

**TOWN OF LAKEVILLE
Selectmen's Meeting Minutes
November 26, 2012 - 7:00 PM**

On November 26, 2012, the Board of Selectmen held a Meeting at 7:00 PM at the Lakeville Senior Center in Lakeville. The Meeting was called to order by Chairman Maksy at 7:00 PM. Selectmen present were: Selectman Maksy, Selectman Belliveau and Selectman Powderly. Also present: Rita Garbitt, Town Administrator, and Christine Weston, Recording Secretary. Cindy Dow of the Middleboro Gazette was recording the meeting. Also LCAM was videotaping for local broadcast.

Jean Fox called the Freetown Board of Selectmen to order. Present: Lisa Pacheco, Jean Fox and Paul Sadeck. Also present: Freetown Town Administrator, Richard Brown.

Vote to award bid for Refinancing the Bond on Betty's Neck

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

VOTED: To waive the reading of the document (bid for refinancing Betty's Neck).
 Unanimous in favor.

Selectman Belliveau explained that by refinancing Betty's Neck and the Senior Center the Town will save just over \$95,000. The majority of the savings will go to the taxpayers. The savings will be spread over an eight (8) year time period.

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

VOTED: To sign the award of the bid for refinancing the bond to Eastern Bank
 Capital Markets.
 Unanimous in favor.

Community Speaks

No one spoke from those present in the audience.

Meet with Freetown Board of Selectmen to discuss the following

- **School Finance**

The Boards discussed funding for the Region for FY 14. It was noted that the Selectmen have been hearing about many possible things happening with respect to the schools, such as schools closing, the need for an override, buildings moving into other buildings and changing to offices. This is an opportunity for the two (2) Boards to discuss these matters. Ms. Fox stated that she has heard that there might be a closing of a school building, there is a need for a \$2 million override, or substantial cuts would take place in the School District with a \$1 million override still needing to take place. Selectman Belliveau stated that he has asked the School Committee for sustainability for the future. It appears, according to figures the school has projected, that

even if the Towns give them \$2 million this year. they will need more next year. It appears that there is a need to come up with a plan to offer the School Department, in terms of seeing what they can come up with for cuts that they can bear, if they can open up discussions with the unions by going back to the bargaining table to renegotiate contracts, and then bring the Towns in to help. At this time, all the Towns are seeing is that there is a need for funds from the Towns for the Schools, and there is no cooperation right now with the unions. Everyone needs to get involved in order to have sustainability for the future. Mike Ward, School Finance Director, has done a fantastic job in working with forms to provide general hypothetical figures relating to the schools' financial position and projecting it forward two (2) to three (3) years.

Chairman Maksy noted that the assessed values, according to how it appears to the State, shows that the Towns can contribute more than they have been. Selectman Belliveau stated that the numbers have changed for the Town and Schools with the refinancing and retiring of the debt of the High School and the Middle School. This has allowed the budget to be brought down to about \$30 million. However, the Schools spent \$34 million. They saved \$1 million from the year before in one time monies. The real budget is \$27 million. Then add in debt service and transportation and it is \$34.5 million for the Schools. Ms. Fox noted that the number is fluid. Selectman Belliveau stated that they want to do level services. Ms. Fox explained that the grants are pretty much exhausted and so literacy coaches are not at the schools now. Mr. Sadeck stated that they should have saved some money and put it away for such times like this. Enrollment for Old Colony will be increasing by \$166,000 for Lakeville for 16 students. That is substantial for the Town of Lakeville.

Chairman Maksy stated that a general override is a hard sell, especially for him without knowing where the money goes. Ms. Pacheco stated that if they came in with 0-0-0 for raises and were trying to generate revenue, that could be better understood. However, this has not been seen. It appears that the School Committee did what they had to do to settle the contract. However, Freetown and Lakeville have not done that for their own employees. Freetown is trying to add Police Officers and build bridges, and while the Town may have done well with some new businesses, it still does not have the money to give the Schools in the amount that is being discussed. Mr. Brown mentioned that while the Towns may be doing a little better, everyone still needs to be cognizant of the information coming out of the Washington. We have to rely on our own funds, since it is not a good year for government. Also, from the Schools side, they are saying that the Towns simply do not realize that they have the capacity to tax the citizens more than what is being taxed to them now. That is not a good mindset for making difficult decisions and sustainability. Mr. Sadeck stated that when a general override is approved, there is a compounding effect. It was thought that the schools had it all figured out with the refinancing of the bonds and receiving the IT money.

