

Town of Longmeadow
Minutes of the Finance Committee
March 24, 2021 - Teleconference

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

Visitors: Lyn Simmons-Town Manager, Paul Pasterczyk-Finance Director, Jason DuCharme-Town Accountant, Steve Weiss-CPC Committee Chair

The meeting was called to order at 7:00 pm.

A motion was made and seconded to accept the minutes of March 8th, 2021 as presented, 7-0 all in favor.

A motion was made and seconded to accept the minutes of March 10th, 2021 as presented, 7-0 all in favor.

There were no visitor comments.

Discussion FY 22 Budget:

The Finance Committee made its recommendations for the following Warrant Articles for the upcoming May 16th annual Town Meeting as follows:

ARTICLE 2.

To see if the Town will transfer from available funds in the Treasury, the sum of \$225.00, or a greater or lesser sum, for the purpose of paying prior year's bills, or take any other action relative thereto.

Four-fifths vote required.

It was discovered around the time the Town was closing its FY 2020 financial records that certain commitments involving training of staff had not been paid. This appropriation will allow the Town to make good on those commitments. (Recommended by the Finance Committee 7-0)

ARTICLE 3.

To see if the Town will vote to transfer from available funds in the Treasury, the sum of \$200,000.00 or a greater or lesser sum, to the FY 2021 Operating Budget for Legal Expenses to cover costs associated with protecting the Town's interests in the construction of a natural gas facility and site remediation at the DPW facility, or take any other action relative thereto.

The Town has and will continue to hire legal experts and consultants to protect the interest in public health and safety along with pursuing legal remedies to help offset the costs associated with the cleanup of the new DPW site. (Recommended by the Finance Committee 7-0)

ARTICLE 4.

To see if the Town will vote to transfer from available funds in the Treasury, the sum of \$175,000.00 or a greater or lesser sum, for the purpose of supplementing the FY 2021 Operating Budget for Snow and Ice removal, or take any other action relative thereto.

The FY 2021 Snow and Ice removal costs exceeded the \$125,000.00 original budgetary appropriation. This transfer would fully fund the costs for the fiscal year (Recommended by the Finance Committee 7-0)

ARTICLE 5.

To see if the Town will vote to transfer from available funds in the treasury the sum of \$104,035.09, or a greater or lesser sum, for the purpose of paying for emergency work related to the tropical storm Isaias on August 4, 2020, or take any other action relative thereto.

Tropical Storm Isaias uprooted trees, downed power lines and caused considerable damage throughout the Town. Emergency crews from Police, Fire and DPW along with the Town's tree service contractor worked tirelessly through the storm and the following days to provide a safe community. This appropriation covers the costs of the emergency work needed (Recommended by the Finance Committee 7-0)

ARTICLE 6.

To see if the Town will vote to transfer from available funds in the treasury the sum of \$80,000.00, or a greater or lesser sum, for the purpose of replenishing the FY 2021 Operating Budget for Forestry Trimming and Removal costs incurred from the curbside pickup of storm debris from tropical storm Isaias and to keep up with the high demand for forestry services, or take any other action relative thereto.

Massachusetts General Laws allows for deficit spending where there exists an immediate threat to persons and or property. Deficit spending resulting from tropical storm Isaias was addressed in the previous article. The Town incurred substantial additional costs within its FY 21 budget for Forestry Trimming and Removal and services have continued to be in high demand. This appropriation supplements the FY 21 budget for those subsequent costs in order that the Town be able to continue with its regular forestry services through the fiscal year.

(Recommended by the Finance Committee 7-0)

ARTICLE 7.

To see if the Town will vote to transfer from available funds in the Treasury the sum of \$1,600,000.00, or a greater or lesser sum, to be transferred into the Operational Stabilization Fund, or take any other action relative thereto.

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. Originally this vote was to take place at the June 23, 2020 Annual Town Meeting but was postponed as a result of the financial uncertainty created by the COVID 19 pandemic. As a result of temporarily halting certain services (School Crossing Guards, Council on Aging, Recreation, Library, etc...) larger than average unexpended funds were witnessed at the end of FY 20 creating a greater than normal amount of FY 21 Free Cash. 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, 2020 percentage of reserves to operational revenue is approximately 8.58%.

(Recommended by the Finance Committee 7-0)

ARTICLE 8.

To see if the Town will vote to rescind \$1,300,000.00 of the \$2,000,000.00 borrowing authorization for Phase II of the capping of the remaining portion of the Birnie Road / Tina Lane landfill voted in Article # 15 at the November 5, 2019 Special Town Meeting, or take any other action relative thereto.

While the Town authorized \$2,000,000.00 to complete Phase II of the capping of the Birnie Road / Tina Lane landfill only \$700,000.00 was required to complete the project. The \$700,000.00 was borrowed in May, 2020.

