

March 15, 2017

Regular and Budget meeting of the Finance Committee held on Wednesday, March 15, 2017 beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Maureen Downing, Chairman, Heidi Fogg, Susanne Boyea, Joan Cavallo, Richard Moskal, Eric Gregoire, Raymond Yando, Nelson Duarte and Beverly Tokarz

Ms. Collins was also present

First Order of Business: The Pledge of Allegiance

Regular Meeting:

At this time the committee met with Joe Alves, Assistant Assessor to discuss his request for a Reserve Fund Transfer.

The way Eversource has been reporting their numbers, there have been inconsistency's especially since the name change. They are the biggest taxpayer. The assessment is above 130 million dollars. The Town depends on them. They absorbed the growth but the Town in growing a little faster than normal. The premise of this is that Eversource is giving the Town numbers that are not high enough, not quite accurate that the Town can tax on. It's fixed assets. Mr. Alves explained their present project and the way the values aren't matching, especially within the last two years. Other towns have the same problem. Mr. Alves would like to hire an outside tax audit specialist. Since 2010 the Municipal Relief Act, the Town can go back three years and recoup values. Eversource would have to provide fixed asset schedules, financial statements, invoices of suppliers that he doesn't have access to. Eversource will keep growing so Mr. Alves feels that it's a good time to start the process now before it gets out of hand. Last year they reported a value of 22 million and then sent a letter to the Assessors with a new growth adjustment down to 2.1 million. A 20 million dollar discrepancy would not be correct. He's looking for a transfer of \$7,500 for one year for an audit study. The amount is to pay the services of the audit. If approved Mr. Alves will contact the firm as soon as possible.

Moved by Mr. Yando, seconded by Ms. Boyea to approve the Reserve Fund Transfer of \$7,500 to the Assessor's Department for the purpose of an Eversource Audit.

Vote: 7-0 in favor

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A memo was sent to departments from the Board of Selectmen that at their February 21<sup>st</sup> meeting they voted to open the Warrant for the May 8, 2017 Special Town Meeting. The Warrant will close on March 10, 2017.

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve and sign the Finance Committee Minutes of February 8, 2017

Vote: 7-0-1 in favor. Mr. Yando abstained

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve and sign the Finance Committee Minutes of February 22, 2017 as written.

Vote: 7-0-1 in favor. Mr. Yando abstained

The next Regular Meeting will be held on April 19, 2017

Moved by Ms. Fogg, seconded by Mr. Moskal to adjourn the Regular Meeting at 6:20 p.m.  
Vote: 8-0 in favor

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Moved by Ms. Fogg, seconded by Mr. Moskal to open the Budget Review Meeting at 6:20 p.m.  
Vote: 8-0 in favor

#### Budget Review Meeting:

At this time the committee met with Laurie Gibbons, Town Clerk to discuss her department's budget.

Ms. Downing thanked Ms. Gibbons for her service and cooperation all the years. She will be retiring after the Town election.

Town Clerks Budget: The salary will be decreased. The new Town Clerk will be at the starting rate with a 2% raise. The Parking Clerk line item will still be there but the certification will be gone. The Town Clerk must be in office for 4 years before she can be certified. The Clerical Personnel: Vacation, personnel days, longevity are for Ms. Szlosek.

General Fund: Increase in Conference and Travel. The new Clerk will have to take all the courses available. Other Services: Street List, book binding, parking tickets, index cards, letterhead, envelopes, annual census, dog tags, etc.

Mr. Gregoire entered the meeting at 6:35 p.m.

Ms. Downing asked about the attendance and emergency days, there was a huge increase. Ms. Gibbons said that figure is a mistake. Change the first line item to \$550 and the second line item to \$500. Ms. Fogg asked about the clerical full time: that figure is also incorrect There is a change of \$418 between the 3 line items.

Ms. Downing said that the clerical full-time was increased to \$41,100 which was a 2% increase. The Attendance and Emergency Personnel was lowered from \$28,063.35. The first line item was Attendance for \$550 and the other line item to \$500. The new number for the Personnel line item would be \$104,080 and the total department number is \$112,230.00

Elections and Registration: The money in the part-time elected is the stipend for the Board of Registrars which is \$1,500 between the three members, and for Ms. Gibbons pay as a Registrar. The Clerical full-time is for the other administrative assistant position and for her incentive and emergency personnel base and Working Out of Grade.

General Expenses for Election and Registration: The Other Services, remains the same. There are 3 elections. The Poll Worker's salary is \$11.00 per hour. Because there is early voting the State covered the cost, they are not sure if they will be covering other costs. She kept the amount the same because of the uncertainty of the State election and if the State will cover the costs for early voting. State mandates early voting. There is still money in the account because the Town Election hasn't been held to date.

