

**Town of Lakeville
Finance Committee**
Thursday, October 27, 2011
7:00 PM – Town Office Building

On October 27, 2011, the Finance Committee held a meeting at the Town Office Building. The Meeting was called to order by Chairman Petruzzo at 7:11 PM. Members present: Michael Petruzzo, Donna Winters, Melissa Hopkins, Norman Orrall, and Ted Bunn. Also present: Christine Weston, Recording Secretary, Rita Garbitt – Town Administrator, and Cindy McRae – Town Accountant. There was no one recording the meeting this evening.

Budget Update

Ms. Garbitt updated the Committee on what was taking place with respect to the FY11, FY12 and FY13 budgets. The Town will be receiving an additional \$60,000 for FY11. The Town will also be receiving \$30,000 from FEMA. This is due to the legislature having been helping various towns that have been through natural calamities such as flooding, hurricane's, ice storms and tornado's. In 2010, FEMA had reimbursed the Town at a rate of 75%/25%. The Town absorbed 25% of what it had to spend during the flooding emergency that Spring. Since this is Federal money, there are restrictions. The Fire Chief, also the Emergency Management Director, has indicated that the Town is in need of a generator. The present generator is decades old and about \$25,000 will be needed to replace that generator in order to have something reliable in the event of another emergency. This is also an item that has been on the capital plan for several years; however, the Town has not had the money to purchase a new one. The request to Department Heads for their Capital Plans will be going out next week to be returned by mid-November.

The Board of Selectmen will be asked what parameters they want to set for the FY13 operating budgets. The Town will not know what Net School Spending will be until the end of January. It is anticipated that the Town will begin seeing a drop off in motor vehicles excise tax. The "cash for klunkers" program did work out well for the Town. The first sweep thus far of the budget was not a large negative, which is encouraging. \$400,000 has been inserted for Regional School Transportation. Looking at the debt schedule, the short term debt for FY 13 is reduced. The School Department is negotiating their contracts now. The School Committee directed the Superintendent to send the 4th grade from both Towns to GRAIS (George R. Austin Intermediate School). Freetown will have to pay their share towards the seats they will occupy. Freetown has 109 free seats, but has to pay into the operational budget for the utilities, teachers, etc., such as Lakeville does. If the Region takes over the payments, the debt exclusion will be reduced, but the Town will still have to pay the debt in terms of the assessment. Freetown will also be making payments on it. The taxpayers of Lakeville should see a deduction, but the Town will not see it in its operational budget. Mr. Orrall asked where the money will be allotted once the debt is paid off. The Town will need to know if the agreement is null and void or if something is being given up. Mrs. Garbitt stated that she will have to reread the agreement. The committee members then asked to have a copy of the agreement for their own reading. This topic will be discussed further at the next meeting of the Finance Committee. It did appear though that once the debt is paid off, GRAIS will become a Regional school building. It is not Lakeville's school.

Ms. Garbitt stated that the Selectmen has advertised for another member of the Capital Expenditure Committee to fill the current vacancy. Each Town Department will be asked to prioritize their capital needs. The Selectmen will be deciding upon an amount that they feel they can allot towards items that each Town Department needs. The Finance Committee will need to meet with each of the Department Heads, as they do on a yearly basis and find out their needs. A lot of needs have been put aside over the past several years due to lack of funds. The bids were opened regarding fixing the roof, the clapboard, painting the trim on the building and putting a liner in the chimney. The minimum bid was \$25,000. Additional funds will be needed just to replace the clapboard and the roof. These funds will come out of the maintenance budget for the Town Office Building. The original funds had been approved by the Capital Planning Committee. It is hoped to get the contract ready next week in order to get the work done prior to the winter. The Highway Department will crack seal the parking lot and do line painting tomorrow. Since maintenance has been delayed throughout the Town, funding is needed to make the necessary repairs. These are items that the townspeople and Departments need to take into consideration, especially during contract negotiations. At this time Police, Fire and Teacher contracts are under negotiations.

Ms. McRae stated that she had sent a list of questions to Robert Hatch at the DESE (Department of Elementary and Secondary Education) regarding the end of the year report for the School Department. Ms. Garbitt stated that she had sent the information which was seen in City and Town to all School Committee members, regarding the status of a School Committees when towns are in transition to become regional school districts. The information conveyed the fact that each of the Local School Committees are still viable entities throughout the transition. Thus, the Lakeville School Committee and the Freetown School Committee still exist.

Mr. Bunn stated that he has not been able to make contact with Mike Ward, Business Manager for the Region, about costs, contracts, expenses; where the revenues are coming from and what projections the School Department is showing. It would be helpful to see that kind of visibility. It would be helpful for the Finance Committee when town meetings are taking place to show a historic look at expenses and trends. Better budget worksheets are needed. It was suggested that Mr. Bunn contact the Superintendent for the information.

Ms. Hopkins explained that since her family dynamics have changed, she did not think that she would be running again for a seat on the Finance Committee. At this time it would be preferable for the Committee to appoint someone else for the Regional Finance Committee. She will, however, stay on the Committee until her term lapses and elections take place. The next meeting of the Regional Finance Committee is scheduled for Wednesday, November 16th, and Wednesday, November 30th, at 6:30 at the IMC.

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

VOTED: That Ted Bunn serve as the replacement to the Regional Finance Committee from this point through to elections for Melissa Hopkins.
Unanimous in favor

Chairman Petruzzo stated that he had received some historical data from Ms. McRae going back to 08. The Committee now needs to determine what to do with that information, and how to present it. Mr. Bunn stated that it would be helpful to graph the data to see the annual trends

of the Town, such as the items that the Capital Expenditures Committee (CEC) has requested for the needs of the Departments, what was spent, and what was actually needed to spend. Then, this information could be communicated more effectively in order for the townspeople to see what has been taking place within the Town over the course of a few years. Mrs. McRae added that the DOR (Department of Revenue) also has information available on their website. If there is additional information that the committee is looking for, the DOR is usually happy to help out locating what they have within their data bank. Mrs. Garbitt stated that Storm Water Management is an area that the Town will have to focus on which is quickly approaching for all towns. The replacement of all street signs has been pushed out for several years and will not have to be done within the shorter time span that was originally set, however, the Town will still have to replace all street signs with fluorescent break away ones. Mr. Bunn stated that he would like to understand what expenses are mandatory and how much that will cost the Town. Ms. Garbitt stated that the Town has been losing State Aid, such as the Quinn Bill and other State Aid that has been greatly reduced throughout the years. Basically, Towns are being forced to take on more and more financial responsibility.

Another new requirement due to health care reform is the annual reporting to the State regarding how much a community would have saved in health insurance costs, if they had joined the GIC. Chairman Petruzzo stated that he will forward the four (4) years of historical data that he has to the committee members to peruse. The committee stated that they would like to see as a Town where the resources are going, to see if it could be determined if Regionalization is a money saver. Looking at all this information in the form of charts and graphs usually helps people to visualize and understand the trends better.

Chairman Petruzzo stated that another area that he was looking at is employee totals and this type of data as received from Mrs. McRae. Mrs. Garbitt stated that another area to take into consideration is the changing dynamics of the Health Insurance. It had been 90%-10% then it went to 75%-25% and now the School Department is included in the Region's budget. Previously State Aid with Chapter 70 was a large amount. Then, there is the assessment to the Region to take into consideration that has been changing.

Schedule next meeting.

The next meeting was scheduled for Thursday, November 10th at 7:30 PM.

Adjournment

Upon a motion made by Mr. Bunn; seconded by Ms. Winters it was:

VOTED: To adjourn the meeting at 8:49 PM.
Unanimous in favor