing and essentially I have four different crews at the Fire Department I need one person to make sure that we get the same training on every crew and every crew is operating the same way as one Fire Department not four different fire departments the way each captain likes, so again the deputy is there to oversee the training and once again oversee the officers to make sure they are doing what they are supposed to and everybody is doing the same thing on a fire scene. Another duty is to oversee the office of fire prevention right now we have one fire prevention officer and he is tasked with doing every inspection of the Fire Department when he is not there to perform those inspections there is either a delayed or put off to perform those inspections and having a Deputy he will be able to fill in when he needs to with those inspections but he will also be the one that oversees that office to make sure they are getting the proper training for doing the right job. In my absence the Deputy Chief essentially takes on the role of the Fire Chief essentially takes on the role of the Fire Chief so he is instant in command at any fire before I get there, he is able to free up a Captain to do his job and able to make rescues stretch another line or at times we have to run the ambulance simultaneously with a fire going on. With the department being about six guys if the Deputy Chief is there and I am there we are able to provide an ambulance and continue some the Fire Fighting operation he is also there to serve as a Safety Officer so again he is watching to make sure everybody is doing their job properly. If everyone remains safe at a scene again the cost saving for 111F cannot be understated at this point, just having the oversight that is there, also another part of the job is to oversee vehicle maintenance. Vehicle maintenance is something that has to get done on a daily basis our ambulances are need of service its down for a repair he needs to coordinate that with our on sight mechanics and if they cannot do it then he needs to know where to send it out again if an ambulance is out of service it is a decrease of revenue for the town. He is also there to manage our aging fire fleet we do have some engines that are twenty five to thirty years old and if we do not maintain them properly it could result in a major repair cost and or replacement we are trying to get the most out of them to save the town money. And finally he is there to serve in my absence as the Fire Chief is I am out of town or away with my family or home with my two kids, he is the guy who is in charge of the fire scene and again just from your perspective it is a second point of failure. I intend on showing him all the Chief's duties including the budget so if anything was to happen to me there would be someone ready to assume that role if in fact that needed to happen. Just to sum it up the oversight and the continuity in both EMS training, fire training and just keeping an eye on our investment that is our ambulance service we truly need this position and there probably hasn't been a time that we need it more so than now. I have a very young staff and I myself have only been on the job for six months and having some expertise at the top in command is obvious beneficial to our department.

Ms. Fernandes: I understand especially where you are coming from especially now that our population is aging ever more and we will have even more calls and hopefully not more fires but

with an elderly population things happen so I can see where your job is going to get more and more difficult and that is amazing that you went from 1988 from making negative to now making a positive six hundred and forty five thousand dollars just in the ambulance alone. You do know why you are here the tax payers are up in arms about the increase in their taxes so we have a difficult job to balance their pocketbooks with the communities needs for services and providing those services as best as we can. You made a good point any error here and we are out of business with the Fire Department.

Chief Pease: The difference between our operating budget and the ambulance service are revenues where was about three hundred and five thousand. And Finally I asked that the Board move to fill the position to Deputy Chief and also that will result in a vacancy in the Captain position, so I would ask that we fill them in the same night.

Mr. Rooney: The reason why you are here is because we are now entering a very difficult financial picture for the town not only from a budget standpoint but with the potential for substantial infrastructure projects going before the voters in March and I do not think that there is anything wrong with bringing you in having you make your pitch I think that is a good process and it is a process that you will not be alone but my guess is that this is going to be done over and over again and we are having a discussion tonight on preliminary budget parameters it's not a good picture. So when this came up at our last meeting it did make sense to have some discussion where every penny is going. I am in favor of going forward with this position I think it is critical to public safety and I think it is the position that we need to move forward with in terms of taking the action you are requesting.

Moved by Mr. Silva seconded by Ms. Fernandes to call for a list for the Deputy Chief and the Captains position. Vote: 4-0 in favor.

Mr. Rooney: Your request was relative to an Acting Sergeant at this particular time. Why do we go thru the same drill that we went thru at this time, because the discussion we had at our last meeting was similar to what you just heard, don't you just set out where we are and what you are looking for.

