

**SELECTMEN'S MEETING**  
**Wednesday, April 9, 2008**

On April 9, 2008, the Board of Selectmen held a meeting at 7:00 PM at the Town Office Building in Lakeville and entered into Executive Session at 7:05 PM. The Selectmen returned to Open Session at 7:17 PM. Selectmen present were: Selectman Evirs, Selectman Maksy and Selectman Yeatts. Also present were: Rita Garbitt, Town Administrator and Tracie Craig, Executive Assistant.

**Meet with Finance Committee to discuss FY09 budget**

*Gary Mansfield, Steve Olivier, Michael Petruzzo, James Hanlon and Melissa Hopkins were present from the Finance Committee. Chairman Mansfield called the Finance Committee to order at 7:03 PM.*

Chairman Evirs told the Finance Committee members that the Selectmen had met with part-time Elected Officials that were paid a stipend on April 8, 2008. He said that it seemed that the group was not receptive to having their stipends decreased. They feel they are entitled to health insurance eligibility, but they did not seem opposed to paying a higher percentage. The Board of Selectmen can vote to change the percentage at anytime. We could change it to 75/25. Ms. Garbitt noted that all of the part-time Elected Officials that are participating have HMO's. Selectman Evirs said the Board would like to propose a 75/25 percentage for part-time Elected Officials in this budget. Mr. Mansfield asked if all of our part-time Elected Officials are taking insurance. Ms. Garbitt said there will be six (6) as of July 1, 2008 out of ten (10). Chairman Evirs said of those present, they were all in approval of the higher percentage. However, that doesn't mean that we aren't going to consider cutting the stipends. Mr. Mansfield asked if the Town could differentiate where someone has insurance at work. Chairman Evirs said no. Ms. Garbitt said that the Police Union had previously suggested that we offer them a few thousand dollars not to take the Town insurance. We had to look at what it would cost to offer all employees the same incentive, but it was too large of an amount. Selectman Maksy said it would be nice to do a one-time offer as an incentive for the 75/25 contribution.

Mr. Mansfield asked about the savings with 75/25. Ms. Garbitt said before the latest rates, it was roughly \$300,000, but you have to give something back, so that would be a one time savings. Chairman Evirs said the increases that have occurred are 18% for Pilgrim and 6% for BC/BS HMO. Ms. Garbitt said in the Gateway Health Group, we don't have as many in Pilgrim, so their claims are spread over fewer people. Network Blue is a better plan. There are 37 Pilgrim family plans between the Town and the School. If everyone switched from Pilgrim to Network Blue, there would be a savings of \$60,000. Open Enrollment is April 15<sup>th</sup>. There is an additional \$500 dental allowance on Network Blue. Mr. Hanlon asked about the current deductibles. Ms. Garbitt said the new Network Blue Value Plan has a \$250 deductible for day surgery, co-pays are \$25; hospital emergency room is \$100. We still have \$5 and \$10 co-pays for doctor visits. There was further discussion regarding the Group Insurance Commission (GIC), increased contribution rates, increased co-pays and retirees.

Selectman Maksy said the having a 90/10 contribution Town wide ridiculous. We are only going after ten (10) people, but the rest of the employees need to increase their contributions also. Mr. Mansfield said there is a very strong feeling that you have to take it away from the teachers first, who are 50% or more of the employees. Residents feel it is too easy to go after Town employees, but not unions. You need to hit the big guys first and then they would approve it. Mr. Olivier said that is a very big mountain to climb. Chairman Evirs said if you take that large bargaining group (teachers) and try to change them first, they will say no. Someone has to be first. We need to go at them one at a time. The teachers are protected by their contract. In January of 2009 we will be starting negotiations. Selectman Maksy said if you don't fund it, that's it. Chairman Evirs said if you go to Town Meeting and everyone else is on 75/25, which helps. Chairman Evirs noted that the part-time Elected Officials will be coming back to discuss this further with the Selectmen on April 28<sup>th</sup>.

