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TOWN OF LUDLOW

Budget meeting of the Finance Committee held on Wednesday, March 22, 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, Nelson Duarte and Beverly Tokarz

Ellie Villano and Kim Collins were also present.

The First Order of Business: The Pledge of Allegiance

At this time the committee met with Carrie Ribeiro, HR Manager and Eric Segundo, Veterans Agent to discuss their budgets.

The Board of Selectmen has approved the part-time employee and the splitting of the position between the two departments. They split the budgets as follows: Ms. Ribeiro said that the line item for the clerical part-time there was an additional \$16,688 added for the 18 hours. The total of the line item is \$18,988. The Personal Board secretary is also included in that figure. The Board of Selectmen approved a 28 hr. position. The HR department will have the clerk for 18 hrs. per week and the Veterans' Services department will have the clerk for 10 hrs. in addition to the 7 hrs. that he already has. The total for the HR department is \$106,638. The portion of the benefits have been placed in the Treasurer's department. The clerk for this position will sit in the Veterans department. Mr. Moskal asked how that will work. Ms. Ribeiro said that they have to establish some guidelines as far as what days, what hours this person would be allocated towards the HR department and towards the Veterans department. At this point there is no job description, but one will be prepared. Ms. Downing said that there is a lack of miscommunication with departments because of the change in the Personnel Policy. She said that it would be helpful if there was more communication as to how each department has to change the way the budgets are handled, especially with personnel, their increases etc. She feels that it would be helpful if there is a point person to make a recommendation to Finance after the Selectmen have voted to give us a benchmark to go from. Ms. Fogg wants to know why these are not two part-time positions instead of one full-time position due to the fact that the work will be so different. She's curious to the thought process behind it. Ms. Ribeiro said that there are people who work now in two different departments so it's up to the individual to switch gears. It's mostly clerical tasks. It's data entry, customer service, gate keeper. She's not hiring an assistant, it's all administrative tasks.

Mr. Segundo said that the clerical part-time with the 7 hours was \$7,566.69 with the additional ten hours it's \$9,271.60 for a total of \$16,838.29. All the benefits will be handled by the Treasurer. Mr. Moskal asked if this will be a posted position. Ms. Ribeiro said that it will be a LATOS position internally first and then will be posted outside. The 7 hrs. will still remain. Mr. Segundo will have a total of 17 hr. clerical position. If there are two people for the positions the hours would be divided so that only one person will be in the Veteran's office at one time. Mr. Yando asked if the breakdown in the hourly pay would be the same. Ms. Ribeiro answered that

the clerk will make the same wages for both positions. Mr. Segundo added an additional \$750 for Conference and Training for the clerk, an additional \$40 for Dues to add the person into the association, an additional \$260 for Office Supplies.

Ms. Collins prepared a new sheet for the committee with new totals and explanations as to where each department stood after meeting with the committee. The darker highlighted columns are approved budgets, the lighter column, changes were made and the committee will review them again. The Veterans and HR totals will need to be changed from the original budget. Veterans new budget number is \$384,104. HR new budget figure is \$106,638.

At this time the committee met with Amy Priest and Steve Santos from the DPW to discuss their budget. Ms. Downing informed the committee that she had a meeting with Mr. Santos where they decided to make cuts in the DPW budget based on line items, based on history and usage. They would move those amounts into Snow and Ice. The reason Ms. Downing is focusing on Snow and Ice removal is that the budget is usually over an enormous sums of money. Last year money was taken from other line items that they felt were over budgeted and upped the Snow and Ice budget from \$175,000 to \$225,000. This year the goal was to get it higher because last year's actual was \$275,000. This year the line item is up to \$372,000 which does not include the last couple of storms. This department is allowed by statute to go over the amount budgeted and to overspend which gets rolled onto the tax rate. The money taken from line items with little history this year is \$40-50,000. The goal was to move that money into the Snow and Ice department to try to relieve the burden of the taxpayers. Ms. Downing identified many line items, the biggest one being in the fleet division combining the Purchase Services, Vehicle Repair and Maintenance. This year the budget is \$120,000. She feels it should be somewhere around \$82,000 looking at the back history. The other area is in the Operations Division- Public Works Supplies. Ms. Downing feels that there is an extra \$10,000 that could be decreased. In addition to that they are asking for a \$15,000 part time intern position. She would feel uncomfortable adding a part time person at \$15,000 when that amount could be added to Snow and Ice. Her goal for the taxpayers has been to get the Snow and Ice Division increased to help lower the taxes for the taxpayer. The cuts and the intern come to about \$65,000. She would like to see that number be added to Snow and Ice, bringing the total closer to \$300,000 which is nowhere near to what this year will cost. It is up to the DPW to make the changes in whatever line item they want to decrease.

