

Town of Lakeville
Board of Selectmen/Finance Committee
Tuesday, April 4, 2017
7:30 PM – Town Office Building

On April 4, 2017 the Board of Selectmen held a meeting at 7:30 PM at the Town Office Building in Lakeville. The meeting was called to order by Chairman Hollenbeck at 7:30 PM. Members present: Selectman Hollenbeck, Selectman Burke and Selectman Powderly. Also present were Rita Garbitt – Town Administrator; and Christine Weston, Recording Secretary. LakeCAM was recording the meeting this evening.

Reorganization of the Board of Selectmen and Finance Committee

This was done at the end of the meeting.

Meet with Board of Selectmen to discuss FY18 Assessment for the Regional School District and funding for the new Police Station

Present for the discussion were Ryan Trahan, Joseph Flemming, Daniel Holland, Ryan Trahan, George Vlahopoulos, and Katie Desrosiers of the Finance Committee; Richard Medeiros, Superintendent of Schools and Members of the Regional School Committee.

Selectman Hollenbeck stated that the Board of Selectmen will be meeting with the Board of Selectmen of Freetown next week and would like to have reviewed several financial aspects with the Finance Committee prior to that meeting. It was hoped to review the Police Station financing piece, but we are going to review it at next week's meeting with the Finance Committee.

Chairman Hollenbeck reviewed the process for figuring the assessment for Lakeville. There are three (3) scenarios. Scenario 3 is not a reduction to the School Budget; it is an increase in the Town's assessment of \$336,229, which the Board will support. The final figures are not available as of yet, since there are still numbers coming in from the State. George Vlahopoulos asked if Freetown had been met with yet. Selectman Burke noted that the Freetown Board of Selectmen just changed with their election. The joint meeting with them in March was not as productive as we thought it would be. Chairman Hollenbeck said the School Department is looking for Scenario 1. Selectman Powderly said taking last year's operational budget plus 2.5% increase, the increase in transportation and the increase in Debt, we arrived at a different number, but it is close enough to the \$336,229. This is similar to what we do in all Town Departments. Selectman Burke said Freetown includes all of those costs when determining their obligation. Chairman Hollenbeck said she does it that way also, but Selectman Powderly has a different method. Selectman Burke said we came up with Scenario 3, which is a 2.85% increase that would obligate Freetown to pay \$456,000, based on the State allocation. The State changes the factor every year. Last year we put in \$505,000, and Freetown paid a very small amount. Our attitude last year was that is how it is; maybe next year it will change, and it did. Freetown doesn't want to pay what they are obligated to do, based on the number we want. Mr. Vlahopoulos asked what the Town's 2.5% increase would be. Selectman Powderly said just over

\$525,000 this year, which we would allocate \$336,000 to the Schools. Last year it was all given to the Schools.

Chairman Hollenbeck explained that the Board looks at what is sustainable for the Town. When there is more money coming into the budget, then it can be given to the Schools as was done last year, so that raises the base of the contribution. When we look at the budget and give to the School Department, we are not looking to give one time monies, like the Stabilization Fund. Last year, we negotiated the budget down \$750,000, and we supported that budget. Selectman Powderly stated that he was in favor of Scenario 3, where Lakeville's percentage is 2.85% and Freetown's is 5.24%. Chairman Hollenbeck noted that the Town has also been giving the money back to the Schools, through Assawompset School from the "friendly lawsuit" which had taken place. Selectman Powderly added that through the Town's Green Communities Energy Grant, funds have been allocated to do many upgrades at Assawompset School. We put in \$100,000 last year and hope to put in \$350,000 this year. Selectman Hollenbeck noted that the Town has to consider all of its Regional School Districts, like Old Colony and Bristol Agricultural. Old Colony is an increase of \$112,000. The total increase of funding to the Schools is really \$450,000. That does impact our allocation. We will have less of a contribution to Old Colony next year, due to a large graduating class. That will increase our contribution to Freetown/Lakeville District.

