

TOWN OF LAKEVILLE
Joint Boards of Selectmen and Finance Committees Meeting
Freetown Senior Center
April 4, 2013 – 6:30 PM

On April 4, 2013, the Board of Selectmen held a Meeting at 6:30 PM at the Freetown Senior Center. The Meeting was called to order by Chairman Belliveau at 6:34 PM. Selectmen present: Selectman Belliveau, Selectman Powderly and Selectman Burke. Also present: Town Administrator Rita Garbitt, Finance Committee Member Maureen Candito, and Christine Weston, Recording Secretary. Cindy Dow of The Middleborough Gazette, LakeCAM, and Freetown Selectman Paul Sadeck was recording the Meeting..

The Freetown Finance Committee called their Meeting to order 6:36 PM. Freetown Finance Committee Members present: Paul Deneault, Robert Alderson, and Brad Paiva.

The Freetown Board of Selectmen called their Meeting to order at 6:36 PM. Freetown Selectmen present: Paul Sadeck, Lisa Pacheco, and Lee Baumgartner. Also present: Town Administrator Richard Brown and Chairman of the Regional School Committee Robert Nogueira.

Meet with the Freetown Board of Selectmen

Selectman Belliveau stated that he has been attending the Regional School Committee Meetings. At this time, the Town of Lakeville is short on funding the Region's budget, and his Board would like to know where the Town of Freetown stands with their budget in order for both towns to be on the same page. For Lakeville, even the base budget for the Schools would require an override. Lakeville is \$190,000 short just meeting the base budget. We also don't know where snow and ice will come in. The gap can be closed up a bit, but we are not sure how much. Selectman Pacheco asked if Lakeville carries over snow and ice to the next fiscal year. Ms. Garbitt responded that Lakeville does not carry it over. Selectman Belliveau stated that he would like to discuss the idea of an override ballot question and wants to do that prior to Town Meeting, so that the Town might know where it stands at Town Meeting. Selectman Sadeck asked how much the override would be. Selectman Belliveau stated that that is what his Board would like to discuss with Freetown. We do not want to do a \$300,000 override to just meet the base budget, although the Town does not want to fund the entire Tier 2 budget. We don't want to pit the towns against each other either.

Mr. Alderson asked if Lakeville had calculated out the amount for an override. Selectman Belliveau stated that \$33 million would be sufficient to cover the Region's budget, and that amount is between Tier 1 and Tier 2, so Lakeville would need to come up with an amount to fund the schools. Mr. Alderson asked if Lakeville thought that they had a chance for an override. Selectman Belliveau responded that he has no idea, however, he would like the taxpayers to make that decision. Without an override, we are going to town meeting with Net School Spending (NSS) and serious cuts in the Town budget. Selectman Sadeck stated that Lakeville is then hedging it all on an override passing. Selectman Belliveau stated that \$284,430 would be the additional added over the base budget for Lakeville for the Region for FY14. It is the intention to sustain the schools for a five (5) year period. That is looking at 3.5% per year for five (5) years. The Region will have to live with a 2.5% increase on the overall budget.

Mr. Alderson reminded him that that is 2.5% over 2.5% over 2.5%, each year. That is compound interest. Those numbers though were not sustainable for the Region in the meetings that they have attended. Selectman Belliveau responded that it probably would not be sustainable. I will make a proposal at the Selectmen's meeting Monday night that we vote on a number that will give us enough money to give the Region \$1.5 million the first year. Then the rest is needed for road repairs. The figure will be close to \$2 million. Selectman Pacheco stated then it is not all going to the schools. Selectman Belliveau responded that that was correct. The Town is looking at having an override, and we would like to know if that will do any harm to Freetown, if they had to pay a little more than the Tier 1 budget. Freetown would need an additional \$850,000 to \$900,000. Lakeville would like to schedule the override on Saturday, May 18th, then we will know before Town Meeting. Otherwise, the Town will present a budget with NSS. Or, if a joint Town Meeting is forced, Lakeville would lose its Senior Center, Library, and a combination of the Police and Fire Departments will be gone. There is no other way around it. At least this gives the taxpayers the chance to decide, if they want the override.

Selectman Sadeck stated that Freetown should just wait and see how it works out then. Selectman Pacheco stated that Freetown has the Tier 2 amount in their budget right now, and they are short \$170,000. Freetown has just finished meeting with all our Departments and has not come to any conclusions yet. There are still bridge repairs and capital expenses to look at. Selectman Sadeck stated that with the articles that have been submitted, Freetown is about \$250,000 to \$275,000 short, if we allow the full 2.5% tax increase. Selectman Pacheco added that everything has been presented to the Board so far. Selectman Belliveau asked if that will force Freetown to scramble around. Selectman Sadeck stated that Freetown is in a good position and will wait and see what happens with Lakeville. Selectman Belliveau stated that he would like to come up with a number that Freetown agrees to as well. Originally, Lakeville was going to go with Tier 1, but the extra \$250,000 would be critical for the Region, and they could survive with \$33 million. Selectman Pacheco stated that Freetown feels the same, anywhere from the Base budget to Tier 1 and slightly over Tier 1. Anything over that is pushing it.

