

Meeting Minutes
Joint Board of Selectmen and Finance Committee Meeting
April 2, 2008
7:00 PM

On April 2, 2008, 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 Yeatts at 7:04 PM. Selectmen present: Selectman Yeatts, Selectman Evirs and Selectman Evirs. Also present: Rita Garbitt, Town Administrator, and Christine Weston, Recording Secretary.

Chairman Gary Mansfield called the Finance Committee meeting to order at 7:04 PM. Members present: Gary Mansfield, Mike Petruzzo, Jim Hanlon, Steve Olivier, and Melissa Hopkins.

Discuss Contingency Budget

Chair Yeatts went over about the contingency budget option that could be voted at the Annual Town Meeting. She had received an e-mail that was forwarded to her from a resident that went out to all the staff in the schools about how the Board of Selectmen was holding back the Town and all the cuts that were going to take place. She distributed the Proposition 2 ½ Override and Debt Exclusion Handbook. On page 11 is the option for a Contingency Budget. What needs to take place is that the Town, at a Town Meeting, has to adopt a balanced budget first. Then the contingency budget comes after that. So, not wanting to stand in the way of the democratic process, since it was originally believed that a petition was needed to get the contingency budget on the warrant for the Town Meeting, this is a compromise of putting it to the people. Chair Yeatts explained that she had also rented the Lions Club and invited everyone to come and talk about the process, however, only five (5) people showed up, but they were people that were really looking to work on the budget. She was not sure how the rest of the Selectmen feel about it.

Mr. Olivier stated he looks at the democratic process as being fulfilled by those who are elected by the people. He has looked at the budget, and it is not a lot of money. If going for an override, you have to look at how you are expending money, and doing it as efficiently as possible. You also have to have a number to show that you have done everything possible before going forward with an override. It waters down the process, if you just give the money. You need to show that you have done all that is possible on the expenditures and revenues, so this is the last resort. The override shows more leadership with the Board of Selectmen and Finance Committee acting together instead of just balancing the budget. However it comes out, if the contingency budget is passed or not, we should have a united front, whichever way it goes. Mr. Mansfield said he agreed with Mr. Olivier. You (Board of Selectmen) are representing the people and you have a more in-depth knowledge looking out for the people. Then you can say that if this is allowed to happen that it would have a more negative detriment to the Town if it does take place. Chair Yeatts stated it is the taxpayers' money. Mr. Olivier replied that they are looking at you (Board of Selectmen) for leadership to manage that money. Selectman Maksy stated our bottom line is Net School Spending for both schools, and that is where we should have started in the first place. That is our obligation, then Town government, at its bare minimum. Then if we are still drowning, we can go to the Townpeople and say we cannot do anything. But right we now do not know about the Region. The Local School Department is over Net School Spending. So maybe we look at that again, get at the bottom again, and then go back up. Chair Yeatts recommended tabling this for now, go on with the agenda, look at where we are, and then continue back to this.

Review FY 08 Budget

Ms. Garbitt reviewed the FY 08 in-house transfers for Article 1 of the May Special Town Meeting. At this time the transfers needed are for Snow and Ice-\$100,000, Special Needs-\$30,000, Police Department gas expense-\$30,000, Unemployment expense-\$540.00, the three (3) Inspectors \$15,000 (Gas Inspector \$2,000, Plumbing Inspector \$8,000, Wire Inspector \$5,000). The total is approximately \$175,000. \$90,000 in available funds has been identified, but \$85,000 is still needed. There was further discussion regarding the shortfall. The Board of Selectmen is thinking about notifying the Department Heads and asking them to freeze their budgets. The Department Heads pretty much know already not to buy anything unless they absolutely have to. Chair Yeatts stated that finally this year the Local School Department is not going to pre-buy, and if they do, they will take it off next year's budget. Selectman Maksy said the Region is hoping \$140,000 will be left over this year to put back in the Excess & Deficiency Fund. They are okay at this point and will not be in a deficit at the end of the year. Ms. Garbitt stated she was hoping that the Local School Department will help with the \$30,000 need for Special Education costs. Mr. Goodfellow did not think they would have any surplus funds. Chair Yeatts suggested the Selectmen vote now for no spending for non-essential items. Both the Board of Selectmen and the Finance Committee agreed that this should be done.

Upon a motion made by Selectman Evirs, and seconded by Selectman Maksy it was

VOTED: To authorize the Town Administrator to send a letter to the Department Heads requesting them not to purchase any non essential items.
Unanimous in favor.

