

West Tisbury Finance Committee Budget Hearing
Howes House
January 26, 2017

Attendance

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

Guests: Bruce Stone – Town Accountant, Richard Knabel – Selectman, Skip Manter – Selectman and UIRSD Committee Member, Cynthia Mitchell – Selectman, Jennifer Rand – Town Administrator, Matthew D’Andrea – School Superintendent, Richard Smith – Assistant Superintendent, Amy Tierney – School Business Administrator, Donna Lowell-Bettencourt – West Tisbury School Principal, Susan Stevens – Chilmark School Principal, Nancy Dugan – Superintendent’s Office Director of Student Services, Michael Marcus – UIRSD Committee Chair, Robert Lionetti – UIRSD Committee Member, Kate DeVane – UIRSD Committee Member, Sarah Dingley – MVRHS Principal, Mark Friedman – MVRHS Finance Manager

The Chair called the meeting to order at 4:00pm. A quorum was present.

Approval of Minutes of Previous Meetings

Greg moved to approve the minutes from January 17, 2017 as revised. Gary seconded the motion which passed unanimously.

Greg moved to approve the minutes from January 19, 2017 as revised. Gary seconded the motion which passed 4-0 (Katherine was not at the meeting on 1/19/17).

New Business – Budget Hearings

#132 Reserve Fund Budget

Bruce Stone recommended to level fund the Reserve Fund budget at \$46,000 which is the amount it has been funded for the last few years. Doug asked if the unused reserve fund goes back into the budget. Bruce responded yes.

Greg moved to preliminarily recommend the Reserve Fund budget be level funded at \$46,000. Doug seconded the motion which passed unanimously.

#292 Animal Control Officer

The Chair said that the Fin Com has tried to meet with the animal control officer for three meetings and she is considering voting to not preliminarily commend the budget based on principle. Cynthia Mitchell said the Selectmen need to meet with the animal control officer about her budget because those departments that run under the Selectmen run the budget by them first. Cynthia continued that the animal control officer will meet with the Selectmen on February 2, 2017. The Chair asked if the Selectmen would be offended if the Fin Com voted not to recommend. Doug suggested adding the animal control officer to the agenda of the meeting on February 14, 2017. The Committee concurred.

#311 Up Island Regional School District

Superintendent D'Andrea said the Spanish teacher position has moved from 0.8 in FY17 to full in FY18 because the student population in seventh and eighth grade is growing from 66 to 100. Similarly, the science tech increased from 0.8 in FY17 to 1.0 in FY 18. A 0.4 special ed teacher who is in the school now is added for FY18 because there is an increase of 15 students who need services.

The Superintendent said two special ed assistants were cut at the WT School. The Superintendent said at the West Tisbury School, the furniture budget was cut by \$5,000, professional development was cut \$7,500, the fuel budget was reduced by \$20,000, the electric budget was reduced by \$5,000 and coaches stipends increased \$960.

The Superintendent said at the Chilmark School there were no major personnel changes, textbooks decreased \$6,000, the fuel budget was reduced by \$5,000 and painting was reduced by \$3,500.

The Superintendent said \$11,000 in capital projects was added at West Tisbury which is for phase two of the alarm system and at the Chilmark School, \$27,000 is budgeted for phase two of the HVAC improvements and \$14,000 budgeted to replace flooring.

Regarding OPEB, the Superintendent said the goal is to bring the budget up to normal cost so the liability is no longer growing as set forth in the WT Fin Com report to the UIRSD. He explained that \$200,000 is in the FY18 budget, FY18 retiree health insurance is \$288,907 and there will be a warrant article for \$208,000 which will total \$697,181.

Regarding the district part of the budget, the Superintendent said there was a \$119,000 increase in the residential line for a student that needed residential placement.

The Superintendent noted that healthcare insurance is up 12%, West Tisbury salary obligations increased \$80,000 and Chilmark salary obligations are down \$2,759. The Superintendent said that the West Tisbury site increase is 3.34%, the Chilmark site is down .08% and the total budget increase is 3.81%.