Chief Madera: Currently I am without two command staff personnel due to injuries one is long term and one is currently a three to four week recovery period. The long term is what I am looking to replace it is a Sergeants position and to be replaced with an acting role it is mainly being done to save money that is the whole course on my requesting an acting Sergeant I am spending about fifty two dollars an hour on overtime to replace the sergeant I can only do it on overtime and when I pay a senior officer as an acting supervisor he still makes more than I would pay an acting sergeant. There are times you just cannot do without the supervisor you have to have them there. If I am working and there is a Sergeant then we are ok if I am working and there is a lieutenant then I am ok and if there is nobody else you need that person there. That is the request it is mainly to curtail cost I do not think I have to go into the man power issues at this particular point and time we have three officers that will be attending the academy this coming February so we are moving forward and filling those empty positions and currently on those positions we only replace as needed, it has been a strain so I think the acting sergeant would have a good impact because it will give us continuous supervision and as my letter has mentioned I have selected Detective Knox to fill that slot and it is mainly done in anticipation of the Civil service list that is being released in February 3rd. I think it would the smartest thing to do is start the training now it will be about a six month period in anticipation of the other Sergeants returning and I anticipate at that time there will be retirements and more than likely will come before the Board and ask for those positions to be filled promotion wise and that will not occur until I receive the retirements.

Mr. Mannix: We are losing a Sergeant for six months on certain shift is this replacement going to work that shift.

Chief Madera: He will have a training period, so I cannot have the Sergeant to take particular shift right away but he will be going into the area were we are missing the Sergeant right now and eventually he will rotate accordingly to seniority, but he will be working the shift that is currently vacant for a period of time until I can prepare and be sure that he can transition to a different shift.

Mr. Mannix: You have sat here before with acting positions and maybe I am wrong most of your comments and quotes were you started off my asking senior men and you went through the department and we were making selections from that form, we do not have a certified list now were assuming that maybe this person passed the sergeants exam and that is one of the reasons he is looking at it, how do we know nobody else passed or came forward because we do not have a list. You always start off one way but now all of a sudden today we are going to jump into doing it a different way.

Chief Madera: I can tell there is not official list that has been released you are absolutely correct and the list will not be released til February the only reason I know is that he passed the test is that he advised me he passed the test and that is the only notification that we have of the test being passed by that individual and all the individuals that did pass it. Civil Service will not release and give you official notification. The reason I went this route is because I anticipate this person will come before the Board for a promotional interview in the near future I do not have any reason not to take it for face value that he passed the exam. Moving forward with this particular request for an acting position, I need someone in there that is prepared and capable and the fact that this will be a good training ground for him as he moves forward in coming before this Board for an interview for that promotional interview.

Moved by Mr. Silva seconded by Ms. Fernandes to support the Chiefs request. Vote: 4-0 in favor.

Unfinished Business

Board to discuss the fee schedule (Liquor, Entertainment, Common Victualler, Building, Electrical, Plumbing).

Mr. Silva it seems like some of our fees are low compared to other communities and we have not had a restricting of the fees in some time. We should take an average of the seven communities. Mr. Rooney maybe we can do average of the amounts from the surrounding communities and how does that get implemented and when.

Ms. Villano the liquor licenses have been paid off for this year.

Mr. Silva: We will leave Class I, II and III at A \$100.00, Entertainment \$50.00, Common Victualler are \$30.00, Club All Alcoholic \$800.00, Wine Malt Package Store \$800.00, All Alcohol Package Store \$1,200.00, Wine Malt Restaurant \$800.00, All Alcohol Restaurant \$1,300.00.

Moved by Mr. Silva seconded by Mr. Mannix that we raise the fee structure to All Alcoholic Restaurants to \$1,300.00, Wine & Malt Restaurant at \$800.00, All Alcohol Package Stores for \$1,200.00, Wine & Malt Store \$800.00, Club All Alcohol \$800.00, Common Victualler \$30.00, Entertainment \$50.00 and Class I, II and III at \$100.00 for any new license as well as transfers effective immediately. Vote: 4-0 in favor.

Building Department fee schedule, if we can have the dollar amount increases recognizing what the other communities are at and for inspection amounts and perhaps if we can have that for next meeting.

Gravel Bank, special permits, one day permits for music and dance, one day permits for all alcohol and mechanical.

Moved by Mr. Mannix seconded by Mr. Silva that the permit fee for Gravel Banks \$100.00 annually, Special Permits \$50.00, One day permits \$50.00, Carnival Rides \$50.00, Sunday Permit Music and Dance \$50.00. Vote: 4-0 in favor.

Board to sign Local Licensing Authority Review Record for Primavera Restaurant.

FY2019 Budget Parameter discussion

The Budget Sub-Committee has meet four to five times which consist of Mr. Alves, Mr. Silva, Ms. Downing, Ms. Collins and myself. As a result of the discussion of the current tax rate is the current revenues are and what are current free cash is, what the budget looks like taking into consideration the state going flat we are just using flat numbers from last year and if there is any increases it will be to our betterment, we have asked the Town Account to come up with a memo outlining the reasons behind what you have in front of us and what the parameters should be fiscal year in nineteen. For the first time ever we are preparing the budget for the departments and handing them the budget based on what the parameters are, they then have to put the budget into the system review it make the changes that they feel are necessary and go in front of the Finance Committee to justify the changes that need to be made to their budget. Certain items that require a change this a new procedure for this year and we will see how successful it is this year.

