

Town of Lakeville
Joint Finance Committee and Board of Selectmen Meeting-Town of Lakeville
Joint Finance Committee and Board of Selectmen Meeting-Town of Freetown
Meeting Minutes
Tuesday, February 28, 2012
6:30 PM – Freetown Senior Center

On February 28, 2012, the Lakeville Finance Committee held a meeting at 6:30 PM at the Senior Center in Freetown. The meeting was called to order by Chairman Petruzzo at 6:30 PM. Members present: Michael Petruzzo, Donna Winters, Melissa Hopkins, Norman Orrall, and Ted Bunn. The Lakeville Board of Selectmen called their meeting to order at 6:55 PM. Selectmen Present: Stephen Olivier, Derek Maksy and Scott Belliveau. Also present: Rita Garbitt, Town Administrator and Christine Weston, Recording Secretary. There was no one recording the meeting.

The Freetown Finance Committee and Freetown Board of Selectmen both called their meetings to order at 6:30 PM. Members present: Finance Committee Members Robert Alderson, Paul Deneault, Philip Falzarano, William Lombardi, Bradford Paiva, and Kathleen Paiva. Selectmen Present: Paul Sadeck, Jean Fox, and Lisa Pacheco. Also Present: Richard Brown, Town Administrator and Elsi Soares, Administrative Assistant.

Regional School Committee Members Present: Larry Ashley, John Olivieri, David McQueeney. Also Present: John McCarthy, Superintendent, Jessica Huizenga, Assistant Superintendent, and Michael Ward, Business Director.

Update since the Joint Budget Workshop on February 4, 2012

Mr. McCarthy began the updates. He stated that the School Department has adopted to pursue M.G.L. 32B, sections 31-32 plan design changes for FY 13 with the MIIA "GIC Benchmark" plans as bid through Group Benefits. This will enact GIC health care reform from Tufts Navigator and will save the district \$315,000 in year one. The School Department is also working with their State Legislators regarding reductions in State aid to the Region and the Towns. Some funding has been cut completely, that had been there the last 3-4 years. Also, the Region had been promised, that as a new Region it would receive an additional \$50 a student for any new student K-4. That would have been \$55,000, and that will decrease this year in the Governor's budget. There is also the CIC (Community Innovations Challenge) grant that the Region applied for in the amount of \$176,000, which should help. We should know about that very soon. The Region is advocating legislation put forth by Susan Bump regarding McKinley-Vintro, which is transportation for homeless students. At this time the municipalities are funding this, and it should actually be paid for by the State. If this passes, that could be \$80,000 for this year and for next year. Senator Michael Rodrigues is working on the Region's behalf and trying to get as much revenue as possible. The Region is doing all that it can to hold costs down and increase revenue. Right now the Region is working with a budget that is a little over a 3% increase. However, the revenue is not there from last year. A lot of one time money was used in last year's budget that is not there now. Costs are trying to be held down as much as possible, while sources of revenue are being looked into.

Mr. McCarthy stated that there have been savings in several areas. There have been some staff retirees and changes from the Region to another district. Those positions have not been replaced. Individuals are now being shared between the districts (School Psychologist, etc.), since

