

**West Tisbury Finance Committee Budget Hearing**  
**Howes House**  
**February 8, 2018**

**Attendance**

**Committee:** Gary Montrowl – Chair, Greg Orcutt – Vice Chair, Chuck Hodgkinson, Doug Ruskin, Katherine Triantafillou

**Guests:**

Kent Healy – Selectman, Kathy Logue – Treasurer, Maria MacFarland – Personnel Board, Skip Manter – Selectman, Cynthia Mitchell – Selectman, Jen Rand – Town Administrator, Bruce Stone – Town Accountant, Ken Vincent – Personnel Board Chair

The Chair called the meeting to order at 4:00pm. A quorum was present. The hearing was recorded and will be televised on MVTv.

**Approval of Minutes from Previous Meetings**

*Doug moved to approve the minutes from January 25, 2018 as amended. Greg seconded the motion which passed unanimously.*

**Old Business**

**Budget Wrap Up**

See vote under New Business.

**Budget Reviews**

**#122 Board of Selectmen**

Jennifer Rand presented to the Committee.

The Chair asked if the costs associated with the town electric cars are as expected. Jen responded yes. Jen said the two vehicles separately dedicated to the building department and the health department are in very high use. Jen said the assessors, who have a shared vehicle, don't use it often. Jen said she expects the assessors use is not day to day, but when they start performing revals, they will use it much more often.

Doug asked what happens at the end of the lease. Jen said the cars are either turned back or bought at \$9,600.

Chuck asked Bruce for analysis weighing the cost of the three cars including insurance and repairs versus paying mileage reimbursement for the three cars. Jen said the town is still reimbursing for mileage because the cars are not taken off Island. Bruce suggested looking at vehicle mileage and calculating that cost versus the cost of the cars.

Katherine asked about unclassified items. Jen said that over the years there are times things come up that need to be attended to quickly and don't fit neatly into a budget.

Katherine said the Fin Com has repeatedly brought up the issue of stipends for boards and last June sent the Selectmen a letter regarding stipends. Skip said the board of the Committee proposes what stipend is appropriate and the voters approve or not.

Doug said he would like to see some rules about stipends, but he is not sure who should create the rules. Cynthia said that some is controlled by statute.

Bruce said five elected boards receive stipends (selectmen, assessor, board of health, planning board and board of parks and recreation). Bruce said the rest of the stipends are for appointees of the Selectmen. Cynthia said the Selectmen can conduct a review, they should and will do so.

Chuck pointed out 39% of the budget has been spent in the first half of the year. Jen responded she tends to be conservative in the first six months and generally spends more in the second half.

Katherine addressed the Selectmen stating that when the Finance Committee sent out a letter for this year's budget, it asked department heads stay within a 2.5% budget increase, but the overall budget significantly exceeds that limit. Katherine asked the Selectmen to give the Fin Com a sense of why they think it's important for the Fin Com to approve such a large increase in the total amount of expenditures.

Skip said there are a very small number of budgets that come from the Selectmen's office. Katherine said she is looking for a global picture from the Selectmen because the budgets are going up appreciably and she has heard Selectmen mention an override might be necessary.

Skip said he thinks most departments do a very good job, but some things cannot be controlled such as step increases and health. Skip added he thinks most departments do a good job of controlling expenses and providing services and he doesn't think the town wants to reduce services.

Cynthia said the 2.5% is unrealistic and the town has done a good job of borrowing from Peter to pay Paul to keep below the limit for a number of years. Cynthia said the last override was in 2014, but it hasn't been the policy of the leaders of the town to make the 2.5% a hard and fast goal.

Bruce said he is finalizing numbers for the Selectmen and he will share them with the Fin Com. Bruce said the budget itself is up 2.7%. Bruce said budget and warrant articles combined are up 2%, and the issue is that last year the town used \$240,000 of overlay surplus and expiring warrant articles to fund the budget and warrant articles. Bruce said we have 16.3% less other funds sources than last year.

Chuck asked about a stabilization fund. Bruce responded we have a \$500,000 stabilization fund to which we have not added to in over twelve years. Bruce said there is a written policy which the town does not adhere to that the town will strive to have a stabilization fund plus free cash equal to 10% of budget. Bruce said that amount is now closer to 6%. Bruce said we could take the stabilization fund down to zero this year, but then would have the same problem next year and would have no stabilization fund.

*Greg moved to preliminarily recommend budget #122 Board of Selectmen. Doug seconded the motion which passed 5-0..*

#### **#145 Town Treasurer**

Kathy Logue and Bruce Stone presented to the Committee.

Kathy distributed an updated budget with lower employee benefits numbers. Kathy explained health insurance and retirement lines were labeled preliminary in the prior budget. Kathy explained health insurance increase was less than the 15% preliminarily budgeted.

Kathy said that for budgeting, it is assumed the proposed combining of the treasurer and tax collector positions as well as making that position appointed will pass. Kathy explained hours for treasurer/collector and assistant will be lower than the current hours, resulting in a reduction of personnel expenses, but the new position will need to become certified which increases travel and training expenses.