Gary asked if the increase in circuit breaker funds is for the residential placement of a special ed student. Amy Tierney answered that the circuit breaker line is to cover the previous year, adding final numbers won't be available until July.

Chuck thanked the UIRSD committee, noting their hard work. Chuck said there are three big issues with the UIRSD which are the cost allocation formula, OPEB liability, and school choice costs which are predominantly borne by West Tisbury. Chuck said that last year West Tisbury's portion determined by the cost allocation formula was 68% and asked if this year's numbers had been calculated. Amy referred Chuck to the budget for the cost allocations. Chuck said it seems there may be an outcome to the cost allocation formula discussion this year, but asked that before that decision is made, a 375 line item budget be prepared and reviewed with the finance committees.

Michael Marcus asked for clarification. Chuck said there should not be any rash decisions without all of the information.

Chuck said he appreciates that the OPEB liability is now on the radar screen, but considering \$250,000 - \$300,000 of Excess & Deficiency funds is being used for emergency repair overages, he'd like the UIRSD

to hold off on warrant article, adding he'd like the UIRSD to use E&D funds to help close the gap on OPEB. Chuck said the town has a large senior population and he did not think they should be funding the retirement of the school employees while they are trying to fund their own retirement. Chuck said the UIRSD has waited this long and recommended the UIRSD wait another year when E&D funds could be used to stop the growth of the OPEB liability.

Regarding school choice, Chuck asked why so many parents are sending their kids to the West Tisbury school instead of keeping them at their home schools and suggested solving that problem.

Greg said that he sat in on most committee meetings, great care was taken with the budget and the UIRSD committee should be commended.

Michael Marcus, UIRSD committee chair, said he believed the cost allocation formula was something to be decided by the Selectmen, not the school committees. Chuck said that he does not know anything about the process because he has a conflict of interest, but if it is the Selectmen, he asks them to require the detailed budget.

Doug said he calculated the total cost to the district prior to reimbursement to be \$11,071,699/377 students = \$29,376 per student which is a significant number. Doug said he believed it is the highest in state and is certainly higher than Falmouth Academy. Doug asked If costs would be lower without 61 school choice students.

The Superintendent said when Donna or Susan evaluate whether to accept a school choice student, they make sure it would not require adding another staff person. Donna explained there is some cost to school choice students and although special ed students cost more, the school receives a differential for special ed students.

Doug said that Donna confirmed if we back out the 61 students, cost per student goes up to approximately \$36,000. Doug said that he doesn't have answers, but compared to other districts on the Island and in the state, it is something that he would like to address at some point.

Gary echoed the comments about the hard work of the UIRSD committee and asked for clarification on some budget lines.

Gary noted line #114 Fingerprinting is up significantly. Amy responded that the schools perform fingerprinting not just for the district, but also for other entities on the Island, adding a small reimbursement from the fingerprinting company is received.

Gary asked about line #118 BCBA (Board Certified Behavior Analyst). Nancy Dugan responded that a lot of children are on the spectrum and require the analyst. She said that last year we contracted out and are looking to bring it in house. The Superintendent explained there was a transition in the position and the new person has benefits. Kate DeVane said the Superintendent's office has just completed a special ed assessment for precisely this reason to evaluate the benefits of bringing services on Island. Kate said the assessment shows we are doing a very good job of this. Kate said an increase in BCBA programs can reduce costs further down the road. Gary said the Fin Com would like to see the study after it has been reviewed by the school committee.

Gary asked about line #125 Bridge Benefits which is increasing from \$16,000 to \$33,000. Nancy responded that is because of an increase in the number of people participating in the bridge program which is a special education program for students with autism or other developmental disabilities. Doug said that he is hearing there are improvements in special ed programs and asked if that is driving the high number of school choice kids. Kate said no.

Gary asked about line #261 WT Prof Development which is cut by \$7,500. Donna said that grants have been received and hopefully the grants will keep coming. Donna said she was uncomfortable cutting that line, but did so in an effort to reduce the overall budget.

