

West Tisbury

**Joint Meeting of the Finance Committee and
The Schools Subcommittee of the Finance Committee**

**Howes House
September 13, 2016**

Finance Committee Meeting

Attendance

Committee: Gary Montrowl – Vice Chair, Chuck Hodkinson, Greg Orcutt (arrived at 5:30pm), Doug Ruskin

Guests: Skip Manter – Selectman, Peter Palches

The Vice Chair called the West Tisbury Finance Committee meeting to order at 4:30pm

Approval of Minutes of Previous Meetings:

Doug moved to approve the July 12, 2016 minutes as amended by Chuck. Chuck seconded the motion which passed 3-0.

New Business

Board of Health Briefing on Personnel Requirements

The Vice Chair announced that John Powers contacted the Fin Com to say it was not necessary to meet at this time.

Fin Com Letter to Department Heads

Doug suggested amending last year's letter to department heads to include language which stated that if a department head attends a hearing without requested materials, the hearing will be rescheduled. If the requested materials are not provided at the rescheduled hearing, the budget will not be recommended.

Chuck asked if we are sending this message to everyone for a problem that may be among just a few and suggested using last year's as written without the additional language. Gary explained that the Fin Com has had a persistent problem with some departments. Bruce asked if the issue has been with town departments or regional entities. Skip suggested sending a different letter to the regional entities which have not complied in the past.

Doug suggested specifying a number of days prior to the hearing that materials should be provided to the Committee. A consensus developed at 7 days. Gary suggested waiting until Greg arrived before coming to a conclusion on the letter or the number of days.

When Greg arrived at 5:30pm, he agreed the committee will send two different letters, one of which has the additional language regarding requested materials to those that had not followed protocol in the past, and the other letter would not include the additional language.

Draft OPEB Report

Gary explained that the Committee only had a draft and Katherine and Margo were the ones who drafted the report and Katherine is away. Gary explained pages six through ten contain the analysis and recommendation.

Margo explained that using Normal Cost (cost of benefits for current employees of \$653,553) plus Interest (\$43,638) on the Unfunded Actuarial Liability as a target for the OPEB Contribution was originally recommended by Bruce. Margo further explained it became the recommendation in the draft report because it was a more realistic target than and the Annual Required Contribution (\$1,134,600), kept the unfunded obligation from growing/digging a deeper hole, and was tied to a valuation/the obligation as opposed to an arbitrary figure.

Chuck looked at how an increase in the OPEB Contribution would translate into an assessment for each of the three towns. Chuck explained the current budget assessment distribution is West Tisbury – 68%, Chilmark – 23%, and Aquinnah – 9%.

Bruce asked if the OPEB Obligation should be a site cost or if it was an administrative cost because it is related to personnel. Bruce said that currently it is an administrative cost.

Doug asked what the latest date was that the FC wants to get the report and recommendation to the UIRSD Committee. Gary suggested the FC meet on October 4, 2016.

Skip suggested that since the UIRSD started with an OPEB contribution of \$50,000 a few years ago and has been increasing the OPEB contribution by \$50,000 annually, it may be best to leave as it is because the amount will eventually catch up.

Doug said that regardless of the final decision, the amount of the OPEB Contribution should have an underlying rationale. Gary concurred.

Finance Committee's Appointment to the Selectmen's Subcommittee for UIRSD Discussions with Chilmark

Gary explained there is a committee under the Selectmen's auspices to calculate the new formula that West Tisbury may propose to Chilmark and Aquinnah. Skip said the committee will report to the Selectmen who will determine the next step. The three person committee will consist of one Selectman, Susan Silk and one Fin Com member.

Gary said the Selectmen requested that the FC send someone who has not previously been involved with the UIRSD committee which rules out Gary and Greg. Chuck recused himself due to potential conflicts. Doug agreed to join the committee. When Greg arrived later in the meeting, he agreed to back up Doug when he was unable to participate.

Update on Personnel Board Meeting

Doug reported that the Fin Com presented two proposals. The first proposal was a wage formula with a 1% annual wage increase floor, 3% annual wage increase maximum and is tied to an index which is available in September. Doug said that Maria asked why the FC thought the Personnel Board did not have a formula. Doug also said the issue was left unresolved. Doug agreed to contact the Personnel Board and ask they please submit to the Finance Committee the precise formula they are going to use for calculating the wage adjustment.

Doug reported the second proposal presented was to change the wage scale such that step increases are 3.5% instead of the 5% currently used. Doug explained the FC wage scale proposal would be applied to new employees, not current employees and that there was push back to the idea of two wage scales. Doug said that at the PB meeting, Skip saw the proposal as creating a decrease in pay. Doug said he pointed out to the Planning Board the proposal did not target either end of the scale, but was focusing on the year over year increases. He suggested the 3.5% step could be applied from the top end of the scale and then work backwards to determine the lower end.

Chuck said that he believed the FC made a mistake in recommending how the proposal should be implemented. He further suggested the FC message should be that no other town has a 5% step increase and that West Tisbury should be at the high end of the towns, which is 4% in Chilmark with 7 steps and 3.5% in Edgartown with 8 steps – effectively the same.

Doug said the Personnel Board's inclination is to not consider changes to the wage scale until there is another review which is 2.5 years from now.