Ms. Collins: All the assumptions are listed there is a two percent increase for personal and no increase to general expenses and for the town it is an overall one percent. For the School they are looking at a one and half percent to bring them to the same level. We have about one million thirty in free cash basically three hundred thousand going towards capital article, one hundred thousand going towards OPEB and a LATOS contract that will be retro come due and the remainder going into stabilization. Basically the estimated tax rate would be for all of these assumptions we chose not to assume any use of free cash or stabilization to reduce the tax rate going forward just because the effort is to lessen our alliance on free cash as a budgeting source

of funds. When we had our review with S&P one of the assertions that we really made was that we are going to try and replace the one point six million that we took out to use towards the tax rate by putting free cash back into the stabilization and then between raising fees and we usually come in a little low on our expenditure budget so all of that will go back into our fund balance and the hope is that our fund balance does not decrease next year. Without making that assertion to them there was no guarantee that our rating would not go down, that is very important that move to putting more money into stabilization, these assumptions do not include any other articles approved at town meeting.

Ms. Villano: With the exception of Celebrate Ludlow number the reserve transfer number all those numbers are in, when we say no additional articles these are monetary articles that we have no idea until they come in the door, so we are going with all the known entities that we can.

Ms. Collins: Also dispatch and any additional borrowings that happen and any added additional interest principal payments would not be included in this. We did decrease health insurance by four hundred thousand and that is included in here as well.

Mr. Rooney: When you talk about the S&P and you are talking a one point six million return to stabilization.

Ms. Collins: Return to fund balance.

Mr. Rooney: Without doing that they could not guarantee that our Bond rating would not go down what about in the reverse if we did that will they guarantee that our Bond rating will go down.

Ms. Downing: We had free cash that we put into Stabilization but we took an additional six hundred thousand out of stabilization in addition to the free cash so I think that we are looking to have it returned which is what we plugged in.

Ms. Collins: There are a lot of things that are going to come in to play in terms of what the fund balance will be at the end of the year and this is a huge part of this all of the other expenditures everything is going to come into play grants, not knowing exactly what the fund balance will be at the end of the year we do know that this large portion would need to be returned as close as we could.

Ms. Villano: Which is why we are putting six hundred back into the stabilization. The town has to make a concerted effort to rely less on using free cash against the tax rate it is something that we as a community really need to look at so this our recommendation for the FY19 budget should go by. We did talk about the three hundred thousand against the capital and we will be looking very diligently at the capital improvement this year and probably only funding the funds that we are committed for lease agreements and we are not really looking to anything above and beyond that. The Police and Fire will be coming forward with a radio communication system for your review and capital review probably for this year and it would have to be a borrowing to fund the town wide radio communication and that is one borrowing that could be added to this mix.

Ms. Downing: We have had the same parameters for the last five years which is contractual obligations as they have been negotiated and zero expenses increase and expensive have gone up in five years. This is a starting point and this could go up and the dispatchers the communication system that will bring it up unless you decide we cannot have these parameters and you want to take cuts, basically we have had the parameters for the last five years which is contractual obligations as they have been negotiated a zero expense increase, essentially this budget is lean and tight and if you put cuts into it or if you say this is too much then the only place we can cut is labor and that would mean layoffs.

Mr. Silva: There is nothing here for general expenses so what happens when electricity goes up and all the fees go up and everything goes up.

Ms. Villano: We have been lucky over the recent years the solar has been offsetting about a hundred thousand dollars to the electric bills. We have been watching the rates and locking in gas rates and electrical rates over the years and doing everything that we can to hold those cost as tight as we can. Last year we were able to cut some of the budget because some have been much higher than they really needed to be.

