

TOWN OF LAKEVILLE
Board of Selectmen/Finance Committee
Meeting Minutes
May 16, 2017 – 5:30 PM

On May 16, 2017, the Board of Selectmen held a meeting at 6:30 PM at the Town Office Building in Lakeville. The meeting was called to order by Chairman Powderly at 6:31 PM. Selectmen present were: Selectman Powderly, Selectman Hollenbeck and Selectman Burke. Also present were: Rita Garbitt, Town Administrator, Tracie Craig-McGee, Executive Assistant and Christine Weston, Recording Secretary. LakeCAM was recording the meeting.

Chairman Vlahopoulos called the Finance Committee to order at 6:31 PM. Members present were George Vlahopoulos, Ryan Trahan, Katherine Desrosiers, and Daniel Holland. Joseph Flemming was absent.

Review and Discuss FY18 Budget

Richard Medeiros, F/L. Regional School District Superintendent and Fred Baker, Regional Schools Director of Business & Finance were present for the discussion. Chairman Powderly stated that \$253,000 needs to be taken out of the budget, which is a fairly significant amount. No raises have been put in the budget as of yet. Negotiations with the Unions are still taking place. The amount of \$253,000 includes possible raises of \$102,000. The Fire Department is looking to add two (2) Firefighters. If that did not take place, including hiring a few part-time people, that may bring the amount down by half. Selectman Hollenbeck stated that she did have some changes to make with the budget; however, they were not in the summary and may not make much of a difference financially.

Selectman Hollenbeck suggested going through the budget book with the budget summary. Ms. Garbitt stated that last night, at their meeting, the Board of Selectmen approved some new positions, so there will be changes in the budget. Selectman Hollenbeck noted that the positions include the Senior Center increasing from a part-time to full-time Clerk, and two (2) Firefighters. Overall, those are the big pieces. Other bigger increases include the Schools with an increase over last year's amount. A review took place on Revenue and State Aid. Ms. Garbitt stated that she has not included the increase in Lottery Aid. An amount from the Assessors has not been received. It is anticipated to have \$35,000 in lottery. Selectman Hollenbeck stated that a 2.5% increase is \$523,000. \$770,000 is coming in to run the Town. The 40S funds are something that the Town pushes to obtain each year, and Representative Orrall is looking into it. The amount received as 40S funds is steadily reduced each year and could easily go away. There is the settlement from the District and the sale of the Howland Road property. However, there was still debt on the Howland Road property, so the money is being transferred to pay the debt. Free Cash is \$929,556. Free Cash is being used for OPEB, Capital Items, the Reserve Fund, paying down debt and the Debt Service/Capital Projects Stabilization Fund. The Town is trying to catch up with health expenses. There is a transfer to the Snow and Ice Account of \$130,000. Last year the funds were used to purchase a Ladder Truck for the Fire Department. Typically the funds are used for one time uses. With the Snow and Ice account, the Town needs to deficit spend in order to submit claims for snowplowing when the State declares a blizzard. Then the Town can receive the funds back. Mr. Trahan asked if the amount for Capital items is what was voted on?

Ms. Garbitt responded that it was, with the exception of the ambulance, since that item will be done through borrowing.

Ms. Garbitt asked Mr. Baker if the number of students who will be attending Bristol Agricultural School has been finalized. Mr. Baker responded that it has not been, but he will check into that. Selectman Hollenbeck stated that there is a required local contribution, which has gone down for Lakeville and the amount over Net School Funding has been increased. Transportation has an increase of \$306,182 and Non-Excluded Debt has an increase of \$60,000. Excluded Debt is \$450,000. The amount of Old Colony students has decreased, but the assessment has increased. Ms. Garbitt stated that the number of Old Colony students is 125. Selectman Hollenbeck said \$211,497 is for Out of District Transportation which includes Bristol Agricultural School. The increase in education is \$600,000, while the revenue increase for the Town is \$700,000.

Chairman Powderly asked if the Board needed to officially vote on the budget. Ms. Garbitt stated that there are three (3) more students attending Old Colony, which brings a \$122,000 increase. Usually the Board of Selectmen votes on the budget. Selectman Hollenbeck reviewed Free Cash. This is affected by residents purchasing new vehicles, resulting in an increase in Excise Taxes. It is also affected by an increase in ambulance fees. Chairman Powderly noted that there are 77 homes that will be built at LeBaron over the next few years. This will result in income for the Town with Building Permits. We do not know the effect this may have on the Police Department and the Schools.

