

Town of Longmeadow

Minutes of the Finance Committee for March 23, 2020

Teleconference

Finance Committee Members present; Maury Garrett, Jr.-Chair, Andrew Lam-Vice Chairman, Eileen Morin-Clerk, Chaya Kosofsky, William Welch, Donald E. Griffith and Tom Dignazio

Visitors: Lyn Simmons-Town Manager, Paul Pasterczyk-Finance Director and Jason DuCharme-Town Accountant

The meeting was called to order at 7pm.

Discussions:

Minutes from the 3/11/2020 meeting are scheduled to be approved at the next meeting.

Andrew Lam had questions concerning the approval of the FY21 budget as it was presented to the committee and whether, or not changes need to be made to reflect the possible economic downturn the Town may be possibly faced with in the coming months. Paul Pasterczyk explained that the estimated revenue budget for the Town is comprised of eighty percent real estate and personal property tax collections, ten percent local receipts and ten percent state aid. The real estate tax estimates for FY21 would remain unchanged while local receipts and state aid may decrease. Mr. Pasterczyk also explained that if assessed values of homes begin to decrease it would have more of an effect on the FY22 budget as the valuation used in tax rate setting process would be based off calendar 2020 real estate transactions whereas the FY21 assessed values would be based off of the calendar 2019 transactions. Lyn Simmons explained the possibility of prioritizing the capital projects in article 16 as well as placing on hold the hiring of a custodian and grounds worker, which are new additions to the FY21 DPW budget.

The Committee made their recommendations for the warrant for the May 12th Town Meeting. The recommendations are as follows (votes taken by roll call vote):

ARTICLE 2.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$75,000.00, or a greater or lesser sum, for the purpose of supplementing the FY 2020 budget for Legal Expenses to cover costs associated with protecting the Town's interests dealing with the distribution of natural gas in Town and other legal matters associated with the site for the new DPW facility, or take any other action relative thereto. **(All in favor 6-0)**

The Town has and will continue to engage legal experts in the field of natural gas distribution to protect the Town's interests in public safety and public health. The Town is also dealing with the legal remedies to associated with the clean-up of the new DPW site. This appropriation supplements the \$125,000.00 appropriated at the Fall 2019 Special Town Meeting.

ARTICLE 3.

To see if the Town will vote to transfer \$50,000.00, or a greater or lesser sum from available funds in the Treasury, and \$50,000.00, or a greater or lesser sum from the Ambulance Fund for the purpose of supplementing the FY 2020 budget Fire Overtime, or take any other action relative thereto.

(All in favor 6-0)

The Fire Department has had three vacancies; one due to a retirement, one due to a resignation and one due to a military deployment. During the last year the department has continued to see a significant increase in emergency call volume. The combination of the staffing deficit and the increased call volume has resulted in a significant increase of overtime usage in order to provide emergency services to the community.

ARTICLE 4.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$65,000.00, or a greater or lesser sum, and \$25,000.00, or a greater or lesser sum from the FY 20 budget or Recreation Day Care salaries, for the purpose of supplementing the FY 2020 Snow and Ice removal deficit, or take any other action relative thereto. **(All in favor 6-0)**

The FY 2020 Snow and Ice removal costs exceeded the \$125,000.00 originally appropriated. This transfer would fully fund the costs for the fiscal year.

ARTICLE 5.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$1,460.92, or a greater or lesser sum, for the purpose of paying bills of prior year, or take any other action relative thereto.

(All in favor 6-0)

Additional FY 2019 invoices were presented to the Town after the close of the FY 2019 Town financial records and after the November 5, 2019 Special Town Meeting. This appropriation will fund the Town's prior year's obligations.

Four-fifths vote required.

ARTICLE 6.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$25,000.00, or a greater or lesser sum, for the purpose of funding ancillary costs associated with converting the Town's existing street lights over to high efficiency LED lighting, or take any other action relative thereto.

