

**West Tisbury
Finance Committee Meeting
Town Hall – Selectmen’s Conference Room
January 19, 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, Cynthia Mitchell – Selectman, Skip Manter – Selectman, Martina Thorton – Dukes County Manager, Tara Whiting – Town Clerk, Leslie Clapp – Martha’s Vineyard Center for Living Executive Director, Rise Terney – Martha’s Vineyard Center for Living Board President, Sarah Kuh – Vineyard Health Access Director, Beth Kramer – Library Director, Adam Turner – Martha’s Vineyard Commission Executive Director, Curtis Schroeder – Martha’s Vineyard Commission Administrator, Ernie Thomas – Martha’s Vineyard Commission Appointed Commissioner

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

Approval of Minutes of Previous Meetings:

January 12, 2016 – After making an edit to the minutes, Greg moved to approve as corrected and Doug seconded the motion. The motion passed unanimously.

The Chair began the meeting by stating that everyone in attendance was there to perform his/her civic duty. Another opportunity to perform civic duty and take part in democracy is to serve on town and regional committees. The Island Housing Trust, Energy, Affordable Housing, Capital Improvements, Conservation, and Personnel committees all have spots available and she encouraged those watching on TV to volunteer for those committees

Old Business

Budgets 114-491 which appeared before the Committee on January 12, 2016

The Chair asked if the Committee was prepared to take one vote on all of the departments that appeared at the budget hearing on January 12, 2016. Doug disagreed with this idea and explained his reluctance to use the proposition 2.5 override. Doug explained that payrolls generally drive most expenses up, faster than nonpayroll services and after analyzing the increase in payroll services, Doug found eight or ten proposed budgets with growth over 3.5%. Doug pointed out that one is as high as 9.1% and he expressed concern with the current structure in which salaries increase by 5% provided there is a successful employee review. Selectmen personal increase of 9.1%, police of 8.5% and tax collector of 7.5% are at the top of the list and Town Clerk and the Board of Appeals also have increases.

Sharon pointed out that the Committee voted in favor of the new classification wage scale as did the town so the salary increases are beyond the Finance Committee’s control since it already voted. Doug agreed that is true for this budget cycle, but with an excess of personal budget increases of 6% for several departments, it is something the FC should revisit.

The Chair brought the discussion back to the vote at hand and asked if there was a motion. *Greg moved to preliminarily recommend budgets 114-491 that appeared before the Committee on January 12, 2016*

excluding 136 and 141. Gary seconded the motion. The motion passed 4-1, with Katherine as the no vote. Sharon abstained from budget 200 - Fire Department.

Budget 146 Tax Collector

Doug suggested that given the concerns about the overall budget and personal increases, he would ask the Tax Collector to reconsider her salary increase. Sharon objected, stating that if this was the plan, the Finance Committee should have invited the Tax Collector to reappear. Gary suggested that the Tax Collector position is something the town may want to revisit and consider combining the Tax Collector with another position in the future. However, he stated he was loathe to tinker with the arrangement at this point in time because there is an arrangement in place for setting the Tax Collector salary. Perhaps the position should be reexamined after the current person leaves office. *Greg moved to preliminarily recommend budget 136 – Tax Collector. Gary seconded the motion. The motion passed 3-2 with Katherine and Doug voting no.*

Budget 231 Tri Town Ambulance

Doug voiced concern about the 12% increase in the personal line. Although this is a multi-town budget and it is a safety budget, we are faced with ever increasing budgets and it feels as though it is almost out of the Finance Committee's control. Katherine added that as far as the process goes, it creates a situation where it is the Committee against a person which is not what the FC is trying to do. It is important to allow people to explain the reason and rationale for a budget. Katherine cited that the FC is faced with a budget that has a 5.5% increase which will create new taxes. Department heads and committee chairs have written and voiced they have done a good job keeping expenses low, but that is not the case. The system has been in place for a long time and it feels like there is no one saying "no" Except for the Finance Committee. Katherine continued that she believes department heads, committee chairs and boards have carefully evaluated the budgets and all town employees are acting in good faith. However, the budget has grown from \$10 million in 2004 to \$17 million proposed for FY2017. The question is, how do we stop this?