Mr. Mannix: To say this is the bottom line and everything will go up. As Ms. Downing said it will probably go up on that figure and as I sat in the school meeting just looking at rough numbers that everyone is throwing out we are looking at a possible five hundred dollar jump in the taxes on the average house in Ludlow in less than three years and to me that is outrageous, and do I have an answer at the moment on how to curtail them all. But the same token to start with an idea that this is the bottom line and it is probably going to go up. I am good one to plant a seeds and I want people to think. I see a couple places where possible we could make up some of that money a committee plugged in four hundred thousand dollars on the insurance part of it and for myself I could move that nine hundred thousand to a million in a half easily between contractual difference and program changes where do you start where to do you stop. I do not

know but I do not want to start by saying this is the bottom line and the only place you can go is up. No I think a lot more has to be done, I rather do something now and if things are not as bad and things were better, increase it later on and if I cut someone's budget by ten percent they can't live with it well they are going to have to live with it, come July 1st the revenue turns around and things got better you can hand them something, we need to change things and not do so many things at one time but at the same token they all cost and they cost for a long time. We have been doing debt exclusion on everything we do now, I have never looked at it realistically I cannot imagine we are not too far away from two and half dollars and cents numbers and some of these things may bring us to that and if that happens now what do we do. I do not want to sit here and say if that happens, I would like to control some it if we can before it gets to that point.

Ms. Downing: When I said this probably would go up I was considering the Dispatchers which we had no knowledge of and the communication system which we have no knowledge of, some things may go down we do not know it may be a better picture. One of the things that I do not think is that the standard budget the running of the town, the services we provide should be paid or have to be discounted because we have two projects in front of us, this budget should stand alone based on our needs and based on what services we provide to our community and these services are services the people of the community have said that they want to keep. I do not think because we have projects coming up and when the community goes to ballot they will make their decision based on the information we give them, and they are getting accurate and clear information. If you can save more on health insurance this has been a battle that we having been fighting for years and I think four hundred thousand is real.

Ms. Villano: We tried to go conservative and again the health insurance is an item that will be coming before you in couple of weeks for your decision and that may change these numbers but the departments have to start working on their budgets and we used this four hundred number with the thought of any increase in our overall cost of the health care insurance plus a savings is very possible it could be more so that number is subject to maybe move higher.

Ms. Downing: This budget is a cut from last year based on increased negotiated bargaining salaries and that is something that the Board of Selectmen handle so if you gave people nothing you keep saying it keeps going up is does because everyone's cost keep rising so this budget is based on flat. In essence they are working with last year's numbers so this is a tight budget.

Ms. Fernandes: How did you get to where the fiscal year nineteen revenues and funding sources are two point two million why did they go down?

Ms. Collins: The number from last year includes all of the articles from town meeting and this year there is nothing in their expect for the free cash and Chapter 90 and some unpaid bills for very small amount. One thing to keep in mind is that we have always stared at this point because if you look at the tax recap and you look at how much free cash you used is year over year it only continuously goes up. So every year you started at this point you were budgeting above your revenues you are spending more than what is coming in and you are relying on free cash to take care of that year after year and know we are two million in stabilization and if you continue to do that there will be nothing left in two years. We need to make a decision if you want to start at this point or make a bigger changes.

Mr. Mannix: You are talking a two million dollar differences and as you are looking at numbers on how things have averaged and how the town has down all along, let's go along with things always going normal so now we have another two million dollars that's not coming in and every year we have.

Mr. Silva: You have looked at these and seen budgets come in and where they are do you believe that this is viable.

Ms. Downing: This is a fair and moderate budget it is doable and anything less than this we are looking at layoffs, my vision where are we going to be in four or five years and this is a decent budget a reasonable increase and a side from the projects and that again yes we need things but what are you going to do I am a taxpayer too and I am on a fixed income. I think this is a reasonable budget some departments may want more. We are recommending that there is no new hires and no classification changes meaning that there is no upward mobility for more money so this is a tight budget for a year like this.

Ms. Villano: When we say no new hires we mean no new additional positions added no classifications changes. We trying to cut back as much as we can and taking a hard stance on the no new positions no changes no increases no extraordinary expenses except of an emergent nature and really trying to look at ways that we can cut and those numbers could get better and we do not know until we get the governors numbers our health insurance number but we do have to begin somewhere. The fact that we have the budget subcommittee would be happier with a higher number.

Mr. Rooney: You mentioned the budget should stand alone I have to say I do not agree. When I look at just our own personal budgets, if we have a budget of X amount of dollars and we have to

put some kind of capital expenditure, I do not know what town meeting members are going to do with the two articles or do I know what the voters are going to do if it gets to that point on March twenty sixth. I am going to assume that they pass, I do not know if they will or not those are two significant pieces that I personally do not think from a budget philosophy we can say they budget stands alone not when you are looking at if the voters approve sixty million dollars obviously some of that will be reimbursed by the state. I just want to be clear when you are putting in the four hundred thousand decrease in health insurance, we talking about for the entire fiscal year. To go from an employer, employee of eighty one, nineteen which it is currently to seventy five, twenty five which a good number of unions have negotiated is about a seven hundred thousand savings for a full fiscal year that is a starting point. If that is the savings that we can generate by going from eighty one nineteen to seventy five, twenty five and we do not go to that because of contractual difficulties, I am looking at a design change that is going to give us the same dollar savings seven hundred thousand, so the four hundred thousand is a low number and I know everyone recognizes that and we need to look at a design change that will give us the same or a greater savings. I struggle with this that we will say to every department two percent and zero and that comes out to a zero increase and we are saying to the school budget one and half percent, why?