Ms. Garbitt said the budget for health insurance, with the new rates, is short \$250,000. There were four (4) new enrollees for the Town and five (5) for the school. This is a \$100,000 increase. Gateway increased 8%; the trend is still 11%, so we did really well. If some of the employees switch from Pilgrim to Network Blue, that would help. Selectman Yeatts said maybe some of these people might jump onto their spouses insurance. Selectman Maksy noted he pays 85/15 with the State. Mr. Olivier said the private sector is typically 75/25 with high deductibles. Ms. Garbitt said when we voted the 90/10 percentage; health insurance was 1% of the budget. Selectman Maksy asked what it is now. Ms. Garbitt said 10%. Mr. Olivier noted that the Town does not have control over this. Ms. Garbitt said the word on Beacon Hill is that the Governor is going to make towns more accountable on how they spend their money. In Freetown last year, the first thing DOR noted was that \$250,000 was spent on health insurance for part-time Elected Officials. If towns are not being conscientious on how we spend money, they will reduce State aid. Chairman Evirs said the State is already saying they don't have enough money to fund their health insurance plan. We need to generate our own revenue. Mr. Olivier said eventually you will not be able to generate additional revenue. You need to control the costs along the way.

Ms. Garbitt said Lou Rodrigues called and said they found \$177,000 that is Lakeville's money, so they could reduce our net school spending by 5%. That means that they only need \$36,000 for FY09. The money was in the investment earnings account. In 2006, we borrowed \$15 million short term for GRAIS, of which Lakeville pays 100%. We were reimbursed approximately \$10.9 million and went out to bond for the remaining monies. Additional money was received in premiums after Town Meeting. The Selectmen voted, based on the October 23<sup>rd</sup> debt schedule, to take the money and put it on the debt. The Region voted to approve it, but never applied the money to the debt. If they had, we would have gone from \$201,000 in debt to \$64,774 for Lakeville. She has set up a meeting with Lisa Dickinson from UniBank, the Selectmen, Superintendent of Schools, Mr. Rodrigues and the Town Accountant to discuss the issue.

Ms. Garbitt reviewed the \$1,050,000 in cuts the Region made in their budget. It appears that in the retiree's health insurance budget is \$56,000 too much. It looks like they made two (2) payments in July. Health insurance by reduced by \$100,000, worker's compensation by \$47,000 GASB45 was reduced by \$10,000. Mr. Hanlon noted that the Region is level funded. Ms. Garbitt said we can pay 5% less net school spending and carry over to the next year. The

Regional School Committee has the authority to use some of their Excess and Deficiency (E&D) to reduce our net school spending. Ms. Garbitt said when Lakeville funded GRAIS 100%, any interest that was earned was to reduce Lakeville's debt. There was a lengthy review of the revised Regional budget and the Joint meeting on April 10<sup>th</sup>.

### **Revisions to Revenue**

Ms. Garbitt said new growth was \$185,000. We reduced estimated receipts \$100,000, but she was still not comfortable with it. She is only sure of \$2.1 million and we are at \$2.4 million. Chairman Evirs said we have building permits for Oxford that are not in the \$2.4 figure, but we are still \$165,000 short using \$2.4. Ms. Garbitt said that State Aid remained the same. We are using \$44,000 out of the Stabilization Fund, \$400,000 from the Stabilization Fund for Debt service and \$107,787 from Free Cash. There was further discussion regarding Net School Spending, vacation buyback, sick leave buyback and health insurance contributions.

### **Adjournment**

Upon a motion made by Selectman Yeatts, seconded by Selectman Maksy, it was

VOTED: To adjourn the meeting at 9:50 PM.  
Unanimous vote.

Upon a motion made by Mr. Olivier, seconded by Mr. Petruzzo of the Finance Committee, it was

VOTED: To adjourn the meeting at 9:50 PM.  
Unanimous vote.