Mr. Santos said there is still four months to go for the year. They still have pot hole repairs, line painting, field repairs, crack sealing. If they have to cut money, their at a point where they will have to cut some type of service. He feels that it's fairly impossible to put that money into Snow and Ice. The taxpayers are going to pay it either way. They cut the hired help by 10 people for snow plowing to keep the number closer. He didn't provide the level of service as in the past because it took longer to plow the streets because he had 19 instead of 29 people. Ms. Downing still insisted that the five line items were high and that cuts could be made. She gave several figures justifying her reasons for the cuts. She said that every year the DPW have excess amount of monies at the end of the year.

Mr. Gregoire stated that he is opposed to increasing the Snow and Ice Budget whatsoever. Even what was increased last year give away financial flexibility. The taxpayer will pay for it one way or the other. Snow and Ice is an expense that is not going to disappear. Under the statute it allows that we can deficit spend that account only if it is funded at a minimal level that it was funded in the previous fiscal year, which means that whatever is put into Snow and Ice you can't reduce and then the next year you can't deficit spend it because it was reduced. It requires that you continue to carry that amount. If you have a year where there is no snow, you still have to continue to raise that amount of money and it gives away that financial flexibility. He would much rather spend on services and things that are actual operating costs. Whether it's going to the tax rate or utilizing it from Free Cash, taxpayers are still paying for the cost of Snow and Ice removal, no matter if they pay for it when we budget it and we lose the financial flexibility or at the end of it and it is maintained during the fiscal year. From Mr. Gregoire's own opinion, he doesn't want to see any more money put into Snow and Ice.

Ms. Downing said that the problem is that the DPW has not been transferring the money. Last year was the first year that they transferred \$10,000 and over the years it's gone directly on to the taxpayer. Any overages which they had considerable cushions, they spent the money on other things. They know that they can get the overage on Snow and Ice, and in the gist of tightening up the line items, which was stated at the beginning of the year, for all the departments, this was what the committee was doing, based on history and current spending. If the DPW says that they will put excess money into the Snow and Ice, that would be fine. Mr. Gregoire said drastically underfunding Snow and Ice across the board even in the largest communities, they end up spending millions of dollars more than they originally appropriate because of that flexibility depending on the year and what occurs. It is not an uncommon practice, it is the most common practice. Ms. Downing said that based on what the DPW is saying, if their willing to take any access above and beyond their own deficits in line items and place the funds into Snow and Ice so when the interdepartmental transfers come before the committee in June, she is happy to go forward with what was said. Ms. Collins feels that \$300,000 is too high. The line item was increased by \$50,000 last year. She doesn't like \$236,922, but it will stay that number and hope money will be transferred at the end of the year. When you increase the figure, next year it can't be under the amount that was budgeted in the previous year. Ms. Collins feels that once the DPW consolidate their line items and charge off to the appropriate line items then they will be in a better position next year.

Mr. Santos passed out paperwork re: the last storm costs for the committee's review for the last two big storms between 2014 and 2016. For hired help, the amount was \$2,145 an hr. which added up to \$22,967.50. The salt used was 150 ton at \$60.25 which came out to \$9,000. The DPW labor costs including overtime was \$13,700.51 which came to a grand total of \$45,705.51. That was the first large storm. The second storm's total was \$63,148.17. The grand total for the two largest storms that we had was \$108,853.68. That doesn't include scraping roads and dropping more salt, picking up snow on corners etc. Mr. Santos will ask other communities what their budget is for miles of road compared to Ludlow.

The \$15,000 stipend for the intern will be an assistant for the department. It's a part-time position, \$14-15.00 per hr. during the summer months. The intern will be studying in the engineering field. The position was established but hasn't been funded for many years. The Board of Selectmen left the decision up to the Finance Committee to allow the funding. Ms.

Cavallo said that if the person worked 40 hrs. a week at \$15.00 an hr. that would be \$600 per week. Summertime is usually 10 week which brings the total to \$6,000. Mr. Santos said that was the number that they used when it was funded. Mr. Santos feels that the amount can be reduced. Ms. Villano wanted to know if it's just a summer position or will they allow the individual to extend working beyond the summer months? There is a temporary engineering position on the Classification Plan, the last individual who worked there worked far beyond the summertime. Mr. Yando said that if the position is going to be a part-time position, over the summer for three months the cost would be \$9,000. Ms. Cavallo said it would be 2 months this year and 1 month next year. Mr. Santos said that he would like to carry the position into the spring. It may not be the same person. Ms. Downing said that \$8,000 would give them 35 hrs. per week for the 4 months. Ms. Downing suggested to cut the amount in half to \$7,500. The committee agreed to cut the intern to \$7,500 instead of \$15,000. The DPW's total budget is \$3,049,794.

