

April 4, 2018

Budget Meeting of the Finance Committee held on Wednesday, April 4, 2018 beginning at 6:15 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Maureen Downing, Chairman, Eric Gregoire, Heidi Fogg, Joan Cavallo, Susanne Boyea, Richard Moskal, Raymond Yando and Anthony Alves

Members excused: Beverly Tokarz

At this time the committee reviewed and voted on Articles presented in the Warrant for the May 14, 2018 Regular and Special Town Meeting.

Article 1: To hear and act on the reports of the Town Officers

Moved by Mr. Gregoire, seconded by Ms. Fogg to approve Article 1 as written

Vote: 8-0 in favor

Article 2: To hear and act on the reports of outstanding committees appointed pursuant to prior warrants and continued at each succeeding meeting and to continue said committees unless discharged by vote of this body

Moved by Mr. Gregoire, seconded by Ms. Fogg to approve Article 2 as written

Vote: 8-0 in favor

Article 3: Vote to raise and appropriate and/or transfer from available funds a sum of money not to exceed \$5,000 for Celebrate Ludlow and allow gifts to be deposited in a Special Revenue Fund

The committee agreed that \$3,000 be allocated to Celebrate Ludlow as in the past. Money is still being raised by the Celebrate Ludlow Committee.

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve the sum of \$3,000 for Celebrate Ludlow

Vote: 8-0 in favor

Article 4: Budget Article Hold

Article 5: To establish the annual expenditure limits for each revolving fund listed for the use of certain town departments, boards, committees, agencies or officers pursuant to MA General Laws Chapter 44, Section 53E ½ as outlined in the Town Bylaws Revolving Funds: CPR Training, \$5,000; On-site Sewage System, \$24,000; Vaccine, \$20,000; Consultants, \$50,000; Wetlands, \$80,000; Purple Bags, \$26,000; Dog Park, \$5,000

Moved by Mr. Yando, seconded by Mr. Gregoire to approve Article 5

Vote: 8-0 in favor

Article 6: To amend the General Bylaws Chapter 2, Section 42: Departmental Revolving Funds by adding language to Sec. F which will establish a fund balance limit and allows for the excess funds to revert to the general fund to the already establish table as printed in the Warrant

Moved by Mr. Gregoire, seconded by Ms. Fogg to approve Article 6  
Vote: 8-0 in favor

Article 7: Vote to amend the General Bylaws, Chapter VIII, Regulating Unregistered Cars by deleting its entirety and replacing it with a new Chapter which allows for a better description on how to abide by the bylaw.

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve Article 7  
Vote: 8-0 in favor

Article 8: Vote to authorize the Board of Selectmen pursuant to M.G.L.c.59, sec. 38H to negotiate and enter into a personal property tax agreement with the owner known as Center Street Solar 1, LLC, for solar photovoltaic energy generating facility located at 1077 Center Street etc.

There was discussion with the committee that if the Article doesn't pass the Town cannot enter into the tax agreement. It must pass Town Meeting before the Selectmen can enter into an agreement for \$900,000 to be spread over 20 years.

Moved by Mr. Gregoire, seconded by Ms. Fogg to approve Article 8  
Vote: 7-1 in favor. Mr. Yando disapproved

Article 9: Leland Heights. The Article might be postponed. The committee will concur with the postponement

Article 10: Sewer Enterprise Article, may be postponed. If it is the committee will concur with the postponement

Articles 11,12,13: DPW Articles. They will meet with the committee to discuss the background of the Articles

Article 14: Capital Improvements during the fiscal year beginning July 1, 2018.

Ms. Villano would like to get more information from the Treasurer on this Article before discussing it.

Article 15: Building Infrastructure Article. Postponed. The committee will concur with the postponement

Article 16: Vote to raise and appropriate or transfer from funds money for FY'19 Reserve Fund

Ms. Downing would like to raise the amount to \$125,000 as in the past. The committee agrees.

Moved by Ms. Fogg, seconded by Mr. Gregoire to approve the amount of \$125,000  
Vote: 8-0 in favor

Article 17: Stabilization Fund

The Budget Sub-committee recommends placing \$475,000 into the fund. The Board of Selectmen will take a vote on this next week. Hold



Article 18: Unreserved Fund Balance (Free Cash). This Article might be postponed. The Selectmen need to vote on it. Last year 1.6 million dollars was taken to offset the tax rate. The Committee will recommend to not apply any Free Cash to the tax rate, and deal with this Article in October.

Article 19: Transfer a sum of money to the Stabilization Fund to offset the tax rate. The committee suggests that no money is transferred. Ms. Villano will recommend to the Board of Selectmen to postpone Articles 18 and 19.

### **Special Town Meeting Articles**

Article 1: Unpaid Bills and/or Overexpended Accounts of previous Fiscal Years.

