

**West Tisbury
Finance Committee Meeting
Howes House
February 9, 2016**

Attendance

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

Guests: Jennifer Rand – Town Administrator, Bruce Stone – Town Accountant, Richard Knabel – Selectman, Skip Manter – Selectman, Matthew D’Andrea – Superintendent of Schools, Peg Regan-MVRHS Interim Principal, Mike Marcus-UIRSC member, Mary Boyd, Donna Lowell-Bettencourt-West Tisbury School Principal, Susan Stevens-Chilmark School Principal, Robert Moore – MVPCS Director, Hope McLeod – Interim Director of Student Services, Mark Friedman, Amy Tierney – MVRHS School Business Administrator, Mark Friedman-MVRHS Finance Manager, Robert Lionette – UIRSC Chair, Kate Devane- UIRSC committee member, Leslie Clapp-Center for Living Executive Director,

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

Approval of Minutes of Previous Meetings:

January 29, 2016 – Greg moved to approve the minutes as submitted and Doug seconded the motion. Doug had changes to the minutes which he will submit to Margo who will circulate to the Committee. Greg withdrew the motion and the Committee will vote on the minutes at the next meeting.

Old Business

Budget 540 Center for Living

Leslie Clapp began her presentation by stating that the building is not yet acquired and although Leslie believes the building will be purchased on or around March 15, it gives little time for renovations by July 1. Additionally, the CFL board decided to revise the budget and operate under the four day program instead of increasing to five days. Leslie will give a revised budget to the Committee.

Leslie addressed the issue of staffing by explaining the program operates 30 hours/week. Leslie does not have a need for a 40 hour person, but does need staff for an increased number of clients, projecting up to 25 clients/day. The required staff to client ratio is 4:1, so staff must be 5:1 including the director. Doug said that going from 18 hours to 26 hours is an expensive change. He said that he recognizes the ratio requirement, but asked if the CFL can fit another three or four clients with four staff people plus one director. Leslie responded that she thinks that is possible and explained one of the reasons the CFL has difficulty now is they don’t have control of the exits in the current space. Leslie explained that in the new building, they will have alarmed doors and more space.

Gary asked when the Finance Committee would be able to see a revised budget and Leslie responded that she expected to have it by the end of the week.

The Chair asked if the reason driving the increase in employees is that the CFL is moving into a new building and the trust is giving them \$1,000,000 which creates the need to move to a medical model. Leslie answered that the first thing discussed in the trust is the new building. With county involvement

and the building, the CFL will use funds from the trust to make the bulk of the renovations. Once the building is completed, there is language to be able to provide a medical model. Leslie explained a goal of the trust is for the CFL to provide service to more people. Expanding to five days is the first step in accommodating more clients. The medical model is highly regulated and requires dealing with Mass Health. Currently, the CFL accepts clients with medical needs if they bring a caregiver.

The Chair expressed concern that the medical model is not sustainable and is being driven by the gift and asked if the town or the county should be providing medical services. Leslie answered that the CFL would be careful before making a full medical model leap. The CFL will provide service to more people including people with medical needs who bring a caregiver. Doug asked if the medical model was being driven by the wording in the trust. Leslie answered that there may be opportunities to partner with the VNA and hospitals. However, the CFL will have to work with the trust attorney.

The Chair asked if the CFL can use funds from the trust for operating expenses. Leslie explained they cannot use the funds to supplant current program funding and the trust wants them to use the funds for growth. The Chair is if the Fin Com had a final budget to vote on and Leslie responded no, she did not have a final budget.

Doug asked about the percentage increase in personnel costs. Leslie explained that the CFL used to be operated by the town of Edgartown, but the positions at the CFL were not put on a wage scale. When it shifted, there were two employees that would be county employees and those positions had to fit into the county wage scale. Doug asked if everybody was going to be a county employee. Leslie responded no, the CFL has two county employees and some nonprofit employees. The replacements of the county employees will be nonprofit employees. Because everyone is working for the same program, it makes sense that pay scale and benefits be similar.

Doug further explained that he sees an increase of 19% on one staff line. Every increase with the exception of one is over 6%. Leslie responded that when job descriptions were reviewed and had to fit into the county wage scale, that is how it fell out.