(All in favor 6-0)

The Town authorized the borrowing of \$870,000.00 at the November 5, 2019 Special Town Meeting. To date the Town has completed a pole and light fixture inventory, purchased poles and fixtures from Eversource, contracted for the purchase and installation of LED lighting and secured a contractor in case repairs are needed to the poles and lights just purchased. Additional up-front costs need to be addressed in order to complete this Town wide project which is estimated to save the Town approximately \$130,000.00 over the next 10 years as the Town pays off the debt service on the borrowing and over \$200,000.00 thereafter. The additional costs include Police extra duty while the contractor replaced light fixtures on the Town's main roads, dumpster costs for the proper disposal of both the packing material and the old lighting fixtures and potential tree trimming.

ARTICLE 7.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$50,000.00, or a greater or lesser sum, for the purpose of providing the Town matching share on energy saving projects, or take any other action relative thereto. **(All in favor 6-0)**

Periodically the Town is offered energy saving projects such as efficiency studies, insulation installation, installation of EV chargers, etc... and matching funds are required to take advantage of such offerings however because of a lack of funds must pass on these opportunities. This appropriation will allow the Town to take advantage of these energy saving projects.

ARTICLE 8.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$100,000.00, or a greater or lesser sum, for the purpose of producing preliminary survey and design work for the possible reconstruction / reconfiguration of Longmeadow Street / Route 5, or take any other action relative thereto. **(All in favor 6-0)**

In order to be considered for State funding for the reconstruction / reconfiguration of Longmeadow Street / Route 5 the Town must prepare preliminary survey and design work. This appropriation is the second \$100,00.00 request of an estimated total \$400,000.00 Engineering project that will allow the Town to satisfy that requirement.

ARTICLE 9.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$18,600.00, or a greater or lesser sum, for the purpose of supplementing the FY 2020 Police Department budget for Training and Uniforms, or take any other action relative thereto. **(All in favor 6-0)**

Due to the unanticipated retirement of three officers and the resignation of a fourth, the Police has determined it was essential to enroll 4 student officers in the Western Massachusetts Police Training Recruit Academy. This unanticipated expenditure includes \$3,000.00 in tuition and \$1,650.000 in equipping each of the four officers.

ARTICLE 10.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$4,975.00, or a greater or lesser sum, to the Town's Operational Stabilization Fund previously established by vote of Article #15 at the November 18, 2003 Special Town Meeting, or take any other action relative thereto. **(All in favor 6-0)**

This transfer to the Town's Operation Stabilization Fund is to comply with the Select Board policy to transfer any remaining fiscal year's Free Cash at year end to the Operational Stabilization Fund.

ARTICLE 11.

To see if the Town will vote to transfer from the Solid Waste / Recycling Retained Earnings the sum of \$41,165.00, or a greater or lesser sum, to cover a portion of the Town's costs associated with the purchase of the new trash barrels made in the fall, or take any other action relative thereto. **(All in favor 6-0)**

As a means of enforcing existing limitations on the quantity of weekly trash the town will pick up and dispose of at no additional costs to the residents, the town purchased uniform 35-gallon trash containers. A state grant picked up 79% of the costs of the containers. The remaining 21% was the Town's responsibility. This amount was going to be paid from the existing budget through reduced disposal costs and additional trash bag revenue (which would go directly to a revenue account and could not be used against the expenditures). This appropriation is a cautionary measure to assure a timely payment should the reduced disposal costs not be adequate enough to cover the Town's obligation.

ARTICLE 12.

To see if the Town will vote to transfer from Water Retained Earnings the sum of \$40,000.00, or a greater or lesser sum, for the purpose of supplementing the FY 2020 water Enterprise budget for Purchase of Water from the City of Springfield, or take any other action relative thereto. **(All in favor 6-0)**

The City of Springfield reconciles water consumption with the Town months after the actual usage takes place. This is known as the "true up" costs and can be either favorable or unfavorable to the town depending on the Town's actual consumption. This additional appropriation will ensure there is an ample appropriation to cover Springfield's costs through the end of the fiscal year.

