

February 28, 2018

Regular and Budget Meeting of the Finance Committee held on Wednesday, February 28, 2018 beginning at 6:00 p.m. in the Selectmen's Conference Room at the Ludlow Town Hall.

Members present: Eric Gregoire, Acting Chair, Heidi Fogg, Susanne Boyea, Joan Cavallo, Richard Moskal, Anthony Alves and Beverly Tokarz

Members excused: Maureen Downing and Raymond Yando

Ms. Ellie Villano and Ms. Kim Collins were also present

First Order of Business: The Pledge of Allegiance

At this time the committee held their Regular Meeting and welcomed Police Chief Madera to discuss a Reserve Fund Transfer.

Chief Madera is requesting \$13,000 for a Finger Print Reader. The finger print machine that they now have was purchased in 2008 from a Grant. That Grant no longer exists. The machine is no longer in compliance and is not supported any longer. The last contract support was in 2015. It is not repairable, it's past it's lifetime. State mandates require that they do palm prints. They only do fingers right now. Their getting a substantial trade-in and since they don't have to buy a cabinet, the cost is less. It's a \$16,000 unit and a \$3,700 trade-in for the scanner. It's their main source of communication with the State for arrests and with the Federal Bureau of Investigation for running finger-prints for anyone they arrest. They use it for their LTC process for ID's for anyone who comes in with a license to carry or anything like that. Background was also provided to the committee and the actual quote. It's controlled by the State. The State sets all the guidelines. There is a maintenance cost that he will continue and will be placed in his budget. That amount is usually between \$800-1,200. The balance in the Reserve Fund is \$100,000.

Moved by Ms. Fogg, seconded by Ms. Cavallo to approve the Reserve Fund Transfer of \$13,000 to the police department for a Fingerprint Reader

Vote: 7-0 in favor

Moved by Ms. Boyea, seconded by Ms. Cavallo to approve and sign the Minutes of October 18, 2017

Vote: 5-0-2 in favor. Mr. Gregoire and Mr. Moskal abstained

Moved by Ms. Fogg, seconded by Mr. Alves to approve and sign the Minutes of January 18, 2018

Vote: 4-0-3 in favor. Mr. Gregoire, Ms. Boyea and Ms. Cavallo abstained

Moved by Ms. Boyea, seconded by Ms. Fogg to approve and sign the Minutes of February 14, 2018

Vote: 4-0-3 in favor. Ms. Downing, Mr. Alves and Mr. Yando abstained

A memo was received from the Board of Selectmen that the Warrant for Articles for inclusion in the May 14, 2018 Special Town Meeting is open and will be accepted until March 17th.

Moved by Ms. Boyea, seconded by Mr. Alves to suspend the Regular Meeting and open the Budget Review Meeting at 6:20 p.m.

Vote: 7-0 in favor

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The first visitation will be the Council on Aging. Ms. Jodi Zepke, Executive Director was present to discuss her budget.

Salaries are increased by \$730 due to a retirement. There is a 2% increase in personal services, her entire staff is LATOS Union. Purchase Services is level funded. Van repair is done with some grant money. Supplies, there are no issues. She partners with the Town Hall. The Food Service Program has grown. Her budget is \$38,000 and she turns back \$44,000. She also has grant money set aside for different purchases. The Friends pay for the items and the grant reimburses them. There is an assessment for Western Mass Eldercare which has stayed the same for the last few years. The adjusted FY'19 budget total is \$418,226.

At this time the committee met Elsa Barros Donnelly, the Town Treasurer.

Ms. Collins informed the committee that three departments have significant changes to their budgets. The Treasurer, Police Department and DPW are bringing updates to the material the committee was previously given. There is a new sheet highlighted in yellow for the changes.

In Personal Services there are Step Changes and Ms. Barros also has an increase which brings the total to over 2%. The Longevity increased due to Ms. Barros reaching a 20-year employment with the Town.

Supplies are Ok. Financial Services are any bills received related to departments. She added \$7,750 because there will be a GASBY 45 and 74 Audit, which are mandated every two years. She left the \$15,500 because of the two Articles that will be presented. Legal Services are for Tax Titles, which have increased. The funds pay for lawyer fees who draw up the contracts for payment arrangements, etc.