Selectman Baumgartner stated that he just finished three (3) months of campaigning and spoke to hundreds of people. They said to get the school system under control, and Tier 2 is somewhere out in space. I am between Base and Tier 1. Selectman Sadeck stated that at the last Regional Finance Sub-committee Meeting the Base budget was voted down, and the higher one was motioned with no second. We all left the meeting knowing that the School Committee would vote for Tier 2, however, we have to fund it. The School Committee does not speak with us while they negotiate contracts, until the end. I am not in favor of Tier 2 at all. I can understand Base budget, but if Lakeville is going to go for an override, you might as well go for the most money you can generate. Then it will end up with a joint Town Meeting. Selectman Pacheco stated that it may end up with a joint Town Meeting anyway, so whatever number we can both agree on is good with me.

Selectman Belliveau asked what the optimum amount was that Freetown was comfortable with. Mr. Paiva responded that the Finance Committee feels it should be the Base budget. Mr. Alderson stated that the Region cannot sustain itself without major increases over the next five (5) years. They are going to be needing more and more. You are putting more kids in the school. So what does the budget consist of, and are there any increases? The paper says there will be a 28 student increase. Is that realistic? It seems to be excessive. After Lakeville's roads are repaired, what will be done with the override money? Selectman Belliveau stated that the Town will put \$500,000 into the Stabilization Fund to fund the schools going forward. Mr.

Alderson asked what if Lakeville has to go back to the taxpayers. Selectman Belliveau stated that Lakeville will not go back to the taxpayers. The Region will have to decrease their spending, period. Tier 2 is a wish list and based on wants, not needs.

Mr. Alderson stated that he supported anywhere between Base and Tier 1. That would be viable, and anything more would be a burden more on Lakeville than on Freetown. The bigger the number, the more resistance you will have. Selectman Pacheco stated that she would hate to see the Region spend money on unemployment, since that is what we would probably give. That is wasted money to me. Town Administrator Garbitt explained that the Region pays a fixed premium, unlike the Towns that have pay to the full unemployment cost. Selectman Sadeck stated that after tax bills went out in Freetown, there were a lot of complaints, and it was not just coming from seniors. It was young working people who are not able to make ends meet. Just a 2.5% jump will be a lot, period. I do not think if Freetown went out for an override, it would pass. Maybe Lakeville has more money with the population. The economy is not getting better. Selectman Belliveau stated that it is not up to the Selectmen to sell this. It is up to the School Committee. I think they created this mess, and it is their problem to solve it. I just want to see if Freetown wants to fund it a little over Tier 1. Maybe it will sustain the Region for four (4) years, maybe five (5) years.

Selectman Sadeck asked how Lakeville proposed to control the cost with the schools. You have no control with the School Committee. What I have found working with the town is usually the school administration creates the budget, negotiates the contracts, and then brings it to the School Committee. Then the School Committee says ok, that is what they do. If the School Committee had to manage the operations, it would be different. I commend you for going out for an override. Selectman Belliveau stated that he did not want to force Freetown to come up with what they did not think was palatable for Freetown. If it is successful for Lakeville, then it is doable for us, and let us do it. If an override does not pass, I am sure there will be another, because we will not have any services in Town. Selectman Pacheco stated that Freetown is not comfortable with Tier 2. Selectman Sadeck stated that he and the Finance Committee were not comfortable with Tier 1. Mr. Paiva stated that Mr. Baumgartner was elected to the Board of Selectmen with a vote 3 to 1. That says something from the people.

Selectman Belliveau stated that he wants to make sure that if the override does pass, then the Town will have enough to cover what is needed. That is why I am trying to let the taxpayers decide well before Town Meeting. We will be discussing this more Monday night. We are not trying to force anything. At least our Boards can work together. I would like to have a debt exclusion for the roads, since the interest rates are about as low as you are ever going to get. Mr. Alderson suggested having two (2) overrides; one (1) for the Town and one (1) for the schools. I still think, being a member of the Regional Finance Sub-committee, according to information we were given, no matter what, it is still not sustainable. We should forget a percentage and go with dollar values. They are not consulting us, but depending on us for the finance stream. Selectman Sadeck stated that the override never goes away. It keeps on going. Selectman Belliveau stated that it is factored in. I just don't want to go back to the taxpayers in three (3) or four (4) years saying we need more money. Mr. Alderson noted that Mr. McCarthy (previous School Superintendent) said that even 3.5% was not sustainable. It would be different, if both towns were flush with money. We have buildings to repair and bridges, etc. I think there is a compromise somewhere here. But I think it has to be palatable to voters and taxpayers, and that may be between Base and Tier 1.