Further discussion then took place on not being able to see the figures on the Regional side which the Town has requested many times. The Town requested the salaries and other information from the Region and has only received the Local School Department information. The Selectmen have gone over the Local School budget, and it is very transparent, so there are not a lot of questions. There is \$8,000 budgeted for night checks at the Local School, but only \$3,000 might be needed. The Board really does not know what this is for, but Mr. Goodfellow is supposed to be finding out information on this. Mr. Olivier stated that the Region's health insurance went up, less than Lakeville's, but he found out that Dr. Furtado is refunding the deductibles and increased co-pays back to the school employees. So credibility is needed before more money is thrown at them. Selectman Maksy said we are trying to get an open door policy to get the information so that we do not have to pull teeth all the time. Ms. Garbitt stated that she and Chair Yeatts requested information. We went over a list of what we needed, steps and raises, vacation buyback, salaries that match up with budget, the Community Recreation expenditures and revenue's report, not a summary of the numbers. Selectman Evirs requested we also ask for copies of the contracts for Administrators, principals, etc., the top end people that are outside the bargaining unit.

Mr. Mansfield asked if the Finance Committee could be provided with the copies of the letters that were sent out so that they would have a copy of what has been requested. Ms. Garbitt responded yes and added that another letter was going to be sent to them requesting information to be received before April 10th. Selectman Evirs stated it is difficult to see how much certain people cost since they are included in a few different places in the budget. We can find compensation for one individual in 15 different places. There should be a total line to tally all this. Ms. Garbitt said we seem to be able to get the Local School Department information in a day or two, but not the Region's. Selectman Yeatts stated that we cannot find the savings of the

20 teachers that retired last year and the 11 or so that are retiring this year. Then there are the bonuses that they give out.

Ms. Garbitt reviewed the line items she had questions about. There is a \$29,000 increase in Medicare Taxes, \$10,000 increase in Social Security, and \$20,000 increase in Unemployment. Selectman Maksy stated based on the numbers for Medicare, this would be a 64 employee jump based on the numbers. Mr. Mansfield said he had no problem with the incentive amount for the custodians and was told that they all got it, so it is really more of a bonus than an incentive if they all just get it. It is fine when economic times are good, but not when times are tough. There is no one here at the table that does not want to provide a good education, but in tough times they need to look at the budget and make cuts, this includes the School Committee. It is hard to support them when there are so many discrepancies. Historically, Lakeville has been very supportive of the high quality of education for the Town so it is disturbing when we cannot get the information. Mr. Olivier said look at how they use the Excess & Deficiency account. They are using it as a budgeting tool. They pre-purchase as much as they can and put as much money as they can in the E&D, so they are getting as much money as they can. Discussion took place on the increased number of school employees and the amount budgeted for health insurance for active employees and retirees. Chair Yeatts said we need to ask for the information and have someone come and explain the answers. Mr. Hanlon stated they should have to justify the reason why then need even \$1 more than what is required for Net School Spending. Selectman Evirs said they were voted into office to do the best for the children and also the best for the district of why they have the position. He would like the salary contracts, since if you look at the high school and the principals, there is an increase of almost 10%. Why? The Town is holding the employees to 2% increase and they have 10%. Further discussion ensued to try and understand the Region's budget.

Mr. Olivier updated everyone on the meeting he and Ms. Hopkins had with the Superintendent. The Governor's formula changes transportation. The State is not funding the schools 100% on transportation and they can only bill the difference. Questions were also asked on the Excess & Deficiency account. The Region will vote to use \$1 million to offset the assessments for both towns, but they should not use the Excess & Deficiency all year long. It is like a Stabilization Fund and should be voted on once a year. The DOR (Department of Revenue) has been looking the other way. Ms. Garbitt offered another option, not to fund the full Net School Spending Requirement. The Town can fund 5% less than the required amount, and then the Regional School Committee can vote to use the Excess & Deficiency to come up with the difference. The Town had to do this in 1994 for the Local School budget. Selectman Maksy stated that we should do Net School Spending for both the Region and the Local School. Ms. Garbitt responded that we are \$1.4 million over Net School Spending for the Local School. Selectman Maksy said we need to start looking in that direction. Net School Spending is working for the Region, so it should be working for the Local School district. Mr. Mansfield said he did not feel there is any wiggle room with the Local School budget. Mr. Olivier said it might be because of how the schools are set up and where it goes. Selectman Maksy stated that is a mismanagement issue that could be addressed. Ms. Garbitt reviewed the Net School spending numbers. Selectman Maksy asked if the Net School Spending number was wrong. Does it need to be looked at if this is what is happening in all communities? Mr. Olivier responded a lot has to do with the culture and how it is set up. If we regionalized both districts, it would offer a lot more efficiencies. However, we will have to live with this as it is set up.

The Old Colony budget was discussed. They reduced it, and now they have reduced it even more and are making it work. They might be going to user fees.