Gary asked about line #291 WT Sped Teach salary which is up \$75,000. Donna explained this is the addition of the 0.4 special ed teacher plus the increase in other spec ed teacher salaries.

Gary asked about line #319 WT Guidance Teachers Salary up \$7,500. Donna responded that is a contractual increase.

Gary asked about line #327 WT School Nurse which not only is up \$6,000 but looking back for FY16, that salary has gone up \$500/month. Donna explained the school nurse position is placed by years of service and education. Donna said this nurse has stepped up one year and has also jumped up because of education, adding it is an unusual increase the nurse is now in the top education category.

Gary asked about Fuel Costs going down. Amy said the price of fuel has gone down for a couple of years and the budget had not been adjusted. Donna added there were changes made to the heating system which have impacted that number. Gary asked if the solar panels also helped. Amy responded yes and thanked the Fin Com for the solar panels.

Gary asked about the WT phone line. Donna said the WT school has been overspending that line, adding that nothing has been increased. Amy explained there will no longer be federal reimbursement for phone and data lines that come into libraries.

Gary asked about line #156 Sped Transportation up \$43,700. The Superintendent explained that the transportation budget was in the MVRHS budget and is now being shifted to the Shared Services budget which is a more appropriate placement. Gary asked if there will be a corresponding change to the MVRHS transportation budget. The Superintendent replied yes.

Gary asked about line #196 WT Research and Development. Donna said that line has been moved from the district portion of the budget to the sites. Donna explained it is used to research better, new practices and materials.

Gary asked about line #462 Chilmark Computer Telephone up 33% and line #464 Computer Expenses up 50%. Susan Stevens, Chilmark principal, said the telephone line had been overspent and they are also losing the federal reimbursement. Regarding line #464, Susan said a leasing program was ending and more funding was needed for software that will be installed on new computers.

Greg asked about line #163 Strings which increased from \$32,000 to \$48,000. The Superintendent responded that the number of positions was increased from 1.5 to 2.0 because a number of students were on the wait list.

Chuck asked of the \$44,000 transportation cost redistributed from the MVRHS budget, would other schools also be impacted. The Superintendent responded yes.

Chuck asked if any of the new positions created were new benefitted positions. The Superintendent responded no.

The Chair referenced a letter the Fin Com sent to the Superintendent following a meeting in June and said she would like to follow up on items in the letter. The Chair asked about a strategic plan for E&D funds. The Superintendent responded his office is constantly talking about how E&D will play into OPEB and ensuring there are sufficient funds for emergencies and facilities needs. The Superintendent added that right now there is no strategic plan other than making sure we are able to address facilities.

The Chair asked about financially viable school choice policies. The Superintendent said his office strongly supports school choice to allow students to go to a school that might be a better fit. The Superintendent explained school committees have the option to opt in and currently all schools in the district opt in. The Superintendent said there have been changes to how school choice impacts the shared services budget and now any new students are being charged to their sending town instead of the town they are attending. The Superintendent added the principals always have the option of not accepting school choice students so if it requires adding new staff or a new classroom, the principal can say no.

Mike said he thought the UIRSD and the UIRSD committee had agreed that any E&D funds remaining in July would be contributed to the OPEB liability.

Mike said that school choice money is significant at roughly \$4,000/student that the district had been paying and now the sending towns will pay. Mike pointed out that \$4,000 for 50 students is \$200,000 which is significant. Mike said in order to have the other towns willing to adopt this policy, the students in place were grandfathered. Mike explained the grandfathered students will roll off faster than the eight year period and next year the UIRSD expects nearly one third of school choice students to be paid for by their sending towns. Mike continued that he didn't think the new policy would have been passed faster if there was a one or three year roll off period. Mike said that Skip pointed out an anomaly such that the \$5,000 for a school choice student comes into the district and is distributed to the towns according to the formula, but then West Tisbury pays shared services out of its portion, which is more than it receives, resulting in an actual cost to the town. Mike said he believes there is a consensus among the UIRSD committee that the first thing that gets paid from the \$5,000 will be the shared services costs for the school choice student and the remainder is distributed to the district according to the formula. Chuck suggested using the Oak Bluffs school choice policy that is cost neutral – only accept the same number of students that West Tisbury sends to other schools.

