

TOWN OF LAKEVILLE
Selectmen's Meeting Minutes
Apponequet High School
August 27, 2014

On August 27, 2014, the Board of Selectmen attended the Freetown Lakeville Regional School Committee Meeting at the IMC at Apponequet High School. The School Committee meeting was called to order at 6:00 PM by Chairman David Goodfellow. Members present: David Davenport, Jean Fox, Robert Clark, Carolyn Gomes, and Derek Gracia. Bret Kulakovich entered the meeting at 6:20 P.M. Also present: Superintendent Richard Medeiros and Director of Financial Operations Fred Baker.

Chairman Powderly called the Lakeville Board of Selectmen's Meeting to order at 6:02 P.M. Members present: John Powderly, Aaron Burke, Mitzi Hollenbeck. Also present: Town Administrator Rita Garbitt.

Chairman Pacheco called the Freetown Board of Selectmen's Meeting to order at 6:02 P.M. Members present: Lisa Pacheco, Paul Sadeck, Lee Baumgartner.. Also present: Interim Town Administrator John Healey.

Meet with Regional School Committee

Selectman Hollenbeck thanked everyone for attending and stated that Mr. Baker had re-calculated the Regional Assessments for FY14, and the Town of Lakeville had been overcharged by \$268,528. Both towns had their town meetings vote on the budget, before the figures were finalized in July.

Selectman Burke suggested that there were three (3) questions that needed to be answered:

- (1) Answer the question as to how the calculation came about.
- (2) Determine whether the School Committee is in favor of returning the money to Lakeville.
- (3) Reconvene or create an ad hoc committee to discuss logistics of how to return the money to the Town of Lakeville.

Selectman Hollenbeck stated that she didn't want to rehash what has happened and wanted to make sure that everyone moves forward, focuses on the future, and keeps an open dialogue amongst the Committees. Selectman Pacheco stated that the Freetown Board of Selectmen was going to sit quietly. They just came to listen to the dialogue between the Lakeville Board of Selectmen and the School Committee. Mr. Goodfellow stated that he admits Lakeville has been overcharged. If Freetown would pay what they were under charged and give it back to Lakeville, that would make everything easy, but not at the expense of the money given to the District to educate the students. Selectman Burke stated that he didn't expect the money to come from Freetown, but that is a political decision that the School Committee needs to make. Selectman Powderly stated that the Lakeville Board of Selectmen is simply asking the School Committee to make Lakeville whole. He then asked how the School Committee would like to vote. Would you like to vote individually or as a Board? Chairman Goodfellow said that he did not know if the School Committee was ready to vote tonight. Mr. Healey stated he didn't

understand how the numbers came about. The State changed the numbers. How and why? How did Freetown become from being less to more wealthy than Lakeville? He thought it was based on house assessment taxes.

Mr. Baker asked everyone to refer to the Assessments on sheet two (2), which shows the State's required local contribution of \$7,531,865 from Freetown and \$9,875,825 from Lakeville. Then in July, the numbers changed to \$7,838,373 for Freetown and Lakeville's went down to \$9,665,911. When you change the numbers, you change the relationship between the two (2). Look at the bottom line on the sheet of total assessments. Freetown went from \$9,050,488 to \$9,322,616 and Lakeville went from \$12,106,966 to \$11,838,438. Mr. Healey asked why the numbers were changed in mid-July. Selectman Burke responded that it was a State decision. Selectwoman Hollenbeck stated that we had the same issue with transportation, and it was also finalized in mid-July. Now it is finalized, so this won't happen again.

