

**West Tisbury Finance Committee Meeting
Howes House
January 3, 2017**

Attendance

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

Guests: Bruce Stone – Town Accountant, Richard Knabel – Selectman

The Chair called the meeting to order at 4:30pm. A quorum was present.

Approval of Minutes of Previous Meetings

Greg moved to approve the December 13, 2016 minutes as submitted. Gary seconded the motion which passed unanimously.

Old Business

Annual Report

Chuck had a question about a COLA calculation in the draft which was changed from 29% to 27%. The committee decided to submit the draft as revised to be included in the annual report.

New Business

Review of Budget Books

Bruce distributed the Veterans Benefits budget to be included in the budget books. Bruce explained the MV Commission submitted a draft that will be considered at their meeting on January 5, 2017.

Bruce also explained that school budget assessments are estimated since the information for determining the assessments by statutory formula won't be available until the end of the month. Bruce said the MVRHS has a certified bottom line number and for the UIRSD, the assessment is based on the eighth draft of the budget. Bruce said the Up Island Regional School Committee has a meeting on January 5, 2017 with a certification vote anticipated.

Bruce explained the Dukes County Regional Housing Authority provided a number for assessment, but no back up yet. Bruce explained DCRHA is in the process of trying to join the County Retirement system and has not received the information to determine how this will impact the budget. Bruce said David Vigneault submitted an assessment based on the way retirement has been funded in the past.

Bruce stated that all town department budgets have been adjusted for a 2.0% wage increase as proposed by the Personnel Board in December. Bruce quantified the wage adjustment as \$60,000 based on wages paid to year round staff of \$3.05 million.

Bruce stated the total budget increase as presented is \$678,466 or a 3.9% increase. Bruce said that a 2.5% increase of the current tax levy limit will be \$352,000 and there is \$115,000 in excess levy capacity totaling \$467,000. Bruce explained that if everything is consistent with last year, including the total amount of the warrant articles and free cash (\$595,000 last year), the budget will be approximately \$211,000 over the levy limit. Bruce said that although it looks like the budget could be passed without an override, it is very tight.

Bruce stated the only new department is the Herring Warden, department #293.

Bruce said that Vineyard Health Care Access Program #525 and MV Senior Services (MV Center for Living) #540 are line items in the budget, but First Stop and CORE are funded through warrant articles because it was initially believed these programs might not be permanently funded. Bruce explained that he included the narratives and budgets for First Stop and CORE so all of the senior programs could be viewed collectively due to their overlapping nature.

Bruce pointed out a list of staffing changes, noting there are no new employees, but an increase in hours.

Gary asked Bruce if the tax increase would be below 2.5% if things work out the way Bruce outlined. Doug said the Highway Barn project is likely to come in below budget and asked if that money is available for this year's budget. Bruce said no, the town borrowed enough for the Highway Barn project and a couple of additional projects through a state house note. Bruce explained in June, 2017, the entire amount will be repaid and then the town will borrow less for the next year. Bruce estimated the savings would be \$5,000 per year for five years.

The Chair highlighted the cumulative effect of step increases and longevity increases. Bruce explained that an employee is likely at the highest step after seven years, but after ten years they receive a 1% bonus which is not cumulative. Bruce said that he can't speak for the Personnel Board, but he believes the theory is there is value to retaining employees.

The Chair noted there is also a wage adjustment. Doug said that the Chilmark wage adjustment is 1% and said he has not heard back from the Personnel Board regarding how they calculated the wage adjustment.

Chuck explained a change to the longevity schedule would require a bylaw change and a 2/3 vote at town meeting. The Chair said this may reflect the need to address this. Doug said that the longer you are employed, the larger the retention bonus, adding hiring a new person has a high cost. Doug said he is not opposed to the concept.

Richard Knabel said if the Personnel Board can't decide on a standard formula for the wage adjustment, he suspects the Selectmen will have to do that. Richard explained this issue has been around for the better part of ten years and it doesn't seem to get resolved. Richard added there is no uniformity amongst the towns.

Chuck said the wage adjustment formula is in the Chilmark bylaws, explaining the formula was developed by the Personnel Board in 2008. Doug said he met with the Personnel Board last fall and recommended a specific formula which is the same formula used by Chilmark and contains a 1% floor and a 3% cap. Doug said he also requested the Personnel Board inform the Finance Committee of the formula they choose. Bruce said the Personnel Board gives a recommendation to approve a percentage which is listed on the warrant. Chuck said that the Selectmen could choose to reject the percentage and suggest something else.

