

**West Tisbury Finance Committee Budget Hearing**  
**Howes House**  
**January 24, 2017**

**Attendance**

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

**Guests:** Bruce Stone – Town Accountant, Richard Knabel – Selectman, Skip Manter– Selectman, Jennifer Rand – Town Administrator, Dawn Barnes - Principal Assessor, Michael Colaneri - Board of Assessors Chair, Ken Vincent – Personnel Board Chair, Jane Rossi – Planning Board Administrator, Leah Smith – Planning Board Member, Claire Harrington – Board of Appeals Administrator, Nancy Cole – Board of Appeals Chair, Rhonda Conley – Affordable Housing Committee Administrator, Larry Schubert – Affordable Housing Committee Chair

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

**Approval of Minutes of Previous Meetings**

Review of minutes was postponed to the next Finance Committee meeting on January 26, 2017.

**Old Business**

**Wrap Up of Budget Hearings on January 19, 2017**

*Greg moved to preliminarily recommend the following budgets:*

- *General Government*  
*197 Dukes County Regional Housing Authority*
- *Culture & Recreation*  
*610 Library*  
*620 Parks & Recreation Committee*  
*632 LC Beach & Seth's Pond*  
*640 Recreation Programs*  
*650 Town Grounds*  
*690 Historic District Commission*  
*691 Local Historical Commission*  
*692 Martha's Vineyard Cultural Council*
- *Debt*  
*710 Debt Service*  
*751 Long Term Debt*  
*752 Short Term Debt*
- *Benefits*  
*911 County Retirement*  
*912 Workers' Compensation*  
*913 Massachusetts Unemployment*  
*914 Health Insurance*  
*915 Life Insurance*  
*916 Medicare Tax*  
*945 Public Officials Liability Insurance*

*Doug seconded the motion which passed unanimously.*

**Fin Com Warrant Article**

The Chair addressed town administrator, Jen Rand, and Selectmen Richard Knabel and Skip Manter. The Chair said the Fin Com was hoping to submit a warrant article to change the warrant article submission deadline from the first Tuesday in February to the first Tuesday in January. The Chair explained the Fin Com submitted this warrant article last year, but withdrew it at the Selectmen's

request. Jen responded that her concern and that of the Selectmen is that the further away the deadline is from April, the less flexibility there is to deal with issues that come up. Jen added that other towns with earlier deadlines frequently have a special town meeting before the annual town meeting to deal with additional issues that came up after the warrant article submission deadline. Jen explained the schedule is such that the special meeting and the annual town meeting are held on the same night, but there is a second warrant with a second deadline. Jen said she is fine with any deadline, but she does not believe an earlier deadline solves the problem of having all of the information earlier because it can lead to a second warrant.

The Chair asked the town accountant to weigh in. Bruce said that he has the same concerns, but he also sees the benefit of having a clear budget picture earlier in the process. Richard said he doesn't think there is a clear budget picture earlier because it is likely that a second warrant article would be added. The Chair asked for an example of something that would come up that would require a special town meeting if the deadline was moved from the first Tuesday in February to the first Tuesday in January. Jen responded that a month which is not a long time, but an example would be the radon issue. Jen believes she will have the information necessary to determine if a warrant article is required, but would not make the proposed earlier deadline.

Chuck said he'd like to find a way for the Selectmen and Fin Com to have a conversation about the warrant articles and spending priorities before the Selectmen set the warrant, adding the town is potentially looking at proposition 2.5 override. The Chair said she would like to have the bigger picture sooner so Bruce can tell the Fin Com in January what the budget will look like. The Chair explained that the Fin Com is preliminarily recommending budgets, but the financial picture can change dramatically when the warrant articles are added.

Jen suggested leaving the town bylaw as is with the warrant article submission deadline as the first Tuesday in February in FY18, but have the BOS request all warrant articles are submitted the first Tuesday of January. Jen explained that allows everyone to see how the earlier deadline works before changing the bylaw and potentially going back to town meeting to reverse the change.

Richard explained one of the problems the first Tuesday in January is tough because of its proximity it to the holidays. Richard said that assuming the other Selectmen agree, he didn't have a problem with the Selectmen requesting warrant articles be submitted by the first Tuesday in January. Richard said the Selectmen would also be willing to meet with the Fin Com about the warrant.