The Chair continued to follow up on the letter to the Superintendent highlighting the item of a more cost effective way to deliver special education and potentially bringing services in house. The Superintendent said the special ed services cost about \$60,000/student. The Superintendent explained the average cost for a day program off island is \$62,000 - \$70,000/student. The Superintendent said there are some medically fragile students in those programs which could cost \$150,000 - \$250,000/student. The Superintendent pointed out the percentage of the budget for special ed was 19.8% in FY15 and the state average is 21%, adding his office has conducted a valuation of the special ed services program which he will share after the school committee has had a chance to review.

The Chair asked about Island wide procurement of goods and services including IT. The Superintendent said paper and professional development are procured Island wide, adding that the schools also collaborate with other Island organizations. The Superintendent said the MVRHS, WT school and other schools are developing maintenance plans and that Mike Taus who is now facilities director Island wide is leading that group. The Superintendent said that he is hoping once that is in place, everything will be done at the same time citing boiler maintenance in the summer as an example.

Greg asked who has managed maintenance plans in the past and how will it be handled going forward. The Superintendent explained there are head custodians in every building and no new person will need to be hired.

Gary asked about IT. The Superintendent said his office has looked at some options for doing things differently, but there needs to be one person for each building. The Superintendent added his office has begun to discuss using a centralized IT function with employees who could move around, but right now, each school has their own IT person. Gary said that shared IT service could be cost and labor efficient.

The Chair asked about a long term business and financial plan for the schools. The Superintendent responded that he is developing a strategic plan for the district and has brought a draft to the school committee, received feedback and has been talking to each of the schools for feedback. The Superintendent said he is currently working on getting it out to parents and the community to get feedback. The Superintendent said he developed four objectives which are student learning, educator growth, facilities and budget. The Superintendent said each school is developing goals around those objectives. The Chair suggested the Superintendent and the Fin Com meet after the Fin Com has had a chance to review the strategic plan because it is an important topic to some Committee members considering the capital plans and assets involved.

The Chair asked the Superintendent about MV@Play. The Superintendent said MV@Play is going to the MV Commission and a date has not yet been set.

The Chair asked the Superintendent about the Fair Labor Standards Act. The Superintendent said it does not affect the schools.

The Chair asked the Superintendent about the OPEB liability and why the UIRSD chose the warrant article approach. The Superintendent said he believed the thinking was to give the voters the opportunity to vote on whether they want to add the full OPEB contribution to the budget, adding it gives the voters the opportunity to vote separately on the budget and OPEB. The Superintendent said the wording would be such that it says this vote puts this money into the budget and it will appear in the budget every year.

Doug asked what happens if West Tisbury votes the warrant article down and Aquinnah and Chilmark don't. Amy said the warrant article is worded such that the votes must be unanimous. Mike said he spoke to Bruce about OPEB in September in light of maintenance needs and Bruce recommended the warrant article approach.

Chuck asked if there is a bulk contract for all the schools for oil, electricity, propane and phone/internet. Amy replied there is a county municipal contract for oil. Amy said that regarding electricity, a rate is negotiated through Cape Cod Municipal Light Compact, but the WT School rates are lowered by the

impact of the solar array. Amy said only the MVHS has a bid for propane, but the other schools only use propane for cooking.

The Chair recalled attending an UIRSD committee meeting where a vote was taken to use E&D funds for OPEB and asked if that was the case. Kate said she believed the UIRSD committee voted to take what was left of E&D in July and apply it to OPEB, but reserved the right to use E&D funds before then.

Kate said the West Tisbury school parking lot is another huge capital issue because it is dangerous, not appropriately flow planned or appropriately handicap accessible. Kate said she thinks this is likely to come up as a use for next year's E&D. Kate added that she didn't think E&D is a reliable source of funds for OPEB.