Chairman Vlahopoulos stated that the Special Education aspect keeps coming up with the Schools. Recently they had a \$650,000 increase that was unanticipated and will impact the School budget. There are places to take the money from like Free Cash. It needs to be agreed that it is feasible, and then move forward. Selectman Burke noted that he was curious where that suggestion was coming from or what exactly is being proposed. Chairman Powderly stated that the OPEB liability was at one time a \$17 million liability for the Town. That is a real liability. The Capital items were approved by the Finance Committee, and the Reserve Fund is really for the Snow and Ice deficits. It is not really available. The Town needs to pay down the debt. Free Cash has already been allocated through the Board of Selectmen and Finance Committee. Selectman Hollenbeck mentioned that the equivalent of 58% of the \$650,000 is \$377,000. Ignoring the Freetown component, if the Town puts that money towards the Schools, it will then be part of the base of the School funding. Including what will be provided to the Schools will then increase the funding to the schools by \$828,000, this year, which is more than what the Town takes in for New Growth and the 2.5% increase. The School Department is saying that this is a one-time issue, but it really isn't. This happens over and over again. The School Department does get reimbursement, but it takes place the following year, leaving a timing issue. State Aid is never enough. However, the Board hesitates putting the Town in a position to fund the Schools from its one-time funds. It is necessary to increase Town personnel, and the Board needs to make sure that it does not put the Town's financial stability in question. That is a large increase to the Schools, which will change their base next year, then taking one time funds away from the Town. The Board and Finance Committee have established financial policies for the purpose of making sure this type of situation does not take place.

Chairman Powderly asked Mr. Baker what is received in for Special Needs students. Mr. Baker responded that it is not a simple answer. The School Department is reimbursed for students who are more than four (4) times the cost of the average pupil. With students in collaboratives whose tuitions are about \$45,000, this amount is not returned at the same rate. An outside placement would cost \$100,000-\$125,000. There are some tuitions at \$80,000 or more, and there is 72% reimbursement. All State appropriations are subject to the State having the money. Mr. Baker said that the School Department paid about \$6 million last year in Special Education costs and received slightly less than \$800,000 back. The figures have gone up, but the ratios are similar as in the past. How much is in the Town's Stabilization Fund? Selectman Hollenbeck responded that it is \$1 million. When the Selectmen set the Financial Policies, this amount was to be the base. There will not be any transfers into it this year. Selectman Burke said it is basically the Towns Excess & Deficiency fund.

Mr. Medeiros said the School Department is looking for support to bridge the gap; any increase from the Town would help. Chairman Vlahopoulos said it is agreed that there needs to be a long range plan in place for the Schools. He added that he has learned that many municipalities are not putting in money for OPEB. The Region has the same liability, and they are not putting their funding in. It is understood what Selectman Hollenbeck is saying, but what does the School Department see as a long range plan, since the present funding cannot sustain the Schools? Mr. Medeiros responded that certainly negotiations have to be looked at since 82% of the budget is personnel. The School Department is also looking to have retirees in the double digits next year. This year there will be three (3), which is not significant. There are things in place which may generate funding. The School Department will have to look at the operational piece as the Boards have asked them to do in the past. Maybe a Special Education strategy needs to be looked at. It seems that Freetown will follow the lead from Lakeville regarding funding. Freetown has some capacity to bring forward more.

Mr. Baker noted that the Schools have spent a fair amount in capital projects over past four (4) years for the pool, track, tennis courts and water, which should not again be coming up. Selectman Hollenbeck stated that all of the capital items, except for the tennis court and track, went out for a bond. The water was in the Operating Budget. The Bond Anticipation Notes are being funded through the Operating Budget. The one time water treatment plan was fueled by the textbooks initiative. There will always be one time things coming up for the Schools. The technology piece will fall off next year, but that is a Debt Exclusion. It won't be coming in, so it is not there to spend. The concern is that the Board of Selectmen and the Finance Committee have a vision. The need for additional funding for the Schools came too quickly. It was known that sustainability is an issue for the Schools. OPEB is a real liability, and it will be a big problem for Towns not taking that into consideration. It is a 1:1 ratio of retired people and those presently working. Selectman Burke explained that what the Town pays for employees, the Town pays the same for retirees. That is why the financial policies were adopted. The year 2027 is the date the pension is to be fully funded. \$900,000 a year is paid in pension expenses. In the future, the ratio will be 2:1. The Town cannot continue to kick the can down the road and put the Town in financial irresponsibility.

