

TOWN OF LAKEVILLE
Selectmen's Meeting Minutes
Thursday, March 31, 2011- 6:30 PM

On March 31, 2011, the Board of Selectmen held a meeting at 6:30 PM at the Apponequet IMC in Lakeville. The meeting was called to order by Chair Yeatts at 6:33 PM. Selectmen present were: Selectman Yeatts, Selectman Olivier and Selectman Maksy. Also present were: Rita Garbitt, Town Administrator and Christine Weston, Recording Secretary. Cindy Dow was recording for The Middleborough Gazette. Also present were : Michael Ward, John McCarthy, Superintendent of Schools, John Healey, Larry Ashley, Jean Fox, Bill Lombardi, Bob Anderson, Paul Denault, Brad Piver, and Lisa Pacheco.

The Lakeville Finance Committee was also present and called their meeting to order at 6:35 PM. Members present: Michael Petruzzo, Melissa Hopkins, Ted Bunn, and Norman Orrall.

Attend Joint meeting of Freetown and Lakeville Boards of Selectmen and Finance Committees to review and discuss FY12 budget and other matters regarding the fully Regionalized School District.

John McCarthy, Superintendent of Schools, stated that last night the School Committee voted on a budget. \$34,388,393.00 is the budget which reflects a \$1.54 million cut from the original request. However, that budget figure still has an \$867,000 deficit, according to the numbers given by Lakeville and Freetown and what the School Department would need to operate the schools. It is a 1.5% increase, which is a little over \$500,000 from what was spent last year. This budget is not asking for much except in terms of growth. Due to the reduction or elimination of Excess & Deficiency (E&D) funds, American Reinvestment & Recovery Act (ARRA) funds and the JOBS Bill money, \$1.2 million is not available to the School Department this year. Considering that we are trying to correct the class size in the elementary schools, this is a very responsible budget.

Mr. McCarthy said there have been cuts to the Middle School and High School budgets; the number of teachers have been increased at the Elementary School; and cuts have been made to SPED, all in order to lower class sizes to 19-24 students per class for the Elementary School. So, there is still an \$867,000 deficit. At the High School level, they will lose the Director of Guidance, positions are being eliminated and those who are retiring, their positions will not be filled. There will be a reduction in an Adjustment Counselor, five (5) regular education teachers will be lost and one (1) SPED teacher. That all totals to a 10% cut in terms of personnel and overall budget. At the Middle School, they will lose five (5) teachers, a librarian, which will go to the High School, and they will have a para-professional at the library. Of the five (5) teachers cut, 3.8% of them are specials, which are art, music, physical education. They are also losing two (2) regular education teachers and two (2) SPED teachers, so they had a fairly sizable reduction as well. Cuts had to be made to SPED due to regionalization. If the two (2) districts had not regionalized, the School Department would not have been able to reallocate the SPED. A 1.5% cut was made to psychology from a staff of five (5). There have been approximately 3-5 cuts made for para-professionals depending where this falls and the number of Individual Education Plans, so that is a fairly significant cut. This was done in the first budget round of cuts, not the second round. The maintenance person position at the Region has not been filled.

The elementary schools, for the most part, were left alone. There will be seven (7) new teachers next year in this budget, and that will get you back to where you were three (3) years ago and that is the foundation of the educational program.

Ms. Pacheco asked for prioritizing the cuts. Mr. McCarthy responded for the Elementary classrooms cuts were made to Professional Development, technology, and maintenance. Ms. Pacheco asked if there were brand new computers in the technology budget. Mr. Ward responded that there is licensing necessary with respect to technology, but also monitors, repairs, servers, etc. Mr. McCarthy stated that they are down to one (1) computer technician; they have reduced another position to .5. The School Department can allocate staff differently due to regionalization. The budget line has been reduced to \$500,000. The industrial arts area at the High School is running on twelve (12) year old software and that is being left as it is. However, there is no real room for any major problems. Ms. Pacheco stated that a particular amount was spent with the Region and the elementary schools last year, so is anything being purchased that is new? Mr. McCarthy stated that the model was to build some infrastructure, not purchase new. The goal is to have the entire campus on Virtual Anytime, anywhere in the school, and that is just beginning at the High School. It does not make sense to invest in the hardware if the infrastructure is not there. The students are all walking into the schools with computers, so they will most likely be using their own technology, rather than the School Department buying the technology. The bottom line is \$510,422.00 for technology with respect to licensing, software, and technicians. That was cut by \$81,000, to \$428,450, which was cut by 16%. Last year is hard to compare to this year since the monies were in three (3) different places then. Mr. Ward stated that there is no purchasing of brand new equipment. Ms. Pacheco asked what was spent last year with the three (3) schools, and what is being spent in this budget. If the figure is not available this evening, it could be sent in an email once the figures are arrived at. Mr. Ward stated that the Technology Director is in the Region budget, not the technology budget. Mr. McCarthy stated that the budget was frozen. The only increases in salary are through contractual obligations. The technicians are part of the union, but not the Data Administrator or Director. Mr. Ward pointed out that the Director's position will show an increase since \$5,000 of it was paid from a grant last year.