Budget 311 Up Island Regional School District

Budget 313 Martha's Vineyard Regional High School District

Superintendent's Office and Shared Services Budget

The Chair initiated the discussion with a procedural issue, noting that budget 7G was emailed to the Committee at noon today. Superintendent Matt D'Andrea explained they were hoping to vote last night, but could not because of weather. Because the budget must be posted in the paper for two weeks prior to the budget hearing, they are shooting for February 29, 2016. The Superintendent's Office and Shared Services budget ("Shared Services budget") and the High School budget have been voted. The UIRSD is the only one which has not been voted.

The Chair asked if draft #4 of the budget is the same as draft #3 which the Committee has had in its possession. Amy Tierney explained that draft #4 has been updated with the teacher negotiation contracts.

Superintendent Matt D'Andrea began the presentation of the Superintendent's Office and Shared Services budget by stating that one of his goals was to slow the growth of budgets. The Shared Services

budget has overall growth of 3.1%. A large portion is special education and there were not many changes to special education programs other than switching personnel around to service the students. The Superintendent's office hired an individual who will lead a process of really looking at programs and providing suggestions of how to do things more efficiently.

The impact of the Shared Services budget shows up as an 8.0% increase for Up Island. In FY16, Up Island was undercharged by \$15,397 because incorrect census data was used. As a result, for the FY17 budget, the increase is based off of the FY15 amount. The combination of working off of FY15 number and the increase of West Tisbury students makes the increase look larger than what it is. UIRSD will not be charged the \$15,397.

The Superintendent continued the presentation by highlighting the analysis which shows where the Shared Services budget is increasing and where it is decreasing. An increase of \$131,825 (75.92% of the increase) is attributed to an increase of salaries/increments. Benefits, payroll obligations, longevity and other contractual obligations make up the rest of the increase. The Superintendent's office was able to do some cutting in program expenses, professional development, transportation and technology so the overall increase to the budget is \$173,640.

Gary asked what percentage of the Shared Services budget is attributed to special needs. Matt responded he would have to come back with that number.

Greg asked about the person hired to come up with efficiencies and savings and how long they will take. The Superintendent responded he hoped to have a report before Christmas. Doug asked where the expense is shown. The Superintendent responded it will most likely be covered with grants.

Doug asked about grants. Amy Tierney explained that they will not know about the amounts for grants awarded until October or November so they do not yet know FY17 amounts. Doug asked if grants were income and noted they are listed at \$0 in the FY17 budget, but were \$80,000 last year (page 4). Doug asked how that would affect the total if all of the grant money comes in. The Superintendent explained the grants received have been consistent. As the Governor builds the budget, the Superintendent's office would hear beforehand if budgets or grants were going to be cut.

Doug asked if the amounts listed for grants were actually expenses against grant income. Amy Tierney responded yes. Doug asked if the grant amounts listed have nothing to do with the assessment – if the grant comes in, you'll spend it. If it doesn't come in, you won't. The Superintendent responded that Doug was correct.

Gary said that what appears as an expense was being drawn against a grant in a previous year. Amy agreed and said it actually doesn't start until October 1 so we won't know about FY17 until October and added that grant spending is in addition to the other columns. Doug asked that if that money doesn't come in, the programs don't have it. The Superintendent and Amy agreed.

The Chair noted that \$173,640 is the budget increase and asked if \$80,000 of grants were awarded, would that cut the budget increase nearly in half. The Superintendent responded that it could. The Chair asked what would go into the decision making process to determine if there would be a reduction. The Superintendent explained that students come in and leave during the year. If \$80,000 in grants was received and there was a need which required patchwork, it would be used for that. Because the needs of the students can change so quickly, it can be tricky.

Doug asked if grants awarded are generally directed to a specific use and he also asked if there are such things as grants where you can decide where to use them. The Superintendent replied yes. Doug asked if there is someone in the Superintendent's office searches for grants. The Superintendent responded that they don't have anyone right now whose primary purpose is to find grants, but both the principals and the special education director are always looking for grants.

Sharon asked if a line is \$100,000 and the Superintendent's office uses \$80,000 in grant money, would that line be \$180,000 or would it go back to the \$100,000 in the following year. The Superintendent responded that if it was a one time grant, they would have to make the decision whether this was something that needed to be added to the budget or not.

MVRHS Budget

Peg Regan started the presentation pointing out that lines one through 71 are the high school portion of the shared services budget and there is a 4.34% increase. Lines 72 through 179 are the high school portion of the budget where there is a 0.96% increase. Other school and community services have a 3.4% increase and operation and maintenance of the high school plant including the Superintendent's office have a 6.06% increase. Fixed costs have a 0.35% increase.