New Business

Review of Budget Books

The Committee reviewed all General Government budgets (#114 – 197) and elected to request meetings with the following:

#122 Board of Selectmen

Gary asked what costs were included in professional and technical. Bruce explained that is when a consultant is hired to put together the town's part of a joint application. The Chair said she had questions about the salary. Bruce answered that the last time the consultant reviewed staffing, the town administrator position was reclassified. Richard said the modernization act is comprehensive and requires a lot of people to attend a lot of training.

#141 Board of Assessors

The Chair asked about the 5.9% increase of expenses. Bruce said there has been discussion about the town's use of personal vehicles for town work, primarily with the building department and health department, but the assessors also have a concern about personal vehicle use. Richard said this is a violation of policy which is to use the IRS rate. Greg said this issue has come up in other places because it's not just the mileage, but also the types of roads. Doug agreed with Richard and said it is not only an assessors issue. Doug asked that if it is town policy, how do we excise it from the budget altogether.

Chuck asked why legal services is budgeted at \$50,000. Bruce explained it goes back to the Graham case when the legal expense became \$250,000 and since that time, the assessors have had their own line item. Gary asked how much was actually spent on legal expenses each year.

#152 Personnel Board

The Chair asked the Personnel Board Chair attend to discuss the budget and the wage adjustment.

#175 Planning Board

The Chair asked about the rise in personal services. Bruce said the pay is going up with the wage scale and their administrator is getting a step increase. The Chair noted the narrative highlights an additional \$1,000 in line 5348 for professionally printed brochures for the byways and said she would like to learn more about that.

#176 Board of Appeals

The Chair highlighted the 7.2% increase in personal services.

#179 Affordable Housing Committee

The Chair highlighted the 15.5% budget increase.

#192 Town Hall

Richard said the budget is a draft because the selectmen are awaiting a report from the facilities consultant. Doug asked if the Fin Com could have a copy of the report.

#194 Town Electric

Doug asked why the solar array is not reducing electricity costs.

#195 Town Reports

The Chair questioned spending \$6,500 to print a book that does not seem to be widely read. Richard responded that voters take it home and use it as a reference. Bruce stated that more and more books are left over each year. Bruce said that by statute, the town has to create an annual report, but the statute doesn't specify how many copies.

#197 Dukes County Regional Housing Authority

Doug asked if the All Island Finance Committee had requested a meeting with DCRHA. The Chair said she was not sure if the AIFC meeting was certain so the Committee should schedule a meeting with DCRHA.

The Committee reviewed all Public Safety budgets (#210 – 299) and elected to request meetings with the following:

#241 Inspector of Buildings and Zoning

Doug requested a five year comparison of permit applications by type and also the number of building inspections by year.

#291 Emergency Management

Gary said he would like to learn more about the 18.4% increase.

The Committee reviewed all Education budgets (#311–313) and elected to request meetings with the following:

#311 Up Island Regional School District

The Chair informed the Committee the School Superintendent had agreed to meet on January 26.

#313 Martha's Vineyard Regional High School

The Chair informed the Committee the School Superintendent had agreed to meet on January 26.

The Committee reviewed all Roads & Sanitation budgets (#421-491) and elected to request meetings with the following:

#433 Town Landfill/Local Drop Off

The Committee concurred they would like to learn more about the 16.8% budget increase.

#439 MVDRRD

The Committee concurred they would like to meet with the MVDRRD.

The Committee reviewed all Health & Human Services budgets (#510-543) and elected to request meetings with the following:

#510 Board of Health

Gary asked if the increase in travel was for training. Bruce responded yes, that there is significant training and seminars off island.

#522 Health Services

The Committee concurred they would like to meet with the Health Agent.

#525 Vineyard Health Access

Gary noted there is no year over year accounting. Doug concurred highlighting there are budget numbers, but no actuals.

#540 Center for Living

Bruce said that he had asked the Center for Living to provide various metrics including how many West Tisbury residents use their services, but that information was not included in their narrative. Bruce said he would follow up on the request.

The Committee reviewed all Education Culture & Recreation (#610-692) and elected not to request any meetings.

The Committee reviewed all Debt budgets (#710-752) and elected to request meetings with the following:

#710 Debt Service

The Committee concurred they would like to meet with the treasurer.

#751 Long Term Debt

The Committee concurred they would like to meet with the treasurer.

#752 Short Term Debt

The Committee concurred they would like to meet with the treasurer.

The Committee reviewed all Benefits budgets (#911-945) and elected not to request any meetings.