*******FY 2021 BELOW*******

ARTICLE 13.

To see if the Town will vote to fix the Fiscal Year 2021 salary and compensation of the Moderator at \$100.00 and the Select Persons at \$2,000.00 each, to provide for a reserve fund, and to approve the Fiscal Year 2021 operating budget totaling \$72,623,010.00, or a greater or lesser sum, and itemized as follows:

General Government	\$ 1,700,510.00
Public Safety	\$ 5,774,907.00
Planning & Community Development	\$ 190,870.00
Schools	\$ 36,027,268.00
Department of Public Works (General Fund)	\$ 3,248,534.00
Community and Cultural Services	\$ 1,778,985.00
Debt Service & Town/School Employee/Retiree Benefits	<u>\$ 16,509,626.00</u>
Subtotal General Fund	\$ 65,230,700.00
Solid Waste / Recycling Enterprise Fund	\$ 1,334,779.00
Water Enterprise Fund	\$ 2,952,778.00
Sewer Enterprise Fund	\$ 2,165,663.00
Stormwater Enterprise Fund	<u>\$ 889,690.00</u>
Total	\$ 72,573,610.00

And to fund the General Fund \$65,230,700.00 be raised and appropriated as follows: \$65,230,700.00 from general taxation; and to fund the Solid Waste / Recycling Enterprise Fund \$1,334,779 be raised and appropriated as follows: \$320,000.00 from Solid Waste / Recycling receipts and \$1,014,779 from general taxation; and to fund the Water Enterprise \$2,952,778.00 be raised and appropriated as follows: \$2,952,778 from Water receipts; and to fund the Sewer Enterprise Fund \$2,165,663.00 be raised and appropriated as follows: \$2,165,663.00 from Sewer receipts; and to fund the Stormwater Enterprise Fund \$889,690.00 be raised and appropriated as follows: \$378,120.00 from Stormwater receipts and \$511,570.00 from general taxation, or take any other action relative thereto.

1st Motion, to recommend (Not in favor 6-0)

2nd Motion, recommendation to be made on the floor of Town Meeting (All in favor 6-0)

An annual operating budget must be adopted and funded for Fiscal Year 2021 that begins on July 1, 2020. The budget was approved by the Select Board and reviewed by the Finance Committee, as

required by the Town Charter. The budget, as printed, is a balanced budget as required by Massachusetts General Laws and the Charter.

ARTICLE 14.

To see if the Town will vote to raise and appropriate the sum of \$57,700.00, or a greater or lesser sum, for the purposes of establishing a Wage Settlement Account to cover FY 2021 non-school, non-union wage adjustments, or take any other action relative thereto. **(All in favor 6-0)**

All School and Town collective bargaining agreements are current and wages allotted in such are built into the FY 2021 budget. Wage adjustments for non-school, non-union personnel are not built into the FY 2021 budget presented. This appropriation will provide funds to cover wage adjustments as determined by the Town Manager under the Town Charter 5-2(d). The Finance Director will only release funds from the Wage Settlement Account to the proper budgetary line items upon notification from the Town Manager of the wage adjustments allotted.

ARTICLE 15.

To see if the Town will vote to raise and appropriate the sum of \$250,000.00, or a greater or lesser sum, to be transferred into the Operational Stabilization Fund, or take any other action relative thereto. **(All in favor 6-0)**

The FY 2021 budget directives established by the Select Board included a deposit of \$250,000.00 into the Town's Operational Stabilization established by vote of Town Meeting on November 18, 2003 pursuant to Massachusetts General Law Chapter 40 Section 5B. This amount will enhance the Town's reserves in order to maintain / improve the Town's current Standard and Poor's credit rating of AA+. The Town's General Reserve (summation of Free Cash and Stabilization Funds as of July 1st) policy requires a 5–10% reserve when compared to operating revenues. The July 1, 2019 percentage of reserves to operational revenue was 7.89% and is in the absence of this transfer is predicted to decline slightly as a result of stagnant General Reserves while operational; revenues increase.