Katherine pointed out that the West Tisbury police department has ten full time employees and that the guidelines are to have 2+ employees per 1,000 residents and WT has 3+ employees per 1,000 residents.

The Chair summarized by asking if the voters want a town where we continually raise taxes every year in order to accommodate the budgets. Doug suggested the Committee consider pointing out these issues and compiling something for the voters.

Gary pointed out it is two consecutive years with an override on the horizon. We spend a lot of time talking about affordable housing, the elderly and keeping our young people. If we keep raising taxes, we are going to start losing people in the middle due to taxes. We have an obligation to the tax payer to make them aware this cannot continue indefinitely. Gary agreed the Fin Com should highlight these issues at Town Meeting.

Sharon stated that she would like to delay the vote on Budget 241 Tri Town Ambulance and the Committee should ask them to come back. She stated that the FC is not helping TTA by failing to tell them about the concerns the Committee has regarding the TTA budget. By the Committee's actions when TTA appeared, Sharon did not think they expected there were lingering issues on the FC's part. Sharon also pointed out that the biggest increase is with the Selectmen's budget and the Committee has not asked them to appear for a budget hearing.

Doug stated that the total increase to the TTA budget is less than 1%, but the payroll portion is a dramatic increase. As a result, Doug would not be voting against the TTA budget.

Gary moved to preliminarily recommend budget 231 – Tri Town Ambulance and Greg seconded the motion. The motion passed 3-2 with Katherine and Sharon voting no.

New Business

161 Town Clerk – Tara Whiting

Gary led the discussion with the same question the Committee had for the Tax Collector which also is an elected position, asking The Town Clerk how her wage increase is set. Tara explained that it was in the 1980's when the bylaws started that elected officials looked for comparable positions to determine salary. Tara follows what her predecessor had done and pegs her position to the current wage scale. Gary asked that since the Town Clerk pegs the position to a wage scale, why not make it more formal?

Katherine explained that the Town Clerk is an elected position and that it looks odd when the person in the position raises his/her own salary. She asked if there was a reason why it is structured that way and asked the Town Clerk how she decides her salary increase. Gary asked why the town can't make a more formal linkage for determining the increase which would eliminate putting the elected officials in an awkward position. Tara further explained that she is following the process her predecessor followed and that she has been in office since 2009.

Richard Knabel said there is nothing to stop the Finance Committee from creating a warrant article on what the Committee thinks the formula should be.

Doug noted that everyone except elected officials get a review which would be inappropriate on the town floor. Katherine noted that an election is effectively a review process.

Katherine asked when the position became 25 hours per week and asked if it the Town Clerk believed it should be a full time position. Tara responded that since took over the position in 2009, it has been part time. Some towns have a full time Town Clerk and an assistant. Although it becomes busier at times, especially during elections, she did not think it was currently a full time position.

Bruce noted that all departments and committee employees have job descriptions, grades and steps, and although elected officials are not part of the personnel bylaw, that doesn't mean they can't request to be part of that process. In fact, two years ago, the treasurer asked to be part of that process.

The Chair wrapped up the discussion by suggesting to Tara that a more detailed narrative would have helped the Committee understand her responsibilities and accomplishments and would be helpful in the future. Katherine asked Tara if she would mind if the Committee did not immediately vote on the Town Clerk proposed budget. Tara responded that she did not mind.

540 Martha's Vineyard Center for Living – Leslie Clapp, Executive Director, Rise Terney, Board President

The Chair asked the presenters to explain how their organizations overlap. Leslie explained that the Council on Aging is one organization which provides several services, the biggest of which is the adult day care programs out of the Edgartown and Tisbury senior centers. Other programs Leslie manages include an emergency food care program which is part of the greater Boston food bank, and a medical

taxi program for seniors to attend doctor appointments on the Cape, which is funded through grants and donations.

Doug asked why the proposed budget is up 38% over FY16. Leslie stated the reason is that once the Center for Living moves into the new building, the supportive day program can be increased to a five day program, serving 30% more people on a daily basis and creating a need for increased staffing. This accounts for the bulk of the increase.