Chairman Powderly stated that he has said in the past with past contract negotiations, it was \$525,000 worth of steps and levels and the Schools cannot continue to do that. They need to do

things differently. It has now mushroomed into \$800,000 for steps and raises. The School Department needs to track the students. This should not be an 11th hour decision. Who does the override: the School Department or the Town? The School Department was asked to participate in Green Communities, which would have provided enough funding for at least one (1) teacher due to energy savings, but that fell on deaf ears. Mr. Holland asked if the SPED programming was a surprise. Mr. Medeiros responded that there were students that came into the School system that could not be anticipated in the budget. Mr. Baker explained that there were approximately 16 new SPED students who came into the District and only three (3) or four (4) left. Mr. Medeiros stated that if this was not a Regional District, he would go to the Special Town Meeting and ask for those funds as the E&D account has been depleted. The SPED costs are unique this year.

Discussion ensued regarding the E&D account, and how it cannot be used for operational costs. Chairman Powderly explained that the Town and the School Department are similar. The Schools are not unique with contract negotiations. The sustainability of the School contracts has not been looked at. Chairman Powderly stated that the SPED costs are being put forward as the predicament, but there is a predicament altogether with the Schools, which the Town should not be getting the Schools out of.

Chairman Vlahopoulos stated that the next set of budget negotiations needs to be more transparent. Though the Town may not have any part in the decision making, it should go that way. The Town has an opportunity today to make a decision. The sustainability issue is understood. The Boards are in a position to make a decision, to avoid a joint Town Meeting. The Town can help out with the understanding that this will not ever happen again. Selectman Burke asked how a joint Town Meeting would be brought about. Mr. Baker explained that the School Department would initiate it and put out all the notices. It would take place after the Town Meeting with the Town appropriating less. Selectman Burke stated that it is important to explain this to everyone. At the end of the day, this is not necessarily the worst outcome. Mr. Medeiros stated that if the Schools can get the full budget, a joint Town Meeting would be seen as a positive. If both Boards are not going to budget the funds, then the joint Town Meeting is the alternative. Selectman Hollenbeck stated that as a Selectman, her position and responsibility is to maintain the fiscal sustainability for the Town. If the present figures go through at Town Meeting, and the School Committee wants to initiate a Joint Town Meeting that is fine. The override is a mechanism to pay for this, rather than a one-time payment from Town funds. This should have been presented to the taxpayers as a choice.

Mr. Medeiros agreed that a better strategy is needed, but this came after the last budget was determined. Chairman Powderly stated that he has no desire to change the budget. Selectman Burke asked what the School Department proposes, if the budget does not pass. Mr. Baker responded that the option is to accept it or try again through a Joint Town Meeting. Selectman Burke stated that the Joint Town Meeting is an opportunity for the School District to try and receive the funding that it needs. Mr. Baker stated that the best alternative is for the Towns to come to an agreement. Mr. Medeiros said Lakeville has some capacity to fund the amount and Freetown's amount would be less, approximately \$270,000. Freetown's Town Meeting takes place a week before Lakeville's. Selectman Hollenbeck stated that even before the increases took place with SPED, the School budget was unsustainable. Even if the School Department did

not use its E&D fund, the contractual obligations are \$1.3 million, so the budget was not sustainable even before the SPED cost issue. Chairman Powderly stated that SPED costs are the element being brought forward now, but what was it during the past six (6) years? Selectman Hollenbeck stated that if there is to be an override, it should be over long term sustainability between both Towns. This is a patch.

Selectman Burke stated that the Board would like the School Committee to embrace some of the fiscal policies that the Town has set forth. The last override was \$1.5 million and \$1.1 million went to the Schools. That override was sold as this will make it sustainable. Maybe that is the relief mechanism for the process. Mr. Trahan stated that if this was a Town school, they could go to a Special Town Meeting to ask for the funds. Being Regional, they are kind of out on an island alone. Selectman Burke stated that they have the E&D budget. He had advocated for full regionalization for the School Committee to make the decisions. It was hoped to see a consistent curriculum and consistent policies. The matter now may be unforeseen to a certain degree, but it is hoped that the School Committee would grow to put mechanisms in place to run the Region. They have no money in the E&D fund now, but that falls on policies made by the School Committee. Mr. Medeiros stated that he did not want to have a Joint Town Meeting. Both Towns have the means to provide additional funds and have not done so. Selectman Hollenbeck stated that the Board feels that the plan put forth is not in the best interest of the students. Ms. Desrosiers stated that she agreed with Selectman Hollenbeck regarding the sustainability aspect. There is a need, but the Town has been saying that there needs to be a long term solution. A plan has not been set into place to make sure that the School budget will not be a problem next year or the year after. If the people want a Joint Town Meeting, they have that option.