we fully regionalized. This has been a cost savings. The Towns have savings that they did not have before. There are 150 additional employees, and a staff member has been reduced at the Central Office. The Towns do not have those employees to serve, so there is capacity within the Towns to save money. Regional transportation will be up from \$780,000 to \$971,000. The Region is looking at the efficiencies that are able to be generated through regionalization and has been able to show a savings. Class sizes in the elementary schools have been reduced from the high 20's to the low 20's. Costs that were on each Town's side for the elementary schools to provide payroll and benefits for those employees are now being provided by the Region so the Towns no longer have to do this. This should have been seen as a reduction to the workload at the Town level. The net gain is three (3) new employees or additional positions. They had been cut, and are now being re-implemented such as the Assistant Principal at the High School and increasing the School Psychologist position. Looking at the total amount of staff that has been reduced over the past three (3) years, the School system is still way down on necessary staff. A few staff members are being looked at to bring back in areas identified as needs. Entering FY12, there was a reduction of about 12 staff members. It was mostly teaching staff, para-professionals from the Middle and High School. Some staff was put back into the elementary schools, therefore, it was a redeployment of some. Contract negotiations are still taking place, and there is no percentage included. Additional days are needed, such as professional development days. There are 181 days of school, which is the least amount allowed. There is only one (1) day for teachers to come in and work, so two (2) additional work days have been built in, which is a 1% increase in pay. Half days are not being done. The Region has the shortest school days in the state and is barely meeting Time on Learning. Any day that is taken away, hours have to be subtracted, therefore, the Region would not meet the State mandate. Since both Towns are large, students are on buses over an hour in some cases just to travel back and forth to school. The elementary schools get out late in the afternoon, and the High School starts the earliest in the State. The extra days, therefore, are needed at a cost of about \$77,000 a day, or about \$150,000 for two (2) days. Right now professional development is being done by pulling teachers out of their classrooms and putting in substitutes. Professional development is important to any organization to improve quality. Mr. McCarthy provided further information as to the changes that have taken place since Regionalization with the staff.

At this time the committees reviewed the Cherry Sheet figures for the Governor's budget. Ms. Pacheco stated that Freetown has asked all Town Departments to level fund. Mr. Olivier stated that the same has been asked of the Town Departments in Lakeville. They were asked to keep their budget the same as last year, aside from any contractual increases. The Town though is in a deficit of \$471,000 for FY 13. That is the amount needed to bridge the gap, and that includes NSS (Net School Spending) for the Region. Mr. Olivier stated that the Town is doing things that it should be doing, such as putting money into the Stabilization Fund, increasing the Reserve Fund, since \$50,000 is never enough to cover emergencies. While meeting with some Departments, their budgets are a little higher than expected, so that is being looked into. The Town is no better off than it was last year. There is no way that the Town will be able to come up with any additional funding without an override, and that does not seem likely to occur. It is still anticipated that there will be efficiencies at the Region. Mr. Olivier explained that he went into Boston to meet with Roger Hatch at DESE last Friday to learn about the Chapter 70 funding process and was enlightened on how it is put into place. They look at 2 ½%, new growth, and unrestricted revenues. They additionally assume that that money will go directly to the schools. They also use a 4% increase each year, even though the CPI (Consumer Price Index) does not even do that. Mr. Olivier asked Mr. Hatch when they will look at the formula, since any gains that the Town makes goes right to the schools. It was conveyed to Mr. Hatch that the Town is no better off each year, especially since the Town was cut \$1.4 million in two (2) years. How then can the Town be sustainable? How can the Town do that without new growth?

Mr. Hatch did not have an answer for that, but understands the position of the town. To be perfectly clear NSS went up over \$400,000 from last year, which is an increase for the schools. If Freetown does provide additional funds, then Lakeville would be compelled to match through Town Meeting. Then Lakeville would be forced to lay-off people in the Town in order to come up with the additional funds.

Ms. Pacheco stated that she just wanted to understand Lakeville's position. It is hoped that both Towns will work together, since that was the intention for full Regionalization. Until Freetown meets with all its Department Heads, they will not know their true financial picture. Mr. Ashley stated that the Lakeville Selectmen have already stated that they will just meet NSS. Mr. Maksy stated that Lakeville's budget is already set, and the increase that Freetown has anticipated will not be taking place. Mr. Belliveau stated that Lakeville's NSS went up, and the Town is providing what it can provide. Mr. Ashley stated that then Lakeville is cutting the school budget by 8%. Mr. Olivier stated that the Town had a \$385,000 increase last year with the pension assessment and health insurance. It is then being indicated by Mr. Ashley that Lakeville needs to come up with a reduction in staff plan to then give that amount to the schools. Mr. Ashley stated that they are only asking for an additional contribution of \$26,000 and the State is saying \$413,000. Therefore, if Lakeville cannot, or will not, then the school budget will have to be cut by 8.6%. Additional calculations were done regarding Mr. Ashley's figures and it was noted that it is still a large amount that is needed for Lakeville to contribute.