Selectman Belliveau stated that during the discussions with the Administrators, the Superintendent and the staff, they talked about state averages like they were entitled to what the state averages is. It is a 14.8% increase for Lakeville and a 14.4% increase for Freetown. Mr. Alderson stated that he felt that it would be much more palatable to have two (2) overrides, one for the Region and one (1) for the Town, and hopefully things will improve. Selectman Belliveau said the taxpayers will have to decide, but it is the School Committee that has to sell it, not us. I am looking at numbers that I hope will not croak our taxpayers. Selectman Sadeck asked what the impact would be for a \$1.5 million to a \$2 million override on the average home. Selectman Belliveau responded that it is about \$350 to \$410 for the average home per year. For some, it will be a lot more money. Selectman Sadeck asked how the Lakeville Finance Committee felt. He also inquired why the Lakeville Finance Committee was not present. He thought this was going to be a joint meeting. That is why the Freetown Finance Committee is present. Selectman Belliveau stated that they will be at the Monday night Selectmen's meeting to discuss this with Selectmen.

Selectman Sadeck stated that the joint meetings began in the summer, and the school budget started out needing \$1.5 million, and they never exercised any management to reduce the amount of money. They just went along to try and convince everyone they needed it. They even sent notes home with children that stated there would be no AP classes, and students will not be getting into college. With the AP classes, they can adjust their operations to include them, if they are so important. They can mitigate some of this that they threaten will happen. It is a scare tactic. Selectman Belliveau stated that his son came home from 8th grade and said during school time they were making the video that many people saw. Along with the fact that the teachers were saying that Apponoquet was a lousy school, and he wanted to go to private school. He heard that from his teacher. I think it is a good school, and we are doing far better than some communities.

Selectman Powderly stated that it was a staged video and a negative ad. Those that made it thought it was the greatest thing in the world. So if the student population goes down, I blame the schools, not the Selectmen or Finance Committee. They are setting up the aura we are going to fail. I have told them in mini speeches at their meetings that they need to operate in the 2.5% increase, and they cannot do that unless those who are on the School Committee are voted out, and those that we want are put in. They should operate in the 2.5% like the Police, Fire and Town do. And I do not support an override for anything other than the schools. I rather have a debt exclusion for the roads. We would not be doing this if the schools were within their 2.5% budget increase, and I do not want to confuse people. I certainly support putting an override vote in front of the taxpayers and setting it large enough so that we don't come back. Either the \$915,000 or \$1 million. That is my general proposal. I certainly agree with your Finance Committee. The hole is there, and I will not vote a penny for any other department at this time. We are here for the schools only.

Selectman Sadeck stated that it was wrong for the kids to be used in that light in the video, and the staff doing it on school time. Selectman Baumgartner stated that they know very well whatever they spend, you have to come up with the money. They say it is good for the kids, and you always come up with the money. The same year they said they were in the hole they gave 4% increases. 1% of the people in America received 90% of the wage increases, and that is part of the school system. You will continue to have meetings like this, until you say we are paying a lot of money to manage it, so if you don't have the brains, we will fish out people that do. We should be asking them for a five (5) year business plan. That is my statement. Selectman

Powderly stated that if the people vote the override down, then they are voting for NSS. If it fails, they want to fund the schools at NSS. It is the taxpayer's opportunity to say that they are overfunding the schools and are tired of it. The results of my election show that the most important job in Town is running a competent School Committee that can fund them in the manner that they can function within. Selectman Belliveau stated that he did ask those questions that the School Committee was supposed to be asking and was shot down again and again at those meetings. Selectman Powderly and Mr. Alderson asked about how much the cost will go up a year with the compound amounts. It should be made clear that the 2.5% never ends. Mr. Paiva responded that it will bump up their home \$300 the first year, and then it multiplies.

Mr. Nogueira stated that this is an issue state wide, and that has to start at Beacon Hill. They keep cutting Chapter 70 funding, cutting regional transportation, cutting the circuit breaker, and we have to continually educate our students with unfunded mandates. We will be laying off seventy staff with the base budget and going back to forty kids in a classroom. Let us try to get the Region funded, and then get all the Boards to meet and come up with a long term plan. I plan to ask for a three (3) year, five (5) year and ten (10) year plan for the District. The citizens are owed that, and we cannot continue coming back and saying we need more money. We need to look into bringing in money. We have an RFP out right now for solar power. We are looking at an RFP for the custodians. We are in negotiations with the paras. We are looking at ways of reducing costs. We have to train teachers. The staff got a 1% raise and took an additional two (2) days. So we are working and commend what you are doing, since the voters will get the students the education they are willing to pay for.