Selectman Burke announced the Police Station Forum taking place tomorrow night at the Senior Center where public input will be sought. June 6, 2017 is the date for the Debt Exclusion Election. June 12, 2017 is Town Meeting, and one (1) of the Warrant Articles is the funding of the proposed Police Station.

Selectman Hollenbeck reviewed the Elected Officials budgets. Ms. Garbitt stated that both the Town Clerk and Town Treasurer/Tax Collector requested an additional \$1,000 for their certifications. Selectman Hollenbeck stated that the Selectmen cannot give that reimbursement, since it has to be passed through Town Meeting and would need to be on the Warrant. Ms. Garbitt noted that the Town Clerk had asked for it to be included in the Warrant, but the Selectmen were considering it through wages.

Selectman Hollenbeck asked for everyone to turn to page 13 for the salary for the HR Coordinator. It was explained that the HR person was hired at a rate of pay of approximately \$43,000. This individual is now supervising employees, so the amount is being increased by \$9,601. When the HR person was hired, the Board was still in the process of determining the Strategic Plan for the position. The individual is qualified; she came from the private sector and is very good. The Town Accountant's position is through a contractor and there is an Administrative Assistant. There is a decrease in this budget, since the funds are moving over to Information Technology. The Board of Assessors has a reduction this year. There is the stipend of \$1,000 for the Treasurer/Tax Collector, which is allowed under M.G.L., but it would have to

be through a Town Meeting vote. Chairman Powderly mentioned that perhaps the Board should have put it on the warrant. Ms. Garbitt stated that if it was decided to be done, it would be kept as a separate line item. Selectman Hollenbeck stated that it could also be done in salary.

Chairman Powderly stated that he was open to having it added to the fall Special Town meeting. Selectman Burke stated that he is of the opinion with elected officials that they should advocate for a pay raise. They are elected; the Selectmen cannot hire or fire them. They should be saying what they do, their certifications, what those in other Towns make, what they could make in the private sector, etc. Selectman Hollenbeck reviewed the next section of the budget, and explained where funds are moving from and to for IT needs. The \$1,000 for the Town Clerk and the Treasurer/Tax Collector will be removed. They have been treated as Department Heads, although they are elected officials. They have been given the raises that are given to all Department Heads, which is basically Cost of Living each year.

Selectman Hollenbeck said under the Conservation Commission, there is a Part-Time hourly Agent and a Part-Time Clerk. The wages for the Clerk have increased, as approved last night by the Selectmen. There are no changes to the Planning Board budget. Selectman Hollenbeck stated that there are two (2) new non-benefit eligible part time custodian positions. Selectman Burke suggested to just do one.

Selectman Hollenbeck reviewed Public Safety. Ms. Garbitt stated that the Police Chief has included a 1% raise, so there is a bit of flexibility. Reductions have been made by \$15,310 so far. Selectman Hollenbeck asked to take the \$18,000 out of patrolmen, and she will verify it tomorrow with the Police Chief. Chairman Powderly stated that the two (2) positions for the Fire Department together are \$112,000. Chairman Vlahopoulos asked why the salary was going down. Ms. Garbitt stated that she will check the contract; it may be an error. \$115,000 was decreased from line 5123. After discussion, it was decided to only decrease the budget by \$95,000, and another \$1,000 from travel.

Selectman Hollenbeck said in Facilities/Emergency Management, only \$1,200 was spent from the \$7,800 budget. She asked to decrease this budget item to \$4,800. On Page 50, there were no major changes at this time under Building Commissioner. The Animal Control Officer budget is about the same. Under the Highway Department, Ms. Garbitt explained that Police Details for the Highway Department are now tracked through Contracted Services, which is more appropriate. The Crack Sealing line item will be put into Other Contracted Services to be encumbered. Ms. Garbitt added that the Beneficial Use Determination material has been estimated to cost \$15,000-\$20,000 for removal. Chairman Powderly asked about the \$10,000 for the Superintendent of Streets salary regarding the GIS training. After discussion it was determined not to make any changes to the salary until the Performance Review takes place. Then, if someone warrants a merit increase, it can be done that at that time. \$10,788.00 will be reduced from this budget. The Council on Aging's budget has a request for an additional Part Time Clerk. Selectman Hollenbeck reduced the vehicle gasoline line item by \$1,000 and the additional Part-Time Clerk amount of \$13,493 will be removed. The line for OPEB will be included.

