

**West Tisbury Finance Committee Meeting
Howes House
September 12, 2017**

Attendance:

Gary Montrowl, Chair, Doug Ruskin, Greg Orcutt, Chuck Hodgkinson-Finance
Skipper Manter, Chair, Cindy Mitchell, Kent Healy-Selectman,
Jen Rand-Town Administrator, Bruce Stone-Town Accountant, Pam Thors-Admin. Asst.

The Chairs called the joint meeting of the Board of Selectmen and the Finance Committee to order at 4:35pm.

Gary referenced the letter from the Finance Committee to the Board of Selectmen dated May 17, 2017. He cited the first suggestion made in the letter, which is for the town to bring the approved 4% town budget increase down to a more sustainable level i.e.: 2-2 ½ % increase. Skipper stated that he would rather start with a specific number and try to work dept. by dept. to bring the final numbers down as much as possible based on the needs of the department. Cindy agreed. She said that she thinks the town has done a good job avoiding overrides. Chuck asked if the town's growth figure affects the initial budget increase percentage. Bruce said that it does and that the growth has historically been from 3-3 ½ % per year. Gary stated that he may, in the letter to departments, ask them to keep budgets as low as possible. Jen stated that when she submits the insurance budgets, she would never come in below 5% because it is an 18 month projection and she couldn't risk coming up short. She said that the Financial Team talked a lot about avoiding an override, but that an override may not be such a bad thing. She suggested that in order for the town to keep providing the required services, along with being proactive in not depleting town safeguards such as the stabilization fund, the ceiling may have to be raised. She said that once that capacity is increased, even slightly, it may allow the town to avoid overrides for a number of years. She stated that the responsiveness is already there but that the town is growing and may need to make a budget adjustment to accommodate that growth. Gary asked if the Financial Team has the leverage and/or the inclination to make suggestions to individual departments in the interest of keeping the increases lower. Cindy said that some of these issues are dealt with by the Capital Improvements Committee, the Selectmen's Office and the Financial Management Team. Chuck asked about a regional insurance percentage increase. Jen said that each entity is different and costs are affected substantially by differences in Town expenditures, staff size, family structure of employees, etc.

Gary said that the second issue is the formula for state aid to island schools. He questioned whether towns' All Island Boards of Selectmen and Finance Committees should organize to lobby the Commonwealth to review the foundation budgets put together in 1993 for island towns, which never took into consideration, some expenses such as Special Education. He said that it will be discussed by the All Island Fincomm and wondered if the Selectmen would be on board to take part in this effort as well. Cindy said she thinks it is a great idea.

Doug raised the issue of allocation of costs in school budgets. Skipper said they had done that study but Chilmark, displeased with the outcome, refused to meet to discuss it. He said that it is on the Selectmen's agenda for their meeting tomorrow night.

The next subject of discussion was using Excess and Deficiency (E&D) funding to reduce the Other Post-Employment Benefits (OPEB) liability. Gary said that the Up Island Regional School District had done this last year and would most likely continue this practice. Skipper said that last year, MVRHS voted down a motion to put \$250,000 from E&D funding into the county OPEB account. Chuck said that in FY18, the School Committee voted to put \$289,000 in free cash toward OPEB. Skipper said that this did not happen at the end of the year. He said that he hopes they will do a onetime warrant article to add \$50,000 to the OPEB account. Cindy asked if the Superintendent supports this. Gary said that yes, he is not opposed. Skipper mentioned that seeking funding for the upcoming \$100M Dollar project may inspire the High School to address the OPEB liability issue more seriously.

Cindy addressed the question of stipends paid to town committee members. It was ascertained that stipends are not addressed in any town bylaw, but that historically, elected board and committee members received a stipend but appointed members did not. Bruce said that at one time it was determined that the Personnel Bylaw should not be applied to elected officials. Cindy stated that stipend amounts were addressed by the individual boards and adjusted over the years via town meeting vote. She said that just recently, many appointed committees meet so regularly that their members may seek a stipend. It was suggested that these stipends be reviewed and possible changes or procedures be codified via vote at the next town meeting.