Brad Paiva, Chairman Freetown Finance Committee, stated that, in regards to negotiations with the Schools and all the raises, they knew this would lead to funding trouble. He didn't understand why they handed out all those raises. Mr. Paiva stated that he had been at the Freetown Senior Center earlier in the day, and there are people living on less than \$7,000 and trying to stay in their homes. Chairman Maksy agreed. If it is not a raise, then it is a step for the teacher. It seems to be the teachers and the health benefits that are driving the costs. Selectman Belliveau stated that he has been serving on the Regional Finance Committee, and everyone has

been working very hard to find a solution. Everyone has been trying to contribute and move forward for the students to get a sustainable managed budget. There has been talk, but it has not gone the way it should have gone. Ms. Garbitt mentioned that the Board of Selectmen, by a majority vote in a town, can schedule an election for an override, then go to Town Meeting to appropriate the money. It can also be done in reverse, but the vote at Town Meeting is contingent upon the override passing at an election. Selectman Powderly stated that if the Selectmen decide not to vote to put the question on the ballot, then it is a dead issue. Chairman Maksy stated that last year the school waited too long for the debt exclusion, and it should have happened right along with the Town Meeting. At least the discussion is taking place now; however, we do not know how much money they will need for their budget. If we can come up with a few hundred thousand dollars, it will be at the expense of the Town and taxpayers. Selectman Belliveau noted that the Town of Lakeville will have to pay \$100,000 for retirees' health insurance. The Town used to be able to include it for Net School Spending (NSS), but now that we are fully regionalized the Towns cannot, unless our two (2) Boards agree that we will include it in the NSS figure. Ms. Garbitt stated that the Department of Revenue (DOR) has changed the regulations for the end of year report. Rick Kingsley at the DOR said if the Towns want to include snow plowing, health insurance for retirees, etc., both Towns need to come to an agreement on how they will be handling these costs for end of year reporting so that it counts towards NSS. Chairman Maksy stated that he will make a note of that, and he wants to speak on that again at another meeting.

- **Lease(s) for Elementary Schools, including Snow Plowing**

Chairman Maksy stated that Lakeville's concern is liability, and if the Town is still insured. Ms. Garbitt stated that the Town is paying for the property and liability insurance on Assawompset. Mr. Brown asked what the coverage amount was. Freetown is paying \$20,000 to insure the elementary school, and in looking at the Regional Agreement, it states it is the Region's responsibility. Selectman Belliveau stated that Superintendent McCarthy sent the lease agreement in June. It was hoped to review it in August. Ms. Garbitt stated that it was significantly deficient in a lot of areas so Kopelman & Paige provided a lease that they recommended. Selectman Belliveau stated that when the snow plowing issue came up, it was discussed with the former Superintendent. Since it is an expense to the Town, the Town would charge back the Region for that service, then the Region would include it in the Town's assessment. It would be included in NSS. Mr. Sadeck stated that the School wanted the two (2) elementary schools to be plowed by the Towns and not to be charged back. Ms. Garbitt stated that the Town receives a credit towards the plowing for NSS as per the new regional guidelines. Unless the Town assesses the Schools, the Town will not get the NSS credit.