Peg highlighted revenues and noted that the amount for Excess & Deficiency offset was \$0. In the past E&D had been included to reduce the assessment, but the school board voted not to include it this year.

The entire budget is \$18,663,094. After revenues, total assessed is \$16,425,344.35 of which \$2,667,400.79 is assessed to West Tisbury.

Gary asked what the percentage increase was to West Tisbury. Bruce Stone replied it is up \$85,470 or a 3.3% increase.

Doug asked how many students were in the high school. Peg Regan responded 659.

Gary asked about Line 54 Speech Teacher Salary which is up nearly 10%. The Superintendent responded the change is from four speech and language teachers and one assistant to five teachers.

Gary asked about line 72 Secretaries, Prin and how many secretaries are employed. Mark Friedman, MVRHS finance manager, said it is level funded with a contractual increase and he believes there are five secretaries.

Gary asked about line 93 Salary Increments Noncontract up 160%. Mark Friedman said that is the line item that funds increases for nonunion staff. It is a central pool which the Superintendent decides how to allocate the next year. Gary asked if it was bonuses. Peg Regan explained that if the teachers received a 2% increase, then it would be sort of commensurate for non-union employees like a principal. That line is also used to fund a new hire or to address certain positions that have fallen behind. Bruce Stone asked if that was based upon a certain percentage of the noncontract people. Doug and Gary both commented that it was a big increase. Mark explained the money is not always appropriated out to positions every year. Peg explained that three positions were eliminated out this year, but there were positions that had fallen behind.

Gary asked about line 135A Sal, CTE Child Care which is up \$13,000. Peg Regan explained that is the career and technical/vocational director. The assistant principal position was eliminated and this is now a combined position.

Gary asked about lines 213, 215, 216 and 218 all of which are related to buses and noted that there is a big increase including maintenance up over 10% year over year. Amy Tierney explained the bus fleet is maintained by the Vineyard Transit Authority with which the high school has an annual contract. They had not increased the contract in several years plus more buses were added.

Gary asked about towing. Amy responded the VTA used to tow as part of the contract, but that is no longer the case. The cost is typically \$800 per tow. Gary asked about Bus Parts and Supplies. Amy Tierney explained the fleet had a five year warrantee and now it is the eighth or ninth year. Gary asked about a replacement program. Amy explained they are purchasing three new buses which will leave spares and allow them to trade out three every year. Currently there are 28 buses.

Gary asked about lines 221 and 222 noting the line for drivers is up \$45,000 from \$65,000 to \$110,000 which is a big jump. Amy responded that there had been an off island driver who was considered to be half activities and half special education. After he quit, the system was rearranged to have three drivers on the island share the management and special ed driving. Amy pointed out that a decrease in line 228 helps to offset the increase. One person received a small raise, but a benefits package was saved when the system was rearranged.

Gary asked if the increase in line 222 Sal, Sped Bus Monitor was up because more children require monitors. Amy confirmed that was the case.

Doug asked about line 123 Sal, ELL Teacher. Peg Regan said that line 123 was adding another ELL teacher because there are more students at the high school.

Doug asked about line 130 Sal, CTE Culinary Arts. Peg Regan explained that the program is now closed to students so a half time culinary arts person was added.

Doug stated there were 659 students and asked how many there were last year. Mark Friedman said there were 682 the prior year. Doug asked for the number of teachers and Peg Regan responded 80 licensed teachers.

Sharon asked how many units have not settled. The Superintendent said there were four more units to settle. Sharon pointed out that could lead to future changes and the Superintendent concurred.

The Chair asked about line 89 Office Computer HS Princ. Peg explained that for all admin computers in the school. Mark added that keyboards, mice, printers and software are also included in that line and it covers about 20 people. The Chair pointed out that \$6,000 was spent in FY14 and FY15, but the budget is \$10,000.

The Chair asked about line 168 Computer Capital Equipment Purchase/Lease and line 166 Maintenance of Tech Equipment. Amy Tierney said that the administration side and the instructional side must be separated. Peg explained there was a technology upgrade last year for students and teachers.

The Chair asked about line 83 Principal Other Expense and line 83 Principal R&D. Peg Regan explained those are the two funds the principal has of discretionary money for conferences, new software, and curriculum development. Light refreshments for parent/teacher events are also covered there.