General Debt and Interest has an increase of \$58,000. There is \$52,000 for principal and \$6,200 for interest. This is due to short term borrowing which is permanent now. That is for the Center Street project and land taking. The Town will be paying towards the principal interest. The \$35,000 is for temporary notes. There are still some outstanding notes. She still doesn't know the amounts for the short term borrowing for the two Articles at Town Meeting. There is a 4% increase now in this category. The adjusted budget for General Debt to \$ 2,375,880.

Fringe Benefits have adjustments on almost all the line items. Sick Leave \$6,000 was added in. There might be three employees retiring next year to cover sick buyback. FICA to Town and School has been increased 2% because of the salary increases. Health Insurance increases are .66%. There should be some savings. She increased the amount to \$450,000 towards savings but they also have Social Security payments coming out of that account because of the program that was adopted last year for seniors. There will be savings from the first part of the premiums but

it's an additional cost. Eventually there will be savings through claims since the seniors are not on the regular health plan, they're on the supplemental plan. The insurance is only paying 20% vs. 80%. The Town is trying to adopt a change in the health insurance. Ms. Collins explained why the rates are increased. She said for the current year, the way that the health insurance was budgeted, the dental insurance and Social Security, those two items were not included in the budget last year. Their asking to use \$335,000 from Free Cash to cover that expense. The budget for FY'18 is underbudgeted by almost \$400,000. What the sheets show is not really an increase in health insurance and there is \$450,000 in savings but because it was underbudgeted last year that is where the increase is.

Chapter 41, Section 111F is for injured Police and Fire employees. She added another \$10,000. This account is very hard to budget for. There are unforeseen circumstances.

There are no adjustments in Unemployment. Workmen's Compensation was adjusted. This line item is based on claims. She budgets it according to what is spent.

Retirement Contributions are given to her by the Retirement Board. Those appropriations come from them which is based on salaries and how many employees there are. It's 9% that each employee takes out of their pay. This is a true cost. The total adjusted budget is \$15,280,062.

At this time the committee met with the Hubbard Memorial Library. Representing the Library was the new Director, Patrick McGowan. Christine Davis and Robert Mishol, board members were also present.

There is a 2.5% increase in the Salary account due to salary increases. The new amount is \$363,647. Building Repairs and Maintenance has been overbudgeted to \$6,100. The adjusted amount was \$2,100 based on the transfer of accounts to the Town. They would like to increase the line item to \$5,100 for anticipated repairs for FY'19. The additional costs are for repairs to a slate roof and sprinkler pipes. They would like to replace the front door at \$6,000 at some point and repairs to the HVAC system, which was submitted as a Capital item. They qualified for State Library Aid at 100%. They used those funds to cover the overage in repairs. They completed their five-year Strategic Plan and would like to work on bringing the Library into the future. They need the State Aid to supplement the budget such as a digital media workshop etc. They apply for grants which could bring them \$23,000 in State Aid. To get 100% aid from the State there must be a certain increase from the current year. It's a 15% increase over their budget. It's important to build on the current allocated figures to make sure that they qualify for State Aid going forward without the depleting resources that currently reside in State Aid. That line item, Books and Periodicals is at \$71,000 and they are requesting that it be increased to \$74,000.

The other item on the list of adjustments is the C/W Mars Consortium Fees. That is contractual. Their part of a consortium and that includes access to the data basis and networks and all the other benefits that they derive from being part of the consortium. There are annual fees associated with that on a regular basis and they increase every year. The information based on C/W Mars themselves is from last year's project which was \$24,781 and the increase this year is to \$25,377. There is a minor increase. They will not include the door in their figures at this time. The new adjusted Budget is \$492,889.00.

At this time the committee met with the Board of Health to discuss their budget. Sandra Leacock, Adm. Assistant and Elinor Kelliher, member of the Board of Health were present.

