

TOWN OF LAKEVILLE
SELECTMEN'S MEETING MINUTES
Tuesday, April 10, 2007

On April 10, 2007, the Board of Selectmen held a meeting at 7:05 PM at the Town Office Building in Lakeville. The meeting was called to order by Chairman Yeatts at 7:00 PM. Selectmen present were: Selectman Yeatts, Selectman Evirs and Selectman Maksy. Also present were: Rita Garbitt, Town Administrator, Cindy McRae, Town Accountant, and Christine Weston, Recording Secretary.

The Town Administrator explained that she had made the corrections on the FY 08 Budget after meeting with the Department Heads. The Revenue and Expense Summary, as distributed, has been updated. The only departmental budget that is not clear at this time is the additional needs budget for the Landfill. The Town Administrator then updated the Selectmen on the status of the budget. The new rates for the health insurance premiums have been received so the budget for employee benefits has been adjusted to reflect the lower rates. A 12% increase was originally budgeted for the Health Insurance. The Gateway Health Group voted on the FY 08 premium increase last week. They voted 4.9% for the retirees, 9.5% for HMO Blue and Blue Care Elect PPO, and 10.8% for Harvard/Pilgrim HMO. The number of insured employees has been increased: three (3) paraprofessional have been added for the School Department, an additional family plan on the Town side has been added since another person enrolled. Typically, two (2) additional health insurance plans are budgeted for the Town and two (2) additional for the School Department in anticipation of qualifying events, however, there has not been the ability to do that for the past two (2) years. The budget will continue to be adjusted right up until Town Meeting.

The budget shortfall of \$890,000 been reduced to \$843,766. The Selectmen must decide if they want to increase the request of the Local School Committee. They have adjusted their request. The Town voted \$4,805,613 in FY 07, and their FY08 request is \$5,379,469. The amount currently budgeted is \$4,878,244. The School Department is breaking it down to new hires, additional equipment and fixed costs. Their first request was \$685,000, not \$573,000. If the steps and raises are not considered, the School Department is still looking for an additional \$500,000. The Special Education costs have increased \$165,000 from last year. So, with the \$72,000 for the steps and raises and sharing the Special Education costs (1/2 of \$165,000), that is another \$82,500. The three (3) Paraprofessionals adds another \$40,000, so the total increase is about \$195,000. There is a separate warrant article for Special Education. This amount is only the Local Special Education costs, not the Regional Special Education costs. With increased fuel and transportation costs, the School Department is looking for an additional \$101,000 in this area. The Town has only \$234,000 of increased revenue available to spend this year.

For the Special Education Paraprofessionals, the School Department is listing \$50,370. This is due to the fact that the students now attend school full-time and this will give the students the necessary consistency. It is not known if they will take their benefits, but it has to be included in the budget. The instructors are included the Local School budget, however, the warrant article for out-of-district tuitions is \$618,000. The cost for in-house Special Needs is in the School budget. The Curriculum Leaders at GRAIS for \$5,202 is something new that the School Department would like to start in FY 08.

The Region is presently looking for an increase of \$309,000 from Lakeville, which is a 6% increase. They received an additional \$266,000 in State aid last year after Town Meeting. It

appears that they have increased their spending. The minimum local contribution line is different since there is a new formula that is being used and it does not appear that the Region is using the new formula. The Superintendent will be consulted on this. Further, there has been no communication on the Regional Budget. They had \$1.3 million in Excess & Deficiency Funds which they are claiming is a mistake, if they are given the benefit of the doubt, how do they still end up with \$900,000 with so many fiscal constraints? The School Department (Region) needs to cut \$500,000 from their figure. Selectman Evirs stated that the Board went through this before. The School Department is looking at 20 teachers retiring, with \$20,000 savings per teacher. That is a total of \$400,000 if they are hiring new teachers at \$40,000. Then there is the money that they will save since they will not have to budget for sick day buybacks and longevity payments, which is an additional \$100,000. The Region needs to be told to cut \$500,000 from their request. Then there is the \$1.2 million in investment earnings that they have. So, should \$500,000 be cut from the Regional Budget?

Selectman Evirs suggested putting the figures that are being discussed into a letter to show them where the Selectmen are coming from and to let the School Department know, that based on the figures/assumptions, they will be getting \$500,000 less from the Town. They are using \$400,000 of their Certified E & D funds. \$288,000 is half of \$525,000. Lakeville's portion is 55% and they are looking for \$522,798.30. Lakeville's commitment to the schools has pitted Freetown with the Region. On April 24th the Freetown School Committee will be meeting with their Finance Committee and their Town Meeting is scheduled for May 7th. Selectman Evirs stated that they must be looking for \$416,383 from Freetown. The Town Administrator stated the Region might want to meet sooner than April 30th. The Superintendent could be asked about this. With the \$500,000 taken out, the shortfall for the Town is now \$343,000.

This is the last year that National Development will be paying the \$75,000 for the Police Officer, then the Town will have to fund it. Right now National Development is behind in their plans, so maybe they will fund the Police Officer for an additional year. The Building Commissioner has provided the projected Building Permit fees on some of the new projects in Town and hopefully two (2) will come in before June 30th. It is hoped that Oxford Development will bring in \$140,000 and the State Police Crime lab will bring in \$54,000. Then there is approximately \$800,000 in Building Permit fees for National Development. If half comes in prior to June 30th, it would be \$400,000. This will not increase our net school spending requirements since this money is considered one-time non-recurring revenues. It will get complicated though next year. The tax rate is set in December, if the permits are not pulled by then, we will have to hold a Special Town Meeting. The building permits for National Development may not get pulled until March of 2008. The Town was hoping for this project to be 50% completed by December and benefit from the tax revenue in 2008. The original completion date for Target was September 1, 2008. The Selectmen need to meet with the Assessors regarding the implementation of Supplemental Assessments of New Construction prior to June 30th. It will allow the Town to assess an additional tax for the value of new buildings, structures, or other physical improvements added to real property between January 2nd and June 30th.