(Recommended by the Finance Committee 7-0)

ARTICLE 10.

To see if the Town will vote to fix the Fiscal Year 2022 salary and compensation of the Moderator at \$1,000.00 and the Select Persons at \$2,000.00 each, to provide for a reserve fund, and to approve the Fiscal Year 2022 operating budget totaling \$74,269,508.00**, or a greater or lesser sum, and itemized as follows:

	SELECT BOARD	SCHOOL BOARD**
General Government	\$1,737,927.00	\$ 1,737,927.00
Public Safety	5,556,634.00	5,556,634.00
Planning & Community Development	233,273.00	233,273.00
Schools	36,426,490.00	36,517,422.00
Department of Public Works (General Fund)	4,714,816.00	4,714,816.00
Community and Cultural Services	1,628,475.00	1,628,475.00
Debt Service & Town/School Employee/Retiree Benefits	17,556,020.00	17,556,020.00
Subtotal General Fund	\$67,853,635.00	\$67,944,567.00
Water Enterprise	3,046,611.00	3,046,611.00
Sewer Enterprise	2,262,789.00	2,262,789.00
Stormwater Enterprise	1,015,541.00	1,015,541.00
Total	\$74,178,576.00	\$74,269,508.00

**And to fund the General Fund \$67,944,567.00 be raised and appropriated as follows: \$67,944,567.00 from general taxation; and to fund the Water Enterprise Fund \$3,046,611.00 be raised and appropriated as follows:

\$3,046,611.00 from Water receipts; and to fund the Sewer Enterprise Fund \$2,262,789.00 be raised and appropriated as follows: \$2,262,789.00 from Sewer receipts; and to fund the Stormwater Enterprise, \$1,015,541.00 be raised and appropriated as follows: \$473,344.00 from Stormwater receipts and \$542,197.00 from general taxation, or take any other action relative thereto.

An annual operating budget must be adopted and funded for Fiscal Year 2022 that begins on July 1, 2021. The Select Board's budget was reviewed by the Finance Committee, as required by the Town Charter. The Select Board's budget, as printed, is a balanced budget as required by Massachusetts General Laws and the Charter. The Select Board's FY 2022 recommended budget only utilized 1.75% of the allowable 2.50% increase authorized by Proposition 2 1/2, which creates an estimated \$385,222 in unused tax levy capacity. Since the School Committee recommended / requested a different budget amount, the School Committee's budget amount, by law, must be read in the original budget motion and will be amended by the Select Board on the floor of Town Meeting to reflect the Select Board's recommended budget. Should the School Committee's requested budget be approved the excess levy capacity will drop to \$294,290 and add approximately 4 cents will be added to the tax rate.

This budget achieves the goal of limiting FY 2022's tax increase to no greater than 1.75% of the allowable 2.50%, in accordance with the Finance Committee's firm recommendation that tax rate growth be constrained in order to delay an intersection with the looming \$25/\$1,000 mil rate tax ceiling. The initially proposed School Committee budget printed here does not meet this goal. The effort to limit tax growth required the town manager and Select Board to judiciously scrutinize and prioritize spending proposals by each and every town department, including the School Department, whose initial budget request was reduced by 0.25% so that we could collaboratively arrive at a town budget that maintains level service and keeps Longmeadow under the tax ceiling for the foreseeable future.

(The Finance Committee recommends the Select Board's proposed budget of \$74,178,576.00, 7-0)

ARTICLE 11.

To see if the Town will vote to raise and appropriate the sum of \$100,000.00, or a greater or lesser sum, for the purposes of establishing a Wage Settlement Account to cover FY 2022 the Fire collective bargaining agreement and non-school, non-union wage adjustments, or take any other action relative thereto.

With the exception of the Fire collective bargaining agreement, all other non-School collective bargaining agreements are current and contractual wages allotted are built into the FY 2022 budget. Wage adjustments for the Fire union personnel and non-school, non-union personnel are not built into the FY 2022 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.

(Recommended by the Finance Committee 7-0)

ARTICLE 12.

To see if the Town will vote to raise and appropriate, 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:

From Raise and Appropriate (FY 2022)

Project Development	\$ 25,000.00
Project Reserve	10,000.00
Fire Truck Replacement Reserve	110,584.00
Fire Kitchen Upgrades	50,000.00
Radio Replacement (non-Public Safety) Phase 1	124,639.00
Town-wide S2 System Access Upgrades Phase 1	60,000.00
Core Technology Infrastructure Relocation	175,000.00
Data Backup and Recovery System	25,000.00
Center School Boiler Replacement	165,000.00
Oil Tank Removal BBH and WS Schools	44,416.00
High School Glass Showcase Replacement	75,000.00
Purchase of 2 4x4 Pickups w/Plows	80,000.00
Pavement Preservation	500,000.00
Sidewalk Reconstruction	400,000.00
Guardrails	25,000.00
Subtotal	\$1,869,639.00