ARTICLE 16.

To see if the Town will vote to raise and appropriate, and / or transfer from available funds, the following amounts, or a greater or lesser sum, for capital projects and that any remaining amounts from the capital projects be returned to the Capital Stabilization Fund where applicable:

From Raise and Appropriate (FY2021)

Project Development	\$ 25,000.00
Project Reserve	\$ 10,000.00
Fire Replacement of Car #2	\$ 52,000.00
Fire Truck Reserve	\$ 75,000.00
Fire Dept. Kitchen Updates	\$ 50,000.00
High School Fire Door Replacements	\$ 47,000.00
Williams Energy Management System	\$ 45,000.00
Blueberry Hill Drainage & Parking Lot Improvements	\$ 32,000.00
Glenbrook Energy Management System	\$ 42,000.00
Wolf Swamp Boiler Replacement	\$ 175,000.00
School District Wide Exterior Door Replacements	\$ 25,000.00
Parks Glenbrook Irrigation	\$ 50,000.00
Town Hall Replace Boiler, Tank Removal Asbestos Removal	\$ 45,000.00
Community House Door Replacements – Lower Level	\$ 25,100.00

Greenwood Exterior Door Replacement – Final Phase	\$ 41,000.00
DPW Grounds Two (2) 4WD Pickups w/Plows	\$ 94,000.00
DPW Grounds Double Folding Wing Mower	\$ 60,000.00
Guardrail Replacement	\$ 25,000.00
Pavement Preservation	\$ 494,670.00
Sidewalk Replacement	\$ 400,000.00
Turner Park Dam	\$ 117,000.00
Subtotal	\$1,929,770.00

From Capital Stabilization Fund

Pavement Preservation	\$ 5,330.00		
<u>Multi Fund</u>	Water Retained	Sewer Retained	Raise &
Appropriate	Earnings	Earnings	FY
2021			
DPW Shoring System	\$12,500.00	\$12,500.00	
\$25,000.00			

or take any other action relative thereto.

Annually the Town appropriates funds for capital expenditures. The FY 2021 General Fund allocation for capital increased slightly from 3.03% of net General Fund operating revenues to 3.125%. Supplemental funds from the Capital Stabilization Fund are being used to further enhance the FY 2021 capital program.

Two-thirds vote required in the case of transfers from a Stabilization Fund.

Motion to be made on the floor of Town Meeting (All in favor 6-0)

ARTICLE 17.

To see if the Town will vote to authorize the Treasurer to borrow the sum of \$300,000.00, or a greater or lesser sum, for the purposes of replacing a portion of Sewer lines on Converse Street and the related bond costs, to be paid in the first instance from sewer receipts, or take any other action relative thereto.

(All in favor 6-0)

The proposed work will replace the existing 12” clay sanitary sewer main with new 12” PVC pipe. Two new manholes and sewer laterals will also be replaced. Videotaping shows that the current piping has started to flatten and crack. Further deterioration will result in blockages that will require emergency resources. This section of the road is part of the FY 2022 State TIP project and it would be prudent to repair the pipes before that work begins.

Two-thirds vote required in the case of borrowing.

ARTICLE 18.

To see if the Town will vote to authorize the Treasurer to borrow the sum of \$433,000.00, or a greater or lesser sum, for the purposes of replacing Water mains on Birch Road and the related bond costs, to be paid in the first instance from water receipts, or take any other action relative thereto. **(All in favor 6-0)**

This project was part of the recommendations from the 2008 Tighe & Bond engineering report. It will replace the 6” AC water main with a new 8” ductile iron water main fitted new main valves, new service lines and new hydrants. It will improve water quality and fire suppression capacity on Birch Road.

Two-thirds vote required in the case of borrowing.

ARTICLE 19.