At this time the committee voted on several departmental budgets: Mr. Yando wanted to know his status on voting since he wasn't present for some of the meetings. Ms. Downing said that if he looked over the budget and he has not questions that would need the departments to answer them he can vote based on what he looked at for departments. If he does have questions then he should abstain from voting.

Moved by Ms. Fogg, seconded by Mr. Moskal to approve the Board of Assessor's budget in the amount of \$274,861

Vote: 9-0 in favor.

Moved by Ms. Fogg, seconded by Ms. Boyea to approve the Veterans Services budget in the amount of \$384,104. (The total includes the 28 hr. position).

Ms. Fogg commented that looking at the numbers for his part-time position and the HR position with the current part-time employee in the office took the new positions, it would become a full time position. Ms. Ribeiro said the benefits were included in the discussion and the Board of Selectmen approved the positions. Mr. Gregoire draws conflict with that. The committee is supposed to have oversight over the numbers and budget and the parameters stated this year that personnel costs going forward going according to contractual agreements and 2% for non-union and zero out on expenses. The treatment of new positions are growing on how much it costs services in the Town, which are driving cost up. Ms. Downing said the new positions will be over \$200,000. He feels that it is part of the committee's scope to say if we feel that those positions are not something that the Town can afford. They are added extra expenses on top of all the other contractual expenses. Ms. Downing said that the amount and costs are our concerns but if the positions are approved then it is up to the committee to recommend approval of the budget with the positions or recommend approval without the positions. The committee needs to make a decision and when all the budgets are filled in, take a look at the bottom line and if the committee decides that it's too much money departments can be revisited. If the committee doesn't approve financing on one department the committee shouldn't approve any new positions across the board. Ms. Fogg believes Mr. Gregoire has a good point because the recommendations are no longer going to the Precinct Members for a vote. She said that maybe

we do owe the taxpayers the right to discuss the options so that the outcome would be in the best interest of the taxpayers. The budget will be discussed at Town Meeting but not that much discussion will be had. When Ms. Downing goes before the Board of Selectmen on April 11th she will state what the committee voted on and will make them aware that they have approved x amount of dollars for additional increases and new position. The budget will be over \$200,000 because of what they approved and there is a concern with the figures as a committee. Then it's up to the Selectmen to go with the budget, cut it back or make adjustments. If the estimated tax rate comes out to high, the committee can make a case on Town Meeting floor. Mr. Gregoire, across the board on all the personnel changes outside of contractual amounts, he doesn't feel that the Town can afford this year and will not recommend approval. Ms. Downing will meet with the Budget Sub-Committee and then discuss how it should be presented. She would like to take preliminary first votes to see what the bottom line will be. At this time it's running 5% over budget and that doesn't include warrant articles etc. On week five, the committee will discuss salaries and positions. Ms. Fogg stated that she will not vote in favor of the positions until there is a job description. Ms. Villano said a job description is not under the prevue of the Finance Committee. They vote on a budgetary aspect that has been presented, it doesn't matter if there is a job description or not. Her point of view as far as what the Finance Committee is supposed to be doing is reviewing the budget, asking questions, determining on recommending approval of the department's budget or not. The job description, who the person will be answering to etc. is not under the prevue of the Finance Committee. Ms. Downing stated that the committee tries to understand the need and in order to do that there needs to be questions asked in detail and what it's become now with the new procedures, we need to understand if the position is needed or not. She feels that a recommendation from HR in the future would be very helpful. Ms. Boyea said that the committee's business is to look at the budget, say yes or no that the dollar amount is correct. We have to listen to what they say. We don't work in the offices, and don't know what they need or don't need. They did come forward, told us where is has to go now where the previous Veterans Agent didn't have to go, so there are new additions to his job. If the committee doesn't feel that the positions are worthy of the dollar amount then say no. She feels that we are stepping out of what is not our jurisdiction. We are a recommending body. Ms. Downing said that two factors happened this year. The committee was asked to look at more line items and try to shave where there was extra money and also the personnel change threw everyone off. More questions were asked as necessary. Her feeling is the bottom line number and if you look at that number at a high, the committee can't judge if cuts will need to be made or not. Ms. Villano said that the committee is voting on a more concise better informed budget because of the process change. You will be able to see about 98% of what the budget actually is due to the new process. Discussion continued with both the committee and Ms. Villano regarding the new changes in the process. Vote: 6-2 in favor. Mr. Gregoire and Mr. Duarte opposed

Mr. Moskal exited the meeting at 7:50 p.m.