Skip Manter said the UIRSD committee did vote to use left over E&D. Skip explained that regarding the OPEB warrant article, this is a debt that the UIRSD owes and he thinks the town should pay its debt first before it plans on future debt. Skip continued the warrant article allowed it to be less confusing to voters. Skip said the numbers came from the WT Fin Com study which was a group effort and if it is put off until next year, it could be put off again.

#313 Martha's Vineyard Regional High School

The Superintendent said there is a staff reduction of 1.5 positions plus a reduction in health insurance and medicare for those positions, transportation was reduced by \$44,000 as it was moved to the shared services part of the budget, utilities were reduced \$34,000, CTE machinery/equipment was reduced by \$30,000 and there was another reduction of \$5,000.

The Superintendent said that additions include health insurance, \$307,000 of contractual salary increases, OPEB because MVRHS is working its way to normal cost over the next three years, special ed students coming up from the elementary schools who require residential services of \$242,000, facilities maintenance of \$175,000 to get the building in good shape, teacher retirement is increasing, workers' compensation is up because of claims, an increase in electricity which will be offset by a reimbursement because of wind farm participation, an increase in medical and dental insurance, an increase in shared services and some miscellaneous increases.

The Superintendent said that revenue is impacted by an increase in Chapter 70 and Chapter 71 reimbursement, a reduction in revenue from the Charter School, school choice tuition, and a positive reimbursement from electricity metering credits.

Greg said he realizes everyone is disappointed the state is not coming through with funding for the MVRHS facility. The Superintendent said he feels it is important to continue to pursue Massachusetts School Building Authority (MSBA) and in conversation has been told it's not a question of if MVRHS gets into the program, but when. The Superintendent said in the meantime, upgrades will continue to be made to the facility. The Superintendent said last year his goal was to make sure the building was safe and healthy and now he wants to make sure MVRHS has all of the equipment it needs, particularly in CTE.

Greg asked if we can wait a couple of years and the Superintendent said he thinks we can. The Superintendent said MSBA has a program where they will reimburse schools as they build or renovate which receives 80-100 statements of interest a year. The Superintendent explained MSBA chooses the neediest schools to visit and MVRHS was visited last year.

Chuck welcomed MVRHS Principal, Sarah Dingley and explained he has been working with the MVRHS committee and looks forward to working with her. Chuck said the gross budget increased approximately \$2,000,000, but over \$1,000,000 of that was contractual salary and benefit costs which can't be controlled. Chuck said the MVRHS made \$728,000 in budget cuts and the gross increase net of cuts was \$1,200,000, and after revenue increases, the budget is up \$880,000 or 5%.

Chuck thanked Sarah for paying attention to the \$30 million OPEB liability and said he appreciated the MVRHS committee's decision to take \$300,000 from E&D and apply it to the OPEB liability.

Chuck noted that during budget subcommittee meetings, not much time was spent on transportation. Chuck asked about line #193 up \$62,000, line #228 down \$72,000, line #229 up \$50,000, line #230 up \$17,000, line #235 up \$35,000 and line #237 up \$47,000 in total creating a net increase of \$139,000 for drivers and activities coordinators. Chuck asked if staff, hours or benefitted positions were added.

The Superintendent said that it was a combination of all of the above citing two years ago there were six special ed runs, last year it was eight and this year it is seven and it is anticipated it could be eight runs again next year which increases the number of monitors.

The Superintendent said there are a lot of Island bus routes including field trips, sports runs, presentations, band, and trips to the boat to go off Island. The Superintendent explained that in the fall, there are eight to ten trips per day excluding transportation to and from school which are mainly for sports. The Superintendent said that in the spring, it increases to ten to twelve trips per day. The Superintendent said in the FY14, there were 251 off Island runs and that increased to 300 last year.

Greg asked if more programs are being offered. The Superintendent responded that there is some increase, but it is also an increase in the success of the programs and listed the strong seasons of the soccer, basketball and tennis teams. Sarah added that when visitor sports teams come on Island, MVRHS transports them to the school.