Mr. Orrall asked if with the budget from last year, with that increasing; does it include Federal money. Mr. McCarthy responded that the ARRA was not in the budget. It was outside the budget funding positions that were there to keep it level service. Then it falls back on the School Department. When the Federal money is cut, there is JOBS money for those positions in the amount of \$242,000. That will fall away, and we will have the problem of reducing those positions or trying to find another way to fund it. Mr. McCarthy stated that there is a deficit of \$867,000. If the budget is going to be fully funded, then that is where the Towns need to get to. Ms. Pacheco stated that it is not what we have to get to for both towns. It is collectively what we all need to agree upon and to sell to both towns. You want to do what you can do for the kids, but it will not go anywhere unless the School Committees in both towns and the Finance Committees can all agree. We have to come to a bottom line that we can all agree on. Can Lakeville and Freetown give more? Can the Region cut more? Mr. Orrall mentioned that he heard that talking to the unions was discussed about reopening talks. Mr. McCarthy stated that talks have been reopened on health benefits only. It is basically looking like a 14.5% increase for health insurance, but we are hoping to find some savings in health insurance. We are looking

at every possible angle that we can at this point. It is a staggering increase that is taking place. We are feeling it, the teachers are feeling it, the employees are feeling it, and we all have a stake in the game to reduce that. Mr. Orrall asked what the number would be. Mr. McCarthy responded that it would reflect a \$476,000 increase. Selectman Maksy asked if the education number is including Old Colony. Mr. Ashley responded that it did not, that was a separate line. The yellow color ones (FY12 budget sheets) are not as current since they reflect an older version of the budget. Regional transportation is inside the Regional School budget. Also, there is a break out of the Regional Debt exclusion. Selectman Olivier asked what it is for both Towns? Mr. Ashley responded \$507,000 for Lakeville and \$370,000 for Freetown. Mr. McCarthy said the \$9,099,456.67 number has the excluded debt in it. Further discussion then took place on the number that was more accurately defined in the amount of \$8,261,351.00. Mr. Ashley pointed out a correction on the second sheet. \$8,261,351.00 is the Regional budget. This is non excluded-debt, but not excluded debt. Freetown is still short \$370,000 and we are short \$507,000 for Lakeville. So, we would need to come up \$200,000 just to be balanced and then have to come up from there. Selectman Olivier mentioned that Lakeville is also sticking its neck out about \$100,000, so the figure could conceptually be \$300,000 this time next year. This is before the \$507,000. Chair Yeatts stated that it may be even more since the 40S money was put in, and the Town might not be getting that. Mr. Ashley asked if Lakeville would be about \$800,000 to \$1 million short then. Selectman Olivier responded in the affirmative. Also, Lakeville's budget has no increase in wages.

Faith Moynihan of Lakeville said when you ask why the Town is not trying for an override, the emotional side is heard. That is understood, however, the reality is that the Town is a business, and we need to put our business hats on. She would like a financial answer, not an emotional one. What is the foreclosure rate in both Towns? What is the financial debt in both Towns? That may seem insensitive, but she has not seen a substantial increase in the past three (3) years. There is a \$1.3 million shortage on a responsible budget. At some point people will have to step up and make the decisions on this budget. We have to invest in education for the home values and future of the town. Why do you feel that you cannot go back to the residents when our peers contributed more than our towns and they are a poorer town economically? Chair Yeatts responded that an override is not going to solve our problems going forward. It is one time money, and we give it to the schools. The next year that money goes back into the General Fund. We are not saying that it will go back to the schools, but that is not showing how everything will still increase. We have to change the way we do business to remain sustainable. Selectman Olivier stated that a big part of the budget is contractually dictated, so to look at this in a financial perspective, there is no control that we have over it. We have to live by the contracts and if we could control them, then we could thin that number. The current model is that we have a 4.5% increase year after year. Health insurance costs are not helping either. We need to start thinking outside the box and do something drastic. If we go for an override this year, what do you do, go for another the following year and then the following year? He will be first to say go to an override once we restructure and there is nothing else that we can do.