Doug said the issue of elected officials which was mistakenly added to the agenda, was removed from the agenda.

Bruce informed the Committee that as an employee, he sent a document to the Personnel Board based on the FC's proposal and the last two compensation studies. Bruce continued the FC made a slight mistake stating purpose as saving tax payers money. Bruce also said that if you look at the methodology of the consultant, she looks at the low and high point. She said a broad range is acceptable because it gives the town flexibility and they would not hire at the low end of the range anyway. Doug reiterated the new wage scale will save taxpayer money over time. This is a long term suggestion.

Gary asked Skip if he thought the PB would seriously consider the FC recommendations. Skip said he thought the PB would ask the consultant to review the proposals.

Chuck moved Doug write a letter to the Personnel Board requesting the specific wage scale COLA formula the PB will use for the FY18 budget.

Unscheduled Guest Peter Palches

Peter Palches, an Oak Bluffs resident, said that he has been talking about the school funding issue for a long time and he was at the WT FC meeting to listen. He said he was glad the FC was looking at the UIRSD formula because 68% of the money comes from West Tisbury and 68% of the taxable wealth comes from Chilmark and Aquinnah.

Chuck said currently the UIRSD is funded based on the number of students from each town, but Peter was suggesting funding be based on tax base.

Gary said there is a lot of hesitation to regionalization on Island, but he is heartened by the fact that all of the Island Fin Coms are communicating with each other.

Chuck added the school is the largest business on the Island and it doesn't have a business plan or CFO.

Peter concluded saying the kids are the ones who suffer because they're working in a school where the adults get together and hassle each other.

Greg arrived at 5:30pm.

Update on MVRHS Repairs and MV@Play

MVRHS: Chuck reported that he attended two meetings and that Mike Taus has a five year repair schedule that costs \$22mm which includes \$3.5mm for a new Superintendent's building. Chuck told the group that that a freestanding Superintendent's Building would not fly, and they may want to consider repurposing other space for the Superintendent's office. That still leaves \$18mm and at the end of five years, and the result will be a 30 year old building that is in need of repair. As a result, Chuck asked the group about renovating the building for the 21st century.

Chuck reported that at the subsequent meeting, there was an architect, but no cost estimates. He was told a renovation would take five years to complete. He is not sure what the committee plans to do next. Chuck highlighted the fact the MVRHS is a \$50mm entity with no long term capital plan.

MV@Play: Chuck met with Spike Smith who is one of the three individuals bringing the MV@Play project forward. Chuck learned that MV@Play initially proposed a grass field and the cost would be 50% less than turf. Chuck explained that 48% of use would be for MVRHS and 52% would be for youth leagues and adult events, but MVRHS would accept 100% financial responsibility for maintenance.

Chuck said the Martha's Vineyard Commission has accepted the project as one to be reviewed as a Development of Regional Impact. As such, MV@Play will not happen this fall. The track coach apparently did not schedule any home track meets this fall because of the track's poor condition. He added the HS Committee asked for a contingency plan for the track.

CPC Committee Report

Gary reported there is one issue in front of the CPC which is a warrant for \$900,000 to assist the Island Housing Trust in the development of the Fire Station Lot Affordable Housing Project which consists of a maximum of seven buildings (excluding non-habitable outbuildings), with a maximum of eighteen bedrooms on Town owned land at 565 Edgartown Road. Chuck said he would like to see the budget for the project and asked about additional funding. Gary responded that if the project was not fully funded, it would not receive CPA funds because CPA funds are not released until receipts have been submitted.

Gary explained that there is a feeling of disappointment that even if WT residents are prioritized, that prioritization ends after the initial placement. After an original resident moves out, WT residents are not giving priority. Chuck asked how much Tisbury is going to contribute because the town has already contributed \$260,000 of CPA funds for three IHT apartment projects there.. Doug pointed out that as a housing advocate, he views the lack of affordable housing as an Island wide problem, people living where they can afford and working where they find a job. Skip added that this project would be using town property.

Correspondence/Scheduling

The Committee received a copy of the warrant article submittal sheet for the Fire Department requesting \$140,000 be placed in the stabilization fund for a new pumper truck.

The Committee received a copy of the Beacon and the Massachusetts Municipal Directory.

There will be two Fin Com meetings in October:

- Tuesday, October 4, 2016 @ 5:30pm at the Howes House
- Tuesday, October 11, 2016 @ 5:30pm at the Howes House

Agenda items will include:

- OPEB recommendation letter for the UIRSD
- Follow Up Personnel Board letter
- IHT Nine Apartments
- Finance Committee budget

Adjournment

Greg move to adjourn. Doug seconded the motion which passed 4-0. The meeting was adjourned at 6:18 pm.

Schools Subcommittee of the Finance Committee Meeting

Committee: Gary Montrowl – Vice Chair, Chuck Hodkinson, Greg Orcutt

Guests: Skip Manter – Selectman

The Vice Chair called the West Tisbury Schools Subcommittee of the Finance Committee meeting to order at 6:19pm.

Approval of Minutes of Previous Meetings:

Chuck moved to approve the May 24, 2016 minutes as submitted. Greg seconded the motion which passed 3-0.

Adjournment

Greg move to adjourn. Chuck seconded the motion was passed 3-0. The meeting was adjourned at 6:21pm.

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 3-0

Date: 10/11/16