

January 24, 2024

Meeting of Finance Committee held on Wednesday, January 24, 2024, beginning at 6:00 p.m. in the Selectmen's Conference Room, Town Hall.

Members present: Tony Sanches, Aneta Lombardi, Matais Goncalves and Susanne Boyea (via telephone)

Members excused: Dolly Cincone

Mr. Shawn Teece and Mr. Marc Strange were also present.

First Order of Business: The Pledge of Allegiance

At this time, Mr. Strange reminded the committee where we stand with the 2025 Budget. After Level 1 Budget was put together, we are approximately \$2.4 million over levy capacity. Since then, more discussions have been held with the department heads. Last night the Board of Selectmen elected to temporarily hold off on budgeting for new positions. For now, these positions were backed out from the Level 2 Budget. A handful of reclassifications was approved totaling \$45 thousand and they are included in the Level 2 Budget. Every expense item is currently level funded. The current overage is approximately \$1.3 million over levy. This amount will continue to change. The governor of Massachusetts just presented her budget and take a look at the state aid, which is supposed to increase by 3%. Health insurance was supposed to increase by 10%, but it should go up by approximately 7-8%. Additional increases from the governor's proposal regarding potential sources of additional revenue include 0.25% meals tax increase lodging tax increase, and excise tax increase. The Level 2 budget will be presented to the Finance committee over the next few days. The Capital Improvement Planning Committee approved the total capital budget to be funded by Free Cash of approximately \$1.7 million. Free Cash beginning balance is approximately \$4 million, but it has not yet been certified. Including capital and the additional typical annual items, we will end the year with \$1.3 million in free cash.

Afterwards, the committee reviewed the remaining 2025 budget calendar dates noting that we are on track. The next Finance committee meeting will be moved from February 21<sup>st</sup> to February 7<sup>th</sup>. The committee members are asked to attend the joint Board of Selectmen, School Committee and Finance Committee meeting on Tuesday February 27<sup>th</sup>.

Regarding new committee members, Michael Kelley applied and is waiting for his appointment.

Moved by Ms. Boyea, seconded by Ms. Lombardi to approve and sign the Finance Committee Minutes of December 20, 2023, as indicated.

Vote: 4-0-1 in favor

Moved by Mr. Goncalves, seconded by Ms. Lombardi to approve and sign the Finance Committee Minutes of September 19, 2023, as indicated.

Vote: 3-0-1 in favor

Moved by Ms. Lombardi, seconded by Mr. Goncalves to adjourn the Finance Committee Meeting at 6:23 p.m. Vote: 4-0 in favor.

Susanna M. Boyce  
Mike Lombardi  
[Signature]

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Ludlow Finance Committee

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