

November 15, 2017

Meeting of the Finance Committee held on Wednesday, November 15, 2017 beginning at 6:00 p.m. in Conference Room #1 in the Town Hall.

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Members present: Maureen Downing, Chairman, Eric Gregoire, Heidi Fogg, ~~Musashine Boyce~~, Joan Cavallo, Richard Moskal, Raymond Yando, Anthony Alves and Beverly Tokarz.

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Ms. Kimberly Collins was also present.

First Order of Business: The Pledge of Allegiance

Ms. Downing read the correspondence re: Annual MMA Trade Show; Demographic Data on Municipalities re: population, road, per capita income; Holiday Food Drive to benefit Veteran families of the Town; Finance Handbook that can be downloaded, and the Beacon

The Planning Board Reorganization – Joseph Queiroga, Chairman; Ray Phoenix, Vice Chairman; Kathleen Houle, Secretary and Christopher Coelho, member

Moved by Mr. Yando, seconded by Ms. Fogg to approve and sign the Finance Committee Minutes of September 20, 2017

Vote: 6-0 in favor. Mr. Moskal and Mr. Alves abstained

Mr. Moskal updated the committee on the Senior Center Building Project. They met with the Board of Selectmen a few weeks ago and they approved to hold a Special Town Meeting in January relative to the building of a new Senior Center. He is hopeful that the Precinct Members will vote to place the question on the Town ballot in March. The cost is still 9.8 million dollars.

Ms. Downing said that at the last School Building Committee meeting, they were also approved to be placed on the Warrant for the Special Town Meeting in January and hopefully the Precinct Members will also vote to place a question on the Town ballot in March. The only difference is that it takes both approvals; both the Town Meeting and the ballot to get approved by the State for the school. There is not a final cost, but their looking at 53 million dollars with a State return of 58% if they comply with every single absolute condition that the State mandates. If the administration offices are built in any part of the building, that part is not reimbursed. That decision hasn't been finalized to date. She believes that the committee will be reaching out to the Senior Center Building committee to make some sort of joint presentation to the people.

Ms. Downing believes the new tax rate will be in the vicinity of \$19.00 per thousand. The Budget Sub-committee has reached out to some departments to inform them that things will be very tight this coming year because over the next 4 to 5 years, the Town needs to start paying for what they budget and not rely on Free Cash, and more money needs to be placed in Stabilization. It's important to build that fund up and start cutting the budget.

Ms. Collins stated that regarding the budget, on top of the two projects, if the budget was left flat and no money was put towards the tax rate, that would result in a 79 cent increase next year.. Ms. Collins just figured this out and the Selectmen are not aware of this figure, but everything was explained to them. She explained to the committee about the conversation with S&P re: the Bond rating. She said that if the Town chose not to let the tax rate climb and chose to pull funds

out of Stabilization, the bond company would look unfavorably on the bond rating. The projects are debt exclusions, so the figures would be added to the taxes, if the projects were voted in. Ms. Downing feels that it will take 4 or 5 years before the Town is taxing what the budgeting is. Mr. Gregoire said that cutting will only solve the problems so far because it is so much out of balance. It's been made worse this year because the use of extra money has made the deficit swing so much wider. He feels that the committee has to be clear on how this affects the taxes and to be very mindful of the issues and present the wide selection of options. There is not enough room on the cutting side to be able to offset the taxes.

Discussion was made regarding the Whitney Street Camp and the need for the camp, before and after school programs and the raising of their fees. More discussion will be taken on the subject at a later date.

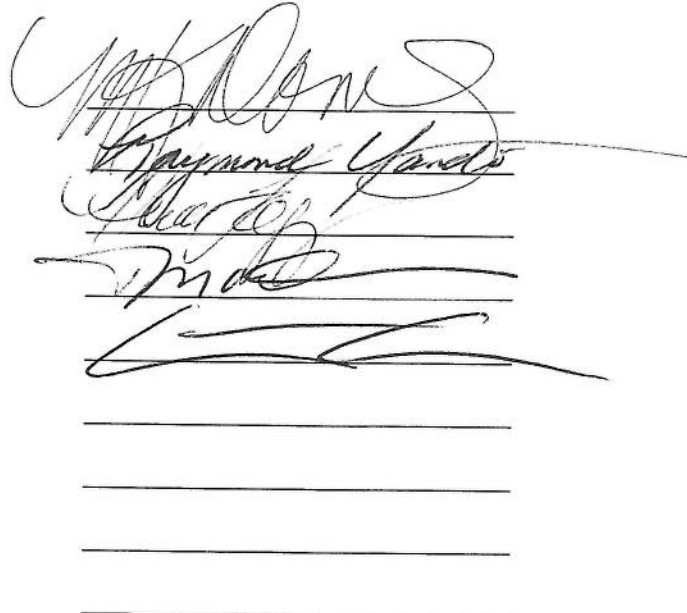
There will be a process put in place re: hiring of staff. The procedures will be changed and if the departments are planning on adding or changing personnel, the department would have to meet with the Board of Selectmen.

The meeting in December was moved to the 13th. If there is no business to report, the meeting will be cancelled. The meeting in January will be held on the 17th. at 6:00 p.m. Mr. Gregoire will not be in attendance.

Moved by Ms. Fogg, seconded by Ms. Cavallo to adjourn the Finance Committee meeting at 6:55 p.m.

Vote: 9-0 in favor

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Ludlow Finance Committee