Selectman Belliveau stated that the Towns just want to have a paper trail for this to be tracked for NSS. Ms. Garbitt added that in the past, the Town could include a percentage of the Highway budget for plowing for NSS. On the new worksheet, there is no place for snow plowing. Mr. Brown stated that the schools believe that anything the Towns charge them, like plowing or retiree health care, takes money away from providing education to kids. Theoretically he understood it, but we have a responsibility to our taxpayers that all funds are being handled appropriately. It is necessary that Lakeville and Freetown use the same accounting methods, that regionally the information is uniformly applied. Chairman Maksy

stated that there was no talk about the Towns doing the plowing originally. There is minimal staff to do such work. That will take time from the staff to do the work that they already need to do. Mr. Brown stated, for the record, that he has asked them for a lease numerous times. Selectman Belliveau stated that Mr. McCarthy had stated that he had already provided the leases to both Towns. Ms. Garbitt pointed out that their draft lease was one from Nashoba Valley. Chairman Maksy commented that another aspect was the sub leasing of the school. Lakeville does not want others in there leasing the school. Selectman Belliveau said the Town will have to pay a percentage of any improvements made to the school over the next or past two (2) years if a school is closed. Chairman Maksy stated that it would behoove Town Counsel to finish preparing the lease agreements for both towns. The plowing is an issue, and it is a liability. Ms. Pacheco stated that Freetown allowed its Town Highway Department to do the plowing and would rather the money go to education than plowing. She does not know if the same will be done this year. Selectman Belliveau stated that the Schools are not losing any money, they will get it back. It is counting as an overage for NSS for the Towns. Mr. Sadeck stated that if that is the only way the taxpayers are going to get credit, then that process should be followed. Ms. Pacheco added that they are still fueling up at our Town barn, and if our pumps break, we are liable and want to do a surcharge for them. Ms. Garbitt pointed out that Lakeville has a surcharge for all the pumps and if something breaks, the charge is distributed across all Departments. Anything above the cost of fuel is allocated to all.

Selectman Powderly stated that at the last Selectmen's meeting the Board was going to send a letter to the Schools and tell them they are responsible for plowing. Who will plow the school (Assawompset) now, if we have a snow storm? It will be an embarrassment if no one plows the school. They need to know they will need their own contractors. Ms. Garbitt stated that she does not think that the Region is equipped to do the plowing at the elementary schools. Mr. Sadeck stated that Mr. Ward said that they only have one (1) truck, and it stays at the campus. Selectman Powderly stated that he does not mind if Lakeville plows, but it needs to be made clear to Chris Peck what is going on. Chairman Maksy stated that the schools should have been concerned about this and addressed it. He did not think we would assume the responsibility of the schools for snow and ice. We may not have the manpower to do it. Mr. Sadeck asked if the Schools have contacted either Town asking who will plow. Selectman Powderly responded that they had not. They discussed it, but had not addressed it with the Towns. Ms. Garbitt mentioned that at a meeting with Mr. Peck and former Superintendent McCarthy, it was agreed that Mr. Peck would come up with a fee schedule of what it will be per hour and that was sent to Jessica Huizenga, Interim Superintendent. Selectman Powderly suggested to check with Mr. Peck to make sure that he plows Assawompset. Mr. Sadeck stated that a value needs to be assigned to it so that the Towns get credit for it for NSS. Selectman Belliveau stated that if the Towns cannot get credit for it, then the schools need to stop talking about over NSS. It is either all in or not discussed. Chairman Maksy stated that it should be included in the lease agreement that whatever costs the Towns incur, they get credit for it. Mr. Sadeck stated that in the future, the Towns should be appreciated for giving the money they do and what comes from the taxpayers.

- **Joint use of Elementary School Buildings with Towns**

Mr. Brown asked if at some point a school building is abandoned and the Town occupies it, how does it work with the funding formula. Chairman Maksy responded that if the school leaves,

they abandon the lease, so the Town takes it over. He has heard that it may be leased to READS Collaborative, and then the Town still maintains it. We did not agree to sublease it. Town Administrator Brown stated that there may be educational programs that can occupy the schools. Selectman Powderly stated that Mr. Ward has said that the school's spending is increasing by 4% per year, and no matter if that figure is right or wrong, it is an increase that cannot be sustained.