Mr. Alderson stated that if there are seventy staff laid off with the base budget, he would like to see that on paper to see how that works. Mr. Nogueira stated that the Region has a lot of awesome teaching staff, and most of them are at the top step of their union contract. The contracts were negotiated when the State was doing well, and now it is time to pay the piper. Mr. Alderson stated that when we start looking at the numbers, we have to fund the rest of the Town. Mr. Nogueira stated that it is not the goal of the schools to bankrupt the rest of the towns. There is a Selectman member that is on the negotiating committee for the union contracts. Selectman Belliveau stated that that Committee had no control, and the School Committee made all the decisions. Selectman Sadeck stated that it is a waste of time. Selectman Belliveau stated that Mr. McCarthy said he had no idea of how they will pay for year three (3), but gave them a 2% raise.

Selectman Pacheco stated that both Boards of Selectmen should write a letter to the School Committee stating that the increase is unattainable. Maybe the Boards should make a joint letter that the schools are better off making it affordable, since we are not doing this again. Selectman Belliveau stated that the School Committee could have very easily said that the 1% is for those that do not have steps and levels and given a different amount for those with steps and levels. They could have talked about health insurance. Mr. Nogueira stated that he cannot fix the sins and mistakes that were made with Mr. McCarthy. Going forward, I will pledge that we will work with you as much as we can to get this straightened out. We need to change the Chapter 70 formula, since it does not work, and it is unfair to the kids in the towns. The kids in big cities get more money spent on them than us, since we have the perceived ability to be able to pay more. We have to change that and contact Senator Rodrigues. We will keep pushing the legislators to change the legislation. Selectman Belliveau stated that at the MMA Annual Meeting Senator Rodrigues noted that he is aware of these issues.

Selectman Powderly noted the inference is to go back to Beacon Hill. Wouldn't the School Committee have voted to ratify the contract? So it is also in the hands of the School Committee. In Lakeville, a beginning teacher starts at \$40,000, then gets a 5.9% increase. They get this the first twelve years of their employment. That is us setting that. Mike Ward gave me the numbers for these new teachers. Beacon Hill does not set that number. You can set it at whatever you would like, so you may not want to shovel all the blame to Beacon Hill, only regarding Chapter 70 funds. Mr. Nogueira stated that some of this is under local control, some is not. A teacher with a Bachelors Degree needs Professional Teacher status and a Master's Degree. It takes hundreds of hours to renew their license. We are being pushed by Beacon Hill for more and more unfunded mandates. We will have to have the students taking MCAS online, and we have no choice with that. Mr. Denault stated that this is serious when Lakeville is talking about laying off all Fire and Police staff. If I lived in Lakeville, I would be very concerned. There has to be some kind of agreement somewhere and some give and take. You cannot wipe out a Town's Fire and Police Departments. Mr. Alderson stated that if he lived in Lakeville, he would be very cautious at rolling the dice at \$1 million. A lower number should benefit the schools. We have to have a number that is a sustainable number. We have to fund the rest of the town, and the schools have been eating us alive. I have been on the Finance Committee for 14 years. I want to work backwards. Let us fund all the Departments, and then see what we have left over for the schools. We should have done this two (2) months ago.

Selectman Sadeck stated that by May 19th Lakeville will have a yes or no on the override, and we will have to meet anyway. That is where we are at, and we are not going to give you a figure tonight. If you get the override, we have to match it. We had to come up with \$90,000 when you gave \$125,000 last year. Selectman Belliveau stated that Lakeville just wants to make sure that it is not asking Freetown to come up with more than what is palatable. I want to come up with some sort of a plan that will increase the funds to help the schools. Selectman Pacheco stated that after Monday's Selectmen's meeting, the Lakeville Selectmen can get back to Freetown to help us with the direction that we are going. Selectman Sadeck mentioned that the schools are talking about laying off seventy staff. Wouldn't it be better for them to re-negotiate the contract so that they do not lay off some of their people? Selectman Belliveau responded that the School Committee asked the unions to re-open the contracts, and they did not want to. Selectman Burke stated that this was a productive meeting, and it is good to know Freetown's position and to work with the Freetown Boards.

Adjournment

The Freetown Finance Committee and the Freetown Board of Selectmen adjourned at 7:56 PM.

Upon a motion made by Selectman Belliveau, and seconded by Selectman Powderly, the Board

VOTED: To adjourn the Board of Selectmen's Meeting at 7:56 PM.
 Unanimous in favor.