Multi Fund	Raise and Appropriate	Water Retained FY22 Earnings	Sewer Retained Earnings	Available Funds in the Treasury
Front End Loader (3yrd)	\$54,509.00	\$46,250.00	\$46,250.00	\$37,991.00
	Capital Stabilization Fund		Water Retained Earnings	Sewer Retained Earnings
2 Ton Dump Truck w/Plow & Spreader or take any other action relative thereto.	\$50,000.00		\$25,000.00	\$25,000.00

Annually the Town appropriates funds for capital expenditures. The FY 2022 Capital Plan is funded at 3.00% of the estimated General

Fund revenues less Debt Exclusion taxation as allotted for in their Capital Funding Policy.

(Recommended by the Finance Committee 7-0)

ARTICLE 13.

To see if the Town will raise and appropriates the sum of \$345,000.00, or a greater or lesser sum, to pay costs of replacing the air handlers at Longmeadow High School, including the payment of all costs incidental and related thereto, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to G.L. c. 44, §7(1), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

Two-thirds vote required in the case of borrowing

Replacement of the north mechanical room air handlers unit (AHU) at LHS. The air handlers are from the original LHS and have outlived their service life. Replacement parts for these pieces of equipment are no longer manufactured meaning if replacement was needed the parts would have to be custom made causing the HVAC equipment to be down for an extended period. Since these air handlers service and clean the air for the public school central office and classrooms, it is imperative they function, especially in the age of COVID.

(Recommended by the Finance Committee 7-0)

ARTICLE 14.

To see if the Town will raise and appropriate the sum of \$777,700.00, or a greater or lesser sum, to pay costs of replacing water mains on Farmington Avenue, including the payment of all costs incidental and related thereto, and that to meet this appropriation, the Treasurer, with the approval of the Select Board, is authorized to borrow said amount under and pursuant to G.L. c. 44, §8(5), or pursuant to any other enabling authority, and to issue bonds or notes of the Town therefor. Any premium received upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with G.L. c. 44, §20, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount, or take any other action relative thereto.

Two-thirds vote required in the case of borrowing.

The proposed work will replace the existing 6" cast iron water main with a new 8" ductile iron water pipe fitted with new main valves, new service lines and new hydrants. The proposed work will improve water quality and provide more water capacity for fire protection.

(Recommended by the Finance Committee 7-0)

ARTICLE 15.

To see if the Town will vote to transfer from the Sewer Retained Earnings account, the sum of \$300,000.00, or a greater or lesser sum, for the purpose of replacing sewer lines on Jonquil Lane, or take any other action relative thereto. *This request is to replace 312 feet of 12" VC sewer pipe on Jonquil Lane. When the pipe was videoed, it showed that it is starting to flatten out (or become oblong). When this happens, the pipe needs to be replaced – pipe lining cannot be used.* **(Recommended by the Finance Committee 7-0)**

ARTICLE 16.

To see if the Town will vote to transfer from available funds in the Treasury, the of sum of \$131,500.00, or a greater or lesser sum, to make drainage improvements on Shady Knoll Drive, or take any other action relative thereto. *Replacement of existing stormwater outfall located on Shady Knoll. The current outfall is destroyed, and ongoing*

erosion of the embankment poses further threat to town infrastructure. The work includes replacing one of the existing catch basins, new 24" reinforced concrete pipe, new concrete outfall, and a 6' wide 12' deep riprap channel for the stormwater to drain into Raspberry Brook. (Recommended by the Finance Committee 7-0)

ARTICLE 17.

To see if the town will vote to appropriate \$674.00, 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 applicable laws, and to authorize the Select Board, if necessary, to apply for, accept, borrow in anticipation of state aid and expend such funds, or take any other action relative thereto.

Two-thirds vote required.

This small appropriation is to bring the Town up to full FY 2021 Chapter 90 amount currently authorized by the State. Article 23 of the June 23, 2020 Annual Town Meeting authorized \$478,362.00 but it was subsequently discovered the FY 2021 allotment was \$479,036.00 or the difference of \$674.00.

(Recommended by the Finance Committee 7-0)

ARTICLE 18.

To see if the Town will vote to appropriate \$478,134.00, 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 2022, or any applicable laws, and to authorize the Select Board, if necessary, to apply for, accept, borrow in anticipation of state aid and expend such funds, or take any other action relative thereto.

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 case of borrowing.

(Recommended by the Finance Committee 7-0)

ARTICLE 19.

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.

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 \$100,000.00 request of an estimated total \$400,000.00 Engineering project that will allow the Town to satisfy that requirement.

(Recommended by the Finance Committee 7-0)

ARTICLE 20.

