

June 28, 2017

Meeting of the Finance Committee held on Wednesday, June 28, 2017 beginning at 6:30 p.m. in Conference Room #1 in the Ludlow Town Hall.

Members present: Eric Gregoire, Heidi Fogg, Joan Cavallo, Susanne Boyea, Richard Moskal, Raymond Yando and Beverly Tokarz

Members excused: Maureen Downing

Ellie Villano and Kimberly Collins were also present

Mr. Gregoire chaired the meeting.

At this time the committee met with Elsa Barros, Treasurer to discuss her request for a Reserve Fund Transfer for Health Insurance. There is a need for transfers to fill a gap in the Benefits section of her budget. Just on employees that came on last year, the total is \$121,000. Unemployment is high as well as Workman's Compensation which is on the school side for \$19,000 and \$9,600 for the Town and also Chapter 41, Medical Bills for police and fire. The total amount to date is \$146,000 which also includes one more payroll. The school payroll is already posted. There are more medical bills outstanding.

Ms. Villano explained the deficit and how the problem will be corrected for next year. The Worker's Compensation will be charged to each department for that particular employee, so that salary line item will be used to offset the Workers Compensation. For the new fiscal year they will be looking at better ways to prepare departmental budgets. Another issue that was unaccounted for was that the previous Collector was collecting unemployment to bridge the gap between his pension check and actual salary. He found a statement in the law which allows this procedure to occur. Ms. Collins said there is close to \$165,000 of surplus money from other departments to cover the deficit. The biggest problem that Ms. Villano sees is that there are 900 people on health insurance. They budgeted for that and factored in maybe an additional 25 people. In today's economy with the Affordable Care Act, there is no way of knowing who will migrate to the Town's health insurance. In one year there were 50 additional people added to the health insurance, that wasn't budgeted for. Mr. Gregoire said that we can manage some areas by tracking them a little better will isolate the costs to those areas when there is open enrollment or other issues. They are also looking into costing out how much in Chapter 41, Section 111F insurance cost the Town. She will do a few years look back to see if it would be advantageous to the Town to take out that type of insurance to also help with Chapter 41, Section 111F.

The Finance Committee's balance of the Reserve Fund in the amount of \$15,328 will be added to offset the deficit.

Moved by Ms. Fogg, seconded by Mr. Yando to approve the Reserve Fund balance in the amount of \$15,328 to go to the Treasurer to offset her deficit

Vote: 7-0 in favor

Moved by Ms. Cavallo, seconded by Ms. Fogg to approve the Interdepartmental Transfer in the amount of \$165,000 from the accounts as presented on the sheet, which are: Town Accountant, \$4,000; Police Department salary, \$10,000; Police Dispatch, \$10,000; Police Training, \$10,000;

Police Gasoline, \$10,000; Treasurer, \$3,000; T&T, \$30,000; Elections, Other Purchases, \$10,000; IT Software, \$1,000; Public Buildings, First Meetinghouse, \$2,000; Public Buildings, Town Office Buildings, \$10,000; Property and Liability Insurance, \$10,000; Veterans Benefits, \$40,000 and DPW, \$15,000 to address transfers and deficits in the Health Insurance for the Town in the amount of \$135,000 and FICA for the School in the amount of \$35,000, total \$165,000 of transfers

Vote: 7-0 in favor

At this time the committee met with Chief Ryan Pease from the Fire Department to speak about the Brush Truck transfer. Chief Babineau saw that there were three vacant salaries throughout the year. That is about \$60,000 per vacancy which is \$180,000 left in the budget. The Brush Truck is from 1988 and instead of going to Town Meeting and affecting the tax rate, he thought it would be better for the Town to take \$55,000 out of their operating budget to replace the truck. They are using the old pump, old tank and building the truck by piece meal at the station. If they bought a new truck it would cost \$130,000. They spoke with Ms. Villano and she advised them to speak to the Capital Committee and they approved the purchase. They were all good intentions, but the procedure was not correct. It wasn't part of the Capital plan, The money comes from overages in the departmental budget. Ms. Villano said that the Modernization Act changed the laws re: 3% cap which takes it off to allow municipalities to transfer monies within budgets.

