

**West Tisbury Finance Committee Meeting
Howes House
November 15, 2016**

Attendance

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

Guests: Bruce Stone – Town Accountant, Skip Manter – Selectman

The Chair called the meeting to order at 4:30pm.

Approval of Minutes of Previous Meetings

Greg moved to approve the October 4, 2016 minutes as amended. Gary seconded the motion which passed 3-0-1 with Katherine abstaining because she did not attend the October 4, 2016 meeting.

Greg moved to approve the October 11, 2016 minutes as amended. Doug seconded the motion which passed 4-0.

Greg moved to approve the October 17, 2016 minutes as amended. Gary seconded the motion which passed 3-0-1 with Doug abstaining because he did not attend the October 17, 2016 meeting. Had Doug attended the meeting, he would also have abstained because of his board position on the Island Housing Trust.

Old Business

Recap of Special Town Meeting

Gary said he thought the format worked well and Dan Waters is open to the format of the FC speaking first to frame the issues. Doug suggested something to consider is a pre-Town Meeting public meeting to explain the warrant adding that he thought most people attending that night were looking at the issues for the first time.

Gary said that essentially, you're holding two town meetings because you would need all of the people with warrant articles in attendance. The Chair added she would prefer if Town Meetings were not on school nights. The Chair also said that she would prefer if the text showing revisions to bylaws and zoning were distributed.

Bruce explained that in the past there were public sessions about finance, but attendance has been an issue. Bruce added that in this political climate, it may be a good time to start engaging with the public.

Finance Committee Budget

The Chair informed the Committee Margo submitted hours of 36.5 since July 1, 2016. *Gary moved to approve the hours as submitted. Doug seconded the motion which passed 3-0 (Greg had left the meeting).*

The Chair led a discussion about the overall budget and if the Fin Com budget should be raised for FY18. Bruce explained that Margo is budgeted for 105 hours in FY17 and year to date has worked 36.5. Gary added that Pam Thors also took minutes for a meeting.

Gary said that if the All Island Finance Committee meetings are going to continue, that will create more hours for Margo. Gary added that if Margo is asked to work on more research projects such as OPEB, that will also create more hours.

Doug added that separate from Margo's hours, he would like the Committee to consider the possibility of reaching out to the Town prior to Town Meeting. It would be some sort of informative document to get to voters prior to Town Meeting. Doug estimated if it were a postcard, it would cost about \$1,000 to mail.

The Chair asked the Committee to focus on Margo's hours for FY18. Bruce said his projection based on FY17 hours would be to increase to 125 hours. The Committee concurred 125 hours for Margo would be included in the FY18 budget.

The Chair asked about Doug's progress in how the Town could email constituents. Doug said he met with the Selectmen about IT issues and Jen Rand is investigating solutions. Doug added that the ability to email constituents is not going to happen quickly.

Gary asked why the Committee cannot do what it has done in the past and communicate through letters to the editor which reaches all voters and is free. Doug said he was envisioning something more encompassing that would not fit in an article which focuses only on critical issues. The Chair suggested Doug fine tune his recommendation.

The Chair explained the FC budget is due on December 16 so she will put it on the agenda for the December FC meeting.

Finance Committee Priorities/Goals Review: Schools, Personnel, OPEB

The Chair said that because two Committee members were not present, she did not think a final review of would be very useful, but suggested beginning the conversation and continuing it when the others are present.

The Chair asked Gary how he felt about the FC Schools Subcommittee was doing. Gary replied that we specifically had two or three benchmarks and one was school choice which has not been addressed the exact way the FC would like, but it has been addressed and the FC has been involved in the process. Gary stated another issue is the realignment of finance in the UIRSD and Doug and is involved in that process. Gary also said the FC has been involved in the schools budget processes and he thinks the Committee is doing all that it can to influence the process.

The Chair asked which committee is dealing with the school choice issue . Gary responded it is the school committee and although the Fin Com made its feelings known, he doesn't anticipate a change of heart.

The Chair asked Doug about the realignment of financing the UIRSD. Doug said the first pass is on review. Doug explained that Skip made the assumption that all fixed costs including the building, maintenance, utilities and minimum staffing are split equally (one-third) among the towns and everything else is split according to student population. Doug said Skip came up with savings in the range of \$800,000 - \$1,000,000. Doug qualified that this is all a preliminary discussion at this point.

Doug further explained that he did a different calculation taking the WT only costs and apportioning it amongst the towns according to the student population in West Tisbury and he came up with numbers that are higher what WT is now paying, but thinks he made have made an incorrect assumption about shared costs. Doug said that it's a work in process and the UIRSD Formula Committee is trying very hard to be done before January 1.

Doug said that the UIRSD Formula Committee will meet again this week and in another two weeks. Doug suggested that since the School Choice issue is determined, the only thing left to do is to lobby the principal to accept fewer or no School Choice students.

The Chair asked Gary to prepare an update on the FC Schools Subcommittee for the FC meeting in December.

Regarding OPEB, the Chair summarized that the Committee has had some success there.

