

TOWN OF LAKEVILLE
Selectmen's Meeting Minutes
March 17, 2015 – 7:00 PM

On March 17, 2015, the Board of Selectmen held a meeting at 7:00 PM at the Town Office Building in Lakeville. The meeting was called to order by Chairman Powderly at 7:00 PM. Selectmen present were: Selectman Powderly, Selectman Burke and Selectman Hollenbeck. Also present were: Rita Garbitt, Town Administrator, and Christine Weston, Recording Secretary. LakeCAM was recording the meeting, along with Paul Sadeck and John from the Standard Times.

Meet with Freetown Board of Selectmen to discuss the Regional School District FY16 Budget

Present for the discussion were: John Healey, Freetown Town Administrator, Paul Sadeck, Lee Baumgartner, and Lisa Pacheco from the Freetown Board of Selectmen. Chairman Powderly stated that the Lakeville Board of Selectmen met last night and reviewed its School numbers. Selectman Hollenbeck distributed a handout. Selectman Hollenbeck stated that the assessment was basically the same as Mr. Sadeck has. With the current budget, there is a 5% increase for Lakeville and a 6.5% increase for Freetown, if nothing changes. Clearly the loss of students and the State not bringing the 2.5% to the table has an effect on both Towns. What could both Towns live with if the Towns calculated the assessment in different scenarios? The three (3) scenarios are: no change to the current school budget, a \$500,000 reduction to the School budget and a \$750,000 reduction to the School budget. With Scenario 1, Lakeville's share would be \$556,291 or 5.01% and Freetown's share would be \$553,971 or 6.42%. With Scenario 2, Lakeville's share would be \$270,603 or 2.44% and Freetown's share would be \$339,659 or 3.94%. Scenario 3 would have Lakeville's share \$127,758 or 1.15% and Freetown's share would be \$232,504 or 2.69%. The School Department is open to looking at what the numbers could be and see where each Town's tolerance level is.

Chairman Powderly stated that Lakeville feels that Scenario #2 is palatable to the Schools and the Board would like to hear from Freetown. Lakeville felt comfortable with a 2.5% increase, but did not know if Freetown would be ok with 3.94%. Selectman Hollenbeck stated that it looks like from last night, with their proposed budget, she thinks they are using the wrong number. It is a \$1,000,000, so it is 3.1% actually, so an additional \$300,000 was not used in their base. Mr. Sadeck stated that if Freetown goes with Scenario 2, then Freetown comes up with 4%, so that is where we are at. Lakeville is driving the bus. Selectman Burke asked if that was reasonable though. Mr. Sadeck stated that he liked the third scenario. Mr. Baumgartner also liked the third scenario. Selectman Burke mentioned that the School Department has lost approximately 100 students. There should be a reduction in the budget to correspond with less people receiving services. The rest has to remain fluid to correspond to the number of students. Mr. Sadeck stated that his front sheet with 100 students more was approximately \$7,000 a student. This year it is \$8,156, so there is no reduction for the reduced number of students. We cannot sustain this. Selectman Hollenbeck stated that they are going to tap right back into Excess and Deficiency (E&D) again, and this is unsustainable. The E & D account will not always be there. The School Committee will have to deal with sustainability more than us. It is up to them on how they will come to the table with a reduction for each Town.

