

SELECTMEN'S MEETING
Thursday, March 9, 2006

On March 9, 2006, the Board of Selectmen held a meeting at 7:00 PM at the Lakeville Public Library in Lakeville. The meeting was called to order by Chairman Hurd at 7:06 PM. Selectmen present were: Selectman Hurd, Selectman LaCamera and Selectman Yeatts. Also present were: Rita Garbitt, Town Administrator and Tracie Craig, Executive Assistant.

Also present for the discussion were Richard Velez, Steve Olivier, Martha Weeks Green, Chair and Gary Mansfield of the Finance Committee; Charlene Shea, Chair, Lorraine Carboni, David Goodfellow, Robert Canessa and Carolyn Gomes of the Lakeville School Committee, Cindy Benard of the Freetown-Lakeville Regional School Committee, Stephen Furtado, Superintendent of Schools, Lou Rodrigues, Director of Business, and Laurie Hunter, Principal of Assawompset School.

FY06 budget updates

Selectman LaCamera discussed the FY06 budget. He said there was a discrepancy on what Rita Garbitt had and what the Superintendent had regarding special education balances. Superintendent Furtado said we feel there is a \$10,000 surplus, perhaps we are looking at it differently. Selectman LaCamera said that the Board needs clarification. Superintendent Furtado said the numbers we received from Town Hall show a \$10,000 surplus at the end of the year. Ms. Garbitt stated she believed there was a shortfall of \$15,800 for this year. Superintendent Furtado stated he would check that. He stated that the tuitions on some of the non public we have encumbered but some of those are going to change he believed. Ms. Garbitt said she updated the budget today with the new numbers for \$536,802, based on that, knowing what was left over from 05, and circuit breaker and Town Meeting it will be short \$15,800. Selectman LaCamera said that number is very important to us, a \$10,000 savings is big. Superintendent Furtado said he will have the right number tomorrow. Selectman LaCamera said we seem to be on the same page as far as voke ed, with a plus of \$30,161. He asked if anyone had any other concerns on the local budget? Superintendent Furtado said they are watching the costs of utilities very closely. Another concern that Laurie Hunter and he had was the school lunch program. We are having a difficult time using operating costs and that number is moving. We will be very close. We should be okay as we have pretty much frozen that budget. Until we get the March utility budgets, we won't know where we are. We have anticipated more expense in utilities. Selectman LaCamera said under Item D: there is a \$12,000 deficit in the health insurance account. Also, because of an employee leaving, we have a \$8,000 deficit in unemployment costs.

FY07 Local School Budget

Selectman LaCamera asked about out of district Special Education (SPED). Superintendent Furtado said that he has gone back and looked at it one more time. The \$100,000 factored into next year will cover what we currently have for students. We factored in circuit breaker money. We have brought it down to where the \$100,000 increase right now will do it. That leaves no room. There is an issue on the horizon with the potential of students coming into the system. We might be able to bring it down a little bit. Lorraine Carboni asked when will we know if they are coming? Superintendent Furtado said not until next month. There could be a

\$20,000 or \$25,000 difference, but the circuit breaker is one year behind, so we won't be getting the money this year. If we decrease to \$80,000, I'm going to have to hope we get no more students. Ms. Carboni said the Lakeville School Committee will discuss it at their next meeting. Superintendent Furtado said he would love to project ahead, but he couldn't. We'll go back and look at it. Selectman LaCamera said we make the decision as of today, not the future. Superintendent Furtado responded that as of today's numbers, we could lower it \$20,000 since the extra student is not in the district right now.

Selectman LaCamera asked about contracting out van transportation for SPED. Superintendent Furtado said that March 27th is the school bus contract opening. We offer them SPED transportation if it is cost effective. If a company wants to do it and it is cost effective, then we want to do it. Once the bids are open, we will contact them regarding SPED. There are no bid laws in effect for SPED transportation; we simply ask the vendors if they want to take the service. If it costs more money to go with a private vendor, then it is a mistake. Some of our vans are in pretty bad shape. They would examine our routes, and come back with a number. Selectman LaCamera asked when will we have the analysis? Chairman Hurd asked what the cost today for SPED transportation is? Superintendent Furtado said under SPED transportation. Page 11, you will see the salary for van drivers, subs, incentive, transportation special needs, it is approximately \$230,000. That does not include health insurance, gasoline, van insurance, cost of vehicles. He could give an analysis of these costs. Chairman Hurd asked if the bulk of school systems contract out the SPED transportation. Superintendent Furtado said they contract it out. The vendors are getting saturated. They would want to use our vans, the issue is what are they worth. They will not go out and buy vans. If they can make a profit off of us, they will do it.