The Board of Selectmen will send a memo requesting information from the School Department and ask that someone come to explain it to the Selectmen and the Finance Committee after the Town Administrator reviews it. The information is needed by next Tuesday. Mr. Mansfield said he thought it was important that someone from the School Committee be at that meeting. Ms. Garbitt stated it will be a joint meeting with the Region next week. Mr. Mansfield said he was thinking about having a meeting before the 10th to discuss this.

Further discussion took place on the Local School budget. Mrs. Carboni should be able to get a copy of the year to date information from the Region. Ms. Garbitt mentioned that she had a question on the health insurance. It was the consensus of both Boards to schedule a meeting on the 9th of April to discuss this with the Board of Selectmen and Finance Committee and then the next night ask the School Department questions at their 7 PM meeting. Discussion then followed about the pool. When the School Department is cutting classes that are mandatory for graduation, then the Administration should be talking about closing the pool. Ms. McRae found that the pool cost \$100,000 to operate in the 90's, and that was before oil prices went crazy. Selectman Maksy will ask about the costs for the Burkland pool through the Middleborough School Department. It also will not hurt to ask the Region about helping by using the Excess & Deficiency account. We just want to make sure that they are using it in the most efficient way. Mr. Mansfield stated if they can justify their numbers, he would support the school 100%.

Review FY 08 Estimated Receipts

Ms. Garbitt reviewed the FY 08 Estimated Receipts numbers that she discussed with the Finance Committee on March 31st. The Town is about \$700,000 short with three (3) months left. Ms. Garbitt reviewed the following revenues expected to be collected before June 30, 2008: \$125,000 in ambulance receipts, \$12,000 from In-lieu of taxes, \$10,000 in Investment Income, \$65,000 from National Development, and \$100,000 in Motor Vehicle Excise. If Oxford Development pulls their building permits for four (4) of the apartment buildings, it would be helpful. We are still about \$250,000 short, so it will be very close meeting the Estimated Receipts this year and even more difficult meeting the projected Estimated Receipts for FY 09. \$2.1 million is the amount that should be used for FY 09. There was discussion regarding the possibility of non-recurring revenues for FY 09. If Oxford built all eight (8) buildings, the building permits would be about \$130,000. The building permit fees for ten (10) duplex units for Le Baron would be approximately \$30,000, the 56 unit apartment building for LeBaron would be \$30,000 and CVS would be \$18,000.

Chair Yeatts said that Sherry Clancy called her to let her know that Target told Cindy Dow they are not coming to Town. Sherry Clancy said that all companies are looking at their projects with the economy the way it is. They still have a letter of intent from Target, but everything is on hold. They continue to say that it is not about the casino, it is the economy, and construction costs have gone up, so the project is not dead but just on hold. We went to SRPEDD on Monday, and they are still moving forward with the relocation of Route 79 even though there are cuts. This is their #1 project. There were a lot of reasons to want the Target since they were giving 5% to the schools, etc. Mr. Mansfield asked if there were any bites on the lot in the Industrial Park. Selectman Evirs replied that there have been a few calls on it. But the lot needs a lot of fill so there is a cost to leveling it off. They are aware of the turtles and the restrictions on the property. Selectmen Yeatts said she did not know that fill was needed. We should keep our eyes open on any fill that comes about.

Ms. Garbitt stated that she and the Town Accountant have been watching this years' Estimated Receipts, and the Board of Selectmen are meeting weekly on this. The projection for FY 09's

Estimated Receipts has been reduced by \$100,000. The tuition for the Bristol Agricultural students has been updated, and the Gateway Health Group will vote its final health insurance numbers tomorrow.

Discuss Stipends and Health Insurance Benefits for Elected Officials

Chair Yeatts stated that the Selectmen were going to meet with the Board of Health and all the part time elected officials at the Tuesday Board of Selectmen's meeting to discuss the Stipends and Health Insurance Benefits for Elected Officials. Mr. Mansfield said we would support the reduction in stipends. It is also showing leadership by the Selectman if they are willing to take a reduction for the benefit for the Town. Then maybe other areas of leadership can take cuts also. It is not eliminating it fully. Selectman Yeatts added the health insurance goes on and on into the future, it is not so much the stipends. Selectman Evirs stated we proposed the 50% cut, but that could very well be a 100% cut if we need to. With employees, this is their livelihood, so that is a different story. If we eliminate the stipends, then we can immediately eliminate the health insurance. Mr. Mansfield said part-time Elected Officials only have to be in office for six (6) years and then they can come back on the Town's insurance when they retire. Selectman Yeatts stated she was for eliminating the insurance, but not the stipend. Mr. Mansfield added when the person comes back they may also have a 20 year old spouse, so that compounds it. The older person dies, and the other person is still covered, so it continues on and on.