Kathy said that in the event this does not pass, there will be a warrant article for the tax collector position at grade 8, step 1 which is approximately \$60,000. Bruce said that at fall special town meeting, the appropriate changes will be made.

Kathy explained that Brent will run for tax collector, but will only stay until the end of the fiscal year.

Chuck asked Kathy about lowering her hours from 35 to 32 hours per week. Kathy said that she has already lowered her hours and thinks she will be able to continue to do so through delegating to the assistant position.

The Chair said he is mightily impressed with the work Kathy and Bruce do for the town. The Chair asked Kathy about the responsibilities of the new position. Kathy responded the job description is to assist in most aspects including payroll, benefits, dealing with people who come to see the tax collector, as well as daily processing of tax files and payments. Kathy said she would continue to perform the higher level tasks such as posting and reconciliation. Bruce said the hope is to grade the job high enough the assistant can step in if the treasurer is not there.

Katherine also thanked Kathy and Bruce for their hard work. Katherine said that some time ago the Fin Com has asked the Selectmen to eliminate municipal lien fees being paid as compensation to the tax collector. Bruce said that appointed town employees could not receive those fees.

Doug thank Kathy and Bruce for their hard work. Doug pointed out that although the treasurer and tax collector budgets are combined, the new position is at a higher grade. Bruce explained that was the grade generated by the personnel board.

Chuck asked about a revenue line for delinquent taxes. Bruce explained it is down to \$60,000 - \$70,000 because much has been collected and nothing is outstanding beyond one year.

Katherine asked about Other Post-Employment Benefits (OPEB). Bruce said full Annual Required Cost (ARC) is being paid through \$132,000 in the health insurance to retirees and \$200,000 to the OPEB trust. Kathy explained that because the Selectmen have adopted an OPEB policy and because the town had consistently made payments to the OPEB trust as it said it would, the discount rate has improved from 4% to 7.5%, thereby reducing the future liability.

*Doug moved to preliminarily recommend budget #145 Town Treasurer. Chuck seconded the motion which passed 5-0.*

### **#152 Personnel Board**

Maria MacFarland and Ken Vincent presented to the Committee.

Chuck asked about the salary increase in FY18 from \$2,400 to \$11,000. Ken explained there is a tendency to jump around with the number of hours for Maria based on work load. Ken said that FY18 is already at \$2,100. Gary asked if same of activity is anticipated this year. Ken said yes and although there is a possibility of adjusting downward, he would not be comfortable doing that without consulting the full board. Maria noted that her workload increases when gearing up for the classification study.

Katherine said she was surprised she didn't notice the salary bumped up last year. Maria explained the salary didn't get bumped up. Gary explained the position is budgeted for five hours per week and it is the actual number of hours worked that varies each year.

Katherine asked about the responsibilities of the position. Maria cited as an example having conversations about personnel board topics while in town hall working for the conservation commission which is not always recorded as personnel board time.

Katherine asked how other line items in the budget were determined since they are static from year to year. Maria said it depends up on the year.

Katherine asked where the direction comes from when creating job descriptions. Maria said it is the charge of the personnel board under the personnel bylaw. Ken said they recently had a request from Richie Olsen to create a foreman position. Maria said the personnel board has also dealt with the treasurer/collector and assistant treasurer/collector positions, and the animal control officer. Maria said the appointing authority brings a new position to the personnel board and she imagined they spoke to the Selectmen first.

Doug explained he voted no because he was concerned about overbudgeting for personnel costs.

*Greg moved to preliminarily recommend budget #152 Personnel Board. Chuck seconded the motion which passed 4-1 with Doug voting no.*

### **#155 Data Processing**

Kathy Logue and Bruce Stone presented to the Committee.

Doug asked about expenses rising 10%, noting the narrative cites increases in licensing and contracts. Kathy said the town is in the process of a complete revamping of the website. Kathy explained a grant was received to do that work, but the website will be managed in a different way than in the past. Kathy said there is also added software and utilities to existing software. Bruce explained the change in website management will go from paying a contractor on an hourly basis to an annual hosting and service contract.

Chuck asked about personal services of \$4,000. Kathy answered that she and Bruce each earn a part of that for being part of a triage team. Bruce added they receive alerts at night if there is a problem and attend numerous meetings with Educomp.

Doug said he has met with the Selectmen regarding the different systems in town hall, the library, police and more. Kathy said she and Bruce created a combined RFP for IT consulting to keep all networks working except public safety (police and fire). Kathy explained the process to tie town hall, the library, and the Howes House together with fiber has been completed so fewer servers are needed and backing up can occur between buildings.

Doug asked if the Finance Committee will be able to communicate with every tax payer who opts in for Finance Committee communications. Bruce responded they can make sure that happens.