Selectman LaCamera asked about out of district vote ed for Bristol Aggie. Superintendent Furtado said the number you have there is what we have. There are eleven students at \$13,700 per student. Lou Rodriques said he called Bristol Aggie for the enrollment numbers, there are ten (10) students now, we are factoring in an extra. Selectman LaCamera noted there are three (3) students graduating this year. For FY06, there was only \$136,000 in the budget, you want to go to \$150,000? Ms. Garbitt said that she budgeted the same amount as FY06. What usually happens is kids say they are going to go and they don't go. Superintendent Furtado said the original list this year was 14. Selectman LaCamera said we always put more money in that budget than actually go. We are going to go with ten (10) kids and leave it at \$136,000.

Superintendent Furtado said there are some significant challenges for building the budget for GRAIS. The numbers we are looking for is not the number that will be the final number. The challenge of building the GRAIS budget with the percentages is not pleasurable. You learn the process, and I believe there needs to be adjustment of costs of the transportation line item for the Intermediate School. I believe we can use the \$24,000 in the collaborative lease to completely eliminate the maintenance costs to GRAIS on Lakeville's behalf, which is a \$10,463 savings. We will take that balance to decrease the Region's number in maintenance. This is going to be a hybrid budget. I don't think the current budget is correct. Next years electricity cost for GRAIS is estimated at \$32,340, which is 7% of the region based on the enrollment. Electricity at the region is assessed system wide. Looking at the 4th grade students at GRAIS, factoring them in, that number has not been backed out of the region's assessment. I think Lakeville has been getting hit twice. Selectman LaCamera said that Lakeville questioned this last year, we had the same conversation. We got really frustrated after the budget was approved.

These issues did not get resolved. We walked away from FY06, ate the money but going into FY07 we are going to fix it. I agree this is a problem. Superintendent Furtado said he would like to come back with a better number, there is \$67,000 for transportation, which is wrong, I think it can be decreased by about \$45,000. If we look at electricity and system wide costs, we can back those out of the regional budget. This has not been easy. Every time we do the charge backs, the level of stress is awful. I don't want to run the office this way. We need to fix it right, once and for all. Looking at it, I want to come back with a better number for both the Region and the Local. Obviously the bottom line is going to shift downward. Every dollar counts. We need a little more time to make this correct.

Chairman Hurd said this it is good to hear that. How long do you think it will take? Superintendent Furtado replied that he is taking a look at transportation reimbursement and money coming in from the collaborative. The figure for maintenance is \$10,463 that you are paying for the GRAIS. We will back out the electricity out of the region. You have already paid for it once and don't have to pay it again. We will sharpen our pencil with the Assawompset staff and try to come in line with the salaries; there is some room, but not a lot. We have had to look at the entire funding mechanism. Mr. Rodriques said in building budgets, it is important to have a historical perspective. In putting this together, you look at what you have, and go from there. We don't have the history. We need to hear from you and understand that. Superintendent Furtado said that this morning, he shared a memo from the Department of Education with Dr. McKay that said Title I numbers are approximate, and we may get hit with a 15% decrease in Title I funding. This will be a direct hit on a teacher's salary. More is being asked of the operating budget to subsidize Title I. Since this budget was built, so many things have changed.

Selectman LaCamera spoke about retirement and health insurance costs: There are two (2) full time people retiring; we have provided in our budget for health insurance for two (2) people for replacement. One of the questions is the person retiring is making X, the replacement person is being hired at a substantial increase for a starting teacher. This could represent a \$20,000 savings. Ms. Garbitt asked if the para professional will be replaced too? Ms. Hunter said yes, we will need a third person for health insurance. Selectman LaCamera remarked that the teacher is being hired at almost the top step. Mr. Goodfellow said we will have a better number.

Transportation Budget for FY07

Selectman LaCamera went on to the allocation of transportation expenses for FY06. We are looking for documentation on how the bus contract is allocated for each budget. There is a huge difference for Assawompset versus the Region. Forgetting FY06, how is it being calculated in the new bus contract? Mr. Rodriques said from a historical perspective, the contract you currently have is five (5) years. They just kept increasing by a percentage. In talking to the vendors that are going to be handing in a bid, I explained to them that they would even out these discrepancies with a rationale as to why. That's how your contract was built in the past. Selectman LaCamera said he wants a level playing field in the new contract. When can we have updated transportation number? Superintendent Furtado said the same afternoon that the bids are opened. Selectman LaCamera noted that Old Colony's Freetown students are riding the busses at no charge, but the 4th grade to GRAIS is being charged. Superintendent Furtado replied that these kids would be riding the busses anyway if they didn't go to Old Colony. We

can make the adjustment internally for 4th grade. This year you paid for an extra bus. Next year will be different. That bus will already be there. Mr. Rodriques said you added another bus this year. When you calculate, you take the overall amount and factor it by the number of kids coming on the bus.