- **Revised formula for Net School Spending and impact on the district**

Chairman Maksy asked if anyone knew what the NSS was. Mr. Brown stated that they have received information from the schools that NSS is going up, but they do not have the underlying formula and how it might exist right now and/or change in the future. Selectman Belliveau stated that he has a problem with the formula the way it is. The formula should be averaged between the two (2) towns. Mr. Brown stated that right now he just wants to know what the formula says. Selectman Belliveau stated that if the numbers are correct from Mr. Ward, then it is an increase of approximately \$300,000 to \$400,000 for Lakeville. Last year Lakeville struggled to give the schools an additional \$125,000. Selectman Belliveau stated that he would rather see the School Committee come forward since they live in the community and are also investing in the community. We are strapped at the Town level. Mr. Brown stated that unless Freetown completely eliminates Police or Fire, it cannot generate enough savings to get there. Selectman Sadeck stated that the Boards are sitting here concerned about financing the Towns. The School Committee needs to make the hard decisions; you cannot come back to the Towns and ask for a \$2 million override. What about the family with two (2) parents working and two (2) kids in the school system. They will lose their house. They cannot afford a substantial increase in their taxes. We have bridges we will have to pay for, and then the 2 ½ override. That is a \$500 increase to families, and they cannot afford it. Selectman Belliveau stated that an override just pushes the amount off a year or two (2), since the Schools will need the same amount again. A plan is needed.

Nelson Pratt, Lakeville resident, stated that somewhere in the middle is the truth in this, not the extremes. He had done some of his own analysis for his purposes and have compared Lakeville to 26 communities of comparable size and found that 68% of the communities have residential home tax bills higher than Lakeville. Freetown is fairly comparable. The point is, that there is some truth that we don't have enough money to give the schools to run properly. Quite frankly in comparable size, we don't collect enough taxes to have it to spend. He did not want to dismiss that or say increase the taxes. Why do we keep revisiting the underfunded school system and the Achilles heel is the underfunded school system. That precludes people from moving here and that affects us all. We all pay the price. He just wanted to point out that we don't collect enough. Chairman Maksy pointed out that other communities have a lot of things that Freetown and Lakeville don't offer. We are not trying to compare ourselves to anyone but ourselves. If that is what other towns want to do, fine. Both Towns are very conservative. We do provide a good education, and it is a disservice when we get criticized. He has yet to see a plan about the unions and raises. Why is the School Superintendent 9th on the list for top paid superintendents?

Selectman Pacheco stated that it is what is affordable for both Towns. For many years Freetown gave hundreds of thousands over NSS to the schools. Now we are trying to bring it back to the table, since raises and health insurance cannot keep going through the roof. We are trying to

control costs as a town and hope the schools will also. Do we have a timeline that the Schools will present a budget? Selectman Belliveau responded that it should be in January. Selectman Pacheco asked how Lakeville will build its budget. Will it be with last year's numbers? Selectman Belliveau responded that the Town will do it the same way this year. We are in this together. Selectman Powderly stated that people come to him telling him how they are living on less, so why can't the schools live on less. That answer never comes to us. If the taxpayers' income goes down, they will be less apt to vote for an override. We need to change how we spend money in the schools. If they said one time buyout, and they committed to a raise of 1% total, and shared in health benefits, it would show work on their end. The School Committee does not have the answer of when they are going to start spending less. Selectman Belliveau stated that if there was a sustainable model and an override was presented, the taxpayers may not have a problem, but it is the increase of 4.5% that Mr. Ward is using. We go up in our real estate 2 ½%, but the schools are always increasing more than the Towns can collect, thus it is unsustainable. Selectman Pacheco stated that maybe the next superintendent that comes in will have a different philosophy to control costs. Selectman Belliveau stated that he felt that Mike Ward did a fabulous job on his presentation regarding historical and future hypothetical costs. Ms. Garbitt stated that she can work on the lease and additional financial information. Selectman Pacheco stated that the message needs to be clear that the Boards are not endorsing an override at this time. The Boards want to see the effort on their (Schools) end. Mr. Brown added that what needs to be done is to have discussion about the system and what is being done well.

Upon a motion made by Selectman Sadeck; seconded by Selectman Pacheco it was:

VOTED: To adjourn the Freetown Board of Selectmen's Meeting at 8:40 PM.
Unanimous in favor.

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

VOTED: To adjourn their Meeting at 8:40 PM.
Unanimous in favor.