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve the Human Resources budget in the amount of \$106,638.

Vote: 7-1 in favor. Mr. Gregoire opposed

Hold the budgets of the Recreation Commission and Board of Health

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Westover Golf Course Enterprise budget in the amount of \$677,876

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve the Town Clerk's budget in the amount of \$112,648

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the IT Manager's budget in the amount of \$323,200.

Vote: 7-1 in favor. Mr. Gregoire opposed

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve Town Clerk Elections at \$104,038.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Building Departments budget in the amount of \$217,707.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Board of Public Works budget in the amount of \$3,049,794.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Snow and Ice budget in the amount of \$236,922.

Vote: 7-1 in favor. Mr. Gregoire opposed

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve the Fire Department's budget in the amount of \$2,638,273.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Ambulance budget in the amount of \$1,048,393.

Vote: 8-0 in favor

Moved by Mr. Gregoire, seconded by Ms. Fogg to approve the Emergency Management budget in the amount of \$9,000.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the budget for General Interest and Debt in the amount of \$2,282,297.

Vote: 8-0 in favor

There was a lengthy discussion on benefits and how high they were. Mr. Yando feels that the number should be lower. He will call Ms. Barros for explanations for the next meeting and ask her if there is any room to decrease the number. The committee will vote on Fringe Benefits and if the number is lowered, then it can be changed.

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the budget for Fringe Benefits in the amount of \$14,708,655.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Mr. Yando to approve the Police Department budget in the amount of \$3,945,217.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Property and Liability Insurance budget in the amount of \$3,082,373.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Public Buildings budget in the amount of \$643,275.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Treasurer's budget in the amount of \$250,306.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Sewer Enterprise budget in the amount of \$1,269,579.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Landfill Enterprise budget in the amount of \$10,000.

Vote: 8-0 in favor

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Cable TV budget in the amount of \$243,345. (The money comes out of the cable fund)

Vote: 8-0 in favor

Moved by Mr. Gregoire, seconded by Ms. Boyea to approve the Street & Traffic Lighting budget in the amount of \$281,000.

Vote: 8-0 in favor

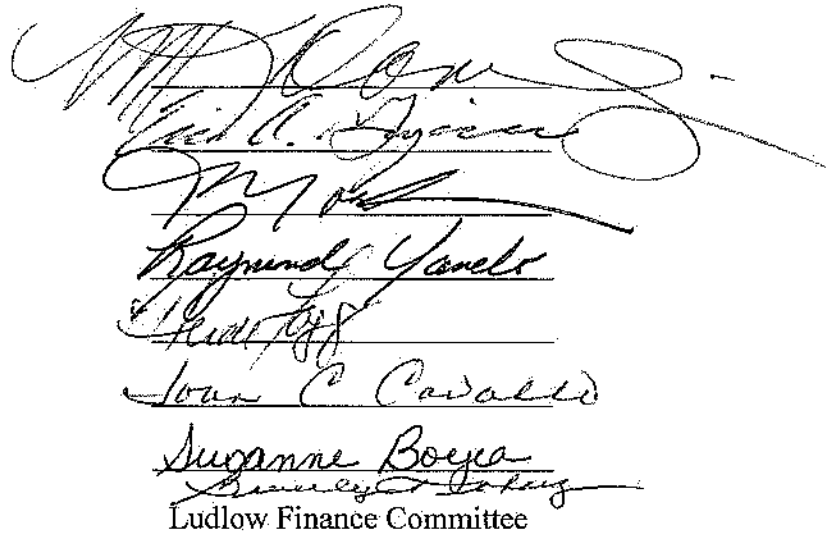
Mr. Yando will call the Treasurer with questions regarding certain percentages relative to health insurance

Ms. Downing will meet with the Budget Sub-committee on April 6, 2017

Ms. Downing will meet with the Board of Selectmen on April 11, 2017 along with the Budget Sub-committee, to discuss the budget

The next meeting the committee will discuss Warrant Articles

Moved by Ms. Boyea, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 8:54 p.m.
Vote: 8-0 in favor


Ludlow Finance Committee