The Chair asked about the fact that the E&D offset of \$175,000 was not being used to reduce the assessments and asked what it would be used for. Mark said that we do not yet know the E&D amount for FY17, but that last year it was \$877,000 which was still under the 5% cap that the state law allows. Any E&D funds over 5% of the budget must be returned to the towns. Last year the school committee voted to put in \$175,000 from E&D to offset the loss of Mass School Building Authority revenue. Last year was the last MSBA reimbursement so there was a precipitous drop in revenue. In order to help lessen the blow of the loss in revenue and to ease the transition there was a \$175,000 E&D offset.

The Chair asked about how the \$800,000 is spent. Peg Regan said last year it was used to maintain the facility. In the past some has been used to repay facilities which is why we are getting to the end of the line to use E&D or the operating budget to maintain the facility. Peg added there have been discussions about using E&D to look at unfunded liabilities going forward. The Chair if that would be used for the \$14,000,000 OPEB liability.

Katherine also expressed dismay that \$800,000 is not returned to the towns. Amy Tierney explained that the school is allowed to keep 5%. The Chair explained that every year the Committee is met with constantly increasing budgets and it's as though it is the schools' money, but it belongs to the people who pay taxes. Katherine continued that West Tisbury spends 60% of its budget on the school budget. Although the budgets are well thought out, over 60% of the West Tisbury town budget goes to the schools and Fin Com has no control over it. In fact, Fin Com can't even get a final budget and it is almost the end of February. The Chair asked if there a way for the Committee to impact not only the process, but also the sense of entitlement to this money without ever giving it back. Peg Regan said she for one does not feel entitled and agreed that it is the taxpayers' money which must be used prudently. Peg continued this administration does know how hard people on Martha's Vineyard work to pay their taxes and most are very grateful for the money teachers and administrators earn and that the kids have a good education. Going forward, Peg said, we need to look at how we use funds for and be good stewards. Peg added that she couldn't be more grateful for what West Tisbury has done and she wouldn't be here if she didn't know she had the support of the towns to move the high school forward to the next principal.

Doug added that it is a tough argument. On one hand, education is the single most important thing that any municipality does. Yet the ratio of 659 students to 80 teachers is 8.2 which seems very low. Payroll is such a large portion of any organization and once again, this town is facing a proposition 2.5 vote this year. Peg Regan explained that the per pupil ratio is actually 14 to 1. Median class size is 14 and each teacher teaches five sections. Peg further explained that class sizes are low and over time that will need to be addressed, but the school has been loathe to lose first or second year teachers because as other teachers begin to retire, it is very difficult to find or bring licensed teachers to Martha's Vineyard.

Sharon said that regarding E&D, she understood that as a region, it is the school's right to keep those funds. However, she objects to the way the funds are spent. Sharon explained that she thought E&D funds should be used for emergencies such as a furnace or roof repair, not for bolstering programs or supplementing the budget. The Superintendent explained that he agreed and did not know how E&D was used in the past, but there are significant facility needs at the high school and that is where he

would like to use the funds. The Superintendent added that he did not feel entitled to the funds, but he does feel responsible and addressing the needs of the facility is also a responsibility.

Amy said that the majority of E&D spending at the high school has been spent on the facility. Amy added that the 5% reserve is something the bond rating agencies are looking for and in prior years, the schools have been questioned in years when that money was spent.

The Chair asked if the Fin Com could see where E&D has been spent over the last five years and Mark Friedman agreed to provide the information.

UIRSD Budget

Mike Marcus took objection to the Chair's comments that the Fin Com does not influence the school budgets. He said the largest part of the school budget is salaries and in the latest round of contract negotiations, there was no participation by the West Tisbury Fin Com. Mike said that he asked in three or up to five emails for Fin Com participation. He continued that WT was the only Fin Com on the Island that did not send a representative to the teacher negotiation meetings. Mike explained it was difficult to not have a WT Fin Com representative there.