Mr. Sadeck stated that with even the third scenario, it will leave Freetown with more money to help run the Town, though it is still a reduction. Mr. Sadeck explained that Freetown's new growth was much lower also. Selectman Burke stated that maybe they do need all of the staff, however, no one has talked about it with a compelling argument. We need to know what we are getting for this, and why is it worth spending the additional money. We had our Town Department Heads come in and talk about what they wanted and at the end of each conversation; we asked them to consider only a 2.5% increase. They need to determine how they will make that work and if they get more, how they will deliver services better. That is the thing with this. He did not know or understand how the School Department is determining what staffing levels should be. Maybe it is a compelling argument, but the only way to know is to get a representative on the School Committee that is of like mindedness as these Boards are. Ms. Pacheco stated that the full day Kindergarten piece is a great argument, but this is not the time to put that into place. They want everything, full day Kindergarten, smaller class sizes, books and technology. The School Committee needs to look at the whole picture, not just a few people pushing one thing. Selectman Hollenbeck explained that with full day Kindergarten it will replace students lost from Chapter 70. But if we still lose 100 students a year, we'll have that same problem and will not be able to recoup it with Chapter 70 funding. Also, is it students leaving at the Elementary or High School level, or is it families leaving? We need to know why they are leaving and at what grades. Selectman Burke stated that the Board has asked this question and the response is that they are not really sure. Chairman Powderly noted that there are private schools that the students could be going to, but even if they gave us the figures, it does not work mathematically.

Mr. Sadeck stated that the School Committee has a job to do and they have to do what is best, but we have to tell the School Department what we have to operate with since we have to operate a whole Town. Freetown usually provides 50% of its budget to the Schools. The School Committee hands us a bill and expects the money. He was shocked about the \$35 million when the Superintendent told us that at the Regional Budget Finance Sub Committee meeting. They will feel we cut their budget if we give them anything less. Mr. Baumgartner stated that when Jessica Huizenga was the Superintendent, she said they would be \$1.2 million short in the FY12 budget, and then gave 8-9% pay raises to the staff and put themselves even more into debt. She said that the Schools have the spending under control, and it is the Towns who are not taxing people to the full capability that they can. They have never been told no. Mr. Baumgartner stated that he can see Freetown not being able to support itself. Ms. Pacheco stated that she is hearing that the second Scenario is preferable for Lakeville, but Freetown seems to be in between Scenario 2 and 3. If we didn't lose students, it would be an easier scenario.

Selectman Burke stated that you cannot get it all back in one (1) year either. A responsible outlook will be better than trying to grab too much at one time. Mr. Baumgartner stated that if we reach an agreement, we tell them that they will not get an increase, but will get 1% a year. That would give them some guidance. Selectman Hollenbeck noted that if they lose Chapter 70, it needs to be related to the assessment piece. Selectman Burke stated that it is a moving target that we have to base the factors on. Mr. Sadeck stated that there are two (2) vacancies open for a seat on the School Committee, and maybe it depends on who we appoint and who is on the ballot. Mr. Noguiera recommended putting a retired teacher on the board, but are retired teachers conservative. Selectman Hollenbeck noted that the steps and levels alone are over

\$500,000, and that is more than either Town combined is paying to them. It does not include retirement increases. Mr. Sadeck stated that when the E & D account keeps going to \$1.1 million, you know there is fat in the budget. Chairman Powderly noted that if they gave a 1.75% increase, then it becomes basically 2.25-2.5% once you throw in some debt for the Town. We are committed with the unions to do that, but it really translates into something greater. Selectman Hollenbeck stated that the override helped Lakeville, but it was supposed to help for a number of years. We cannot keep going back for an override. We are in a different situation than Freetown, since Lakeville passed the override. Ms. Pacheco stated that Freetown is in a different situation since the assessments keep going up and we don't understand why. It must be how the Board of Assessors is sending the numbers to the State.