Chuck asked if there a plan for the \$100,000 maintenance warrant article. Jen responded the facilities maintenance committee created a lengthy list of things to be done and two priorities are the Field Gallery roof and mushrooms on the north wall of the library. Jen said the facilities maintenance committee estimated costs for both projects, but the projects have not yet been put out to bid. Jen said based on the knowledge they have today, \$100,000 will most likely cover both projects. Jen continued that warrant article money is carried forward for five years and this warrant is written in a way such that if these two projects don't use \$100,000, the funds will be used for the next item on the list.

Chuck said he doesn't like budgeting for a construction project without a plan and hard cost estimates. Richard said there is a plan. Chuck responded that there are no hard estimates. Chuck pointed out that the UIRSD bonded \$1,000,000 last year for repairs and maintenance and is 25% over budget because the costs were under estimated. Chuck said this is an area that requires good discipline. Jen responded the alternative is to wait a full fiscal year to begin the maintenance projects.

Greg said when Louie made the presentation to the capital committee, he made it clear that work is going to be going on for years and should start now. Greg added the work needs to move forward. Chuck asked Jen if she would have hard costs by town meeting. Jen said she did not think so. Richard added it's not impossible to have hard costs by then.

## **New Business**

### **Budget Hearings – General Government**

#### **#114 Town Moderator**

No presentation.

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#### **#122 Board of Selectmen**

Chuck noted that the FY18 proposed budget has not increased from FY17, but FY17 doubled from FY16 and year to date, total expenses have been \$2,800 of the \$14,000 budget. Chuck asked if FY18 could be reduced. Jen said the bulk of the \$14,000 budget is \$5,000 unclassified. Jen said she was reluctant to change that because the BOS could be asked to react quickly to something that was not anticipated. Jen explained that in various years an opportunity has come up where those unclassified funds would be used. Jen said that this year the BOS needed a surveyor because out of the blue a question came up on a piece of property the town owns.

Jen said there is no other place to build in for unforeseen events, adding there will be years the unclassified line goes unused, but without it, there may be no way for the selectmen to react.

Jen said she reduced the budget for Communication and Ads because the BOS have not been spending it in FY17. Jen explained Professional & Technical (training/seminars) is up from \$400 to \$1,200 because of the municipal modernization act for which she is taking training classes in March which require a fee and three nights of hotel in Boston.

Bruce said another example was coded under line #5300 because Chilmark noticed there was no bound on Middle Road so the two towns shared surveying cost. Bruce explained the unclassified line is discretionary so the BOS can act quickly to get something done. The Chair ask why funds could not be used from the reserve fund if necessary. Bruce answered there is a potential issue about being discretionary if it happens every year.

Richard explained there have been situations that put the town in a bad position because the BOS couldn't act quickly. Doug said it is the same argument which also applies to the legal budgets. Doug explained although the Fin Com understands unused money comes back to the town, the budget is so close to the limit that would kick us into an override, the Fin Com is looking for mechanisms to keep us under the limit while still running the town.

Richard pointed out there is an easy mechanism to bring the budget in line and that is to decide by what percentage we are over and reduce all budgets by that percentage. Doug asked if there was a town legal budget that any department could tap into with Selectmen approval, why wouldn't that work. Jen responded that some departments want to maintain their own legal line and make their own decision when to access counsel. Jen explained that the Selectmen legal budget exists for other departments who contact her and if the issue can wait until the Selectmen meeting, it waits, if not, Jen makes the decision whether counsel can be used.

Gary asked about line #5300, noting it was \$173 in FY16, \$3,000 in FY17 and \$3,000 proposed for FY18. Bruce responded a \$1,300 surveying bill was just expensed to that line. Jen explained the town has hired a surveyor twice this year, but never in FY16. Bruce responded the \$5,000 in line# 5780 is actually voted at town meeting. Gary asked why the survey costs were not posted in line #5780. Jen explained there are two budget lines that allow the Selectmen discretionary spending that total \$8,000. Jen added that BOS discretionary spending in most other towns is \$15,000 - \$20,000. Gary asked why there are two separate lines instead of one unclassified line with an \$8,000 budget. Jen replied that could be done.

Doug asked if a department has a total budget of \$x, can a department spend how it wants if it stays within that amount. Doug continued, stated a different way, this breakout exists for the department to build their budget and analyze the budget, but departments can spend the total budget as they see fit. Bruce responded yes, departments have that discretion.

