

**JOINT SELECTMEN AND FINANCE COMMITTEE
MEETING MINUTES**

May 4, 2010

7:00 PM

Chair Yeatts called the Selectmen's Meeting to order at 7:03 PM. Members present were Selectman Yeatts, Selectman Maksy and Selectman Olivier. Also present was Cynthia McRae, Town Accountant, David Davenport, Lakeville School Committee Member, and Tracie Craig, Executive Assistant.

Chairman Petruzzo called the Finance Committee to order at 7:03 PM. Members present were Donald Healy, Norman Orrall, Michael Petruzzo and Melissa Hopkins.

Review and Vote to Approve FY11 Capital Expenditures Plan

Chair Yeatts reviewed the items that the Capital Expenditure Committee recommended for FY11 (as listed below). The Selectmen and the Finance Committee discussed their necessity.

Equipment technology and licensing for Town network	\$12,000
Ambulance for Fire Department	\$160,000
Hazardous Waste Day (Regional)	\$15,000
One (1) New Police Cruiser	\$29,000
One Special Needs Wheel Chair Van for School Dept. (Used)	\$8,000
Replace Sections of School Roof (Assawompset)	<u>\$110,000</u>
Total	\$334,000

Selectman Olivier suggested to include the computer plan each year with the expenditures relating to the Water Department so that everyone knows what is coming up. This would help to understand the entire package. He stated that he feels strongly about putting money into the Stabilization Account because at some point, the Town will deplete what is in the Water Stabilization Account. Chair Yeatts stated that it will be depleted eventually since that is what it is there for. Selectman Olivier stated then that will put the Town in a different position when it comes to another bond rating and he is concerned that it may cost the Town more to buy what is needed. If anyone has noticed the articles in the newspapers recently and with what is going on with the economy, everyone is leveraged to the hilt, including other countries and states. The credit will begin to tighten up on municipalities very shortly and only the favorable municipalities will get the good rates.

Ms. McRae suggested that the Town should adopt a financial plan stating that a certain amount of money is kept in the Stabilization Account to maintain the bond rating of the Town. Chair Yeatts stated that the Town's bond rating right now is an AAA+. However, the Town only has half of the amount that should be in the Stabilization Account. She is not against building it up. Chair Yeatts said the total debt for 2011 will be \$654,072, in 2012 it will be \$506,038 and in 2013 it will be \$373,000. The Town will slowly catch up if less is borrowed each year than what is needed. Selectman Olivier stated that it seems that the Town is borrowing just as fast as it catches up. What is presently in the Stabilization Account is not a lot to fall back on. Selectman Maksy said we need to look at what large expenses are coming up, like a new elementary school or a Police Station. Selectman Olivier pointed out that the needs do not go away.

Selectman Maksy suggested delaying the vote of the Capital Expenditure Plan until there are more final numbers on the balance of the Stabilization Fund going into Town Meeting. Chair Yeatts stated that the Capital Expenditure Plan needed to be voted on at this meeting. Ms. McRae pointed out that the Town is putting back \$86,000 into the Stabilization Account at the Special Town Meeting. There is \$464,000 in the Stabilization Account right now. Chair Yeatts noted that when the Town only makes emergency purchases and does not make regular maintenance purchases, then it gets into trouble when things end up breaking down. Selectman Olivier stated that the Town has to have a cushion for when something goes wrong. Chair Yeatts stated that the Stabilization Fund should have \$1 million in it.

Selectman Maksy stated that he felt that the Town could do without a Police cruiser this year due to the layoffs. With respect to the technology, the Town cannot band aid computers, the technology is needed. It was noted that the Acting Police Chief based the need for a new Police cruiser on the previous year with a full staff. Selectman Maksy stated that he is fine with the Technology, the Special Needs Wheel Chair Van and the School Roof. He does not know about having the Hazardous Waste Day. Chair Yeatts stated that she could live without the Hazardous Waste Day. She stated that she will not vote if the ambulance is not included with the recommendation. She feels that it is very important to the revenue of the Town and for the citizens of the Town when an emergency takes place. Selectman Maksy stated that the Hazardous Waste Day should be coming from the Landfill Enterprise budget, not be a capital expense.

Chair Yeatts stated that she would like to know the offset of the figures, if the Town borrows money for these items, compared to what will be paid off. Selectman Olivier stated on page 53 of the budget book, if \$66,800 is added every year for five (5) years, the total will be \$865,139. It does not go down as fast as one would think. He was using the full amount as recommended by the Capital Expenditures Committee. Chair Yeatts noted that the debt still goes down. She is not for drastic change, but for making things slowly right. Selectman Olivier noted that it is a good trend, but it is still a drain. Without the \$15,000 for the Hazardous Waste Day, the recommended expenditures are \$319,000, so \$862,139 without interest. The Town has to change the way it is doing things. The Selectmen and Finance Committee should make it a policy that they will reduce the debt every year by a certain percentage.

Chair Yeatts pointed out that the debt is going down this year from \$957,000 to \$862,000 next year. With the better chassis for the ambulance, it will last ten (10) years instead of five (5) years. The Town should commit to making every effort to reduce the debt each year. Selectman Olivier suggested using a 10% figure. Selectman Maksy pointed out that something major could happen though and was concerned with locking in a specific figure. Chair Yeatts stated that she did not want to be backed into a corner with a particular amount. The Selectmen and Finance Committee could just say that they will make every effort to reduce the debt each year.