Sarah said that as CTE becomes a chapter 74 program, there will be increased trips for students to the places such as the hospital or the maritime academy .

Chuck asked if the bus fleet size has been increased. Amy responded that the off island fleet has increased.

Gary asked how many buses are in the fleet. The Superintendent answered we own 22. Gary asked if there is a stabilization fund. The Superintendent replied there is \$325,000 in the budget to replace buses each year.

Doug asked how there is a \$44,000 reduction in transportation. Amy explained that transportation costs were shifted to the shared services budget and now the elementary schools are being charged more because they were undercharged in the past.

The Chair asked about the three year OPEB plan. Mark Friedman said the MVRHS budget subcommittee spent a great deal of time analyzing and reviewing the \$29 million OPEB liability and options to address it. Mark continued that after looking at many options, there was a consensus of the budget

subcommittee that a three year approach was best to get the MVRHS operating budget OPEB line to a point where the annual operating budget is funding the normal cost such that the liability is not continuing to grow. Mark said that consensus was brought to the school committee which he thinks shares that approach, but has not put it into a formal plan.

The Chair asked the Superintendent if he anticipated funding the UIRSD OPEB through a warrant article each year. The Superintendent answered the warrant article is worded such that the normal cost will go into the budget and remain there every year.

Chuck asked for clarity that the UIRSD OPEB contribution will go from \$200,000 to \$408,000 every year and the MVRHS will go from \$500,000 to \$800,000 next year and over \$1,000,000 the following to get to the annual required contribution amount. Mark said that is essentially the approach, but because there are two different line items contributing to the OPEB liability, it is not as straightforward as Chuck stated.

Skip pointed out the MVRHS is using \$280,000 from E&D and there is no guarantee that amount will be in E&D in subsequent years to apply to OPEB. Skip differentiated this approach versus the UIRSD approach which is not dependent upon E&D funds.

Doug stated there are huge OPEB liabilities totaling \$170 million across the county and one way or another, taxpayers are going to have to pay for it, adding it is real, it's coming and it's unavoidable. Doug asked the Superintendent to please re-read the UIRSD warrant article because although it asks the money requested go into the budget line, he doesn't see anything saying it happens year over year.

The Chair referred to an article about slow revenue growth at the state level. Amy responded the governor's budget came out yesterday and there is an addition to chapter 70 so the schools will be unharmed.

Mark Friedman thanked the Finance Committee for a report it provided to the MVRHS entitled "A Proposal for Adopting a Realistic Plan to Meet OPEB Obligations."

Gary recommended the Committee table budgets #122 Board of Selectmen and #141 Board of Assessors and vote after the Selectmen have met on those budgets.

Greg moved to preliminarily recommend budgets #175 Planning Board, #176 Board of Appeals, #179 Affordable Housing Committee, #152 Personnel Board, #192 Town Hall, #195 Town Reports, and #194 Town Electric. Gary seconded the motion.

Chuck said he thought the Selectmen were working on the personnel hours for budget #176 Board of Appeals. Bruce said the Zoning Board of Appeals is considering reducing the personnel hours from 35 to 32 hours/week at their meeting tonight.

Greg moved to amend the motion to remove budget #176 Board of Appeals. The amended motion is to preliminarily recommend budgets #175 Planning Board, #179 Affordable Housing Committee, #152 Personnel Board, #192 Town Hall, #195 Town Reports, and #194 Town Electric. Gary seconded the motion to amend which passed unanimously.

Doug said Richard Knabel suggested the Fin Com consider an across the board fixed reduction in all budgets if it wanted to reduce the overall budget. Doug said that penalizes a number of departments that have submitted tight budgets that may not have room for a 2-3% reduction. Doug said that if the Fin Com is looking to reduce the overall budget, he prefers to visit each budget individually. Doug said he did not prepare a list of budgets he recommended to be reduced, but he is prepared to do that in time for the next Fin Com meeting.

The Chair explained the Committee is only preliminarily recommending budgets and still needs to get information from Bruce on the overall picture. The Chair asked if Doug was suggesting to not vote on the budgets listed in the motion. Doug confirmed that was his suggestion.