Regional School Budgets

Selectman LaCamera went on to the Region using the assessment sheet voted by the Regional School Committee on February 15, 2006. Is that the number we are supposed to be working with, \$22,555,000. Superintendent Furtado said yes. Selectman LaCamera said the detail budget doesn't tie into the assessment sheets. Superintendent Furtado said we haven't gone over the budget with the Principals until we receive the final number from Freetown. We know we are looking at a \$429,000 budget decrease. A lot of this is depending on the final number from Freetown. Our first conversation with them was they would give \$4.8 million. We asked to meet with Finance and Selectmen as soon as possible. We can't wait much longer. Once we have that number, we will have a final number to work with. Then we can make the appropriate adjustments in the Region's budget. Gary Mansfield asked if Dr. Furtado had prepared a worst case scenario? Superintendent Furtado said he had individually, but has not asked the Principals to do it. The Region has the increasing costs of health insurance; we don't know the cost of utilities; don't know about transportation, we know that the operating costs for personnel are \$780,000 for salary increases. Transportation and salary is over \$1 million. Mr. Mansfield noted maybe now is the time to start looking at the worst case scenario. Superintendent Furtado said we always try to leave staff as the last resort and look other places in the budget to decrease. I don't want to cause a false sense of panic and begin to have teachers worry. Jean Fox said we went through the exercise last year; it is never black and white. We already know from past experience where you might cut. We already have some fairly clear concepts where we would have to go.

Chairman Hurd asked where is Freetown? Ms. Fox said it's just like last year. They are still tweaking. Freetown is struggling with the Chapter 70 problem and it is now being shouldered by the Town. They are continuing to try to get as much as they possibly can. We have made it clear to them the last numbers they gave us are not good enough. We will continue to push. Selectman LaCamera said Lakeville does not support the amount that Freetown is proposing. We are proposing a \$300,000 matching increase. I believe the Regional School Committee members are on the same page. Superintendent Furtado said as soon as we meet with Freetown, we will have a number. We like your number. We are supposed to meet within the next ten (10) days. We have to finish this. Selectman LaCamera said we will do anything we can to stop the cutting of staff. Cindy Benard said the Regional School Committee appreciates that you feel that way.

Selectman LaCamera spoke about the school audit for the renovations to GRAIS; Lakeville needs reimbursement for GRAIS this fall. Superintendent Furtado said we are on target. Our office had to wrestle with a very faulty software program. Massive amounts of data were lost. We fully expect to have everything ready for the Department of Education. Chairman Hurd asked what is the timeline? Superintendent Furtado said two (2) months, we hope to have everything to them in the next couple of weeks, expect a check in October. Selectman LaCamera asked for an explanation of the \$50,000 other revenue figure. Superintendent Furtado said he is hoping to be more ambitious and aggressive in seeking competitive grants. He is looking to the

Department of Education for monies for professional development. He is hoping we can generate that income. Grant recipients have been targeted in lower income communities. Chairman Hurd said grants tend to be very specific, such as replacing costs that currently exist. Superintendent Furtado said we can't replace, we can add.

Selectman LaCamera next discussed the Community Recreation revenue: Superintendent Furtado said we are now looking for a full time Director in Community Recreation. We now have the full financial recommendation from the auditing firm and are beginning to generate more revenue in the pool. We want to become more aggressive with programming and exposure to the community so we can realize a profit. We plan to do a massive summer program with the pool in the hope of generating extra revenue. Selectman LaCamera asked how much is it costing the budget to operate the pool? Superintendent Furtado replied based on the heating oil, electrical, chemical, and custodian expenses, approximately \$80,000 to \$90,000. Community recreation is paying 100% of the expenses; not a dime coming out of the budget. Selectman LaCamera said he would like to see the Community Recreation budget. According to the audit, there are problems with the accounting. Superintendent Furtado said that the financial information is quite sporadic with what the auditors had to work with. Their concentration was mainly on the process and procedures. There has been a better job done with a better accounting system. It needs to get better. As we send the bills to Community Recreation, they are paying the bills. Selectman LaCamera asked why was \$20,000 taken out of the school budget to hire a Director? Superintendent Furtado said it was a one (1) time deal. Selectman LaCamera said that there was an expense of \$25,000 two (2) years ago to supplement the Community Recreation program. The numbers don't add up. If it was self sufficient, why was \$20,000 taken out of the school budget. Mr. Rodrigues explained that now you have a part-time Director who does not have the time to do an adequate job. We need to get someone in there who knows what they are doing. We need to look at somebody to take charge, have vision and create the programs. If this turns around, we will take our \$20,000 back. We want to get this thing going, it's not working.

