

Finance Committee Meeting Minutes February 26, 2008

Present: Al DeVito - chair, Richard Knabel and Brian Athearn.

Guests: Bruce Stone, Town Accountant; Skipper Manter, Dianne Powers and Glenn Hearn, Selectmen; Mark London and Jeff Wooden, MV Commission; Bruce Keep & Greg Reinhardsen, Parks & Recreation Committee; Martina Mastromonaco and Dan Johnson, Tri-Town Ambulance; Norm Perry, Personnel Committee.

The meeting was called to order at 4:35 p.m.

MV Commission Budget #177:

Since the MVC is mostly staff, the primary expenses are salary-related. Health care is going up more than 2.5% making it difficult to stay at a 2.5% increase. Town assessments are at 3.5%. Legal expenses are down. The actual budget to date is running about 20% under. Grant income has been better this year.

There was a clarification of the employee insurance benefits. What might appear to be a 25% increase is actually 12%. Last year the MVC was billed for 11 months due to a one-month grace period, this year at the full 12 months. Payroll taxes are down due to the reclassification of some taxes to Medicare.

Al questioned the increase in interest expense. This is due to the refinance of a loan to a fixed 6% rate. The loan principle was increased to \$500,000 including \$125,000 for work on the Stone Building in OB. The date of the new loan has shifted - it is for 20 yrs. Overall, the fixed rate should save money.

The Island Plan income is budgeted the same as FY08. Though private donations have gone down, grant monies have come through. The Island Plan, a three-year process, will produce a draft version by spring 2010. At that point, the budget should begin to decrease and then be eliminated altogether. Implementation of the plan is yet to be worked out.

Noting the FY07 actual interest income was more than double the budgeted interest income, Al wondered how it is this year. Mark responded that it should be right on target.

Discussion followed about the auditor's report, specifically concerning the comment regarding the MVC's accounting procedures...."the organization does not possess the necessary knowledge of generally accepted accounting practices to provide an accurate set of financial statements and footnotes." Mark and Jeff explained that their understanding of the comment simply meant they did not have an in-house CPA, which is why they send their books out to an auditor. Also, that this was the first year that the work of the auditor needed to be checked by another auditor. Alan will provide written clarification of the statement.

Brian moved with a second by Richard for preliminary approval of the MV Commission Budget #177. The motion was denied 1-2.

Mark confirmed for Skipper Manter that the MVC insurance contribution is 90%. Skipper would like to see all island organizations phase back to 75%, citing that this was an important cost in the budget. Mark explained that salaries are set to be "reasonable" based on benefits. Decreasing the insurance contribution would probably result in an increase in salaries.

Parks & Recreation Budgets #620, 630, 632, 635, 640 & 650:

#620 Parks and Recreation

Bruce and Greg commented that they have worked hard to keep the budget down and continue to reclassify line items to present a more accurate picture. The board member salaries should be \$166 each, not \$300 for a total of \$830, not \$1500.

Richard moved with a second by Brian to preliminarily approve the Parks & Recreation Budget #620. The motion passed 3-0.

#630 Tennis Courts Budget:

Greg noted a significant increase in use since the court was repaved at a cost of \$60,000. This is a multi-sport court and is used by the school

Brian moved with a second by Richard for preliminary approval of the Tennis Courts Budget #630. The motion passed 3-0.

#632 Beaches Budget:

Income amount, not showing on the print out, should show \$50,000 for beach passes. Expense lines have been modified to better reflect actual expenditures.

Brian moved with a second by Richard to preliminarily approve the Beaches Budget #632. The motion passed 3-0.

#635 Swim Instruction Budget:

This program has very good attendance. There is no fee for participation.

Brian moved with a second by Richard to preliminarily approve the Swim Instruction Budget #635. The motion passed 3-0.

#640 Winter Recreation Budget:

Line item #5270, Rentals & Leases, is the fee paid to the Grange for port-a-potties. This has been decreased by 50% from the FY08 budgeted amount. There are no winter swim lessons because of the expense. Greg talked about the great, and increasing, success of the Halloween event at the Grange.

Brian moved with a second by Richard to preliminarily approve the Winter Recreation Budget #640. The motion passed 3-0.

#650 Town Grounds Budget:

No discussion.

Richard moved with a second by Brian to preliminarily approve the Town Grounds Budget #650. The motion passed 3-0.

Tri-Town Ambulance Budget #231:

Martina has taken \$10,000 from line item #5124, EMT Incentive, to provide a year round nighttime duty EMT.

After Comstar's fee of \$9,000 for billing services, insurance payments cover the operating budget.

Presently, there is no ALS coordinator. The budget includes \$9038 for health insurance should that position be filled.

Brian moved with a second by Richard to preliminarily approve the Tri-Town Ambulance Budget #231. The motion passed 2-0-1, Richard abstaining.

Personnel Board #152:

Mr. Perry explained that the main cost is for the administrative assistant position. Most other costs have been reduced resulting in a lower budget overall.

Brian moved with a second by Richard to preliminarily approve the Personnel Board Budget #152. The motion passed 2-0-1, Richard abstaining.

The Personnel Board has adopted the consultant's report and has adopted the salary schedule. There is a warrant article.

Mr. Perry explained the process by which the board reached a 3% COLA. By looking at the other five island towns, a 3% average was reached.

Al reviewed the warrant articles to determine the schedule of interviews.

Public Forum:

The committee members had a discussion with selectmen Glenn Hearn and Skipper Manter about the format for the upcoming Public forum.

It was decided that Al will serve as moderator and will be the only one at the front. The selectmen and FinCom members will sit on the sides. The 'panelists' will be the first persons called on. There may be an offer of a door prize - tennis key, Town t-shirt, pass to Lambert's Cove - to induce attendance. The Selectmen have been asked to mention it at their meetings. There will be press releases in both papers and probably posters. Possibly even an e-mail campaign.

Survey:

FinCom will aim for doing the survey in September using Richard's model of 95% confidence and 5% margin of error. This will mean a revision to the FY09 budget of about \$1000, which we'll vote on at the next meeting .

Final approval of the budget will be voted on at the March 11 meeting. Bruce will have all updates before then.

The next meeting is Tuesday, March 4 at 4:30pm.

There being no other business, a motion for adjournment was made and seconded. The meeting was adjourned at 6:50pm.

Respectfully Submitted,

Nancy Rogers, Administrative Clerk