Chair Yeatts said in regards to what Lakeville has done, last year we changed the contribution rates for health insurance from 90-10 to 75-25. This year we voted to discontinue longevity for employees hired after March 1, 2011. We are trying to take little steps all the time. Also, we have discontinued health insurance for future part time elected officials. Selectman Olivier

added that on the revenue side, the Town did try to bring Sysco in. That would have been a nice bump, but that did not take place. Chair Yeatts stated that business needs to be encouraged. It is hard to put the entire tax burden on the residential taxpayer. Residences are revenue negative, so we need business to be revenue positive. Ms. Moynihan asked if the Board will look to do an override if the gap cannot be bridged. Selectman Maksy stated that each year the State cuts the Town by about 5%. The final figure from the State has not been received yet. We are still just kind of tossing darts around and the school's number is something that we are mutually trying to work towards. Mr. Ashley explained that some years ago, Freetown went through this. Staffing was cut; most offices have only one (1) person in the office. Health insurance was cut to elected officials and that saved \$250,000 right off the bat. We have been slowly holding our ground and are fortunate to have Stop and Shop, which is very generous to the community. We have not been careless with our budget. We have been to the bare bone with our Town Offices. We have tried to be very pro business. Ms. Fox added that the Towns are looking at the regional strategy to save money and that is paying off, such as regionalizing the animal shelter.

Ms. Moynihan asked if both towns then are trying to solve the issue and help the revenue stream and cut costs. Mr. Ashley responded that they were. To us, an override would be an absolute last resort. Ms. Pacheco added that this is not justified for Freetown. We tried that route, but we are not at that point. We have taken a really hard line to help us come along and we are now in a position to fund a little bit more than we have in the past. Mr. Healey stated that Selectman Olivier mentioned about the estimated Local Receipts and the State Aid being down. He would be really afraid to estimate Local Receipts on the high end right now. Most people do not understand Local Receipts. We are spending those as we go as part of our budget, so it is dangerous to overestimate Local Receipts. Selectman Olivier explained that Lakeville is considering a lease for the new water tower with a cell phone company. That will help with the \$200,000.

Maria Martin asked what the business tax rate was. Mr. Healey responded that Freetown has a split rate and it is \$18.16. Selectman Olivier explained that Lakeville's business rate is the same as its residential, which is \$11.20. Selectman Maksy stated that the Town does go to the 2.5% increase as allowed under Proposition 2 ½. Mr. Orrall explained that as far as an override, we would be telling the town that the employees are going to get a raise and they are going to support it. With these numbers for the business side and the facts that are out there, the climate is what we factor in.

Mr. Denault asked what has been done to increase the free meals for the children, since we get reimbursed. Mr. McCarthy explained that the School Department has to wait until it is actually regionalized to realize that. To answer the question of how to increase the amount of students who qualify, we are instituting a point of sale system, an electronic way to pay; this will take away the identification of the student, a swipe card system. No one will see who gets what. That is a 2-3% increase and that is what we hope to save with that system. We are also going out to bid for a new food service and the new bid award will put that into place. That is about \$2,500 difference for a child. State reimbursement is based on the following year, so that is still two (2) years out. Selectman Maksy asked about the transportation. Mr. McCarthy responded that the only way costs can be reduced is to have two (2) tiers with four (4) schools. However, if there are five (5) schools, then there has to be three (3) tiers. The bids for transportation will

close the end of April. He anticipates a 6% increase based on the advice of a consultant. Ms. Hopkins asked if the High School started a little later, could there then be two (2) tiers. Mr. McCarthy explained that the only way to do that is to start High School later, and have only four (4) schools. It would save money. The Towns cannot do it with five (5) schools. It will cost too much money; we would have to add buses. Mr. Davenport mentioned about Mr. Orrall's statement and the business case for an override. He is hearing that there needs to be some structural changes before the Towns would be more agreeable to override. 70% of the School's budget is tied up in the contract with teacher salaries. We heard that two (2) weeks went by since the School Committee authorized Mr. McCarthy to speak with the unions, and we have no answer. Mr. McCarthy explained that there was a second request to open all contracts and there has not been a reply from the unions as of yet. Mr. Davenport stated that if the Towns are trying to restructure and there is so much pressure, two (2) weeks is a life time. If the answer is no, then we move on. If the answer is different, then we try and negotiate. Mr. McCarthy stated that there was a meeting today of the EAFL and a host of issues were probably discussed.

