

10/29/18 special meeting
11/19/18 Approved with corrections

Special Select Board Joint Meeting with the
School Committee and Finance Committee
Monday, October 29, 2018 - 7:00 p.m.
Longmeadow High School, Room A15, 535 Bliss Road, Longmeadow, MA

The Meeting was called to order at 7:00p.m. the pledge of allegiance was recited

Present: Town Manager Stephen Crane, Paul Pasterczyk, Select Board Members: Richard Foster, Tom Lachiusa, William Low, Mark Gold, Marie Angelides, Finance Committee Members: Paul Santaniello, Andrew Lam, School Committee Members: Beth Baron, Bronwyn Monahan, Daniel Kelly, Kerrin Morrin, School Superintendent Marty O'Shea, Assistant Superintendent Thomas Mazza Also Present: Dianne Georgantas and Jackie Sullivan.

The Select Board and School Committee met jointly to discuss and review the initial forecasts for the FY2020 Budget. Paul Pasterczyk and Thomas Mazza were on hand to discuss the budget. Paul Pasterczyk showed the proposition 2.5 presentation, the FY2020 Budget Assumptions, the FY2020 Budget as of 10/1/2018 and the FY20 Budget Stressors. Paul is projecting a tax rate of over 25 dollars for FY2019 and for FY2020 a tax rate of nearly 26 dollars. Paul stated that he anticipates hitting the levy ceiling in 2023 using no valuation increase, only increases from new growth. If there were a 1 percent valuation growth that would push the timeline to FY25. Paul gave a history of some of the values, stated they have been very stagnant he anticipates the valuation will increase. Mark Gold asked when is the next formal revaluation? Paul Pasterczyk told him in F19. Paul also informed the board that the DOR is meeting with the assessors this Friday and Monday and Tuesday of next week, so he will have more information at that time.

Richard Foster questioned if we are in better or worse shape than 5 years ago Paul Pasterczyk believes we are in better shape. Paul Santaniello asked that he clarify better shape Paul Pasterczyk told him if we went back four years ago and projected to FY19 it would be a 2-million-dollar deficit as opposed to the ½ million-dollar deficit we are in now. State aid and growth that were higher than previously projected plays a major role. Revaluations are done every 5 years.

Sources (on the draft hand out attached)

Mark Gold would like to reiterate that what Paul Pasterczyk is saying is that six hundred fifty-three thousand dollars is a projected FY 20 deficit. Mark Gold questioned what the opportunities are to mitigate that deficit. Paul Pasterczyk informed him that interest rates are rising and that could increase interest revenue. They are hoping for more State Aide and there is potential for new growth in FY19 and FY20 like the Big Y renovation and District Improvement funding.

Mark Gold noted the work of the Tax Ceiling Task Force which is working on what can be done to fix the tax levy ceiling. Mark Gold also mentioned he was at a meeting with Select Board representatives from several towns in Hampden County and State Senator Eric Lesser. When the subject was brought up to seek legislative relief from prop. 2 ½ he was disappointed that several

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of the other towns were not looking to go the route of legislative relief. Stephen Crane commented that keeping the 2 1/2 per year limit is something that everyone agrees they want to keep. Stephen Crane also commented the big thing with the levy ceiling is that municipalities should have the option whether this is something they want to do.

Tom Lachiusa had 2 questions.

1. How do we compare to other communities (our property values)? Stephen Crane answered first question, there are a couple of things we are 33rd in per capita income and we are 202nd in equalized value per capita which is significant.

2. As the interest rates go up will that change the property values in a positive direction? Paul Pasterczyk stated that rising interest rates would have a negative impact on valuations. The positive side is the economy overall is still strong which is beneficial and working in our favor.

Mark Gold asked if they should start looking at potential things to pull out of tax base for example recycling. Maybe moving that into a fee would take you back to another year of growth. Paul Pasterczyk said you may want to look at fees gradually.

Mark Gold asked for any comments or suggestions where do we go from here? Long term we need to figure out how to resolve this issue. Tom Lachiusa thinks that Mark Gold's idea to look at some of the costs and moving them into a fee is worth looking into. Richard Foster stated that the equation is tax payers are going to pay more money. He feels adding more fees could price people out of the community. Richard Foster asked what services can we do away with? What is the impact if we do cut services? Richard is not impressed with their direction. We must discuss cutting services before raising fees. Mark Gold responded where do we cut and how do we decide? Stephen Crane noted there are some things on the horizon that will benefit the Town, but they will take a little while. Kerrin Morrin from the School Committee questioned the legislative process Mark Gold explained the process. Paul Santaniello stated that some of the discussions the Finance Committee has had are what are the priority's in town? Is continually increasing OPEB a priority? Is it nominally helping with Moodies? He suggested when doing the budget, you should decide what is a priority. Marie Angelides noted that the task force is looking into the priorities.

Stephen Crane would like to commend Paul Pasterczyk, Tom Mazza, Superintendent O'Shea, the School Committee and the Select Board. Stephen feels they are moving in the right direction and they all deserve a lot of credit for making good decisions to maintain balance. Stephen Crane also noted that the overall priority is maintaining property values, good schools, good shopping, nice Senior Center all these things are components. The priority is that we do not do damage to that number.

Finance Committee member Andrew Lam suggested that if the board did not want to create priorities they could just decrease everyone's budget.

Superintendent Marty O'Shea commented that Chapter 70 is one of the biggest if not the largest sources of revenue that the Town receives so that is something we should keep our eyes on.

Richard Foster stated that he feels we are moving in the right direction, we are taking care of the long range financial growth.

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Mark Gold reminded everyone of the upcoming election November 6, 2018 and also that Early Voting is still taking place.

Motion was made by Richard Foster to adjourn the meeting the motion was seconded by Thomas Lachiusa, the vote was 5 in favor 0 opposed.

School Committee also made a motion to adjourn, motion was made and seconded, the vote was 4 in favor 0 opposed.

Finance Committee made a motion to adjourn the motion was made and seconded, the vote was 4 in favor 0 opposed.

The meeting was adjourned at 8:18 P.M.

Respectfully submitted,
Jackie Sullivan

Documents

Agenda
Proposition 2.5 presentation
FY 2020 Budget Assumptions
FY2020 Budget
Budget Stressors FY20