Moved by Ms. Fogg, seconded by Ms. Boyea to approve the Article not to exceed \$2,500  
Vote: 8-0 in favor

Article 2: Vote to appropriate and or borrow money not to exceed \$4,800,000 to be expended under the direction of the Town of Ludlow Radio Communications Advisory Committee for a town-wide simulcast radio communications system upgrade which will include infrastructure replacement, portables, mobiles and other associated communications equipment as outlined in the assessment report and to authorize the Treasurer, with the approval of the Board of Selectmen, to issue any bonds or notes that may be necessary for the purpose; any premium received by the Town from the sale of any bonds or notes authorized by this vote, less the costs of issuance of the bonds or notes paid from the premium, and any accrued interest may be applied to pay projects costs in accordance with MGL Chapter 44, Section 20 and the amount authorized to be borrowed to pay those costs shall be reduced by the same amount applied.

The committee agreed to call the Police Chief in to explain the Article before any vote is taken and how the borrowing will be handled. On April 10<sup>th</sup> there will be a presentation at the Police Department. Hold

Article 3: Vote to raise and appropriate and/or transfer from funds or borrow by the issuance of bonds or notes such sums of money for expenses of completed road projects that are ineligible for the Chapter 90 Highway State Aid reimbursement program.

Ms. Collins explained to the committee the back charges of deficit balances in the amount of \$25,000 that are not covered by the Chapter 90 funds. About \$15,000 goes back to 2015 and the rest of the funds are from projects dating back to 2002. Ms. Villano would recommend using Free Cash instead of raising the money. Ms. Collins explains the deficit balances to the committee. Hold

Ask the DPW to come before the committee to explain the Article.

Article 4: Vote to raise and appropriate and/or transfer from funds sums of money to fund the deficit in the Fringe Benefits Account for FY'18.

The deficit in the Treasurers department is \$335,000. There was an error in budgeting. Recommend to use Free Cash for this deficit. Won't know the exact amount until May. There



were penalties in dental, the Medicare Retiree Program, New employees and employee injuries that created the deficit

Ask the Treasurer to come before the committee to explain the Article. Hold

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Article 5: Vote to raise and appropriate and/or transfer funds a sum of money to be deposited into the Police Dispatch Accounts to assist in any unanticipated costs which may require additional funding for the transition to Central Dispatch.

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TOWN OF LUDLOW

Invite the Police Chief before the committee to explain the Article. Hold

Article 6: Vote to transfer from available funds money to be applied to close-out a number of deficit balances in old special articles, accounts and capital projects from FY'2015 to 2017.

There could be \$17,932 to be paid for prior Articles and there is \$19,532. The balance will be placed in the General Fund. Ms. Villano outline the amounts that made up the \$17,932.

Moved by Mr. Alves, seconded by Mr. Gregoire to approve Article 6

Vote: 8-0 in favor

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#### Old Business:

Ms. Downing made a presentation of the budget at the last meeting. In December and January, the Budget Sub-committee made some estimated assumptions going forward and made budget parameter recommendations of 2% salary increases and 0% increases to the general expenses. The departments received their budgets and asked for additional adjustments. When that number was calculated the increase to the tax rate was well over \$1.00. It was originally around \$.50. We cannot afford that especially with the two projects going forward. The Town Accountant and Ms. Villano and made recommendations on adjustment reductions which Ms. Collins provided a spread sheet on. Ms. Downing explained the spread-sheet figures to the committee. The recommended adjustment reductions are \$66,251.479. A vote was taken on a few items. The bottom line number is \$65,600,000. The committee tried to make a lean tight budget. Last week it was requested that there be an adjustment column on the spreadsheet. The committee needs to look at the figures and decide how they will progress going forward. There is a change in the Police budget under Dispatch. The line item should be 0 and above that a reduction of \$44,000. Ms. Villano will reach out to department heads to tell them to review their budgets and come up with some adjustments on their own. A few departments have been working diligently and offered their reductions. The email said that the budget is not coming in where it should be and there are a lot of departments that will be cut. The Selectmen scheduled a meeting on April 10<sup>th</sup> to speak about the budget.

Ms. Downing will reach out to the DPW, Police and the Treasurer to work on items and ask that they come before the committee. Before anything is done the Board of Selectmen will make their recommendations on what to do to decrease the budget. There was also discussion to fund a ½ year in trash pick-up. They would like the DPW to consider some sort of a change either every 2 weeks or charging the households to pay for pick-up or offer the bucket system. Those maybe

options to lower the tax rate. Depending on when the Center Street project will begin, the pond wouldn't be open and there would be a savings in that line item. They are also recommending taking \$40,000 away from the Recreation Department not including the funds from the pond closing.

Moved by Mr. Gregoire, seconded by Ms. Boyea to adjourn the Finance Committee Meeting at 7:35 p.m.

Vote: 8-0 in favor

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Raymond Alvarado  
Deborah  
Gregoire  
Heidi Lynn  
Joan Cavallo  
Susanne Boyea

[Signature]  
Ludlow Finance Committee