Ms. Collins: Because of the makeup of their employee salary to general expenses the one and half percent overall for them was a two percent to salaries and no increase to general expenses and compared to our one percent. That is because they have a larger employee base.

Ms. Downing: It has to do with the portion of the number of employees, so if you have town wide a hundred employees that generates a hundred thousand dollars and your expenses are forty thousand so you have a hundred and forty thousand, but the school has a hundred and seventy thousand and twenty thousand dollars' worth of expenses, so it is the ratio of employees to expenses that brings the one percent and one and a half percent that number does not really have anything to do with the increases thru the department and the true increases are salary at two percent and zero at expenses when totaled up it is a one percent for the town and one and half percent for school.

Mr. Rooney: Would it be unfair to the non-school side you will have a two percent to personnel zero percent for expenses and all of that combined is going to a one percent increase over the current fiscal FY18 budget. Is there something unfair about going to the school and saying whatever that percentage is going to be a one percent increase on the budget?

Ms. Downing: Because his personnel budget is so high compared to the expense he cannot cut expenses anymore. This is a flat line budget.

Mr. Rooney: When we talk about no new positions is that across the Board including the school side.

Ms. Downing: I do not think we can tell them is this is your budget and if you can fund this position within your budget, but all the positions have to come before the Board of Selectmen, not schools but the classification plan changes do. The precinct members approve a budget and everybody has to live within that budget and that is their decision and we have no right for the state to make them do anything but because of the town and the classification changes that is under your prevue.

Ms. Collins: Total expenses for the town is a bigger increase.

Ms. Fernandes: I want to thank everyone that does this every year we are getting a better handle for our finances thanks to the work that you are doing and we are able to do this in advance and I commend you for that and I agree with Ms. Downing with regards to your thought to me this is more like a house I am trying to maintain my quality of living I am not going out to dinner and now I have a roof that could potentially need repair or a complete replacement so I could choose to push it out a couple more years by putting another a layer of shingles on top for two thousand dollars or I can replace the whole thing for ten thousand dollar and that is a choice that we can make it could be if we keep pushing it out then the bill could be worst and that is exactly what they are saying the residents have to make the choice for those big expenses but I have to agree that we need to keep looking even though this is bare boned there is always places and maybe laying off positions and even though the economy is doing good I do not feel it so we have to be leery people are getting upset that our taxes are going up and they will keep going up not just the tax rate but home values are going up and the that affects it too.

Ms. Downing: If we keep putting money into stabilization and may in four to five years the goal of putting money into stabilization is to have enough that is going to give us a good rating and what the auditors and what S&P says we should have and then we reach that and anything above that we can utilize to offset taxes, utilize to help the budget but we have to get up to that threshold and that is our goal right now. When those bills kick in and when the projects pass we will not be hit right away for the School it would be the third or fourth year and maybe after four

or five years we will have enough in stabilization to offset. So you have to save for that roof for the rainy day.


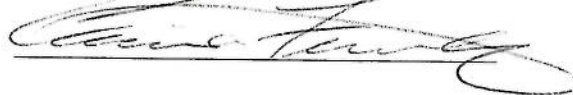


Ms. Fernandes: You have to take into consideration interest rates are very low and you need to take advantage of that, are we going to get some state funds for that so again it is making the right decision and making that S&P and making sure because if we need a bond later on that will affect our rates as well it is balancing all.

Mr. Silva: It is important that we maintain a good bond rating, it is very important.

Ms. Downing: I would like to see if we can move forward, my meetings have to start in February in order to process all the departments thru their budgets and if we could have approval or disapproval so we need to know if we go back to the drawing board again just so we can get started and give the department heads their budgets and have a starting point.

Mr. Rooney: You are looking for a vote to adopt the fiscal year nineteen budget parameters as outlined in the January 16th memo.

Moved by Mr. Silva seconded by Ms. Fernandes to adopt the parameters for the fiscal nineteen budget as we have been discussing as set here before us with two percent increase for salaries and personnel and zero for expenses. Vote: 3-1 in favor. Mr. Mannix opposed.

 Chairman



Ludlow Board of Selectmen

All related documents can be viewed at the Board of Selectmen's Office during regular business hours.

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