MVRHS OPEB Analysis

The Chair said that she and Margo would make minor changes to stylistic points. The Committee agreed to send the report to the MVRHS.

Committee Reports

CPC

Gary reported the project for the WT School recreational space renovation was approved.

Gary said the MV Museum (no money requested, just changed materials) was approved.

Gary said the Peddler Wagon project was going to town counsel as a result of Chuck's question regarding the ability to receive CPA funds if charging admission. Doug asked if the CPC questioned why the museum was only seeking funds from West Tisbury. Gary said even if approved by town counsel, the project would still have to go back to the CPC next year.

Gary said that Scotts Grove was approved and the CPC would bond \$500,000 over ten years. Chuck asked if the town would incur the debt and Gary responded no, CPC would incur the debt

Gary reported Kuehn's Way was requesting an additional amount, but WT CPC allocated \$100,000 last year and turned down the request this year.

Gary said the Vineyard Baseball field restoration project was approved. Gary explained the Sharks only use the field 18% of the time. Gary also said that other towns have financed difference aspects of the facility including \$70,000 from Tisbury for the trailer and \$100,000 from Edgartown for the bathrooms.

Gary said the DCRHA rental assistance was approved.

Gary informed the Committee the Affordable Housing Committee predevelopment cost for the water tank at Scotts Grove was approved. Chuck asked about the use of the \$50,000 approved at the November special town meeting. Gary responded that was for additional costs associated with getting new permits. Chuck noted that so far there have been four appropriations for Scotts Grove - \$50,000, \$900,000, \$500,000 and \$50,000.

UIRSD

Greg reported there is a meeting on January 5, 2017 to finalize the budget.

MVRHS

Chuck said there is a significant increase in transportation personnel costs and the MVRHS is now reallocating some costs to the elementary schools. Chuck suggested the Committee focus on the transportation costs in the MVRHS budget.

Doug said the WT Formula Reallocation Committee has a final recommendation for the reallocation of the UIRSD formula. Doug explained the concept is to leave the allocation of budget parts A&B as is, and reallocate parts C&D such that Chilmark pays entirely for the Chilmark school and other costs are allocated by head count. Greg asked if that leaves West Tisbury to pay for the West Tisbury school. Doug responded no, it will be allocated by head count. Doug said the recommendation will go to the Selectmen who hopefully will review on January 18, 2017. Doug explained if the Selectmen approve the formula, they will approach the other two towns.

The Chair said there was an interest about following up on the letter the Fin Com sent to the School Superintendent. The Chair said the letter was about the capital investment plan and suggested the committee speak with the Superintendent when he meets with the FC at the school budget hearings.

Gary said items listed in his notes from the original meeting with the Superintendent include OPEB, a strategic plan for the E&D fund, a financially viable school choice policy, a more cost effective way to deliver special ed programs, island wide procurement of goods and services, impact of fair labor act, a business plan for the schools and MV@Play.

The Chair asked the Committee if it was necessary to request a separate meeting with the Superintendent. Doug said the issue of a CFO for the schools was not included in the letter and he thought a one on one meeting would be more effective. Chuck agreed and said that we would need to demonstrate the problems a CFO would solve versus the current financial staffing arrangement—in addition to understanding the savings a CFO could generate. The Chair concluded a special meeting with the School Superintendent was not necessary at this time.

All Island Finance Committee

The Chair reported the All Island Fin Com meeting was less than an hour and was attended by five people. The Chair said it was suggested the AIFC not meet again until February. The Chair also said that if AIFC hosts meetings with the Center for Living, First Stop, ACE MV and DCRHA, procedurally, the WT Fin Com would have to take its own vote.

Correspondence/Scheduling

The Chair informed the committee that a special Fin Com meeting may be required to review Doug's proposal on the Tax Collector position. The Chair suggested the Committee may want to revisit the warrant article submitted by the Fin Com last year regarding the warrant article submission deadline.

The Chair informed the Committee that Margo submitted 12.5 hours from 11/15/16 through 1/2/17. *Doug motioned to approved the hours submitted. Gary seconded the motion which passed unanimously.* Other correspondence included the latest copy of Municipal Advocate and a letter from the MMA about the annual meeting.

The next Fin Com meeting will be a budget hearing on Tuesday, January 17 at 4pm at the Howes House.

Adjournment

Doug moved to adjourn. Greg seconded the motion which passed unanimously. The meeting was adjourned at 6:55pm.

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 5-0

Date: 1/17/17