Upon a motion made by Ms. Hopkins; seconded by Mr. Orrall it was:

VOTED: To recommend approval of all items recommended by the Capital Expenditures Committee, with the exception of the Hazardous Waste Day in the amount of \$15,000. The amount of the items is \$319,000.
Unanimous in favor.

Discussion then took place about the warrant for the upcoming Town Meetings. Selectman Maksy said that there was concern from some of the School Committee members since Freetown's Town Meeting is the same night as Lakeville's Town Meeting. They feel it is important that the Superintendent of Schools attend each meeting. Selectman Maksy said he had spoken to the Town Administrator regarding this. Chair Yeatts said she would discuss this with Ms. Garbitt.

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

VOTED: To approve all the items as recommended by the Finance Committee with the exception of the Hazardous Waste Day in the amount of \$15,000. The amount for the approved items is \$319,000.
Unanimous in favor.

Discussion then took place on the flooding problems that the Town had during the month of March and what is taking place with FEMA. Chair Yeatts noted that the Town received permission to deficit spend up to \$300,000 for flood related expenses. The Town will be reimbursed 75% of the flood related expenses by FEMA. Chair Yeatts said that we will be looking to fund as much of the 25% as we can from existing monies. It could take up to nine (9) months to receive the 75% reimbursement. Further discussion took place on this matter. It was unclear of the amount that the Town has spent to date. The Town has to spend \$75,000 right now, and then it will have to finance the rest, and we will have to borrow that. The interest rate is 2% on \$75,000, so it will be \$1,500. Approximately \$50,000-\$60,000 in overtime has already been paid for the Police and Fire Department. The Town needed to get special permission from the Department of Revenue to deficit spend. Discussion occurred regarding damage done to Town roads, especially Long Point Road. Chair Yeatts stated that there is also a problem with the parking lot at the Police Station.

Discuss FY11 Budget

The Budget Summary dated May 4, 2010 was distributed. Chair Yeatts said looking at the revenues, the Town was cut 6%. The 2% raises for non-union are estimated to be \$40,681 and \$15,000 for the Fire Department. Raises for the Local School would be \$35,000 if the increase was 1%; it would be \$70,000 for a 2% raise. It is estimated that a 2% raise for non-union employees, Fire and Police would be approximately \$70,000. The Local School got \$44,000 in ARRA (American Reinvestment and Recovery Act) money and the Region got \$136,000. Chair Yeatts stated that she wants to hold the line this year with the Local School since the school was cut 20% last year. The Town is still over Net School Spending for the Local School. Chair Yeatts stated that she would have liked to give the Local School more since they suffered more than just about anybody. Even if they got a windfall from the Federal government, why should the Town take that away from them? Selectman Maksy stated that the School is stuck; most of their budget is for salaries. Mr. Orrall suggested not giving the school the \$40,000 since the government is giving it back to them. Selectman Olivier stated that then the Region can be reduced by the same amount that they got from the government and then Freetown will do the same percentage. Ms. McRae noted that that is correct.

Selectman Olivier stated that he felt the Town should take its share of the monies since the Region has the Excess & Deficiency account. The Town should take it right off of the Net School Spending for the Region. Chair Yeatts stated that they should then subtract \$75,000. Selectman

Maksy suggested to hang onto that right now and see where else may be needed. Selectman Olivier suggested to put some back into the Stabilization Account. Selectman Maksy stated that hypothetically, if raises are not given, that is a savings of approximately \$145,000. The Schools did not include raises in their budgets. Chair Yeatts stated that the Town is then \$100,000 plus, right now. Then the shortfall can be re-estimated since saving \$145,000 on the expense side. The Town did add \$3,000 for voter notification expenses, and the Library was reduced by \$10,000.

Mr. Orrall asked about the revenues that come into the Town, like the rent for Somethin's Brewin. Where is that recorded in the budget? Chair Yeatts responded that that comes in under local fees, charges, estimated receipts. Mr. Orrall asked about the Council on Aging's \$16,000 for the GATRA Van. It says this is 100% reimbursed, and when that happens, where does it go? Ms. McRae responded that it is included in Estimated Receipts and offsets the current budget. Discussion then took place on the Cherry Sheet, Estimated Receipts and the GATRA van.

Schedule Next Meeting

The next meeting was scheduled for Monday, May 24, 2010 at 7:00 PM in the Town Office Building.

Adjournment

Upon a motion made by Mr. Orrall; seconded by Mrs. Hopkins it was:

VOTED: To adjourn the Finance Committee meeting at 9:25 PM.
Unanimous in favor.

Selectman Maksy stated he was recusing himself and would not be attending Executive Session.

At 9:25 PM, upon a motion made by Selectman Olivier with Chair Yeatts stepping down to second and stepping back up to vote, it was:

VOTED: To enter into Executive Session and not to return to Open Session to consider the purchase, exchange, taking, lease, or value of real property if such discussion may have a detrimental effect on the negotiating position of the governmental body, specifically to discuss Sysco.
Polled vote: Selectman Olivier – Aye and Selectman Yeatts