Ryan Trahan stated that the scenario being discussed will be a reduction in teachers, para-professionals, custodial positions and secretarial positions. He added that he would be happy to answer specific questions on the budget, since he has some real concerns about a budget reduction from the School Department in the amount of \$1 million. Mr. Medeiros said that a \$1 million reduction would mean the loss of five (5) teaching positions, eight (8) paraprofessional positions and several custodian positions. Chairman Hollenbeck explained that the Board needs to determine the tolerance level for the Town and what it can sustain. This discussion needs to take place with the Freetown Selectmen as well. The Board has discussed how the School budget has been increasing with para professionals. Over the past three (3) years there was a budget, and the Town needed to make some changes for the Superintendent to get the School Department where it needs to be, but to sustain that the School Department needs another \$1 million. This means that the Town needs to bring in another \$2 million in order to do that. This is the third year of the Teachers' contract, and this has the largest increase in it. The additions that have happened to the budget have compounded the increases to the budget. Then there are the debt projects and capital projects, which are coming through now, and Special Education has increased. It is known that there is a problem and either the Town takes money out of Stabilization in order to support the School operating budget, which the Board is not in favor of, or the Town steps back on some of the increases. Mr. Medeiros stated that he wanted to clarify that the increase for the Schools was not a big increase. The contract was 1%, 2%, 2% plus 5% step increases. Health insurance for all employees was reduced. Money has been taken out of the Excess & Deficiency (E&D), and yes that is an issue, but education is a priority. Consideration needs to be given for a \$1 million reduction to the School Department. Mr. Medeiros stated that he was present this evening to be a voice for the Schools before action is taken.

Mr. Flemming asked about the initial program reductions. Mr. Medeiros responded that there has been a reduction of classroom teachers at each level: a teacher at the Middle School, who is also a Massachusetts Comprehensive Assessment Study (MCAS) support person, a math teacher at the High School, two (2) custodians District wide and para professionals. Scenario #4 is less than a \$500 increase per student for the coming year. Mr. Vlahopoulos asked what was reduced with the budget for the current year. Mr. Medeiros responded that the current budget for FY18 has not been reduced by the School Committee. Mr. Vlahopoulos asked about the reduction for FY17. Mr. Medeiros explained that they did not need to cut individuals this year, so it is a distinct difference. Chairman Hollenbeck stated that the first budget proposal presented last year the increase to Lakeville was \$1.5 million; it ended up at \$505,000. The Town does want to make sure that it is not setting a direction for the School Committee in terms of their priorities. The Board is looking at what the Town can sustain. Due to the allocation formula, the Board must look at and consider Freetown. If the Board wanted to do more, it can through a bizarre vote and special allocation from the School Committee, however, that it not the desired path to take. The Town is limited in what can be given to the School District due to what Freetown can provide. Freetown did not do an override in 2014 as Lakeville did. It may get to the point that there is an override put forth by the Regional School Committee, however, they have made it clear that they are not at that point.

Selectman Powderly noted that there was no opposition for the override, and it went right through. Selectman Burke added that there was a discussion of how long the override would last. The Board has taken the approach to allocate the same amount to the Schools as other Town Departments. It was thought that the Schools would get six (6) years from the override; however, it has been four (4). Concerning sustainability, what steps are the Schools taking to mitigate cost increases? The Board would prefer to hold the budget consistent. If the Schools need more money, then they say it is an override budget and ask for an override. That puts the question out to the community. It then puts the work on the Schools to sell that. There is always a cost to have a better delivery of services. Selectman Burke explained that he had been on the School Committee, and he understands the challenges that they face in terms of funding their budget. The funding mechanism is set up to fail every six (6) to eight (8) years. There are costs that are not in their control that will still drag the cost of education up, and it still seems to increase more than that of the Town. We should never take money from Stabilization and Town Resources to jeopardize the solvency of the Town from an economic perspective. If the School needs more resources, an override is how they do it.