*Greg moved to preliminarily recommend budget #155 Data Processing. Doug seconded the motion which passed 5-0.*

### **#192 Town Buildings**

Jennifer Rand presented to the Committee.

Greg asked how often we evaluate rent amounts charged. Jen responded it goes out to bid and the rents charged are based on market rates at the time we bid.

Chuck noted \$33,000 of \$122,00 in expenses has been spent and asked if the remainder will be spent by the end of the year. Jen replied she has been cautious with the maintenance budget, but there is some real work to be done. Chuck pointed out that last year the maintenance budget was increased \$50,000.

Chuck asked if we ever received the final bill from the consultant. Jen answered the only thing missing is pricing, but contractors are not willing to bid when there is no work to be done.

Doug asked if there was discussion about somebody to oversee maintenance of town facilities. Jen said she is working with someone who oversees the work and helps develop specs. Jen said the time is coming the town will have an employee with a benefitted position to do that. Cynthia added that may happen as early as next year.

*Doug moved to preliminarily recommend budget #192 Town Buildings. Greg seconded the motion which passed 5-0.*

### **#194 Town Electric**

Bruce Stone presented to the Committee

Bruce explained the town pays Eversource and the contractor that runs the solar array. Bruce said last year the town saved \$26,000 on its electricity, received \$4,000 in revenue sharing payments and saved \$24,000 on the UIRSD assessment, generating a total savings of \$54,000.

*Katherine moved to preliminarily recommend budget #194 Town Electric. Doug seconded the motion which passed 5-0.*

### **#710 Debt Service**

## **#751 Long Term Debt**

## **#752 Short Term Debt**

Kathy Logue presented to the Committee.

Chuck spoke about the fact that West Tisbury's share of the MVRHS renovation bond could be \$750,000 to \$1,000,000 per year which could double debt service to \$2,000,000 per year. Kathy responded there is no way to increase debt that significantly without feeling the pain, but that is one of the reasons she continues to advise the town borrow on a rolling band basis for current projects so the town has the ability to repay debt faster. Chuck said he also thinks the town should focus on revenue.

Doug asked if there is a fiscally responsible way to refinance current debt to extend the maturity such that it is easier to accommodate the upcoming MVRHS debt. Bruce said the high school is addressing that through a stabilization fund. Kathy replied that most existing town debt is far enough along that it probably doesn't make sense to refinance, but the rolling bands add flexibility.

*Greg moved to preliminarily recommend budget #710 Debt Service, #751 Long Term Debt and #752 Short Term Debt. Chuck seconded the motion which passed 5-0.*

*Greg moved to preliminarily recommend the following budgets. Chuck seconded the motion which passed 5-0.*

### *General Government*

- 114 Town Moderator
- 124 Municipal Hearing Officer
- 131 Finance Committee
- 132 Reserve Fund
- 133 Annual Town Audit
- 135 Town Accountant
- 151 Legal Services
- 158 Tax Title Foreclosures
- 161 Town Clerk
- 162 Elections
- 163 Board of Registrars
- 171 Conservation Commission
- 175 Planning Board
- 176 Board of Appeals
- 177 Martha's Vineyard Commission
- 179 Affordable Housing Committee
- 193 Town Property Insurance
- 195 Town Reports
- 196 Town Clock
- 197 Dukes County Regional Housing Authority

### *Health & Human Services*

- 525 Vineyard Health Access
- 540 Martha's Vineyard Center for Living

- 541 Up Island Council on Aging

*Benefits*

- 911 County Retirement
- 912 Workers' Compensation
- 913 Massachusetts Unemployment
- 914 Health Insurance
- 915 Life Insurance
- 916 Medicare Tax
- 945 Public Officials Liability Insurance

**Any Topic Not Anticipated by the Chair**

No discussion.

**Correspondence/Scheduling**

Bruce distributed a table showing budgets which increased or decreased from the original budget submitted. Bruce said that many of the changes were due to the final changes in health insurance rates.

The Chair explained that since the committee voted to not recommend budget #510 board of health, it must list a recommended dollar amount for the annual report.

The Chair suggested subtracting the salary for the administrative clerk, reducing personal services from \$79,235.82 to \$65,452.82. The Chair also recommended reducing the Building & Equipment Supplies line by \$3,400 which was earmarked to build a cubicle for the new employee to \$100, creating a total reduction from \$96,377.82 to \$79,192.82.

*Katherine moved to recommend the amended amount for budget #510 Board of Health as proposed by the Chair in the annual report. Greg seconded the motion which passed 5-0.*

The next meeting is Tuesday, February 13 at 4:30pm. The warrant hearings will be held on Tuesday, March 6 at 4pm and Thursday, March 8 at 4pm.

**Adjournment**

*Greg moved to adjourn. Doug seconded the motion which passed unanimously. The meeting was adjourned at 5:47pm.*

Respectfully Submitted,

Margo Urbany-Joyce  
West Tisbury Finance Committee Admin Assistant

Approved 5-0

March 22, 2018