Mr. Ashley spoke about pensions. Freetown's share for their employees' pensions is \$754,000, but the teachers pay their own. So, if someone is asking if a teacher would take a pay cut, they are already paying for their retirement. Mr. Davenport stated that he is just saying that the process needs to happen. Two (2) weeks seems such a waste of time when we are under time constraints right now. Mr. Healey asked what Lakeville is going to do if it cannot come up with the money. Selectman Olivier explained that Lakeville cut six (6) police officers in 2009. Two (2) were brought back with grant money, but they are now coming onto the Town of Lakeville payroll. The Town cannot cut any firemen since there are only eight (8) and they also do the ambulance. The Highway Department has eight (8) people. Most Town Departments are down to a skeleton crew, and it will start to impact the safety of those in the Town if more cuts are made. Hours have been cut across the board with the clerical side. The Library was cut, and the Town is now trying to bring them back up, so as not to cut certification. The Town has asked the State for a waiver two (2) years in a row and will have to again this year. The Town is doing all that it can; there is not a lot there to cut. Mr. Healey asked where the Town will get another half million beyond that. Selectman Olivier responded that it cannot be done without cutting people. Selectman Maksy explained that the Board has been working on the budget and will be giving it additional looks. The answer is that we are not sure right now. We have no salary increases; we have looked at health care for two (2) to three (3) years in a row. We know how important it is to the schools, and we will try to do what we can to make it happen. Mr. Bunn stated that it is certainly fair to say that it is an uphill battle. Selectman Maksy added that the Board also wants to do more regionalizing since that will save money for both sides.

Mr. Healey asked if Freetown came up with more money, would it wipe out Stabilization and Free Cash. Mr. Ashley responded that it would not. There would be about \$800,000, which is still a big hit. Ms. Pacheco stated that the schools are asking the Selectmen what they are going to do to help, but she thinks it is a combination of Freetown, Lakeville and the schools. What will you do to your budget if you don't get the additional funds? Mr. McCarthy explained that the School budget is primarily personnel, 80% of the budget is tied to that. We have taken it down as far as we can go, and we will then get into personnel. We are looking at the health insurance. We are working hard to save money there. Also with transportation, he did not know what that will be. If it is less, then that will help. We are looking at different revenue growth

like School Choice. That would be \$5,000 per student coming in. We have surveyed this and other districts have done this very successfully. You have empty seats, since there are 4,200 seats and only 3,200 students now, and that amount is going down. The projections are down to 2,800 students over the next few years. The problem with that going down is the Chapter 70 money will decrease also. We need to look at filling the seats. What we are doing is not sustainable, and we will only be able to do that through revenue and cuts. It is a little late to do that this year though. Ms. Pacheco asked if there was any grant money in the FY12 budget. Mr. McCarthy responded that there was not. Ms. Pacheco asked how much grant money was received last year from all three (3) School departments and what was anticipated for this year. Selectman Olivier stated that it was \$993,133. Mr. McCarthy explained that one has to understand that you cannot supplant existing programs or positions with grant money. Grant money is to be used to enhance what you do. Mr. Ward stated that there are a lot of zeros when looking at the grant money. What normally had been in the budget is all gone and had been taken care of with those grants. Mr. Ashley asked, out of the \$867,000 deficit, how much E&D can we use to decrease that? Mr. McCarthy responded that the E&D was \$1.2 million, which is now \$508,000. The challenge is that with our cash reserves, with the regionalization, there will now be a large payroll. So, while the E&D fund may have looked not bad for a \$22 million budget, for a \$34 million budget it is very skimpy. We are reluctant to draw anything more out of that. We have frozen all spending except for essential spending and emergencies. We are over budget for fuel. Mr. Ashley stated that Freetown is about \$250,000 in deficit with the snow budget right now, but what are we going to do? We need to come up with a plan if we cannot come up with the money from the towns. He does not want to go to a joint town meeting.