To see if the Town will vote to authorize the Treasurer to borrow the sum of \$510,000.00, or a greater or lesser sum, for the purposes of replacing Culverts on Pondsides Road and the related bond costs, to be paid in the first instance from stormwater receipts, or take any other action relative thereto. **(All in favor 6-0)**

The culverts are over fifty years old and are in need of replacements with increased capacity. Failure in the drainage system leads to sinkholes, potholes and degraded pavement. The DPWs is in the process of submitting a grant application with the Eastern Federal Lands Access Program Project (FLAP) to assist in the needed repairs along Pondside Road.

Two-thirds vote required in the case of borrowing.

ARTICLE 20.

To see if the Town will vote to transfer from the Ambulance Fund the sum of \$290,000.00, or a greater or lesser sum, for the purchase and equipping of a new ambulance, or take any other action relative thereto.

1st Motion, recommendation to be made on the floor of Town Meeting (Not in favor 4-2)

2nd Motion, to approve (Approved 5-1)

This appropriation will allow the Town to order a new ambulance in a timely manner as there is about a six-month lead time before the actual delivery is made and the ambulance placed in service. The new ambulance will replace "Medic-3", a 2005 medium-duty ambulance with over 131,000 miles and over 20,400 hours of service, Comparatively Medic -1 has just over 2,600 hours of service and Medic-2 has just over 8,300 hours of service. Both Medic 1 & 2 have heavy duty chassis. This will allow the Fire Department to enhance its ambulance service and reduce the Town's reliance on third party providers. Additional grant opportunities will be sought to equip the ambulance, thus reducing the Town's actual costs. This appropriation will strengthen the application.

ARTICLE 21.

To see if the Town will vote to raise and appropriate the sum of \$180,025.00, or a greater or lesser sum for the purposes of paying the FY 2021 District Improvement Financing (DIF) Debt Service, or take any other action relative thereto. **(All in favor 6-0)**

The District Improvement Financing (DIF) statute, M.G.L. Ch. 40Q requires the Town to annually budget for the debt service related to the Dwight Road / Maple Street DIF Program. In FY 2021 90% of the incremental property tax revenues associated with the Town's Dwight Road Improvement District will be used as the funding source of the DIF Fund. Any excess in the DIF fund at fiscal year-end will be returned to the General Fund. An estimated \$35,000.00 in excess taxes and other DIF allotments will flow directly into the General Fund in FY 21

ARTICLE 22.

To see if the Town will vote to appropriate \$47,836.00, or a greater or lesser sum, from the state for highway improvements under the authority of M.G.L. Chapter 90 including funds to be received in FY 2020, or any other applicable laws, and to authorize the Select Board, if necessary, to apply for, accept, and borrow in anticipation of state aid for such projects, expend, or take any other action relative thereto. **(All in favor 6-0)**

The state annually allocates to the Town a sum of money to be spent on Town roads This amount represents a secondary appropriation of the FY 2020 CH 90 funding. This amount must be appropriated by town meeting. The Town spends the money first and is reimbursed by the state upon completion of the project.

Two-thirds vote required in the case of borrowing.

ARTICLE 23.

To see if the Town will vote to appropriate \$478,362.00, or a greater or lesser sum, from the state for highway improvements under the authority of M.G.L. Chapter 90 including funds to be received in FY 2021, or any other applicable laws, and to authorize the Select Board, if necessary, to apply for, accept, and borrow in anticipation of state aid for such projects, expend, or take any other action relative thereto.

(All in favor 6-0)

The state annually allocates to the Town a sum of money to be spent on Town roads. This amount must be appropriated by town meeting. The Town spends the money first and is reimbursed by the state upon completion of the project.

Two-thirds vote required in the case of borrowing.

ARTICLE 24.