To see if the Town will vote to transfer \$100,000.00 from the Community Preservation Committee May 2018 article #23 appropriation for the Wolf Swamp Field Ring Road to the Community Preservation Committee appropriations, May 2018 article # 22 and May 2019 article #26 for the Wolf Swamp Field Leveling, Field Improvements and an Irrigation System, or take any other action relative thereto.

The Community Preservation Committee voted on September 2, 2020 to repurpose the appropriation for the Wolf Swamp Ring Road and add to an existing appropriation for the Wolf Swamp Fields that is less restrictive. Since article #23 was appropriated back in 2018, a new plan for the renovation of the field, parking and traffic management has been developed, which no longer includes a ring road around the perimeter of the fields. This article will clarify that the funds previously allocated remain available for the improvement of the fields. No additional funding is being provided by this article

(Recommended by the Finance Committee 7-0)

ARTICLE 21.

To see if the Town will vote to transfer from the Community Preservation Undesignated Fund Balance \$151,212.00, or a greater or lesser sum, to the: CPA Fund Balance Reserve for Open Space \$50,404.00, CPA Fund Balance Reserve for Community Housing \$50,404.00, and CPA Fund Balance Reserve for Historic Preservation \$50,404.00, or take any other action relative thereto.

The Community Preservation Act (CPA) requires Town Meeting to appropriate or reserve for future appropriation at least 10% of the estimated annual CPA revenue for acquisition and initiatives for each of the following three categories: Open Space, Community Housing and Historic Preservation. Approval of this article will satisfy the requirement for FY 2021. Currently, the FY 21 State matching share is estimated at 17.7% of our

current year's estimated revenues; surcharge, \$407,000.00, other miscellaneous revenues \$25,000.00, and State match \$72,039.00 **(Recommended by the Finance Committee 7-0)**

ARTICLE 22.

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 2022 Community Preservation local surcharge and trust fund for administrative costs for the Community Preservation Committee, or take any other action relative thereto.

These funds are for any expenses incurred by the Community Preservation Committee. In FY 2020 the Committee spent approximately \$3,032.54 for 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.

(Recommended by the Finance Committee 7-0)

ARTICLE 23.

To see if the Town will vote to fund the Community Preservation Project for the replacement of the Wolf Swamp School playground in the amount of \$190,000.00, or a greater or lesser sum, funded first from the Community Preservation Undesignated Fund balance, or take any other action relative thereto.

The current equipment at the Wolf Swamp School playground is 22 years old and is showing signs of wear. The school playground provides recreation for 389 students at the school. This spending request was submitted by the DPW and not the School Department. It has been on a list of projects that comes up on a schedule for possible replacement based on age. Multiple Finance Committee members personally visited these playsets and agreed that they are in good condition and likely can be used for years into the future. The play structures did not appear to suffer from any safety or accessibility issues. Any necessary regular maintenance of such structures should be performed annually by the DPW. We considered it better to not spend \$190,000 for a totally new playset at this time, but instead to retain these funds so that they may be used for projects of more pressing need or greater value in the near term, such as the Wolf Swamp Fields or other worthy project. We can gain value for Longmeadow by continuing to utilize the current playsets and postpone their wholesale replacement for, perhaps, a few more years, which will also benefit Longmeadow 20-30 years from now by postponing when those new playsets will need to be replaced. (Not recommended by Finance Committee 5-1-1)

ARTICLE 24.

To see if the Town will vote to fund the Community Preservation project for the replacement of the carpeting in the Storrs Library Children's Room in the amount of \$21,000.00, or a greater or lesser sum, funded from the Historic Preservation Fund Balance, or take any other action relative thereto.

The Children's Room at the library is a focal point of the Town's early youth learning and exploration activities. The existing carpeting was installed when the addition to the library was constructed in 1992.

(Recommended by the Finance Committee 7-0)

ARTICLE 25.

To see if the Town will vote to fund the Community Preservation Project to upgrade irrigation at the community gardens in the amount of \$4,000.00, to be funded from the Recreation/Open Space Fund Balance, or take any other action relative thereto.

The community gardens have grown to approximately 40 garden plots, and the existing irrigation is proving inadequate to reach all of the plots. This project would extend the main water line by approximately 80 feet, and provide additional outlets and faucets.

(Recommended by the Finance Committee 7-0)

ARTICLE 26.

To see if the Town will vote to raise and appropriate the sum of \$180,525.00, or a greater or lesser sum for the purposes of paying the FY 2022 District Improvement Financing (DIF) Debt Service, or take any other action relative thereto.

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 2022 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 \$45,000.00 in excess taxes and other DIF allotments will flow directly into the General Fund in FY 22.

(Recommended by the Finance Committee 7-0)

Other:

The next meeting is scheduled for May 12th, 2021.

The Committee voted to adjourn at 8:40 pm (7-0 all in favor)

Respectfully submitted,

Eileen Morin, Clerk