The Chair explained that she did not think the Committee was obligated or that it was necessary to participate and added that she received very short notice. Nobody from Fin Com was available and she did not recall receiving five notices. The Chair recalled receiving an email from Jen Rand, but did not receive an answer to the question of the number of meetings and the schedule which made it difficult for someone from the Committee to make a commitment. The Chair explained that when she spoke about input she was referring to the process. In addition to the budget going up every year, the Fin Com does not even have control over when it receives the budget. One of the questions is how can we move this process so the Committee can get the data earlier. How do we get the information we need to make an informed decision? The Chair explained the schools were scheduled to meet with the Fin Com two weeks ago and it was canceled because the Superintendent thought the budget would change. Did it change? The Chair stated the process gets a bit cumbersome and although the personnel costs are part of it, it is a process that involves getting information and data. If it didn't change very much, why didn't we meet two weeks ago?

The Superintendent said that he'd take responsibility for that. Being new to the process, he thought the schools only met with the Committee once there was a certified budget.

Doug said that he wanted to address the negotiations. He explained his understanding was that there were an unspecified amount of meetings and the dates were not scheduled in advance. He wanted to participate, but will only accept a role if he can do it properly. He couldn't make the commitment if there was no schedule because he rearranges his work schedule to attend meetings.

Sharon explained that she could not participate because she had been on the other side of the table. Sharon added that there are five units and there still are four more to go. Mike Marcus responded he would have liked to negotiate a better deal and it would have helped to have support from the town. The Chair noted the shift in conversation focus, and stated the Fin Com will do its best to send a representative to be supportive of negotiations in the future.

Kate Devane said this conversation is indicative of many conversations that have gone on this year and that as a town, West Tisbury and the school committee is losing the focus of why we are here. Kate

noted this meeting was taking a contentious turn and explained that we are trying to work towards a successful, good school program for the children of our community with a budget that is acceptable to the taxpayers of this town. Kate further stated the school committee has worked very hard on this budget and was hoping for some support from the Town during the negotiation. Kate noted it could have been a FC member, or it could have been someone else because the school committee sent a letter to Town Hall. Kate agreed the committees should get together sooner. The school committee would like to include the FC in some of the meetings so the Fin Com can see where the school committee is going.

The Chair asked if there were West Tisbury representatives on the school committee. Kate responded that the reps are herself, Mike Marcus and Skip Manter. The Chair asked why an additional representative is necessary and Kate replied that the school committee is working all year long and then when it presents the budget to the FC, she gets the sense the FC would like to make changes and doesn't think the school committee has been working hard. Kate continued that if the FC feels that strongly that the school committee is not performing well enough without the FC's guidance, then maybe the school committee needs the FC's guidance.

The Chair again reiterated that her issue is with the process and said she did not suggest the school committee is not working very hard. She explained there are three people from West Tisbury who are part of the process. From the Fin Com, Gary Montrowl and Greg Orcutt attend the UIRSD special committee meetings so the Fin Com is participating in school issues. The budget is frequently very large and despite comments year after year it doesn't seem to get smaller.

Doug went back to student/teacher ratio. Although salaries are determined by contract, it is his understanding you can choose how many teachers. Kate said there are certain situations where there is a 1:1 ratio and she thinks the West Tisbury School has done a good job of combining positions.

Gary said he attended several meetings and saw how hard the school committee worked. He also sees the Superintendent's office is working hard on special needs. He sees Skip looking at the School Choice formula. There are a lot of good things going on. It's not just about the schools. Salaries are driving all of the budgets. Gary explained that as a committee, Fin Com is struggling with how it can get its arms around rising personnel costs.

The Superintendent led the Up Island Regional School District presentation with the fact that the budget includes short term and long term debt totaling \$107,957.50 which includes borrowing to improve the facilities. Windows, siding and significant roof work have been done. Additional work at the West Tisbury and the Chilmark schools needs to be done including bathrooms, flooring, front doors and security, air conditioning, roofing, outdoor decks, alarm panel, heat and gutters which totals \$998,401.

The Superintendent explained additional ELA enrichment is also added to the budget. He also stated a significant number of students could benefit from breakfast. Lunch participation has increased significantly over the years.

The Superintendent highlighted that offsets include \$100,000 in Medicaid reimbursement, School Choice and circuit breaker. The budget includes an additional \$50,000 for OPEB. The overall budget increase is 3.18% and 4.08% for the assessed budget and 4.34% increase in the West Tisbury assessment.

The Chair asked how residential placements were decreased. The Superintendent responded that a student will be moving to the high school in FY17.

The Superintendent highlighted enrollment data and ten year projections and summarized that the school population in West Tisbury has been increasing. Donna Lowell-Bettencourt highlighted school accomplishments.