Doug asked what is driving the move in date. Leslie responded the purchase of the building is the driver and that once purchased, renovations will need to be made. Doug asked that if the timing is not favorable and the budget is approved, but not needed, will it still be allocated. Martina Thorton explained that if that is the case, we could pay less when the second half of the assessment is due.

Gary expressed concern about personal services with at least four positions up 70%, 50%, 50% and 60%. The increase is not just hours, but also salaries and health insurance which is increasing from \$5,000 to \$55,000. Leslie answered that the goal is to expand the day program after moving into the new building which will require increased staffing. There is the possibility the program moves from a social based model to a medical model. The CFL has received a \$1,000,000 bequest which specifies that some of the funds can be used to move to a medical model.

Jen Rand pointed out that all positions had been unbenefitted but in the proposed budget, the positions are benefitted and 26 hours. Jen suggested hiring three positions at 35-40 hours instead of four positions at 26 hours. Leslie explained that a staff to client ratio must be maintained. Doug suggested hiring a greater number of people in unbenefitted positions.

Katherine asked with multiple organizations serving the aging population, are efforts being duplicated and is it necessary to move to a medical based model. Rise Terney explained that the CFL currently cannot service people with joint issues such as Alzheimer's disease and diabetes. The bequest received is specifically to set up a medical model and cannot be used to augment current services offered.

Katherine asked how many people were using the CFL services. Leslie responded 28 families are currently enrolled, but they are limited to 18 people per day because of space restrictions. Bruce noted that last year he suggested the CFL provide statistics about how many days of service are being provided by town, private and public pay and asked if that information is available so the town could see how many units of service were provided with the money it is paying.

Katherine asked if data from a recent survey impacted the CFL and provision of services. Leslie had not seen all of the data, but believed it indicated more people wanted to live at home and use community services and programs to help them stay at home. Katherine also asked how many of the 28 families were from West Tisbury. Leslie did not have that information with her, but will provide it to the Committee.

Gary asked about the purchase date for the building. Martina said March 15, 2016 is the anticipated closing. Bruce asked if there was any way we would know before town meeting if we will have money returned to us this year. Martina said that she did not think money would be returned, but the assessment for the second half CFL payment could be less which could be the majority of the \$50,000 that was budgeted for VNA maintenance.

Doug pointed out that the new building is supposed to increase clients serviced from 18 to 25, which is a 39% increase in line with the budget increase, offering no economies of scale. Doug also asked if there would be room for even more clients in the future in the new building. Leslie said that she would like to provide more services with the additional staff. Leslie also explained that five employees that operated the supported day program were employees of Edgartown and in order to protect them, they became county employees.

The Chair asked if was OK with Leslie and Rise if the Committee waited to vote and they responded yes.

525 Vineyard Health Access – Sarah Kuh

No questions.

610 Library – Beth Kramer

Doug recused himself from the discussion and voting.

Beth shared graphs demonstrating that circulation, visitors, programs and program attendance are all up. The budget submitted included a new position for programs which could not be covered by current staff. Beth said she would not look to add future positions.

Sharon asked about two circulation clerks hired in December, 2015 and Beth responded they were replacing clerks who had left. Sharon sad she did not expect the library to hire a new position this year. Beth explained the new position will cut down on part time benefitted people and allow other employees to do their best.

Greg asked why building and equipment supplies were increasing. Beth explained that Friends of West Tisbury Library had paid for landscaping maintenance and chose to pay for other programs instead of landscaping.

Bruce pointed out this year's actual receipts from Friends and Foundation are substantially higher than anticipated. Gary noted that the Permanent Endowment and MVCC grants looked like they were going down. Beth responded that grants fluctuate every year and the library just completed a \$15,000 federal grant and is approaching a private foundation.

The Chair asked at what point does the library stop growing? Why is the library offering yoga? Beth explained that as long as community demand is out there, it will offer free classes for people who perhaps cannot afford other classes. Beth continued that she hopes the community will start to take over the community space by offering programs. When the town, state and friends invested and built such a beautiful structure, it should be used to its capacity. Beth described the library's function to be about lifelong learning, not just books.