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At this time the committee met with Gary Blanchard, IT Manager, to present his budget.

There is a 0% increase across the board and a 2% increase for himself and the part-time assistant. His longevity has increased to \$500. He put \$40,000 in for a potential new full-time assistant. A line item wasn't created until he was sure that he was able to hire an assistant. The first line item is for Mr. Blanchard's salary and \$40,000 for a new assistant which was approved by the Board of Selectmen. The Selectmen felt the salary should be higher, he doesn't disagree. The charts he has would be from a \$48,000 to \$68,000 range. Probably start at \$48-\$51,000 somewhere in that area. Ms. Downing doesn't think that there would be a draw for an assistant at \$40,000. She feels that \$50,000 would be in the ballpark. Mr. Blanchard provided a pay scale for an assistant. The Selectmen were willing to support him with giving him more than just a technician. The \$50,000 was the figure that Mr. Blanchard and Ms. Ribeiro thought would be suitable for someone with 3-5 years' experience in a corporate environment. Ms. Downing and Ms. Collins agree that the line item should read \$50,000 instead of \$40,000. The top line item will be changed to \$128,000. The Personnel Services budget is at \$149,000.

Technology and General Expenses: Mr. Moskal asked about Broad Band amount which is under the DP Net Services. Mr. Blanchard covers internet web hosting, internet connection etc. out of that line item. Mr. Blanchard informed Mr. Moskal and the committee that the Town and the school are separate. The school has their own IT Director etc.

Software and Replacement Equipment: Line item stayed the same for the last 3-4 years. He services 200-250 computers, it's a rolling process. If he needs some money he will take it from another line item. He builds the computers himself. If he's changing operating systems, that isn't enough money for software. It's a line that may have a negative number one year but basically stays the same. Capital expenditures will stay the same.

There is a change on the bottom line number of \$10,000. The new total is \$323,200.

Mr. Gregoire asked if there was any material that he provided to the Selectmen for the added position or what the roles or responsibilities will be. Mr. Blanchard fought his case for why he needed additional help, due to the fact that the position has been declined for the past three years. The next step will be writing a job description. Ms. Downing said that he spend at least a half hour describing the position to the Selectmen. Mr. Gregoire will watch the Selectmen's meeting.

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At this time the committee met with Justin Larivee the Building Commissioner who presented his department's budget.

Personnel Services: 2% for the first one. Temps and clerical are the same. The only line item that increased was overtime. He didn't know how much overtime the secretary will need for the Board of Appeals. Her position was merged. She's the semi full-time ZBA secretary and office assistant for Building. The \$2,625 was based on an average amount of meetings, which is the overtime pay for the ZBA. Longevity will increase due to years of service for Mr. Larivee.

General Expenses: Change the \$2,000 down to \$800 for vehicle maintenance. Ms. Downing reduced \$1,200 from the total department figure. Dues and Memberships decreased because one of the memberships is no longer. Other Professional Services is for plumbing and electrical on call. Because of their contracts the Town dropped two benefit packages. The inspectors are working out fine. Ms. Collins updated the Gasoline charges to departments who fill up on gas at the DPW. Office Supplies stayed the same. Conference/Travel stays the same. The new bottom line for the department's budget is \$217,707.00

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At this time the committee met with members of the Board of Public Works. Amy Priest, Barry Linton and Steve Santos attended the meeting.

Ms. Downing met with Mr. Santos and made several changes to the DPW budget. Ms. Priest provided the committee with the changes.

Sewer Enterprise Fund: Funds were carried over. Nothing was taken out of the account. Mr. Linton said that their doing a 1 & 1 Study which is a private study for sewers only. The State is mandating the DPW to do the study. If the pipes and manholes are taking in water the DPW has to fix that. Another big expense is the Suspended Solid in the sewage, billed by Springfield in the amount of \$160-170,000. The DPW is trying to negotiate the fee with Springfield. There is a \$6,613 amount for sewer insurance damage that was not covered by insurance. Public Works Supplies: Acct. \$9,800 paid to date used for the purchase of pipe or supplies for a sewer repair. There are issues at the Westover Pump Station. Vehicle Supplies, \$5,000. There are 2 vehicles under the Sewer Department. This account should be adjusted. Only 2 small bills have come out of the account so far. Ms. Collins will look at the account and make some changes. Other Professional Services: \$40,000. Use Fletcher Sewer and Drain for backups and camera use in drains. It's emergency work more or less. Ms. Collins will check on shared costs. Money was expended, maybe not enough money in that line item. There are 3 items for Ms. Collins to follow up on which are Vehicle Supplies, General Property Insurance and Other Professional Services to make sure the numbers are correct. Shared Services are indirect costs which show up on an Article at \$132,000. Money gets added in to the budget after Town Meeting, but not listed in the total budget. Ms. Collins will investigate that. Ms. Downing wants to make sure that the bottom line number is correct which also includes the Shared Services numbers.