To see if the Town will vote to raise and appropriate the sum of \$8,000.00, or a greater or lesser sum, from the FY 2021 Community Preservation local surcharge and trust fund for administrative costs for the Community Preservation Committee, or take any other action relative thereto. **(All in favor 6-0)**

These funds are for any expenses incurred by the Community Preservation Committee. In FY 2020 the Committee spent approximately \$3,000.00 for the annual dues for the state organization and administrative matters. Any funds not used during the year are returned to the Community Preservation Undesignated Fund Balance account.

ARTICLE 25.

To see if the Town will vote to fund the Community Preservation Project for the Repair of the Storrs Library roof in the amount of \$223,000.00, or a greater or lesser sum, funded first from the Community Preservation Historic Preservation Fund Balance, and then from the Undesignated Fund balance, or take any other action relative thereto. **(All in favor 6-0)**

Over the last several years the Storrs Library building has suffered water damage from roof leaks, which affects the collection. The majority of the current roof was installed when the library was expanded in 1992, and needs to be replaced. Last year the CPC provided funding in the amount of \$27,000.00 for repair of a portion of the roof. This application will enable the entire roof to be repaired.

ARTICLE 26.

To see if the Town will vote to fund the Community Preservation Project for the repair of the Community House roof and gutters in the amount of \$120,000.00, or a greater or lesser sum, funded from the Undesignated Fund Balance, or take any other action relative thereto. **(All in favor 6-0)**

The roof and gutters are failing and causing damage to the wall cavities of the building. Last year the CPC provided funding in the amount of \$68,000.00 for repair of a portion of the roof, but the damages to the roof and gutters are more extensive than initially estimated, and the cost of the repairs are higher. This application will enable the roof and gutters to be repaired.

ARTICLE 27.

To see if the Town will vote to fund the Community Preservation Project for the improvement of the softball field at Russell Field in the amount of \$40,545.00, or a greater or lesser sum, to be funded from the Recreation/Open Space Fund Balance, or take any other action relative thereto. **(Approved 4-3)**

In prior years the CPC funded improvements for the softball field at Turner Park. This project will fund improvements to the softball field at Russell Field, which is used by the Longmeadow Softball Association and the LHS varsity softball team. This application will fund improvements to the field, including improved fencing, bleachers, and two dugouts.

ARTICLE 28.

To see if the Town will vote to fund the Community Preservation Project for Phase II of remediation of Russell Field in the amount of \$20,000.00, or a greater or lesser sum, to be funded from the Community Preservation Undesignated Fund Balance, or take any other action relative thereto.

(Motion to be made on floor of Town meeting 5-1)

Phase I of the project is addressing the erosion on the east side of the field by replacing the railroad tie retaining walls that have deteriorated, replacing them with tiered, interlocked stone walls around the backstop, so fans can view the games. This application for Phase II is for the purchase and installation of netting and seating.

ARTICLE 29.

To see if the Town will vote to fund the Community Preservation Project for Japanese Knotweed eradication in the amount of \$4,800.00, or a greater or lesser sum, to be funded from the Community Preservation Undesignated Fund Balance, or take any other action relative thereto. **(All in favor 6-0)**

The Town owns approximately 1.2 acres of conservation land on Chestnut Road that is infested with Japanese Knotweed, an invasive species that crowds out native plants. This application will enable the Conservation Commission to eradicate the knotweed from this location.

ARTICLE 30.

To see if the Town will vote to fund the Community Preservation Project for a Feasibility / Design Study for a Skate Park in the amount of \$15,000.00, or a greater or lesser sum, to fund a study for the feasibility and design of a skate park to be funded from the Community Preservation Undesignated Fund Balance, or take any other action relative thereto.

1st Motion, recommendation to be given on the floor of Town Meeting (Withdrawn)

2nd Motion, not to recommend (Not Recommended 5-1)

The construction of a skate park will provide additional outdoor recreational opportunities for children in town. This application will provide funding to provide design work, to identify the best location for a skate park, and to address any concerns about legal liability to the Town.

Next meeting is scheduled for April 27th at 7pm

Motion to adjourn at 10 pm (All in favor 6-0)

Respectfully submitted,

Eileen Morin, Clerk