Ms. Pacheco stated that Freetown is in a good position right now and Lakeville is not. A few years ago, Lakeville was and Freetown was not. We need to come up with a budget that we can all live with. Mr. McCarthy stated that his opinion was that there is a very good working relationship between the Schools, the Towns, the Selectmen, and the Finance Committees. People are looking at solutions, not simply digging their heels in. It will be a joint effort between the Schools and the Towns. There is still a lot of uncertainty. But, with all of us working towards the goal, we will not have a Joint Town Meeting. We have worked hard to get this down to where it is workable. Ms. Pacheco stated that she did not think that it was fair to say that there is only an \$867,000 deficit. It is really \$1 million since Lakeville needs to come up with an additional \$200,000. Mr. Denault stated that Freetown has not met with their Department Heads to know where we are there, so it is not only the Schools that the figures need to be arrived at. Chair Yeatts stated that Lakeville is kind of in the same position. The Board has met with the Department Heads, but has not finalized the figures.

Sherry Baron stated that we have heard from the Superintendent that there was a Collaborative thinking about renting Assawompset. Can we think out of the box for GRAIS? Mr. McCarthy explained that the Collaborative rents space in various schools or whole schools. The attractiveness with Assawompset is that three (3) Collaboratives could come together and combine programs. The problem is we are very late in the game as we are preparing for September. He does not know though what kind of revenue it would bring into the Town. They are not as interested in individual classrooms; they want a school of their own so that they can be more efficient. He is on the Board of Directors for R.E.A.D.S. and the South Coast

Collaborative and can let them know that there are classrooms available. The Collaboratives are also trying to consolidate since they also are trying to keep students in-house.

Derek Rasier of Freetown stated that School Choice was mentioned. It is not necessarily a revenue win. Mr. McCarthy explained that when you build in School Choice, you build in only for what it will cost you for supplies. If you have someone with an IEP, you get more in the amount of the aid, like \$7,000, rather than \$5,000. If the district receives a student with special needs, then that additional cost is the sending district's responsibility. There is not a lot of risk, but once you get into it, you have to stay with it. Most Superintendents are doing it, and they want to continue and increase it. A School Choice parent has to drive the student to school. There is competition with Charter Schools. We need to look at that and see how we are going to compete. When kids go to Old Colony, then what also goes with them is the State funds. We need to continue to recruit the students and get the students we need here since it is all about generating revenue.

At 8:00 PM, all the Committees and Boards adjourned with the exception of the Lakeville Board of Selectmen which continued their meeting agenda.

New Business

Chair Yeatts told the Board that Gary Mansfield was agreeable to be Lakeville's representative on the Old Colony Cross Roads Collaborative.

Upon a motion made by Selectman Maksy; seconded by Selectman Olivier it was:

VOTED: To appoint Gary Mansfield to Old Colony Cross Roads Collaborative as Lakeville's representative
Unanimous in favor.

Chair Yeatts told the Board members that the Park Commission had requested that the Selectmen vote on the Declaration of Restriction for the Ted Williams Camp. This is regarding the new fields project and being required by Natural Heritage.

Upon a motion made by Selectman Olivier; seconded by Selectman Maksy it was:

VOTED: To vote the Declaration of Restriction for the Ted Williams Camp, contingent upon the vote of the Park Commission.
Unanimous in favor.

Discussion then took place on the Town owned Howland Road property for an additional ten (10) extra acres to be added a Conservation Restriction.

Upon a motion made by Selectman Olivier; seconded by Selectman Maksy it was:

VOTED: To declare a Conservation Restriction of an additional ten (10) acres on the Howland Road property regarding the Ted Williams Camp.
Unanimous in favor.

Chair Yeatts said the Board had received a request from Marilyn Mansfield, Council on Aging Director, to declare May as Older Americans Month and to issue a proclamation.

Upon a motion made by Selectman Olivier; seconded by Selectman Maksy it was:

VOTED: To declare May as Older Americans Month in 2011 and to prepare a proclamation for such.
Unanimous in favor.

Adjournment

Upon a motion made by Selectman Olivier; seconded by Selectman Maksy it was:

VOTED: To adjourn the Selectmen's meeting at 8:08 PM.
Unanimous in favor.