Chairman Hollenbeck explained that there is a lot to consider when looking at the Town's needs. With Old Colony, this year's increase on the tax limit, 86% of the tax levy is going to education; last year it was 100%. We are not being stingy in terms of what we are giving to the School for an increase. Mr. Vlahopoulos asked if it made sense to separate out what is not controllable by the Schools, such as Transportation and Special Education. Chairman Hollenbeck explained that Transportation is negotiated through a contract, which could be renegotiated through another company. Special Education is mandatory. This year is a contract negotiation year for the School Department. Is that a fixed and determinable cost or something that is negotiated and then becomes determinable? You have the ability to lay off teachers to control that. Selectman Burke stated that it is easy to sit here and say what the Schools should cut, but it is difficult to change anything with the politics of the School community. Selectman

Powderly stated that the Town also has health insurance increases, has to negotiate contracts, has contractual relationships, etc. The Schools are State mandated, but the Town has mandates also. The Town has the same dilemmas as the School Department and handles it differently. Selectman Burke explained that it never used to be that way. Historically the salary increases were the same between the Town and Schools, but then came the economic collapse and the Schools continued along the same path, but the Town tightened its belt.

Chairman Hollenbeck explained that the Board is the gate keepers for those asking for debt exclusions or overrides. We will bring the Police Station to the residents to determine if they have a tolerance to have a debt exclusion. The School Department has no way to levy taxes. Selectman Powderly again stated that the Town has the same contractual obligations, steps and challenges. If the Town gives the Schools 60-80% of the budget, then that is what it is able to give them. Aside from Special Education, almost everything is under their purview. The Town is giving the maximum amount that it can under the scenario. The Town wants to be able to do for the Town what is done for the School Department. Selectman Burke stated that the School Committee determines what the needs are for their District, and the Town will determine what it can afford. The Schools determine how they will deliver their services. The detail of the School budget is what the School Committee needs to do. The Town chooses a number and provides an amount that is reasonable. If ultimately the funding of the Schools outstrips that of other Town Departments, then the relief valve is the override. The Town cannot jeopardize everything else.

Mr. Medeiros stated that he didn't see the override as the only way to stop the gap. Selectman Burke stated that the Board has to make a decision in concert with Freetown. Mr. Medeiros stated that he is optimistic moving forward. His concern tonight is the gap, since it is a wide gap. Selectman Burke acknowledged that he appreciated that, which is why the discussion is taking place tonight with the Finance Committee. Selectman Powderly stated that the number the Board is suggesting is \$336,229 for Lakeville's share and \$465,452 for Freetown's share and to go from there. Chairman Hollenbeck added that other figures are still being worked on to determine figures for the Town.

Selectman Burke offered to provide the Finance Committee a bit of an overview on the design for the Police Station, and then Chairman Hollenbeck can give an overview on the funding. Chairman Hollenbeck stated that the Board is meeting with Freetown on Monday and will have this discussion with them then. The meeting will be here in Lakeville.

Selectman Burke reviewed the rendering of the Police Station. The design is similar to that of the Library. The entrance will be from Route 18. There will be an accessory building, which is a carport and storage building. There is a sally port for prisoner processing and an exit only for the Police. There are three (3) plus acres to the site. The financial piece is \$7 million, which is on the high side. The question is how much of that amount does the Town want to borrow and how much should come out of operating budget. Chairman Hollenbeck stated that there is an option to do a ten (10) year Bond Anticipation Note (BAN), which could be a lower coupon interest rate. Each million dollars is \$400,000 in debt issuance, but with the coupon then the Town gets money off the total amount, so there are options. We can either do a bond or a BAN, which renews every year under a different rate. Selectman Powderly said the interest is 1/3 the rate with a BAN, however, the Town cannot fund it out of operations forever. Chairman

Hollenbeck asked how many years does the Board want the debt to go out? There will be debt coming off in approximately five (5) or six (6) years (Library and Senior Center), which allows everything to adjust down. Looking at the 20 year bond schedule, there is not much of a difference with the average house, basically \$30-\$40. Looking at borrowing \$7 million, the average increase would be \$182 to a \$400,000 home. Further discussion took place on the design of the Police Station. Selectman Burke explained that a needs assessment had taken place by the architect to determine the Police Officers needs in terms of space, assuming a 30 year life of the building. Selectman Powderly noted that Lakeville does arrest in excess of 400 individuals a year for a variety of things.