Selectman Maksy said he will need to see that in writing and have all the people in that meeting that this will effect. He wants to see where they are eligible after age 65 or age 55 for health insurance for these people. The 90%-10% has to go. He wants to know if we can go to 80%-20% tomorrow. If the Board of Selectmen says that they want that to happen, who has to follow suit, and can we legally do it. Mr. Mansfield stated he had no problem with it as long as it is consistent for all groups in town. Chair Yeatts responded that we will have to do it in steps since the contracts all come up at different times. Selectman Maksy said they have to accept it. They do not have to agree, but where do we start. We need legal counsel in here to understand it. Mr. Mansfield said it will be easy for non-union employees once the unions adjust their contract. Selectman Maksy asked if there is a way that the health insurance for elected officials could be set at 75%-25% to start the trend. Then we can start working off of that. Ms. Garbitt responded that she has an opinion from Town Counsel last year that states you cannot treat one group differently from another. Selectman Maksy said if they elect to take it, then you have a group started and can work off of that. Ms. Garbitt stated she would recommend grandfathering the current part-time Elected Officials and eliminating the benefit for future part-time Elected Officials. Selectman Maksy said he was not so sure if he wanted to grandfather them, but he would like to hear what they have to say about it. There is a legal citing for the health insurance that they cannot vote out. They are entitled to the benefits of every other employee in town. So we need legal counsel in here and make sure it is researched properly. Minor further discussion took place on the topic.

Discuss FY 09 Capital Plan

Chair Yeatts reviewed the Capital Expenditure Committee's recommendation for the FY 09 Capital Plan: \$36,000 for technology and the Town network (which means an air conditioner for the server room upstairs, disaster recovery, and back up batteries for the server), \$350,000 for the Fire Department for the replacement of the pumper truck, \$20,000 for the two (2) defibrillators for the Fire Department, two (2) new sanders and a used tractor with a sander for the Highway Department, a Hazardous Waste Day, two (2) new cruisers and new laptops for the Police Department, and a special needs van for the School Department. The total is \$614,500.00.

The warrant will be signed by the Board of Selectmen on Tuesday night and will have to be published, so the information is being put out there so that all the Boards know about it. It has to be voted on before the warrant is signed. Chair Yeatts stated she could not see anyway around the \$36,000 for the technology for the town. Selectman Evirs said we do not have anything in place for disaster recovery right now, so that is pretty vital. Chair Yeatts stated she did not think we can do the pumper truck this year. It was pushed out from the previous year. That is why it is on the Plan again. Selectman Evirs responded that we are already sliding out our principal payments in order to help the Town and borrowing another \$350,000 is not a prudent thing to do right now. Ms. Garbitt stated the Highway Department does need two (2) sanders. There was discussion regarding repairs to the Highway Department vehicles. Selectman Maksy said they usually do not contract out the sanders and plows so they get a lot of use. Chair Yeatts said so it is yes on the sanders for the Highway Department. Ms Garbitt stated the used truck with a new sander is a smaller truck since it is only used part time during the year. Chair Yeatts stated so it yes on that truck and new sander since it is a safety issue, and the Town can borrow on a used vehicle. Chair Yeatts said the Town will have to push the Hazardous Waste Day a year. We do not think there is a penalty if it is pushed out. Splitting it with an area community was discussed. The two (2) police cruisers and special needs van were discussed. The new total is \$234,500.

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

VOTED: To approve \$234,500 in Capital Expenditure items including; Equipment and Technology for the Town Network \$36,000, Two (2) Defibrillators for the Fire Department (with trade-in) \$20,000, Two (2) New Sanders for the Highway Department \$30,000, One (1) Used Tractor (truck) with new Sander for the Highway Department \$50,000, Two (2) New Police Cruisers \$56,500, Replacement of Laptops for Police Department \$18,000, and One (1) New Special Needs Van for the School Department \$24,000. Unanimous in favor.

Ms. Garbitt said this amount can be reduced before town meeting but it cannot be increased. The Finance Committee voted on their recommendation to the Board of Selectmen.

Upon a motion made by Mr. Olivier; seconded by Mr. Petruzzo it was:

VOTED: To accept the total amount of \$234,500 of the Capital Expenditure Committee. Unanimous in favor.

Any other business that may properly come before the meeting

Ms. Garbitt stated that the enrollment numbers for Bristol Aggie should be known by Friday. Gateway Health Group will be setting the rates within two (2) weeks, and we are still waiting to hear on the reimbursement for the School roof. Warrant review is scheduled for April 28th.

Adjournment

Upon a motion made by Mr. Petruzzo; seconded by Mr. Oliviera it was:

VOTED: To adjourn the Finance Committee meeting at 10:15 PM. Unanimous in favor.

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

VOTED: To adjourn the Board of Selectmen Meeting at 10:15 PM.
Unanimous in favor.