DPW Budget: Forestry Division, \$160,355.; Vacations etc. has to do with the new Personnel Policy Bylaws. Regular Overtime is lower, they took \$500 out. Administration: Negative number for Full-Time Appointed due to not having a Director, plus an Operations Supervisor and Business Administrator come out of that line item. Clerical Full-time, 2%, Cost of Living and a Step, Emergency, Longevity etc. 23% increase. Engineering: Looks fine, possibly hiring an intern. Streets/Highways Personnel: 11% increase Contractual with Steps per Union. Eleven employees are paid out of that line. They put in 2% Cost of Living and Steps included. Waste Collection Personnel: Part-time Laborer is non-union 2%, Overtime employees are Union. Added \$2,000 for the transfer station on Saturdays. Sewer Collection Disposal: Zeroed out; Cemetery Division: \$2,000. Parks & Playgrounds: No increase for Labor Tech, summer help; Fleet Division: Truck repairs and vehicle R&M. They took money out of Diesel. Change Gasoline from \$30,240 to \$23,900 and Diesel from \$25,000 to \$27,000. Savings of \$4,340 on the

two line items. The bottom line sub-total is \$175,154. Other Services: Turcotte services to the end of the year.

Engineering: Other Services, \$1,000 line item and no money spent to date. Service to copiers.

Operations Division: Purchase Service, Safety Clean Contract for the garage, leased gas tanks, GPS system. Public Works Supplies, \$43,500. Last year they spent \$34,000. There is a projection of \$43,900 with encumbrances. Check encumbrances. Federal mandates to change street signs come out of that line item. Also all the signs that the Safety Committee requires and Crossing Guard signs and No Parking Temp. signs. Ms. Downing said that next year if the money isn't utilized, the line item needs to be cut. Mr. Gregoire said that on Other Services there is a \$10,000 increase. Mr. Santos said those are bills from Home Depot, Lowe's, Rocky's etc. for fixing fences, the clubhouse. Those two accounts could be put together. Mr. Moskal asked about the \$5,000 credit. Ms. Priest couldn't see what that was. Ms. Collins will investigate that Solid Waste Division: The Rubbish Collection budget is \$1,128,898. Remove the electric utilities in the amount of \$1,800. Transportation Services, took an average of the last 3 years and came up with \$25,625. Transfer station transfers come out of that amount. Ms. Fogg mentioned two line items that did not have money. It will stay at no projections, but they will look into those line items. Sewer Collection is zeroed. District Division, no questions amounts stayed the same. Capital Outlay, \$2,500, the time clock system has digressed. They are going to replace the system.

Snow and Ice Division: Overtime, they kept; Vehicle R&M, \$81,600, dropped to \$25,000, surplus of \$56,000. The other R&M, cutting edges and wearable consumables for the plows was left at \$5,000. Equipment Rental, \$60,000 which is hired help for the snow plows. Last year they hired 29 plows, this year they hired 19 plows. They tried to push more work on the department employees. Advertising, they put in \$1,000. Vehicles Supplies was at \$10,000 but it was dropped to \$4,000, but they had to do repair work. They will split the amount between Public Works and Snow and Ice. Ms. Downing said they would increase Snow and Ice to \$245,000 and put \$72,000 to Public Works Supplies (salt and sand). Ms. Priest will make the changes and then work with Ms. Collins. The questions need to be answered with Ms. Collins and plug in the new numbers which needs to be done by the end of the month. Mr. Santos said that there will be two new subdivisions, which adds more streets etc. As of now there was no State of Emergency for yesterday's snow storm. They have not been notified. Ms. Fogg told Mr. Santos that they did a good job on their budget but it's better to budget with real figures with true line items instead of moving money around. If the budget is over then come before the committee for more funds. Ms. Downing thanked the DPW for their cooperation in working a budget trying to set a budget where they identified line items that were over and moved money into different places. This is the first year that they were able to do this. Ms. Cavallo mentioned the positive responses to Robo Calls for trash pickup.

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At this time the committee met with Chief Mark Babineau and Deputy Fire Chief James Machado to discuss the Fire Department's budget.