The Board stipends is \$3,300 each. The inspector salaries and the annual inspector, animal inspector and burial agent is \$8,538. The salaries total is lower than FY'18 which is below the parameters. The need in the department is for more inspector hours. Ms. Collins said that they should show a decrease in total salaries of \$32,446.00. What is driving the decrease is that there were three retirements and the new hires were at a lower Step and two of the hires are starting at a lower salary then the retirees. Their bottom line for projected salaries minus benefits is \$279,567.00. They would like to increase one of the inspector hours to bring it closer to the parameters since their budget is lower than projected. They would like to restructure some of the inspector's hours. One of the goals in the department is to improve restaurant inspections. Their looking for a set number of hours and they would like someone during the day for emergency matters. Currently the Board members do a fair amount of inspections. Their goal is to hire a health agent. Ms. Collins said that at this point the adjusted budget is \$296,342.00.

At this time the committee met with Chief Madera and Lieut. Brennan from the Police Department to discuss the department's budget.

Police Budget: Dispatch is separated from police personnel. The goal is to have a Central Dispatch with police and fire. On the police side the numbers have changed. Police and dispatch personnel have three incentive days per year which was factored in to the amount. Most of the employees get paid and some save the day. He plugged in the contractual obligations for his department. His Personal Services budget is \$3,408,571. There are seven positions empty. They will be replaced where needed which will save some funds. He also spoke about a proposal re: Unfunded positions.

Dispatch: There are 8 full time employees. Two part-time non- budgeted position and per diem positions. There will be a 4 and 2 cycle so there will be 24 hr. coverage assigning 3 per shift but they will rotate. There will always be 2 working. It is supplemented by State funds, but they cannot take State funds and sub-plant their budgeting process. There is a \$90,000 increase to the budget because of Central Dispatch.

General Expenses: Radio System repair and maintenance. The \$9,800 covers day to day repairs. The \$19,200 is a Lease Agreement for the Radio System. They are operating on a leased radio system because their current system is not functioning. The service contracts increase in fees is due to Central Dispatch. To move forward he had to incorporate the Fire Dispatch Cab Process. To be able to integrate with Fire and EMD they had to add the next level of software. That had to be purchased and installed and there will be maintenance costs going into the future on that line item. The \$6,000 cost is maintenance on the finger print system and will also include licensing fees etc. for the additional software for Central Dispatch. Police Training is in the negative. To get three officers admitted to the Police Training Academy is \$9,000 and doesn't include the money that they have to pay for other training that occurs. Other Services is also in the negative. This line item pays for keys lock systems in their locker rooms etc. Additional Equipment in Capital Outlay must be replaced. Equipment in the cruisers need to be replaced.

They're on a two-year cycle. When they rotate their cars, that's when the defibrillators are replaced. The committee thanked the Chief.

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At this time the committee met with the Department of Public Works to discuss their budget. Mr. Steve Frederick, DPW Director and Steve Santos, Chairman were present.

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Mr. Gregoire explained to the DPW what information the committee had before them and whatever adjusted amounts the DPW had was what would be discussed.

Snow and Ice – There were 23 events. All 23 events used the ice melt, salt. Seven events were plowable anywhere from 2 to 10 inches. As of today, they purchased 2,700 tons of road salt at \$52.50 a ton. The bids came in lower this year. Salt to date is \$141,750. Outside contractor for the 7 plowing events was \$90,958.50. They used 1,200 gallons of liquid calcium mix at \$1.33 a gallon, \$1,600. Repairs up to date is somewhere between \$18-20,000. They are over the snow budget by \$38,000 as of last weekend. They want to bring the Snow and Ice Budget up closer to reality. They would like to increase the budget by \$13,000 which would cover a few sanding events. Last Emergency Management event was in 2013. They reimbursed the Town \$61,974.

Sewer: Not too many changes. They have an issue with BOD's It's gone up from what they had budgeted. The first year it's gone from \$79,000, last year it was over \$100,000. It could have been a budgeting error or higher disposal cost. Only anticipated cost is the disposal cost to the City of Springfield. The sewer job bids came in today at \$300-350,000. That was lower than what they anticipated.

Property Insurance: 7% increase but not a final figure.