Chuck highlighted in FY17 there are four departments that have budgeted \$84,000 for legal services and have only spent \$11,200 in the first half of the year. Chuck added these rainy day funds raise the levy rate. Bruce explained that the Assessors has a separate board elected and they elected for a line item. Bruce said that the Affordable Housing Committee and Zoning Board of Appeals are appointed by the Selectmen and could be together in one line item. Chuck summarized the town had one extraordinary expense that will never happen again which is driving legal budgets.

Skip Manter pointed out there are two ongoing litigation issues which alone could use the entire legal budget.

Jen said she works very hard to keep legal expenses low. Jen continued the town did just get sued and issued a response, but this could easily eat up that budget. Jen said if the legal line is cut below \$50,000 a town meeting needed to be organized for additional funds, the legal process won't slow down while that is happening. Chuck said that he doesn't mind the \$50,000, but the other departments should come to the Selectmen. Richard explained that past experience has shown it makes things run smoother if the other departments are able to access counsel without consulting the Board of Selectmen, adding if it is a consensus opinion that it must be done that way, things will run a lot slower.

#### **#131 Finance Committee**

No presentation.

#### **#132 Reserve Fund**

No presentation.

### **#133 Annual Town Audit**

No presentation.

### **#135 Town Accountant**

No presentation.

### **#141 Board of Assessors – Dawn Barnes, Principal Assessor and Michael Colaneri, Board of Assessors Chair**

The Chair asked Dawn Barnes, Principal Assessor to share highlights of the Board of Assessors budget with the Committee. Dawn said the administrative assistant/data collector hours were reduced from 37.5 to 35 hours per week. Dawn said that line #5380 includes an increase in fees to web host the assessors maps online. Dawn pointed out that line #5710 was lower in FY16 because Dawn taught a course which lowered the fees. Dawn explained that line #5780, as discussed among the Board of Assessors, was used as a placeholder to keep the conversation going about inspection cars. Dawn said that inspection vehicles have been an issue because the Assessors' office is collecting on \$2.5 billion of property value and the assessors are driving their personal vehicles on difficult roads. Dawn said that subsequent to the submission of the Assessors budget, inspection vehicles have been approved.

Gary asked about how much was spent on legal services last year. Dawn answered that although nothing was spent last year, West Tisbury had one of the biggest appellate tax board (ATB) cases to appear before the ATB board. Dawn explained a legal budget helps her to contact counsel in complicated cases. Dawn said that she currently has six outstanding ATB cases including two against Verizon. At the beginning of the case, Verizon wanted 50% back of the overall value, but now it is pending at 7% with no outstanding interest. Dawn said that she had four cases in 2015 for which she used outside counsel and of those, two are coming to the courtroom in the next month and two will not go to court. Dawn said she also utilized outside counsel for three other cases.

Dawn explained if \$5 million in tax value is lost, it will easily cost the town \$30,000. Dawn said she believes that a legal budget of \$30,000 is appropriate.

Chuck asked if the rebate on the old software would end up in free cash. Dawn responded yes. Chuck also asked if the Verizon case was just in West Tisbury. Dawn responded the Verizon case is state wide including all six towns on Martha's Vineyard, explaining that the Verizon values are set by the Massachusetts Department of Revenue. Dawn said that in 2009, the DOR decided it would include public poles and wires which previously had not been taxed.

Chuck said there are several departments that carry a legal line in addition to the Selectmen, explaining the Selectmen have a \$50,000 legal budget and only spent half of that last year. Chuck asked if Dawn would feel comfortable lowering the legal budget in FY18 and requesting a cash reserve if more was needed. Michael Colaneri said that had been done in the past and did not work well.

Dawn said the largest taxpayer in West Tisbury owns eight parcels with a \$34.5 million value, the second largest has property worth \$28.9 million, and the third owns four parcels valued at \$25.3 million. Dawn said that she can understand why the Fin Com would like to cut the legal budget, but she would not recommend it. Chuck said that \$30,000 was about a penny on the tax rate. Dawn said that 2018 is a revalue year which is when heavy analysis is done and potentially requires a larger legal budget.

Chuck noted that the Assessors expenses seem in line, but only \$7,900 of a \$25,000 budget has been spent year to date. Dawn replied that she has not used the education or travel portion of her budget yet. Dawn said she has been on the phone with outside counsel regarding upcoming cases and dismissed cases, but has not yet been billed.