Selectman LaCamera said we need to see a profit and loss statement, a budget. This is a business. Whatever money gets taken away from the school system, in my opinion, is the wrong thing to do. We need financial information regarding revenue and expenses. The audit report says the process is messed up. Ms. Fox said that is why we need a full time Director. Fees have not changed, enrollment is down. The director is not available to do this. It seemed to us as a committee and subcommittee, it is an entity of the Region, that represents \$377,000. It needs management, so take a little seed money to get the numbers so we can grow the program. Selectman LaCamera said we spent money to get the audit done. It was a procedural audit. The big problem is the financials. We have been discussing this for two (2) years. They need to pay for the buildings if they are going to use it. How is this going to be allocated and spread out? Is it making money? Chairman Hurd asked isn't there someone that could be charged with the analysis. Including the \$90,000 for the pool, am I to assume the Community Recreation is breaking even, except for the \$20,000 for the director. Superintendent Furtado said last year it showed a \$8,000 profit. The Before and After program made a profit. I've been told that in years past, the records have been lost and we can't recreate them. Community Recreation is at a crossroads. Listening to the auditors, we have agreed that it is broke. This is a chance to fix it; if we don't fix it this time, it is time for someone else to do it.

Selectman LaCamera said the GRAIS fuel charge back of \$52,000 for 4th grade only and the budget for Assawompset is \$55,000 for the fuel. How did you come up with that number?

Superintendent Furtado said it is 42% of the gallonage. Selectman LaCamera said the fuel bill for the GRAIS is over \$80,000. Superintendent Furtado said this is only an estimate. Selectman LaCamera asked how much fuel is the pool being charged back for Community Recreation? Superintendent Furtado said eight (8) gallons a day. Martha Weeks Green said that is approximately \$960 a month. Ms. Garbitt asked are all the receipts deposited with the Business Manager. Mr. Rodriques said our software is not compatible with Community Recreation. Lakeville is using Munis, Community Recreation is using something different. Superintendent Furtado said the Region runs the payroll. Chairman Hurd said shouldn't it be possible to generate numbers for the Before and After Program and Community Recreation. Superintendent Furtado said we get monthly statements from Fore and After, we do get some statements from Community Recreation, and we reconcile every month. It is getting better, but is still broken. Ms. Garbitt asked does the region have a payroll for Fore and After. Superintendent Furtado said we do all the payroll under the Region. Ms. Carboni said she has sat back and listened to the evaluation and the audit. We know there are things that need to be fixed. But it will work when done properly and generate revenue. As a committee, we voted for the money. We made an investment and we want to see a return on our investment. We are going to keep an eye on it. We want to get past the negative aspect and get positive. Chairman Hurd said we just need to understand better what is happening now. Superintendent Furtado said we hope to attract a quality Director. This cannot continue to function the way it is now. I was told from the get go that this would be one of the most chaotic areas. This has been broken for some time. Without a full time Director, I will go back to the Region with a recommendation.

Selectman LaCamera said we have not addressed our concerns that we spoke of months ago, mainly accountability and the budgets. We are still no where. Everyone wants more money, but we don't know how they are being charged back for the use of the pool. We need a business plan for Community Recreation and the Before and After program. The Director won't know what to do unless there is an outline for the program. This is costing us money. Mr. Mansfield asked why can't we get an accurate accounting? It seems to me before you can make other decisions, you need accounting numbers that make sense. You are saying you don't know where invoices are, can't reconcile past numbers. Mr. Rodriques said right from the go, they need new software that works with us. Mr. Mansfield said this isn't very complicated; an accounting program can control and give an accurate understanding. Mr. Rodriques said that part time people can't devote the amount of time needed. Mr. Mansfield said for \$300,000, we need someone there to handle basic accounting. Ms. Garbitt said she did not realize how much they did raise \$370,000. The Regional School Committee should have been asking for an annual audit. Ms. Carboni said we know that now; we told them we are looking for regular reviews now.

Selectman LaCamera said there are too many unknowns to go through the detailed budgets tonight. We need a date that we can revisit the budget line by line. Chairman Hurd suggested we should meet right after your meeting with Freetown. We need to wrap up our budget. Selectman LaCamera said April 15th is the drop dead date for our budget. We aren't waiting until the day before our Town Meeting like last year. Selectman LaCamera asked that Lakeville be notified of the meeting date with Freetown. We would like all the information so the next time we meet we don't have to have this conversation.

Adjournment

Upon a motion made by Selectman LaCamera, seconded by Selectman Yeatts, the Board:

VOTED: To adjourn the meeting at 8:42 PM.
 Unanimous vote.