Chairman Hollenbeck stated that next week when the Committees meet, we need to think about putting some of the payment through the operating budget, the amount of the debt exclusion, and how much to put out to the residents to pay. Mr. Trahan stated that he would like to see more of a debt exclusion and keep cash to pay for things, so that the Town does not strap itself too much. Selectman Powderly stated that the average price of a home in Town is \$357,000, so the additional cost would be \$114 dollars a year. Selectman Burke explained that the Police Station cost estimate is a worst case scenario. The first step was to get the schematics, and the Committee has asked for a few changes. It is a bit bigger than the original needs assessment, since there is an Officer Training Room. There will be a weight lifting facility in the building. That is the only aspect of the building that is not completely functional. However, it has been determined that when there is a training facility within the Police Facility, it is used. The Officers come in early and use it. The \$7.8 million cost includes contingencies that may not happen; the true cost may be less. The Town has already put in the \$800,000, which is why the figure is presently \$7 million. The square foot cost for the estimate is \$550, which is felt to be close, but may be on the high side. Ms. Garbitt added that it includes a 5% escalation.

Chairman Hollenbeck suggested that the Committees think about it and next week can decide what should be done do with the figures. Through a debt exclusion of \$7 million, the impact on the average household is not all that much. Selectman Hollenbeck noted that the Town can float a BAN and pay it off early, but that cannot be done with a bond.

Schedule Next Meeting

The next meeting of the Board of Selectmen/Finance Committee was scheduled for April 11, 2017 at 6:30 PM in the Town Office Building.

New Business

There was no new Business presented for discussion.

Reorganization

A motion was made by Mr. Trahan; seconded by Mr. Flemming and it was:

VOTED: To appoint George Vlahopoulos as the Chairman of the Finance Committee.
Unanimous in favor.

A motion was made by Mr. Trahan; seconded by Mr. Flemming and it was:

VOTED: To appoint Daniel Holland as Vice Chairman of the Finance Committee.
Unanimous in favor.

A motion was made by Mr. Trahan; seconded by Mr. Flemming and it was:

VOTED: To table the Old Colony Regional Vocational budget at this time.
Unanimous in favor.

A motion was made by Mr. Trahan; seconded by Mr. Holland and it was:

VOTED: To adjourn the Finance Committee Meeting at 8:52 PM.
Unanimous in favor.

Review request to appoint an Interim Assistant Health Agent – John Ashley

Chairman Hollenbeck said that the Board had received a request from the Board of Health to appoint John Ashley as Interim Assistant Health Agent.

A motion was made by Selectman Burke; seconded by Selectman Powderly and it was:

VOTED: To appoint John Ashley to the position of Interim Assistant Health Agent for a term to expire July 31, 2017.
Unanimous in favor.

Reorganization of the Board of Selectmen

A motion was made by Selectman Hollenbeck; seconded by Selectman Burke and it was:

VOTED: To appoint Selectman Powderly as Chairman to the Board of Selectmen.
Unanimous in favor.

A motion made by Selectman Hollenbeck; seconded by Chairman Powderly and it was:

VOTED: To appoint Selectman Burke as Vice Chairman to the Board of Selectmen.
Unanimous in favor

A motion was made by Selectman Burke; seconded by Chairman Powderly and it was:

VOTED: To appoint Chairman Powderly as Director of Veterans Services.
Unanimous in favor.

It was the consensus of the Board to keep the remaining list of positions as they appear on the list dated April 4, 2017.

New Business

Ms. Garbitt stated that Stephen Olivier came in and showed pictures of the amount of water running onto his property from the two (2) rain storms that had taken place. He asked to be put on the agenda for the Selectman's April 10th meeting to discuss this.

Ms. Garbitt stated that the Freetown Board of Selectmen have not yet confirmed for Monday, April 10, 2017 at 5:30 PM. LakeCAM will be coming in regarding their annual audit, there is the appointment for Old Colony Regional Vocational Schools and Representative Keiko Orrall will be providing an update on the South Coast Rail. Chairman Powderly suggested that Mr. Peck and he visit Mr. Olivier's property to look at the water situation. He stated that he and the Building Commissioner have already visited the site. He hopes to resolve the concerns prior to the April 10, 2017 Selectmen's meeting.

Old Business

There was no old business presented for discussion.

Any other business that may properly come before the meeting

There was no other business presented for discussion.

Adjournment

Upon a motion made by Chairman Powderly; seconded by Selectman Burke it was:

VOTED: To adjourn the Selectmen's meeting at 9:00 PM.
Unanimous in favor.