Chuck asked if \$3,000 for a vehicle was a car lease. Michael said the \$0.54 per mile did not come close to covering the cost of vehicle maintenance and repairs and he wanted to press the issue. Michael said when researching other towns, he discovered Oak Bluffs had just gotten four electric vehicles at a cost of \$300/year to taxpayers. Michael said the Selectmen have supported the effort to obtain the electric cars and if that moves forward the \$3,000 budget item will not be needed.

Bruce said if these car expenses are approved in the budget, he has concerns. Bruce explained if a stipend is paid to the employee with an undocumented plan, it is additional compensation to the employee and the \$3,000 would be included in the compensation line, not the expense line. Bruce continued the use of stipend for a car is not in the bylaws and he believes it is contra to the Selectmen policy for vehicle use.

Richard Knabel said that his understanding is that the town received a \$33,000 grant from the state for electric vehicles which will be available for staff by the start of FY18. Richard added that the \$3,000 vehicle line in the Assessors budget is unnecessary in addition to being in the wrong place.

Chuck asked where insurance, registration and maintenance expenses of the vehicles will appear in the budget. Jen Rand answered that will be \$800/vehicle and does not yet show up in a budget. Jen explained the intent is to have one vehicle for the building department, one vehicle for the health department and one vehicle for town hall with a priority for the assessors. Jen said the vehicle for town hall will be available for use by other departments, but the assessors will have first priority.

Chuck asked if the cars were for on Island use only. Jen responded yes, adding the vehicles are electric.

Doug asked about the \$300/year cost. Richard responded that is the way the Oak Bluffs grant works out because the cars are leased through a grant, not purchased. Jen explained the grant is \$7,500 for the vehicles and \$10,000 for the charger. Jen said It is a lease program and the grant will be used for the upcoming year's lease. Jen said it will be a three year lease so the costs for the upcoming years will also be known.

Doug asked if the cost of vehicle maintenance would be included in each department's budget. Jen said that would have to be the case, but it has not yet been included.

Michael Colaneri said there may be some issues that Bruce has, but there are a lot of different stipends in the town. Michael explained the stipend was one option to get a vehicle for the Assessors department and to generate a discussion that the assessors are not going to use their vehicles anymore. Michael added the job description requires you have a drivers license, but it does not require you have a car. Doug said if it's truly a stipend, it belongs in personnel services.

Doug said that when Chuck was talking about the legal, he didn't think Chuck was suggesting the assessors diminish the use of legal services. Doug said Dawn made a strong case as to why the department uses legal services, but the Fin Com is concerned about a potential proposition 2.5% override. Dawn said the Assessors is the department that generates new growth. Dawn added the Governor's new bill changed the way the overlay surplus is being dealt with and going forward the Assessors are reviewing those numbers. Dawn said she doesn't think the town is as close to a prop 2.5% override as the Fin Com may think.

Jen clarified the Selectmen made a policy that a department can either have their own legal line or use the 151 Selectmen legal line, not both so the 151 line is not available to the Assessors department. Bruce added there was a situation where the town voted not to cover a legal bill that was not in the budget and the lawyer was unpaid for services rendered.

The Chair asked why did the web hosting expense increased significantly. Dawn responded the DOR required the Assessors department add on a mapping layer which required additional work and much more data to host online.

The Chair asked why the Assessors board members are reimbursed with a \$1,000 stipend. Dawn responded that she doesn't know how or when the stipend was created. Dawn said her board is handling \$2.5 billion in value and it is a complicated set of data. Dawn added board members are required to take a valuation course. The Chair clarified that her question is when the stipend was created and how is it set. Michael Colaneri said it was originally set up to help pay for board members' health insurance. Michael continued that is one of the reasons the Selectmen receive a \$5,000 annual stipend. Michael said the stipend hasn't changed since the 1980s. Doug said elected officials are not subject to personnel board review and perhaps it's something the Fin Com can review in the future.

Chuck asked if Bruce would calculate the savings of mileage reimbursement versus the cost of the lease, insurance and maintenance of the cars and the respective budget impact before town meeting.

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

No presentation.

#### **#146 Tax Collector**

No presentation.

#### **#151 Legal Services**

No presentation.