Discussion then took place about whether or not the IT upgrades were included in the school budget. Mr. McCarthy responded that it is not. There are designated funds and other places that that money is being looked for. Other options are to fund or lease it out over a period of time (\$800,000, over 5 years). The funding is not in the budget this year; however, it may be in there in subsequent years. Another option is to discuss is refinancing of the outstanding debt. It is hoped to bring in Lisa Dickinson from Unibank to discuss this option with the Towns, since it would be advantageous with the current debt due to interest rates. The Region would like to come up with a plan that will save the Towns some money. The Region has some nice buildings, but is carrying some hefty debt, which is impacting everyone. Maybe refinancing some of the debt will help save money for the towns. Ms. Fox asked what the status was with Old Colony. Mr. McCarty responded that they have not provided any figures as of yet. Mr. McCarthy then explained how School Choice works, and how it impacts the Region. The fact that the money follows the student, if they are not in the district, is approximately \$5,000 a student. If there was a local Charter School, there would be competition taking place between the Charter School and the Regional Schools. Ms. Fox mentioned that at one time dual enrollment was offered and that would again help attract students, since they would be able to receive college credits. Mr. McCarthy explained that the Region does want to look attractive to retain its students and to attract students from other districts. If the Region opens up School Choice in more than the two (2) grades it is currently offering, then it can attract more students. What is needed is to have a quality school system, and just NSS is not going to cut it. NSS is based on an analysis of the foundation budget, and that is flawed. The average spending is 12%. If this figure is even reached, then it would be 5%. If you want to attract students and keep them, you have to be careful you do not lose all that has been gained through Regionalization. It is understood that the Towns are very tight, but he cautioned them on only providing NSS. It would be beneficial if the Towns could provide somewhere in between those figures. Mr. Lombardi stated that it is incumbent on the schools to look at generating revenue and to be innovative knowing that the Towns are in a difficult situation. That is the challenge, to be innovative, or Regionalization is just a short term fix.

Ms. Pacheco asked if the Superintendent could elaborate on the Health Care Savings. Mr. McCarthy stated that the consultant was paid \$4,400 and went out to bid. There will be a 1.3% increase on the current plan by doing this. If the Region kept with the current plan, there would be an increase of \$53,000. Thus the District is saving \$350,000. The Region is taking every opportunity that it can to cut costs and raise revenues. There is just not the revenue base to generate the necessary monies. Every revenue opportunity is being looked into. Mr. McQueeney added that the schools also have a declining enrollment, fixed costs with the buildings, and eventually may have to close a school building. Mr. Deneault mentioned that much is also taking place with Freetown. There are three (3) bridges that need to be fixed with the Town paying a percentage of the costs and a roof that needs to be fixed. The Town is running with bare minimum staff, and the Town Hall is in a disarray.

Mr. McCarthy stated that over the past few years everyone has worked well together. The Region is required to vote a budget by March 30th. Once a number is voted on by the School Committee, they cannot go back and vote on an increase to that number. That is the law. Mr. Ashley stated that the Region is trying to be more transparent. Looking through the packet, one can see where the money is going and how it is being spent. Mr. McQueeney stated that the School Committee has put a lot of pressure on the Superintendent to save money. The Central Office is being run with a lean staff and more is being done with less people. Mr. Olivier stated that the reality for Lakeville is that the money is not there. The books can be looked at, and there is no money being held back. The Stabilization Fund cannot be used, and the Town will not be sunk for the Region. The Region may have made some difficult decisions, but they have not made the tough decisions. Mr. Ashley stated that if the Towns end up having a joint town meeting, it will be that vote that will carry. Thus it behooves both Towns to work this out together. The Region has looked at the health insurance and the busing. If there are additional areas to be looked at, he asked that they be presented. The real problem is that the State has put this all on the backs of the communities, and that is the real problem.

Adjournment

Upon a motion made by Mr. Orrall; seconded by Mrs. Hopkins it was:

VOTED: To adjourn the Finance Committee Meeting at 7:55 PM.
Unanimous in favor.

Upon a motion made by Mr. Maksy; seconded by Mr. Belliveau it was:

VOTED: To adjourn the Board of Selectmen's Meeting at 7:55 PM.
Unanimous in favor.