The amended motion to preliminarily recommend budgets #175 Planning Board, #179 Affordable Housing Committee, #152 Personnel Board, #192 Town Hall, #195 Town Reports, and #194 Town Electric passed 4-1 with Katherine voting no.

The Chair asked if the Committee would like to vote on the school budgets. The Committee chose to wait until the meeting on February 14, 2017.

The Chair asked Bruce Stone if the budget is facing a significant proposition 2.5% override.

Bruce presented a summary of the projected tax levy and warrant articles. Bruce said the warrant articles that he knows about total about \$450,000. Bruce said that at this time, budget and warrant articles total \$18.7 million and after adding in cherry sheet adjustments and other items, the total amount which needs to be covered is \$19.0 million. Bruce said that after adding in other sources of revenue and free cash, the total tax levy is projected to be \$16.1 million which is an increase of 6.6%. Bruce said the \$16.1 million is about \$400,000 over the maximum amount. Bruce said the financial management team has not yet discussed this analysis.

Bruce said there are other possible sources of funds to reduce the \$400,000 including \$35,000 in previously voted warrant articles that won't be expended. Bruce said he is working with the assessors and perhaps \$170,000 - \$200,000 can be declared an overlay surplus that no longer needs to be held in reserve. Bruce said he will recommend using these resources because a 6.6% budget increase is hefty. Bruce said even incorporating these sources, the town would still be \$180,00 - \$200,000 over the levy limit. Bruce added he has taken a conservative approach of not adding growth to the levy limit and does not think it would be prudent going into next year dependent upon growth.

Chuck asked Bruce about the size of town budget excluding personnel costs, regional assessments and the schools. Bruce responded the town budget is about \$4.5 million, but would prefer to answer with the information in front of him. Chuck asked if the Fin Com can find \$200,000 out of a \$4.0 million budget.

The Chair stated that obviously the 6.6% is way too high and asked Bruce if he anticipated being able to come back with a lower number after meeting with the Selectmen and financial management team.

Cynthia said that some towns have a strategy that if an override is warranted which in this case is due to building maintenance and OPEB, you can justify that from time to time and override is necessary and it raises your base for future years. The Chair pointed out this is also a budget that includes a 2% wage

increase. Cynthia said the Selectmen will have the conversation regarding if this the right kind of year for an override.

Doug said that he thinks the Fin Com should recommend the wage adjustment be cut in half which is in line with the world in general. Doug agreed the override may be justified because of the maintenance headaches uncovered, but he would be leery of supporting that without a solid maintenance plan going out a minimum of ten and possibly twenty years.

Richard said that before you can extend the maintenance schedule, you have to deal with the accumulated backlog. Richard added that Doug is asking for a lot which Richard is not sure has much meaning.

Doug disagreed, stating a maintenance plan can be determined regardless of the value of the repair work; by assuming that work has been performed.

Chuck noted MVRHS started with a five year repair and maintenance plan that was \$20.0 million, including \$2.5million in FY18, but that has been whittled down to \$150,000 because of the pending renovation of the MVRHS. Chuck said there isn't a detailed plan for the \$100,000 warrant article from the Selectmen. Richard said you can't get hard costs until you get bids, but people won't give bids without appropriation.

The Chair said last Tuesday, the Fin Com had a discussion about changing the warrant article submission date. The Chair suggested the Fin Com can submit last year's warrant article in order to make the deadline, with the proviso to the Selectmen that the Fin Com may withdraw it after having more discussion. The Committee concurred.

Correspondence/Scheduling

The next Finance Committee meeting will be Tuesday, February 14 at 4pm and will be held at the Howes House.

Adjournment

Greg moved to adjourn. Doug seconded the motion which passed unanimously. The meeting was adjourned at 6:05pm.

Respectfully Submitted,

Margo Urbany-Joyce
West Tisbury Finance Committee Admin Assistant

5-0
Vote

February 14, 2017
Date