Selectman Hollenbeck stated that the Park Department Budget is fine. Selectman Hollenbeck suggested to take \$30,000 from the Landfill Retained Earning, since they have \$96,071. It was decided to only reduce this budget by \$15,000. Ms. Garbitt stated that she will reduce the amount for the Master Plan from \$100,000 to \$60,000. There are still the Lottery funds to consider and Estimated Receipts. This provides an additional \$40,000 bringing the reductions to \$210,591.

Review and Discuss Warrants for the Special and Annual Town Meetings

Ms. Garbitt provided an update on the amended Warrants from last night, beginning with the Special Town Meeting Warrant. The Water Enterprise Fund will be terminated, and the funds put in the Water Infrastructure Fund. Article 3 was explained. It is for accepting reimbursement for funeral expenses if a Policeman or Fireman is killed in the line of duty.

Ms. Garbitt reviewed the updated Annual Town Meeting Warrant. Capital items that have been approved are included in Article 1. The Elected Officials can be included in the entire budget, which will be easier for the townspeople to understand. Article 3 is the Park Enterprise Budget, and Article 4 is the Landfill/Transfer Station Budget. Article 5 is money to be set aside for any retirements and buybacks. Article 6 is for the Assessor's re-valuation. Article 7 is the money to make repairs on the Assawompset School. Article 8 is for the proposed Police Station, which is being prepared by Bond Counsel. Article 9 is for Chapter 90 Funds. Article 10 is the vote to re-loan money on the septic repair loans done through the Board of Health. There may be \$70,000 available to re-loan.

Article 11 is the re-zoning article for the parcels on Main Street. Selectman Burke provided a brief explanation about the articles and the work being done by the Zoning Bylaw Review Advisory Committee, the Building Commissioner and the Planning Board to clarify the Zoning By-Law for enforcement and other purposes. Article 12 - Selectman Burke explained that this article is to clarify definitions. Article 13 is adding the word "structure". Article 14 – the change is to treat funeral home, mortuary and crematory as all the same. They will be in one (1) category, and can only be located in a Business Zone. Article 15 purges the Special Permit, since it is going away with the Use Table. Article 16 removes the definition of the Mobile Home Park, which is not allowed in Town anyway. Article 17 grants a permit for a Mobile Home if a house burns down or a temporary use for relatives. Article 18 is removing it from the Table of Use. Article 19 purges allowing a Special Permit for a Mobile Home Park. Article 20 is for another aspect of the Mobile Homes. Article 21 has a typographical error; it should read "residential" not "residence". Article 22 is for lots on Route 79 that have exclusive use easements for LeBaron to use as a golf course. People cannot access it unless they are a member and golfing. The Planning Board felt that an easement should not count as area for someone's lot. This needed to be fixed. The intent of the By-Law was not diminished by doing away with this. Article 23 is regarding Landscape Easements. Article 24 is accepting Joshua Lane as a Town road.

Mr. Garbitt said as part of Lakeville's General By-Laws, the Finance Committee has to make a recommendation on every Article. During Warrant Review, the Finance Committee will need to vote on all Articles, including the Zoning Articles. There is a financial implication with Town

ways, since the Town is taking control of maintaining the road. The changes on Route 105 may also have impacts. Chairman Powderly noted that there will be additional zoning amendments coming before Town Meetings as the Zoning By-Law is reviewed and refined. Selectman Burke stated that the Zoning By-Law Review Advisory Committee will next be working on Seasonal Use, Upland Circle and Cluster Zoning to provide to the Planning Board for their comments.

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

VOTED: To approve the budget with the changes as made.
Unanimous in favor

Upon a motion made by Mr. Trahan; seconded by Mr. Holland, it was:

VOTED: That the Finance Committee approves the budget as discussed and amended.
Unanimous in favor

New Business

A handout was distributed from the Lakeville Historical Commission regarding Memorial Day services for Monday, May 29, 2017. Selectman Hollenbeck and Selectman Burke will attend the services.

Old Business

There was no old business presented for discussion.

Any other business that may properly come before the meeting

There was no other business presented for discussion.

Adjournment

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

VOTED: To adjourn the Board of Selectmen at 9:33 PM.
Unanimous in favor.

Upon a motion made by Ms. Desrosiers; seconded by Mr. Trahan, it was:

VOTED: To adjourn the Finance Committee at 9:33 PM.
Unanimous in favor.

List of documents distributed at the May 16, 2017 Selectmen's meeting

1. Budget Summary for FY18
2. Special Town Meeting Warrant Articles
3. Annual Town Meeting Warrant Articles
4. Information for the Memorial Day Services from the Historical Commission