Gary asked about Project Headway. Donna responded it is an integrated preschool program for kids ages three to five that are significantly impacted. Donna added this is included in the Superintendent's Office and Special Services budget. Hope McLeod explained there are two programs each able to support seven kids with moderate to severe needs.

The Chair asked for the latest date the school budget would be certified. The Superintendent responded March 9, 2016.

Greg asked about School Choice. The Superintendent did not think there would be any changes this year, but it is quite possible there is a change in the formula in FY18.

Doug noted that given the number of School Choice kids that end up in West Tisbury, the math is not going the right way. Doug explained there are 45 kids and West Tisbury receives \$5,000/student and pays \$3,400/student for the Superintendent's Office and Shared Services budget and from a financial perspective, that has to be fixed.

Sharon asked about the breakfast program considering the problems with budgets. She explained that the town is looking at proposition 2.5 and the breakfast program is not a necessity. A savings of \$100,000-\$150,000 would matter. Sharon suggested waiting a year or two because the cost of school repairs is significant this year.

Sharon asked about funds budgeted last year for repairs. Donna explained that last year Excess & Deficiency funds were used for school repairs and again this year, \$100,000 from E&D would be used for repairs.

Sharon asked about the kindergarten bathroom. Donna responded the bathroom has been repaired from the flood to the way it was, but the bathroom is not up to the current kindergarten standards. The school is appealing and working with the building inspector.

Sharon asked how the repairs would be funded. Amy Tierney explained that even though it is short term borrowing, it will require a vote because the amount is close to \$1,000,000. The school committee will vote and inform the town which will have 60 days to reject. Sharon explained that it is difficult for the Town to meet the 60 day deadline and it would be more straightforward for the school to go to the towns with warrant articles instead of short term borrowing. Sharon noted there used to be and no longer is a maintenance line item in the school budget. Sharon asked that the focus this year be on the maintenance and not extra things like breakfast.

Mike Marcus said a significant portion of the breakfast will be a reimbursement from the federal and state government and a majority of kids who would use the service are receiving reduced lunches.

Mike Marcus stated that School Choice was an oversight by the school committee which did not realize that the Superintendent's Office and Shared Services budget was being paid by the school and overtures have been made.

Robert Lionette explained the issue of borrowing for repairs is a five or ten year plan to address upfront the necessary upgrades to facilities instead of using E&D. Ultimately the goal is to come up with a true maintenance plan.

Doug addressed the School Choice issue saying that most people probably evaluated the situation assuming a few kids would be in the School Choice program. However, the economics are very different with 45 kids in the program. Doug stated his inclination was not to accept any more School Choice students.

Robert explained the goal of the school breakfast program is to make it a zero sum. The school committee gave it a lot of thought and scaled back from a more robust request. Sharon explained she still didn't think breakfast was a necessity at this point and she is concerned about the taxpayers.

Donna addressed the school breakfast issue, stating that over 30% of the students receive free or reduced lunch (most are free lunch) and there is a large group of students that come to school hungry and are not at their best in the morning. There is a new way to certify kids and the school is now more aware of the number of students who will benefit.

Mike Marcus explained the school committee wants to see changes made. If it is costing West Tisbury, it is not something the school committee wants to participate in. Mike further explained other schools are receiving state funds because the students that are sent to West Tisbury still count in the foundation enrollment numbers. The school committee is concerned with larger class size and the cost of expanded enrichment programs due to School Choice students.

Greg asked about the recreational area at the West Tisbury School and if there was a CPC article. Donna said the selectmen voted to take it off the warrant and the school will present to the CPC.

Skip Manter agreed with Mike's summary of School Choice. Skip further explained he wanted the school repairs to be separate warrant articles so the voter could choose which projects to accept. However, a different way is to borrow the \$1,000,000 so the impact could be spread over ten years and avoid a spike in the budget this year.

Skip noted there is \$500,000 in new spending in the school budgets and enrollment at the Chilmark school is down 20%.

The Chair suggested the Committee wait to vote on the school budgets since there was not much time to review the documents. The Committee concurred.

The Chair thanked those who attended the meeting and voiced appreciation for their hard work. She also asked the Superintendent if there was a way to change the process so that the Committee can receive the information earlier in the year.