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Interdepartmental Transfers for the Fire Department as follows: Firefighters salary, \$22,000; Overtime, \$5,500; EMT Paramedic Salaries, \$10,000; Transfers to meet the needs in the vehicle repair line in the amount of \$7,000, additional and all other in the amount of \$80,000, additional and all other in the amount of \$45, 500, Medical Supplies in the amount of \$5,000

Vote: 7-0 in favor

At this time the committee met with members of the DPW; Steve Santos, Chairman and Steve Frederick, the new Director to explain their Interdepartmental Transfers. Mr. Gregoire would like them to explain the overages that their trying to address and why they occurred and the areas where the funding's are to meet those gaps and why there were left over funds in those line items.

Mr. Santos said there was a balance in the Director's pay and engineering salaries. He explained all the salary overages in departments. The Fleet overages occurred when they rebuilt the sweeper for a total of \$78,000; \$55,000 was guaranteed. There was an option that didn't include a rebuild with the motor training gear box. They went to Capital, requesting \$78,000 but they gave them \$55,000. They held back on contracted services in the fleet division and used the money from that line item in the amount of \$40,000. The major overages were in administration and fleet. He didn't want to go to Finance and ask for monies. He wanted to keep it within their budget. Mr. Santos went through all of the line items and explained to the committee re: the unexpected overages, in the amount of \$14,000 in engineering. He explained the Rubbish Collection which was over in tonnage by 676.59 tons at \$63 a ton. They figured \$44,840 to

cover the Covanta bill. This amount was added into the budget instead of dealing with it at Town Meeting. He also spoke about the Salt and Ice account and Street and Road repairs, \$58,260. They usually spend \$50,000 a year in crack ceiling for road repair and \$35-40,000 in line painting. Once he figured out that the money they had couldn't be used for the sweeper, they used the overage from other line items, using the money before he did the transfers. There is \$13,762 that will be used to offset the Fringe Benefits account. The committee and DPW discussed the Center Street project in length, the Special Town Meeting linked to the project and the land takings.

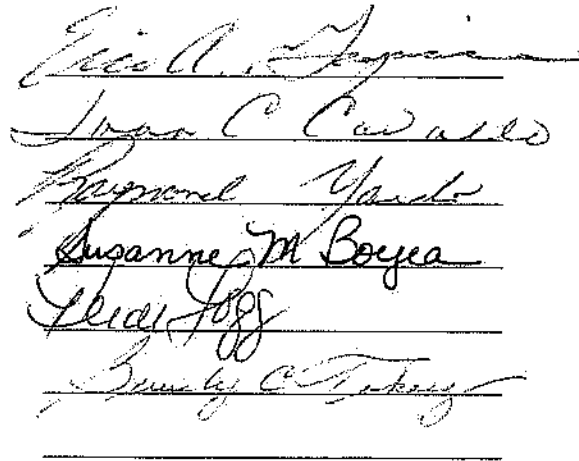
Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the following Interdepartmental Transfers for the DPW as follows: Forestry, \$1,400; Administrative and Appointed Officials, \$42,000; Highway, Holidays, \$4,000; Waste-Laborer Salaries, \$4,500; Park – Laborer Salaries, \$6,000; Park – Temporary Salaries, \$2,500; Fleet – Purchases/Contract Services, \$20,000; Fleet – Vehicle Repair and Maintenance, \$20,000; Fleet – Energy Supplies, \$10,000; Administration – Conference/Travel, \$2,000; Buildings – Repair and Maintenance, \$1,615; Buildings – Public works Supplies, \$1,385; Engineering – Architectural Engineering Services, \$14,000; Operations – Street and Road Repair, \$58,260; Rubbish Collection/Disposal, \$44,840

Vote: 7- 0 in favor

Ms. Collins will wait to process the transfers after looking at the DPW payroll. The final transfer is the one she will adjust if needed when moving the monies out to add to the Fringe Benefits account.

Moved by Ms. Fogg, seconded by Ms. Boyea to adjourn the Finance Committee Meeting at 8:10 p.m.

Vote: 7- 0 in favor



The image shows six handwritten signatures, each written over a horizontal line. From top to bottom, the signatures appear to be: 1. A signature that is mostly illegible but seems to start with 'Eric'. 2. 'Juan C. Cavallo'. 3. 'Personal Yards'. 4. 'Susanne M. Boyea'. 5. 'Lidia Fogg'. 6. 'Suzanne C. Tubery'.

Ludlow Finance Committee