The issue of merging the positions of Treasurer and Tax Collector was discussed. The timing was noted as a possible issue. All agreed that nothing would change while the present collector is still in office. Cindy said that since the Municipal Modernization Act, the process can be quite smooth and that she can't envision anyone disagreeing with the general concept. Skipper stated that if the Collector didn't take out papers to run, the opportunity would be available to put necessary mechanisms in place for the ATM. He stated that the details are outlined in the statute.

Gary brought up the issue of liens collected by the Tax Collector. He asked if the change were to take place, if this practice would be dropped. Cindy and Skipper said yes, the fees would probably go to the town instead.

Gary asked Doug to explain the Fincomm's stance on step increases. Doug said that the suggestion to the Personnel Board was to adjust the yearly merit increases from 5% to 3.5%. He asked if the Board of Selectmen weighed in on this. Jen said that after the wage and compensation study, the draft is distributed to everyone involved. All concurred that the time to address this would be at the start of the next study with initial backing by the Personnel Board and direction provided by the Compensation Study Consultant. Bruce recommended that prior to the next wage study, the step increase percentage be scrutinized and issues such as initial starting wages be reviewed. He stated

that it is hard to fill some jobs based on lower starting salaries. Doug cited that the incremental increases don't affect the final salary, but do increase the starting salary. Doug added that technically, making changes to the percentage increase should not have to wait for the Compensation Study.

Gary asked if the proposed Tri Town garage will affect the West Tisbury budget. Cindy said that as far as she knows, the costs will be split into thirds. She said that general opinion supports Chilmark as being the most preferred location for the hub and that there is a site being considered but that it will not be part of the upcoming budget.

The meeting of the Board of Selectmen was adjourned at 5:35 pm.

Gary asked the Selectmen about the Building Dept. Inspection Fees (plumbing, gas and electric), increase that Joe Tierney Building Inspector has proposed. Jen explained that Joe was responding to the concern expressed by the Fincom regarding departmental costs. She said that his concept is that if the inspection fees are increased slightly, the Administrative fees would be covered. Gary stated that the other question is whether there should be any fees at all and what affect that would have on the budget. Skipper voiced his concern that the taxpayer is charged twice, once through real estate taxes and again when charged a fee for a town service. Doug said that if a decision is going to be made by the Selectmen that they would like to have input. He presented the argument that fees should cover inspection costs of the department. Chuck raised the question of whether or not the entire tax base should cover costs of those that are building and using the services. Cindy said that the Town Treasurer had stated that because the inspectors would be town employees, the fees would help to cover payroll taxes.

D. Ruskin made a motion to support the Building Department in making the inspector fees expense neutral by increasing fees. G. Orcutt seconded the motion. The vote on the motion was unanimous in favor.

The minutes of the July 11, 2017 meeting were approved, three members in favor, one abstention.

Gary said that the All Island Finance Committee will meet on Sept. 28th. Skipper asked Gary to relay questions regarding the CPC process used in approving regional projects. Gary asked Pam about the process for regional projects in West Tisbury. She said that the CPC has historically acted on them on a case by case basis. She said that sometimes if the applicant has made an attempt to acquire funding from the other island towns, the CPC will fund the project whether the other towns approve the project or not. Other times, she said, they vote to word the warrant article so that funding is contingent upon other towns funding the project as well.

Chuck reviewed his plan to reduce the OPEB liability utilizing fees attached to SSA vehicle and passenger fares. He said they are hoping for letters of support from each island town and also from the County Commissioners. He stated that he went to the Steamship Authority in March and talked with the Superintendent and met with Mark

Hanover Steamship Authority Island Rep. who said that he personally liked the idea, offering to bring it to his board. He said that Mark then asked if he could take it to the SSA attorney and retired director Wayne Lamson. He said that Mark later provided an opinion letter from the SSA in house attorney outlining the legislative hurdles that would block the concept. Chuck said he would keep working on the project, citing support from a few of the island towns. All congratulated him on the conceptualization and development of his project.

The Committee discussed ideas to address the request made by the Town Clerk to weigh in on improvements to the website. Doug said he will commandeer the effort but will need input from his colleagues.

The meeting adjourned at 6:30pm.

Respectfully submitted, Pam Thors, Town Hall Administrative Assistant

Approved October 10, 2017, 4-0-1 with Katherine abstaining.