Selectman Powderly stated that he would like to hear from everyone. Does the School Committee want to make Lakeville whole, or how do we move forward to solve this problem? Mr. Clark stated that this is an unfortunate situation. The Board's interest is the children. How can you ask us to take it out of our school budget? Selectman Burke responded by stating how can we not. The School Committee has the largest budget and is best equipped to absorb that money and not impact the level of service to the community. Selectman Hollenbeck explained how Lakeville stands in their budget. If we use the Levy Limit every year, it is about 2 ½ % or \$450,000 of additional funds. If you cut that in half, it is about \$255,000. A \$268,000 overcharge means we paid double, so you can see the magnitude to our budget. It was stated that the School didn't receive additional money, it's just how it was assessed. Selectman Powderly stated that the School didn't benefit, but one town was harmed. One was not harmed by past numbers. Mr. Clark stated that one (1) town paid more, and one (1) town paid less. How does the School Committee propose it be solved? Mr. Healey added how do we know these numbers are right. If it reflects wealth, then these numbers are reversed. Selectman Hollenbeck noted that the School Committee hired a consultant to calculate the statutory assessment method and Chapter 70 funding. It's sort of like three (3) pieces. The budget includes the required local contribution from each town and Chapter 70 funding. What is left gets split between the towns according to the Regional Agreement. Mr. Healey stated he wants to know why the figure has changed so radically. Selectman Pacheco said she felt it was necessary to meet with both Boards of Assessors to see how they assess property, because the way they assess is what drives these numbers. They have talked to their State Representatives.

Ms. Fox asked should Lakeville be made whole, and how should they be made whole. Chairman Goodfellow stated he felt that the School Committee should not be polled. That is a discussion for the Committee to decide. Selectman Burke asked if anyone wanted to talk about this. Mr. Davenport said he understands, but he feels whether we refund and how we refund are two (2) different situations. Lakeville's need to be reimbursed is different than how we approach Freetown on the other side of the coin. Ms. Fox stated that this is a substantial amount of money to come up with. Mr. Davenport stated that what we need to do is just find ways to go forward. Does Freetown pay any of it back? Selectman Burke stated that if the School Committee doesn't want to act, there's no reason to go to question three (3), if you can't get by question two (2). Selectman Powderly stated that if you agree with the number and agree to reimburse \$27,000 over 10 years, maybe the Town could be under assessed and the other Town over assessed. The point is that it can be solved, if one wants to solve it.

Selectman Burke stated that any situation should be taken into consideration. What would be least impactful on the level of services. What is your solution? Mr. Healey suggested looking at the assessment practices. Selectman Sadeck stated he would like someone from the Department of Local Services (DLS) to go over the method we use. For FY15, Freetown is paying around \$750 more per student. He feels the way the District is interpreting the Net School Spending is incorrect. The Net School Spending requirement kicks in only when a community is not paying their fair share. That's what causes the discrepancy per student. He thinks Freetown needs to pursue this, because the method being used is incorrect. He votes to take all expenditures and do it on a per pupil basis for both towns. He feels Freetown should not be paying more for the same education. As long as they are paying over Net School Spending, they shouldn't be paying more, and he believes Freetown is going to pursue this. Selectman Burke agreed. Mr. Sadeck has made a valid point. The subcommittee can investigate it. There is no reason the assessment can't be equitable to both towns.

Selectwoman Hollenbeck stated that the statute allows for special assessments as an alternate method beyond the statutory assessment. However, it requires a unanimous School Committee vote, as well as, a vote from each town every year. Mr. Sadeck stated that only if the statutory method is being applied properly, and he doesn't think it is. There should not be a disparity in any town for two (2) towns that are paying over net school spending by even \$1.00 to be charged a different rate per pupil, especially over \$700 per pupil. He thinks Freetown has a case. Selectman Hollenbeck stated that this is something for the Regional Finance Committee (RFC) to discuss. How can we make this equitable? How can we make sure it doesn't happen in the future? We calculated the statutory method, and after the town voted, the State came in and changed its numbers. How do we figure this out? Mr. Clark stated that he needs more information. Why did the DOR do this? Does this apply when both towns voted to fund the schools above net school spending for that fiscal year? Selectman Burke stated that's not where the discrepancy lies. It lies in the State formula.