The question is whether or not \$400,000 should be included in Estimated Receipts as one-time, non-recurring fees? New growth will need to be taken into consideration next year. Walgreens is a \$2.5 million project. The real new growth will be Oxford and National Development. It is unclear whether the value of the sewer treatment plant has been included in the fees, but no figure has been included for electric, plumbing or gas permits. The Town may not reach its estimation for motor vehicles excise for FY 07. No one seems to be purchasing new vehicles. Normally motor vehicle excise can be increased each year, but it will have to be reduced for FY 08. The funds for the LDC (Lakeville Development Corporation) and National Development are

included on the Revenue pages. The revenue just offsets the debt. Debt service is \$1,063,000. \$410,000 was raised from debt exclusions, and we receive money from the SBA (School Building Assistance).

The Town would be taking a chance on including the \$400,000 in permit fees. Would the Selectmen rather take \$400,000 from the stabilization account, with the understanding that next year it will have to be replenished when the permit fees come in? Selectman Maksy asked about the Town's bond rating. The Town Administrator responded that the Town has an excellent bond rating. The Town should also have \$1 million in its stabilization account. The Building Commissioner thinks that the National Development project which was originally estimated to be worth \$30 million, may now be worth \$40 million. The Residences at Lakeville Station, Oxford Development, CVS, and others are all upcoming should total \$75 million. The Police Station Project has to be considered as well. It is hoped that most or at least half of these projects are on the tax rolls for FY 09. This additional tax revenue from these projects is needed. The 40R payment in the amount \$350,000 less the \$15,000 in legal fees, plus the \$25,000 in mitigation from Walgreens totals \$360,000. A separate Stabilization Fund for Debt Service and Capital Projects will be established for these funds. There are still other needs for the Town in terms of Capital Equipment and Capital Projects. The Selectmen and everyone would need to know that the money is earmarked to put back into the stabilization account. The money will have to wait a year in free cash, until it is certified, then it can be put back into stabilization. Everyone will need to be aware that the revenue is coming in, but the projects are behind schedule.

If the Local School is given \$150,000, the Region is reduced by \$500,000, back out the \$15,000 for the GASB 45, \$400,000 will still be needed to be used from the stabilization account. Chairman Yeatts stated that she hears from the community that the Schools always get the funding, so if these reductions are made to the schools it should be supported by the community. A review can be done of the Police and Fire Departments to see about reductions to those budgets, possibly in gasoline, then it will need to be made up at the Special Town Meeting. Typically these two (2) Departments give back a substantial amount of back to Town at the end of the fiscal year. Yet with heat, oil and postage going up, it may not be as much this year. Chief Sorel's only increase in his expense budget for FY 08 \$30,000 for gasoline. The increase in the wages is \$18,000 for this retiring officer's sick day and vacation buyback and for one additional police officer. The balance of the increase is the 2% for the contractual raises and step increases.

The salary expense increase for the Fire Department reflects one firefighter retiring and one new firefighter. The two uncertainties with the Fire Department are the over-time account and the drills and training account. Selectman Evirs noted that the difference with the Highway Department budget is the Superintendent of Streets salary is included now that the position is appointed instead elected. The Library budget was reviewed, and a mistake was discovered in the wages. Selectman Evirs stated that he likes the way the Town Administrator has broken down that budget. It is a lot clearer to understand now. The leased vehicle for the Assessors was discussed. A car could be leased for \$200 a month or \$2400 a year. This should be in the operating budget, not the Capital Plan. A lease will still have to be voted on at Town Meeting. Possibly the Health Agent could take over the 4-wheel drive vehicle that is the Fire Chief's so that then the Fire Chief could get a 4-wheel drive vehicle, of approximately \$30,000. This vehicle would not be leased since it would need special lights and equipment. The Health Agent is looking for a 4-wheel drive vehicle so that he can drive onto construction sites, however, speaking with the Fire Chief and the Police Chief, they say that they always park on the street with their emergencies. However, the Health Agent is looking to drive his right vehicle onto the

site for perc tests. The vehicle for the Highway Superintendent would also be a purchase, not a lease. Chairman Yeatts mentioned that the Capital Expenditures Committee would need to have another meeting to discuss the vehicles and the changes. The Town Administrator responded that they could meet at 6 PM on the 26th of April, or maybe the 17th of April and then meet with the Finance Committee at 7 PM.

However, right now the budget is still \$21,000 off. If the School Department receives \$77,000 more (\$150,000 in total), then the remainder will have to come from estimated receipts. The only other small change may be Old Colony since there may be a change in the assessment. That will either increase or decrease.

The Town Administrator distributed a list of the priorities that should be assigned to the Selectmen. After a brief discussion, it was agreed that Selectman Maksy would be the delegate for the Clean up at the Highway Barn, SEMASS contract, Economic Development Commission, and the School Liaison. Chairman Yeatts would handle the Clear Pond Restrooms, Sewer Project and the SRF loan, National Development, and Natural Heritage Re-mapping. Selectman Evirs would handle the Town Hall water line, Long and Short Term Disability, and the budget. The entire Board would be involved with any IMA's (Inter-municipal Agreements). The Town Administrator stated that the three (3) priorities right now are the Budget, the Town Hall Water Line, and the SEMASS contract (expiration January 1, 2008).

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

VOTED: To adjourn the meeting at 9:48 PM.

Unanimous in favor.