Regarding Personnel, Doug reported that he received a thank you from Maria Macfarland that the Personnel Board received our last letter. Doug said that the FC asked the Personnel Board for the specific wage formula they use. Doug explained the FC will not see that until the PB presents to the Fin Com in January.

Doug stated he clarified the FC's position on the wage scale adding that he suspected the PB won't review that until the next wage review in two years. Doug said he wasn't planning on attending any more of the PB meetings.

Doug explained the third Personnel Board item, which was removed from the agenda when he met with the PB, was the issue of elected officials. Doug said that regarding the compensation of elected officials, he learned that Edgartown and Tisbury simply do what they have always done and OB has not given him an answer. Doug stated that he was going to comment when the Fin Com meets with the elected officials to review their budgets. The Chair asked Doug to summarize the research he has done regarding how other towns compensate elected officials. Bruce suggested Mass Department of Revenue may have a list of towns that still have elected officials, referencing an article about elected officials.

Doug explained there are two pieces of which one is the general issue of how it is done and that other elected officials are unpaid or paid a small stipend. Doug continued that he has a problem with the tax collector's budget line based on the fact that it is an outsourced process and he thinks that in the FY17 budget, the payroll should not increase.

The Chair suggested Doug perform more research, stating that more information can be more persuasive. The Chair suggested that asking the tax collector about her compensation at a budget hearing is uncomfortable and does not help achieve the goal. Doug said that his intention was to meet with the tax collector outside of a formal meeting and explain to her it had nothing to do with her personally and his issue is with the compensation for the job, adding that he believes the compensation is out of sync.

The Chair suggested focusing on the macro issue that communities are moving tax collector positions into the treasurer's office adding this is a budgetary and efficiency consideration. The Chair continued that in 2003, the DOR recommended West Tisbury move the tax collector position to the treasurer's

office. Gary added it is an evolution of job responsibilities as there had been a back log of uncollected taxes.

Bruce said that from the most recent City and Town issue from DOR, what the DOR has observed is that favorable trends in best practices include a shift away from elected finance officials to appointed officials.

New Business

Town Web Page

The Chair reported she rescheduled Town Clerk, Tara Whiting, from attending today's meeting because Tara had to leave early and Greg was leaving early. The Chair suggested delaying the town webpage discussion until another time explaining Tara was going to talk about the changes to the town website in general.

Doug asked that since Bruce is half of the IT team, could we ask him to speak about the town web page. Bruce explained there is potential for any department to get info on the current site relatively easily. Bruce continued that because of the changes of public record law, the town is looking ahead for ways to provide more information in a format that is easy to find. Bruce explained there are grants available and the selectmen have agreed to be part of COMPACT which is the first step to qualify for the grants. Bruce continued that they are researching what other towns are doing and that if WT doesn't receive a grant, it will still have an idea of what is needed and will have to ask the town for money.

Doug said that when he met with the selectmen, he recommended that because the town has grown and because of the changes in records laws, the town should evaluate its information systems with an eye toward efficiencies and best business practices. Doug recommended that in order to do that properly, a needs assessment should be done town wide, department by department, to plan for the next ten years. Bruce said that one thing that is important is that whatever we come up with, it has to be something the staff wants to use.

The Chair explained she wanted to know how hard it was to put additional information on the home page. Bruce responded that the website can make links to information. The Chair asked, for example, if the Fin Com wanted to communicate with taxpayers about warrant articles, could that be done. Bruce replied yes, that can be done.

Budget and Review Process/Schedule

The Chair asked if there is a two week period in February where the Fin Com could meet on successive nights. The Chair reported that warrants are due to the Town Administrator by February 21 and the last date for the printing of the warrant is March 15.

Doug said that he had a brief conversation with Dan Waters about publishing the warrant in the annual report. Doug said he believes it is Dan's opinion – and also Doug's opinion - that there is no need to publish the warrant in the Town Report ahead of the meeting. Doug explained the FC would have much more time if it wasn't concerned about being published in the Town Report.

Gary asked if for scheduling purposes, the FC will decouple the budget from the warrant as was done last year. The Chair responded that if budgets are due by February 21 then there is plenty of time until March 15 so the FC recommendation could be published in the Town Report. The Chair explained that the Committee tends to focus on ten budgets. Gary said the Committee can review the budgets and

then break until the warrant articles are submitted. Gary agreed that compressing the schedule makes sense, but he's not sure if meeting every night in a week is advisable. The Committee agreed that meeting over two weeks is best.

Bruce said the deadline for Town departments is December 16 and regional entities is December 31. Gary suggested meeting the last two weeks in January. The Chair suggested she and Margo put together a preliminary schedule. Bruce said that by the end of January, there should be a good idea of what would be on the warrant.

Doug said that his argument, which he believes Dan Waters supports, is that the FC does not need to have any recommendations in the Town annual report. Doug said he believes that Dan is recommending the warrant handed out at the door is the warrant on which the Town votes for multiple reasons including that last year there were two documents that disagreed. Doug suggested that if we run past March 15, it isn't an issue.