New Business

Budget 145 Town Treasurer

The Chair asked what the 5.1% increase represents. Kathy explained that she has one more step increase coming and there is a tiny COLA and slight increase in expenses because there are now affordable care act forms to complete in addition to the w-2 forms. Bruce added that with 0.55% COLA (instead of the 1.7% preliminarily proposed), the personnel increase is up 4% from the revised 2016 budget which is mostly the final step increase for the treasurer position.

Budget 710 Debt Service

Kathy explained that long term debt went down to \$742,000 from preliminary and short term debt is down to \$130,441 because highway department building estimates are coming in lower than expected.

Budget 751 Long Term Debt Interest

Kathy explained the Interest is on what the town has already voted for and the new debt as a result of the highway building is all in Short Term Debt because it is the first year.

Budget 752 Short Term Debt

Kathy said that short term debt is higher than last year because short term debt for a year while we are building the highway department building, fixing the Howes House roof and buying a highway dump truck. When that year is over, we will be borrowing for a more precise amount. Katherine asked what would happen after one year. Kathy responded the Town would probably borrow for another year, but would voluntarily pay down principle because it is cheaper than going out to bond for a small amount.

Doug asked if the short term mechanism is a credit line that is drawn down as necessary. Kathy said that the vote is for maximum amounts, but when we borrow, we will have firmer quotes. Kathy budgeted for a 1.25% interest rate.

Budget 911 County Retirement

Kathy explained the county retirement budget is an assessment and we are in the three year process of changing the way we pay for retirement. It used to be based on salaries, but now incorporates actuarial calculations. Next year is the last year of the transition. Going forward, the amount will be for both people who will be retired and collecting a pension and also to work on funding the pension. Bruce added that for county retirement, there is a law which states you must be fully funded by 2032. Kathy said that West Tisbury is on track for 2028.

Budget 912 Workers Compensation

Kathy said that rates have been going up and that rates are not only based on payroll, but also how the payroll is rated based on risk. Kathy added that we get some credits for good history. Doug asked if there were any WC claims. Kathy answered that generally there are a maximum of three per year and the claim is injury only, not time off. She further explained it is typically somebody slipping and falling or hurting themselves lifting.

Gary asked who sets the WC rates. Kathy said that she believes it is set in large part by the state. Jen Rand said that there are only two companies that will service the Town for WC. We have been using the same company for a long time. We will contact the other company this year. In the past, the other company was not accepting additional towns, but that has changed. Jen did not believe there would be a substantial difference if the other company is used, but will go through the exercise.

Bruce pointed out the percentage increase over FY16 is not as great as it looks because FY16 is actually higher than budget.

Budget 913 Unemployment

No questions

Budget 914 Health Insurance

Kathy explained she did have final numbers from the Cape Cod Municipal Health Group Board which is not meeting until February 10, 2016. The worst case is a 12% increase. Kathy estimates it will be 11%. The range is 9.5% to 12.2%. Kathy explained the other actor is that we are also building in for known retirement for one employee who will be replaced and that replacement will take health insurance. The town has also added two new positions.

The Chair asked for the ballpark cost of health insurance for a benefitted employee. Kathy responded that \$7,000 - \$8,000/year for a family rate. Katherine asked about the variation of cost and Kathy did not have level of information with her.

The Chair asked for the cost of benefits for a new employee? Kathy answered that in the case of the Building Department, you take the pay rate multiplied by 1.8 or 1.9, almost double the salary. In the case of the library, the cost is more than the salary because the salary is lower. Kathy added that the Town is trying to make people aware if they are hiring a benefitted person, they are taking on far more than salary including pension, health insurance during retirement.

Budget 915 Life Insurance

Doug asked whose lives we are insuring. Kathy said it is a \$15,000 benefit for employees only. The cost is \$6.45/month of which the town pay 75% and the employee pays 25%.

Katherine asked how much of the medical insurance premium an employee pays. Kathy responded 25%.

Budget 916 Medicare Tax

No questions

Scheduling and Correspondence

The Chair confirmed with Jen Rand that a Fin Com warrant article vote on March 8 and March 9 is adequate timing. Jen Rand said vote timing was fine, but the deadline for submitting to the annual report is imminent.

Doug moved to submit the Finance Committee warrant article which changes the warrant article submission deadline from the first Tuesday in February to the first Tuesday in January. Greg seconded the motion. *The motion passed 4-1 with Sharon voting no.*

Adjournment

Greg moved to adjourn. Gary seconded the motion which passed unanimously. The meeting was adjourned at 7:45pm.

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 4-0

Vote: 3/22/16