### **#152 Personnel Board - Ken Vincent, Personnel Board Chair**

The Chair said the Committee has questions about how the Personnel Board arrived at the 2% wage adjustment, adding the documents the Fin Com received did not explain this. The Chair said that although 2% may be logical and reasonable, it seems everyone uses a different number. Ken Vincent said the Personnel Board has been visited by FC members who expressed concern about how the Personnel Board arrived at the number. Ken said that originally, the Personnel Board would calculate the wage adjustment later because it involved including the numbers from other towns, but then the Finance Committee wouldn't have the adjustment when it was needed.

Ken said the Personnel Board used to look at numbers from other towns, but the old formula didn't give the PB numbers they were comfortable presenting to the Fin Com. Ken said the PB wanted a number that was based off a broad range of analysis, but could be produced in a timely manner which led the Personnel Board to September. Ken said the PB chose the Employee Cost Index for state and local government workers, all of those numbers are completed by September 16 and index embodied a great number of communities. Ken added West Tisbury would be on the higher end of the cost of living spectrum.

The Chair asked Ken to explain the Employment Cost Index (ECI). Bruce Stone responded the Department of Labor and Statistics keeps track of government employees annual increase for a 12 month period. Bruce explained the quarterly data for September is a national average of how much wages changed in the past 12 months.

The Chair said there is confusion between a cost of living adjustment (COLA) and a wage adjustment. The Chair asked what does a wage adjustment compensate employees for? Ken responded the Personnel Board sees it as a COLA and by giving employees a COLA, it ensures our wages are competitive in the marketplace. Bruce explained that every five years, there is a thorough compensation study to determine if the wages of the town are on par with similar communities. Bruce continued the wage scale adjustment is to have incremental adjustments between the five year studies to keep on track. Bruce said it is his understanding the reason the Personnel Board used the ECI instead of Consumer Price Index (CPI) is because the goal is to keep wages competitive and there are factors with wages which are different than a CPI.

Chuck said the ECI is a federal number that reflects supply and demand of labor, adding that It's not a cost of living adjustment, and not an inflation factor. Chuck said the study performed every five years is a wage comparative. Chuck said he thinks the town should use the change in CPI, which is a measure of inflation used by other Island towns and recommended by the Finance Committee. Chuck asked Ken to consider using change in CPI for the wage adjustment. Bruce said he gave the Personnel Board data looking at the difference of using CPI and ECI. Bruce said he created an analysis looking at different indices including CPI, ECI, Island union contracts, private sector ECI, and the actual WT scale adjustment applied over the last seven years. Bruce explained that the WT scale adjustment cumulatively lagged behind the other four indices. Bruce said he believes that is why several positions had significant wage increases as a result of the last compensation study. Bruce said he has encouraged the use of ECI in the past because it seems to work out well with what subsequent studies find.

Doug gave an example in which he is paid \$25/hour by the town and the wage adjustment is 2%, he is now paid \$25.50/hour. Doug furthered the example by saying when next year comes around, his wage is increased another 2% to \$25.50/hour unless he receives a step increase. Doug asked if he receives a step increase, is that added to the \$25.50 before the 2% is calculated. Ken responded yes.

The Chair asked if the Personnel Board will you continue to use ECI for a wage adjustment. Ken responded that the PB will revisit to see if it worked correctly, but the Personnel Board believes we will continue to use ECI.

Greg asked if Island Personnel Boards communicate with each other like Finance Committees (AIFC) and Selectmen (AIS). Ken responded no. Jen said there is a list served for personnel boards.

Doug pointed out that the Chilmark proposed wage adjustment is 1%, social security is 0.5% and a couple of Island towns are also below 2%. Doug said he recognized the Island is different from the mainland, but it seems cost of living doesn't vary on the Island from town to town. Ken said that last time around, the Personnel Board got numbers from Edgartown and Aquinnah which were zero and then they came back at a 2% COLA. Ken said there is a concern of artificially inflating numbers by waiting to hear from other towns. Doug said he was not recommending the Personnel Board use the number of other towns. Doug pointed out the Finance Committee's recommendation was the Personnel Board use an index with a 1% floor and 3% cap.

Doug said the other Finance Committee recommendation was to look at the wage scale and use a 3.5% step instead of the current 5% step, without impacting current employees to reduce year over year increases. Ken replied that the Personnel Board heard that recommendation and will bring it up with the consultant when the next compensation study is performed because it makes sense to implement a change in step at the same time recommendations from the study are implemented.