There are no new projects on the horizon, however the mandates from the State and Federal have impacted their department. IV pumps are about \$6,000 each, they need 4. They may use them

once in five years. Their position on maintenance contract is on hold. They did not budget for that. Cardiac Monitors, five years ago were \$3,300 each along with the grant for the monitors they also included a 5 year service plan which is expiring this year. The \$4,000 is included in the budget. Personnel, all staffing is not filled. The paramedic pool has shrunk. They had three openings, took the top 7 from the pool and by the time they got to interview with the Board they had 2 candidates left. They were hired elsewhere and one withdrew. They have 2 new hires, they began 2 weeks ago. They are 1 position short, soon to be 2 as the Chief will be retiring. They are trying to start the process quickly to fill both of the positions. Clerical Full-Time, increase includes the reclassification and skip a Step which is included in the budget. The difference would be \$30 per week. He is waiting for the Selectmen's approval. The Firefighters Contract is in its last year. The pay raises are shy of 2%. Under Civil Service the new Chief's starting salary is the same as it is now and the Deputy Chief salary is contractual. Holiday pay is built into the base pay; \$73,290 was budgeted last year for 46 weeks of pay and the remaining six week \$9,680, which includes the other vacation and 2 Steps. There are 28 fire fighters budgeted. There are 5 full time Captains. If the HR doesn't approve the reclassification on the clerical full-time \$1,600 will be deducted. Regular overtime is under control.

General Expenses: He approached the Capital Committee. They purchased a new engine a few years ago on a 5 year municipal lease purchase. It's their plan to continue that going forward every 5 years replacing it. Their lead structural engine is a 1992 model. There have been several repairs on it and it is no longer supported by the manufacturer. Ms. Downing pointed out 4 line items that had zero expenditures for 2016-17 then a few charges. Between the 4 line items it's \$2,000. Office Equipment, Repair & Maintenance, Other Services, Advertising and Educational Supplies. It's \$5,000 based on a \$212 expense for last year. The Chief pointed to the bottom line and Ms. Downing said that is not the procedure this year. The Budget Sub-committee has been trying to find line items with no activity and place the money allocated in other line items where needed. She is working with the Town Accountant to identify areas where money hasn't been spent and where it's not needed. The line items come up to \$2,000 based on history. Ms. Fogg gave an explanation of the new procedure. There was discussion back and forth as to why and why not the money should remain in the line items. At the end of the conversation, the money remains in those line items.

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Notes from last week:

The Council on Aging budget is Ok.

The Recreation Commission will need to meet with the Board of Selectmen to increase the Asst. Pool Manager, Co-Director salaries and roll back the councilor's to last year's number based on their history.

Golf Course, vehicle supplies issue

Board of Health: Need to provide a job description for the request to increase a clerk to a LATOS 3 position.

Schedule the Recreation Commission on March 29<sup>th</sup>.

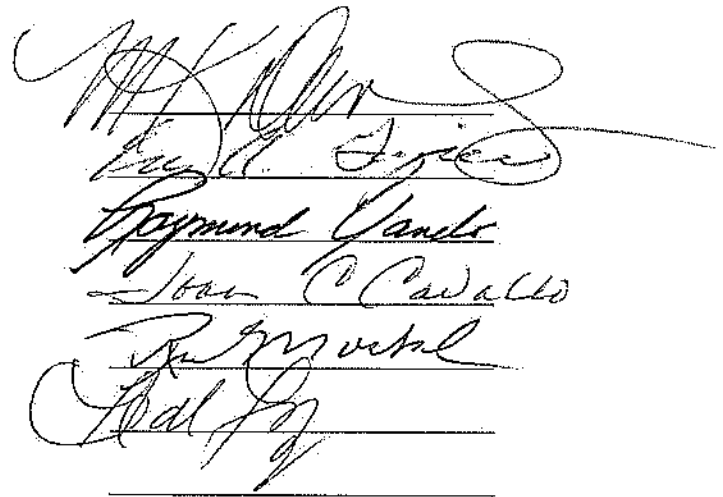
The Treasurer will make changes to the debt payments. Ms. Collins will make the changes in the budget for the next meeting.

Will work on new totals for the IT Managers budget, Building Department, DPW approval of a part-time intern for \$15,000; information on the Enterprise Fund for the DPW and Golf Commission for Indirect costs.

Next week the committee will vote on the budgets. April 5<sup>th</sup> is the last day departments can meet with Finance. Look at the School Department numbers if there needs to be cuts. The Veterans Services and Human Resources will meet with the committee next week.

Moved by Ms. Boyea, seconded by Ms. Cavallo to adjourn the Finance Committee meeting at 9:37 p.m.

Vote: 8-0 in favor

A series of five handwritten signatures in cursive script, each written over a horizontal line. The signatures are: 1. A large, stylized signature starting with 'M'. 2. A signature that appears to be 'Michael Joyce'. 3. A signature that appears to be 'Raymond Gault'. 4. A signature that appears to be 'Joan O'Connell'. 5. A signature that appears to be 'R. Joyvel'.

Ludlow Finance Committee