Doug pointed out that Edgartown doesn't publish until after the town meeting and then the vote is in the annual report. Bruce added that in Edgartown, the finance committee mails to town members the warrant with budget and the Edgartown Finance Committee's recommendations. Bruce said this is the way the public receives the warrant and budget.

Committee Reports

CPC

No report.

MVC

Doug reported he spoke to Adam and the MVC budget is going up about 2% which is mostly related to medical insurance increases.

Bruce said that on the subject of medical insurance, Cape Cod Community Health Care is anticipating large increases in premiums and is planning to offer high deductible plans with MSAs. Bruce added this is a very drastic change and would need to be understood by employees, but this is a way to try to keep down health insurance cost. D said this will impact every budget line that uses CCHC.

Gary asked when the change is anticipated. Bruce responded this would impact the budget starting July first.

Schools - MVRHS

Gary said the MVRHS Committee hasn't gotten to the point where we are looking at the high school facility as one big project and that currently it is still being evaluated as repairs and patching. Gary said that Chuck is in a better position to address this.

Schools – UIRSD

Greg explained that he had to leave the Fin Com meeting early in order to attend an UIRSD meeting. Greg said that at the last meeting he attended he learned that Katherine's OPEB presentation was well received. The Chair said the latest version of the UIRSD budget included \$250,000 for OPEB of which \$50,000 was to come from Excess & Deficiency funds.

Greg said that he attended an UIRSD meeting where several OPEB ideas were discussed including: 1) paying \$653,000 and taking \$260,000 from E&D funds 2) warrant article to build into budget permanently and 3) Robert Lionette proposed 2% of the E&D budget be committed to OPEB.

Greg said that there is an OPEB motion on the agenda at tonight's UIRSD meeting. Greg added the school committee is committed to cutting expenses including reducing administrative costs.

Doug asked if a warrant article would have to pass in all three towns. Bruce responded the warrant article would have to be a specific dollar amount for that year. Skip explained that adding the OPEB amount to the warrant would explain to taxpayers why there is a budget increase. Skip said he suggested to the UIRSD Committee they should take the increase in OPEB expense from E&D so it isn't an additional amount for the taxpayers. Skip added that by making it a warrant article, taxpayers have the opportunity to review the OPEB expense which is more clear than just including it as another line item in the UIRSD budget.

Gary summarized that OPEB would be separated out as a discreet piece so the taxpayers can see it. Greg said this doesn't really address the fact that the budget is bloated adding it addresses one problem that has been neglected.

Doug asked about Greg's comment that the UIRSD is looking at payroll in Chilmark as a way to cut costs. Skip said the concept discussed was eliminating the positions of the WT principal and Chilmark principal and creating one UIRSD principal.

There was a discussion regarding whether additional Committee members should attend the UIRSD and it was determined that Greg was appropriate representation for the Fin Com. The Chair said the Fin Com planted the seed and gave the UIRSD Committee alternatives and she was concerned about arriving en masse and suggesting how they should solve it. The Chair added the UIRSD Committee has a motion which she drafted and they could adopt as a matter of policy adding she didn't think the Fin Com should take a position over what line item in the budget it should be.

Doug agreed that the Fin Com's role is not to get into line item budgeting. He said that administrative payroll is an issue. Gary asked if the UIRSD is considering a consolidation of positions to pay for OPEB or if it is a separate issue. Greg and Skip both responded it is a separate issue. Greg added the consolidation of principal positions has been considered in the past when reviewing the budget.

Doug asked if the Fin Com should send a message the UIRSD should focus on administrative cost. Bruce said there will be a public hearing which is typically the same day the budget is approved.

Greg distributed copies of budgets 5 & 6 for the UIRSD. Greg pointed out the total budget is going up by 7.83% adding that new insurance costs and capital expenses were not yet included.

Greg left the Fin Com Meeting at 4:55pm to attend the UIRSD Committee meeting.

Correspondence/Scheduling

The Chair said the Committee received the ACE MV warrant submittal sheet. The Committee also received a new issue of The Beacon, materials from Bruce Stone to help with the budget, and an invitation to MMA Annual Meeting on Jan 20 and Jan 21.

The Chair informed the Committee it received a bill from Pam Thors for two hours working at the All Island Finance Committee meeting. Bruce explained that if Pam works after 4:30pm, there is no budget to pay here. The Committee agreed to wait until the minutes were submitted to pay the entire bill at once.

The Chair asked the Committee about the email that the MVRHS would like to retain Margo's services to prepare an OPEB report for them at their expense and asked if it was appropriate for Margo's time be billed to the FC. Bruce said that Margo would need to have a separate arrangement to do something for the schools because the FC would not be supervising or controlling that work. Doug added that MVRHS would be benefitting from the research that Margo already did for the Fin Com.

The next Finance Committee meeting is Tuesday, December 13 at 4:30 pm.

Adjournment

Doug moved to adjourn. Gary seconded the motion which passed 5-0. The meeting was adjourned at 6:07pm.

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 3-0-2 (Chuck and Doug abstained) Date: 12/13/16