The Chair asked how many members are on the Personnel Board. Ken responded there are five members. The Chair asked if the Personnel Board members were all town employees. Bruce said by law, there is one member elected by the employees and the other members are appointed by the Board of Selectmen. Ken said that he does not work for the town.

#### **#155 Data Processing Expenses**

No presentation.

#### **#158 Tax Title Foreclosures**

No presentation.

#### **#161 Town Clerk**

No presentation.

#### **#162 Elections**

No presentation.

#### **#163 Board of Registrars**

No presentation.

#### **#171 Conservation Commission**

No presentation.

#### **#175 Planning Board – Jane Rossi, Planning Board Administrator and Leah Smith, PB Member**

Gary asked about the \$1,000 expense in line #5348. Jane Rossi said the byways committee has been working together designating special ways and they would like to put together a professionally printed brochure. Jane said anything leftover will be put back into the general fund. Doug asked how the brochure would be distributed and if the brochure would be mailed. Jane responded no, it would not be mailed.

Doug noted that historically the Planning Board has underspent its budget. Jane said the Planning Board feels it is better to keep the budget as is, rather than reduce it with the need to come back to ask for more money. Bruce explained there are potential applications, such as road issues and the Planning Board wants to have the funds available. Doug pointed out that line #5300 has no historical expense at all. Doug added it becomes a problem whether this is justified when historically expenses have been one third of the budget. Jane said that it depends on the year and is impacted by seminar fees. Jane said new things are coming up regarding the byway committee including ways to make roads ways safer.

Gary asked how many brochures will be printed. Jane said the subcommittee is looking into getting an estimate. Gary noted it's not a large sum of money, but asked if it could conceivably be reduced. Leah Smith explained there is a very poor understanding of what special ways are and the Planning Board would like to see the ones that are publicly accessible used more. Leah added that when people buy a property, they may not know their property is bordered with a special way and in the past, there have been legal issues with people regarding the special ways. Leah said she expected the brochures would be available at the West Tisbury library and town hall.

Gary suggested that if the Fin Com recommends the budget, the Planning Board adjust the item on town floor. Leah agreed. Greg noted that \$1,000 is not a large printing budget. The Chair said she was not sure a brochure was needed. The Chair recommended putting the information on the town website. The Chair added that when a person is buying a property, they have legal experts evaluating the property.

Jen Rand said that she thinks people want a map in hand to take to the byways. The Chair asked why a person would not just print and copy the map. Jen responded that she thinks the Planning Board wants the appearance to be professional. Jen added that in the summer a large number of people come to town hall asking about where they can walk.

The Chair asked how the Planning Board arrive at the \$1,000 stipend for board members? Leah replied that she has been on the Planning Board for ten years and the stipend was probably there for 20 years before that. The Chair asked if Leah thought Planning Board members would not continue to participate if they did not receive a stipend. Leah said that she did not know, but added the Planning Board would like to see more people run for Planning Board election. Leah said that people on the Planning Board do not request reimbursement for site visits. The Chair asked how often the Planning Board meets. Leah responded that meetings are weekly unless there is no Planning Board business.

#### **#176 Board of Appeals – Claire Harrington, Board Administrator and Nancy Cole, Board of Appeals Chair**

Nancy Cole stated the Zoning Board of Appeals (ZBA) is one of the boards with its own legal line and it hasn't been used much. Nancy said that she has been on the ZBA for 30 years and some years the ZBA spends a lot of money of legal expenses. Nancy explained that when the cell tower bylaw was passed, the ZBA needed to have a lawyer during its meetings. Nancy said marijuana bylaw issues are coming up. Nancy added that if someone submits an application, there is a deadline by which the Zoning Board of Appeals must have a hearing, adding that if the ZBA had to go through more steps, it could make it harder to make the deadline. Nancy said that if the Fin Com would like ZBA legal expenses to come from the Selectmen legal budget, the ZBA would do that, adding that the ZBA is very careful with legal expenses.

Bruce gave an example that involved the Planning Board. Bruce said that in FY13 or FY14, the planning board budgeted \$2,000 for legal fees, but in FY14 they incurred \$15,000 in legal expenses. Because they had had their own legal line item, they could not use the Selectmen legal budget and as a result, the Planning Board had to come to the Finance Committee and possibly town meeting to pay the legal bill.