Chairman Goodfellow asked if a town meeting vote is required to change the number. Selectwoman Hollenbeck questioned if two (2) town meeting votes are not in accordance with the State formula, would that force a joint town meeting. This is an odd situation. The assessments were not calculated by the statutory formula, but you did have town meeting votes. What do you do? That's the question. The rules of the RFC were read. The RFC should research this. They represent all three (3) Committees. The RFC does not bind any town. They are strictly advisory. Selectman Powderly stated that our real issue is does the School Board want to make Lakeville whole. That has to be answered before you refer it to the subcommittee. Let the RFC come up with a solution that has the least impact on the school over a period of years.

Selectman Burke asked Mr. Baker if the State can go back and change a number for a budget that has already occurred. Has that ever happened? Mr. Baker said he didn't recall it ever happening, but that doesn't mean it hasn't. Selectman Burke said this is not typical. That's why we were concerned about transportation and Freetown followed suit. You have to be proactive. Selectwoman Hollenbeck stated this could happen again. We need to find a way to resolve this, so it doesn't happen again. We need to establish, as a group, how this would be resolved now and in the future. That's the dialogue we want to open up. Mr. Nogueira asked if Lakeville was asking them to revote their FY14 budget numbers to decrease Lakeville's budget and increase Freetown's amount. Selectman Burke stated absolutely not. We are asking that you return the money to Lakeville based on the recalculation. Selectman Burke said moving forward it is

relevant to make sure this doesn't happen again. Either you believe Lakeville is owed the money, or you don't. If you don't, that's ok. Just say so.

Mr. Nogueira stated that the questions for the DOR need to be answered, before we make anybody whole. Those numbers need to be correct. Selectman Powderly stated that Lakeville doesn't object to that, but the School Committee should be working through Mr. Baker and the School Committee on that issue. Let's move forward. My disappointment was hoping people would step up and voice their opinion in public whether they would make Lakeville whole, if not tonight, certainly at your next meeting. So we understand where we stand and take whatever appropriate action we feel necessary. It is disappointing to be pushing it down to the subcommittee and questioning numbers that could have been questioned the past year. You could have questioned Mr. Baker over the past ten (10) months. We are not questioning Mr. Baker's numbers. We agree with Mr. Baker's numbers. Lakeville would like you to take a vote and not push this down to the subcommittee. If you want to go to the State, do it as a School Committee.

Chairman Goodfellow stated that he felt it was not fair to ask the School Committee to take a vote, but he believes Lakeville should be made whole and move on with a minimum impact to the School District. Mr. Gracia stated that this is a simple question and solution. Assuming the numbers are correct, you do see making the other side whole by talking to the School Committee, not the Freetown Board of Selectmen. This information was discussed in August, 2013. Selectman Scott Belliveau posed the question, and I posed the question to the School Committee, and they didn't act. Maybe I should have followed up, but I thought I did what I should do, and it disappeared. We've wasted a year, and we shouldn't spin this out. I don't fault Selectman Powderly in wanting to see a basic commitment in seeing if Lakeville should be made whole. We should recognize that latest figure is what we should base the numbers on. They are the State's final say. We are not accepting it because there's an uncomfortable issue, when we always have before and make this disappear in subcommittees.

Selectman Powderly suggested that they move on to the next item. He hoped the School Committee brings it to a vote at some point. There was a brief discussion regarding the representatives on the RFC. Selectman Hollenbeck and Finance Committee Member George Vlahopoulos will represent Lakeville. Selectman Baumgartner will represent Freetown Selectman, and the Freetown Finance Committee representative's name will be forwarded to the School Committee. Brett Kulakovich and Derek Gracia will represent the School Committee.

At 7:25, upon a motion made by Selectman Burke and seconded by Selectwoman Hollenbeck, the Board:

VOTED: To adjourn their meeting.
Unanimous in favor.

The School Committee voted to adjourn their meeting at 7:25 PM.

The Freetown Board of Selectmen voted to adjourn their meeting at 7:25 PM.