Selectman Hollenbeck mentioned that Lakeville has eight (8) more students in Old Colony, and the assessment went up 21%. It is the most convoluted formula ever. Chairman Powderly stated that vocational schools cost a lot of money; it is almost cheaper to go to a college instead. Ms. Pacheco stated that when the Towns know that the Selectmen and Finance Committee Members have agreed on a figure, then it will pass. It would be political suicide for the Superintendent to push for a budget that cannot go forward. \$600,000 is the annual increase for them and with annual retirement and health insurance costs, it is closer to \$800,000. Chairman Powderly stated that if they want to do that, then it consumes all the money that both Towns take in. We need to stop it. Selectman Burke stated that the Selectmen don't know what number is reasonable; there is an objective truth somewhere. These figures are what correlated 2.5% for each Town. We don't know what our reduction of \$500,000 or \$750,000 will do. Mr. Healey stated that a \$500,000 cut still leaves them with a \$600,000 increase. Mr. Healey asked if \$360,000 is sustainable. Or is it \$485,000? Selectman Burke explained that it is a balance of what the Towns can afford to what they want. Mr. Healey stated that the Towns need to arrive at a number that is sustainable for both Towns, not just this year, but going forward. Mr. Baumgartner stated that Mr. McCarthy (previous School Superintendent) stated a 1% budget increase was sustainable, then he left. Mr. Sadeck asked about \$250,000 as Freetown's share and Ms. Pacheco said \$275,000. Mr. Baumgartner stated that he could live with \$250,000. Selectman Hollenbeck stated that then there is an approximately \$700,000 reduction. Mr. Baumgartner stated that he wants to determine this for next year too. Selectman Burke stated that this may be what the Towns have to do each year, but it would be beneficial to have an policy in place to guide the Boards. Mr. Healey stated that a middle ground between the two(2) scenarios is still a reduction, but an increase of \$475,000 (1.8% or \$199,240 for Lakeville and 3.3% or \$286,322 for Freetown). Selectman Hollenbeck noted that she did not have McKinney Vintro or Miscellaneous receipts included in the figures.

It was the consensus of both Boards of Selectmen to have a \$475,000 increase. Selectman Hollenbeck explained that would be what the Towns say based on contributions. If Estimated Receipts come in differently, this changes. Chairman Powderly agreed, it will have to be understated and there is the other side of the coin. Selectman Hollenbeck suggested that it should be more of a reduction in a different amount based on the scenarios. Further discussion ensued to try and determine which way to fluctuate this. Selectman Hollenbeck suggested to back into the number to see what the reduction will be. It was decided that Selectman Hollenbeck and Mr. Sadeck will work on the numbers, and a letter will be sent from the Selectmen of both Towns which sends a strong message. The School budget needs to be reduced

by \$650,000. The increase would be \$275,000 (3.19% for Freetown) and \$184,545 (1.67% for Lakeville). Selectman Hollenbeck will run numbers and Ms. Garbitt and Mr. Healey will draft a letter. Chairman Powderly noted that it needs to be understood that even if receipts come in, they can use that to balance off the \$650,000. The fuel will be decreased by 30%, since that is less, so it all balances. Selectman Burke stated that this is reasonable. How the schools mitigate this is entirely up to them.

Upon a motion made by Selectman Hollenbeck; seconded by Selectman Hollenbeck it was:

VOTED: To write a letter to the School Department expressing that the funding level for the Schools be reduced from the existing budget in the amount of \$650,000. This is an increase to Lakeville of \$184,545 for the operating assessment.
Unanimous in favor.

Upon a motion made by Mr. Baumgartner; seconded by Mr. Sadeck it was:

VOTED: To write a letter to the School Department expressing that the funding level for the Schools be reduced from the existing budget in the amount of \$650,000. This is an increase to Freetown of \$275,000 for the operating assessment.
Unanimous in favor.

Adjournment

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

VOTED: To adjourn the Lakeville Board of Selectmen at 8:05 PM.
Unanimous in favor.

Upon a motion made by Selectman Sadeck; seconded by Selectman Baumgartner it was:

VOTED: To adjourn the Freetown Board of Selectmen at 8:05 PM.
Unanimous in favor.

List of documents provided at the March 17, 2017 meeting

1. Freetown/Lakeville Regional School District Calculation of Preliminary Assessments to Each Town: Prepared by the Lakeville Board of Selectmen 3-16-15.
2. Freetown-Lakeville Regional School District FY15 Budget Assessment Sheet