Salaries: The increase overall is \$15,458. Step Increases for Mr. Frederick with some employees on Step Increases is driving the increases. The DPW is saying that the change from the FY'18 budget is \$41,917 for salaries and Personal Services. The total amount that they have for Personal Services is \$1,364,344. Ms. Collins figures are \$1,364,844. The 2019 recommended figure was \$1,349,386. Mr. Frederick's figures are \$1,349,322. Ms. Collins stated that the increase over the parameters is the \$15,458. Their figures are not the figures over the parameters. Mr. Frederick explained how he readjusted personnel in certain departments and made the budget more streamline to the departments that they worked in.

Purchases of Services: The bottom line of the previous year was \$102,753 increase. What builds up that amount is the rubbish collection services. There was an increase of \$82,722 in trash pick-up for one year. The bulk pickup increase is \$4,375 at the transfer station. Last year they combined with different communities to do disposal costs. The trash is set up in two different budget items. The actual pick-up and then the actual disposal. There are two contracts. One to the hauler and one to the disposal company. At the time they did their budget they had Covanta. They went out of business and no longer accepted the trash. DPW went with UUM which had a much higher disposal rate. There is \$9.50 a ton difference than what they anticipated paying. Then UUM increased in year 2 and then again in year 3 at \$77.50. The tonnage is variable. They average 5,000 ton a year. The contract they signed with UUM is for three years. The contract

they signed with the hauler, Waste Management. they have the amount for 5 years. The only variable with them is that they have a fuel charge increase.

Last year the DPW received \$745-755,000 from Chapter 90. This year there will be a drop to \$700,000 to repair roads and bridges.

The cost of advertising has been high. There have been several Shade Tree Hearings that have to be advertised as well as for employment. They are advertised in the Republican and Register. Ms. Villano asked why place the ad in the Republican. It is very expensive. Turley publications would be cheaper and could be spread out to different areas. For positions the ads went into the Republican. Annual bids are also advertised. The DPW will provide last year's advertisement expenses. Engineering Services: There are mandates for an I&I Study for the sewer. The MS4 is a mapping for storm water. It hasn't been mandated yet, but anticipation of that is prevalent. They are trying to get a cost for software to update the GIS program. They allocated \$10,000 to start. The software is outdated and can't be used at this time. Finding sewer manholes is also part of the \$10,000 to monitor flows etc. Operations is increased by \$5,000 for line striping and due to safety regulations, they can no longer do one line down the middle of the road. Every road must have a double line. The Safety Committee would like to permanently close Howard Street. They would have to put the curb back on the Center Street side and tree belt and then pour the sidewalk. On the back side of the sidewalk they will put a double guardrail and another piece of berm with a tree belt and a few trees. That project would cost between \$6-8,000. Their looking to mill and pave Holyoke Street. To reclaim a small side street and pave it with 3 inches of blacktop it's \$8,900. The repair on Church Street by the White Church was \$9,000. The little projects are very expensive. To repave Owen's Way, it's \$10-11,000. Fleet Division on the energy supplies, gas and diesel are starting to rise from last year. They anticipate the cost to be \$30,000. They will be starting construction on the new cemetery which will have some roads. They use a contractor to crush stone that they must use on a road base. The \$18,000 increase will partly be used to hire the contractor to do the crushing, which costs \$3.25 per ton. The other service would be to grind the trees, stumps etc. because the pile is substantial. The leaves and grass clippings get composted and when it's ready they hire a screener to make loan which is used for the cemetery and along the roadside. Those services would cost \$8,400. That's part of the \$18,000 increase.

They are working with Ms. Collins to try and consolidate line items to make the budget read easier. They discussed the Center Street project. Most of their work is done. Their waiting for the State to start the process. There will be anticipated costs to fix some of the side streets. The State won't pay for anything that is outside the scope of the project. Holyoke Street will be an alternate route for people trying to get on the turnpike. Getting on Exit 7 will be brutal. There will probably be one lane of traffic. There will be all new signals at Big Y and McDonalds. It's a very slow process. Mr. Frederick explained the project and the lead time when things will happen. It's a 2-year operation and a 5 ½ million-dollar project.

Moved by Ms. Boyea, seconded by Ms. Cavallo to adjourn the Finance Committee Meeting at 9:02 p.m.
Vote: 7-0 in favor

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