The Chair asked if the ZBA added a position because there are two lines for board administrator. Nancy replied that it is one position, but there are two steps for the position. Nancy said the ZBA will reduce administrative hours from 35/week to 32/week.

Gary noted that application fees have dropped steadily. Nancy said it is dependent on how many cases appear before the Zoning Board of Appeals. Nancy said lower fees are offset by lower advertising costs. Claire Harrington said the applications are all very different and are becoming more involved than just a setback issue. Nancy explained that It seems like most of the pools are already done and now the ZBA is seeing more accessory apartment applications. The Chair asked if there are fewer applications, then why are 30 hours/week needed. Nancy said that when the economy is good, there typically has been more construction. Claire added the ZBA is receiving many solar array applications. Bruce estimated the personal services line will decrease by \$5,400.

#### **#177 Town Martha's Vineyard Commission**

No presentation.

#### **#179 Affordable Housing Committee – Larry Schubert, Affordable Housing Committee Chair, Rhonda Conley**

Larry Schubert stated the Affordable Housing Committee meets twice a month. Larry explained the AHC has been working on Scotts Grove and other properties owned by the town. Larry said the AHC oversees refinancing of affordable homes or lots and because owners have to be income qualified, both the town and counsel are involved. Larry explained the AHC tries to remain big picture at the board level and Rhonda Conley performs the administrative work. Larry said there are inquiries about how to refinance and because Rhonda has been working more hours than she is compensated, the proposed budget has increased her hours from 25 to 30 per month. Larry said the Affordable Housing Committee budgeted for a bit more in the expense items than it has historically spent.

Gary asked about the proposed legal services budget of \$3,000 which was increased last year from \$1,000 to \$3,000. Rhonda responded that the AHC is working more on projects where they think legal help will be required. Gary asked if that amount can be safely reduced. Bruce Stone noted that \$3,000 of legal fees is only about 15 hours.

Greg asked about legal fees for Scotts Grove. Larry replied that legal fees came from the Affordable Housing Trust which can receive CPC funds for a specific project. Larry explained that the AHC has been working to streamline the procedure with town counsel for refinancings. Jen added that of all departments, she would support the AHC legal line because she is peripherally involved and things are often more complex than one would expect.

Chuck asked Rhonda if she has regular posted hours at town hall. Rhonda responded that her posted hours are Thursday mornings, but the phone is forwarded to her cell phone and she schedules appointments outside of Thursday mornings. Chuck asked if the extra hours could be budgeted as a separate line item. Bruce responded that the entire AHC personnel budget is hourly, not based on a set number of hours per week.



Doug said there would be opportunities where the Trustees could be asked to cover expenses. Rhonda replied the CPC has said they want funds applied to a specific project. Doug said the entire reason for an Affordable Housing Trust is to give the trustees free hand in affordable housing. Larry said that some of the funds that have been put in the trust were put in to further affordable housing and you could argue that a house being refinanced to stay in the affordable pool fits that category. Doug said he does not want to come across as curmudgeonly because he is an affordable housing advocate, but asked if it could be stipulated that the legal fees to the town are part of the closing costs to the person who is refinancing. Rhonda said it could be structured that way. Rhonda added the AHC hopes to have a general covenant that is pre-reviewed, but until then, the lawyer is speaking to the lender on the AHC's behalf. Larry added that some are resistant to signing a new covenant.

#### **#192 Town Hall – Jen Rand, Town Administrator**

Gary asked if the jump in line #5240 from \$20,000 to \$50,000 will be a onetime event. Jen replied one of the things that has been lacking is preventative maintenance for the buildings and the Selectmen now have a list of work that has to be done to catch up and also to keep current with maintenance. Jen said that \$20,000 - \$25,000 will be spent on maintenance painting annually. Jen explained there is a list and safety items will be worked on first and then the Selectmen will chip away at the rest of the list.

Jen added that this year there is not a decline in the maintenance lines of the individual departments, but the goal is to move all town maintenance to line #5240 by next year. Jen said there is a separate warrant article for \$100,000.

Doug noted that all deliverables in the RFP except one are still open and asked when they will be available. Jen responded the budget piece is still being worked on and she will meet with the facilities maintenance committee to review what they have received, but she does not have a timeline. Doug asked if that would happen before town meeting and Jen responded yes. Doug asked who will be responsible for making sure things get done once the maintenance schedule is determined. Jen said the BOS will hire someone to shepherd the process for the first year. Jen added the BOS will take this time to determine if the building inspector could take on this role.

Richard Knabel said the town is playing catch up and these are just down payments on what needs to be done. Richard said the report is extremely thorough and well done and noted the consultant is in the process of becoming a home inspector. Richard added that what the BOS has learned about the Howes House and town hall is eye opening. Jen said that as a result of radon testing in town hall, the BOS will procure radon mitigation because the basement reading was so high.

#### **#193 Town Property Insurance**

No presentation.

#### **#194 Town Electric – Jen Rand, Town Administrator and Bruce Stone, Accountant**

Chuck asked why the cost of electricity for the Howes House is going up while the cost for other town building is going down. Bruce said heat pumps were added to the Howes House so the electric bill has gone up and oil has gone down. Greg noted this is the first year where we have had a situation where the revenue comes in to the town and then it goes back out. Bruce explained that because of the solar array, the town is saving about \$25,000/year and is paid \$5,000/year. Bruce further explained the school is saving \$40,000 and the town receives 75% of that such that the town is earning a total of \$60,000 annually.

#### **#195 Town Reports – Jen Rand, Town Administrator**

The Chair said that for \$6,000 seems expensive for a report most people don't read in paper. Jen said she is required by law to print annual reports and every year she prints less. Jen said every citizen who wants an annual report is entitled to one and her plan is to print 50 less than last year in which 400 - 450 were printed. Jen added that two years ago she ran out of annual reports. Chuck suggested that if there were not any visuals on the cover, it would be easier gauge demand. Jen said that if it seems appropriate to cut 50 again next year, she will do that. The Chair asked if the annual report appears as a pdf file online and how many people go online to view the annual report. Jen said that it does appear as a pdf online, but she knows people like to hold the town report in their hand. The Chair said the numbers are very small in the book.

#### **#196 Town Clock**

No presentation.

### **Scheduling/Correspondence**

The Chair asked Jen Rand why the animal control office has to meet with the Selectmen before she meets with Fin Com. Jen responded that she didn't think the budget the animal control officer submitted will be approved by the Selectmen.

The Chair asked Bruce about the reserve fund budget. Bruce responded he will probably recommend to keep it the same as last year. The Chair said that will be discussed on Thursday.

The Chair said a Committee member requested waiting until the next Fin Com budget hearing to vote on budgets heard tonight. The Committee concurred.

Doug said regarding the issue of underutilization of budgets, he performed some quick math on tonight's presenters and with the exception of the Personnel Board, town hall and town reports, budgets are ranging between 12% and 38% utilized in the first six months, adding those budgets total \$53,000. Greg said bills are not necessarily paid monthly and the Fin Com should do the exercise of going back to see how it amortizes out.

The Chair said she doesn't think the Fin Com wants a proposition 2.5% override and will need to hear from Bruce about what he knows about the scope of the warrant articles. The Chair referenced comments made by Richard Knabel about a percentage cut in all budgets, adding that in the past treasurer Kathy Logue has expressed concerns about this method of budget reduction.

Bruce said that there may be a small gap of \$150,000 to \$200,000 that may be identifiable to one item as opposed to a general override. The Chair said that if you take away the wage adjustments and additional personnel hours, you are close to that.

Bruce said that he doesn't want departments to be penalized for not spending their budgets, because there are always ways people could spend the prior year's budgets.

Chuck asked Bruce if free cash is a barometer of how tightly the town has budgeted. Bruce answered that free cash is usually generated by 1% of additional revenue and 4% of expense savings.

Richard said that means budgeting is about 95% effective. Richard said he doesn't think the Fin Com or the BOS want to be the choosers of budget winners and losers suggesting that if you tell all departments to cut by 2% or 3%, it is fair and spreads the responsibility to everyone.

The next budget hearing will be Thursday, January 26 at 4pm.

### **Adjournment**

*Doug moved to adjourn. Greg seconded the motion which passed unanimously. The meeting was adjourned at 7:02pm.*

Respectfully Submitted,

Margo Urbany-Joyce  
West Tisbury Finance Committee Administrative Assistant

5-0  
Vote

February 14, 2017  
Date