Katherine asked Beth if she minded if the Committee waited to vote and Beth agreed to a delay.

177 Martha's Vineyard Commission – Adam Turner, Executive Director, Curtis Schroeder, Administrator, Ernie Thomas, Appointed Commissioner

Adam Turner introduced himself, but had to leave before the presentation because of a scheduling conflict. He offered to meet with the Committee at a future date.

The Chair led the discussion asking about the \$2.2 million Other Pension Employee Benefits obligation. Curtis responded that two years ago the Commission budgeted \$10,000 and said would increase by \$5,000 each fiscal year. In the current fiscal year, the budget for OPEB is \$30,500 in FY17 and the Commission will apply an additional \$15,000 from surplus in FY16. Through an audit with Mass DOT, the MVC may be entitled to additional funds for overhead which, if received, will be earmarked for OPEB liability. Any surplus will go toward OPEB.

Katherine asked how the MVC arrived at a COLA of 1.84% and a merit increase of 2.4%. Curtis explained COLA is the average of the six towns based on FY16 (always a year behind) and the 2.4% merit increase is similar to a step system.

Greg asked why legal expenses were down and Curtis answered that the lawsuit with Edgartown had quieted down, but that there is a potential lawsuit about the hospital access road.

The Chair asked if the Committee was prepared to vote on budgets presented at the meeting. Doug preferred to wait. Sharon stated she preferred to vote while the presenters were still in the room as a courtesy to the presenters.

Greg moved to preliminarily approve budgets 161, 540, 525, 610, 177. Gary seconded the motion.

Doug expressed his general concern with the 540 Martha's Vineyard Center for Living budget because it includes a program that may not happen and salaries are budgeted to increase significantly. Gary asked if there is a pro rated system in place that the town will receive funds back if the move to the new building does not happen as scheduled. Bruce responded that Martina seems to think the purchase is on track. Jen pointed out that town meeting is in April and the purchase date is March 15 so there may be an opportunity on the floor if the purchase date is not March 15. There will be a couple of weeks to have a conversation with Leslie and Martina to discuss an adjustment on the floor which will take into account a delay.

Richard Knabel asked if the CFL budget was an assessment. Bruce said it is being treated the same as other county assessments in which they send us a bill on November 1 for half of the amount we appropriated and a second bill on May 1. Skip Manter asked what happens if we adjust our numbers, but the other towns don't do the same. Gary suggested we wait to vote to get confirmation from CFL that if the date gets pushed back, the increase in hours and salary does not go into effect until they move into the building and increase operations. Doug added that it could take several months after the move to be up and running due to renovations. Cynthia Mitchell agreed that the CFL does not appear to have a detailed business plan and is growing and assuming they are going to see more people and we have not seen projections.

Katherine suggested the Committee delay the 540 Martha's Vineyard Center for Living vote and that the Committee send them an email or letter.

Greg moved to preliminarily approve budgets 161-525. Gary seconded the motion. Motion passed 4-1 with Katherine voting no.

Greg moved to preliminarily approve budget 610 Library. Gary seconded the motion. Motion passed 3-1 with Sharon voting no and Doug abstaining.

Greg moved to preliminarily approve budget 177 Martha's Vineyard Commission. Doug seconded the motion. Motion passed 4-1 with Katherine voting no.

The Chair led a discussion about the overall budget stating we are faced with a 5.5% increase and I'm wondering what is our revenue projection and how do we do this? These budgets are almost solidified and yet don't know revenue or warrants. Is there a way to solidify this process?

The Chair asked Jen Rand as Town Administrator what happens when a budget with an 8.5% increase is submitted, after a letter requesting level funding is sent. She asked Jen if she provided oversight. Jen answered that some departments report directly to the board of selectmen and some are appointed boards.

The Chair asked Bruce about the letter he sent saying budgets should have level funding and what happens if a budget comes back higher. Bruce responded that approximately 70% of the budget is outside of town items and is comprised of schools and other regional assessments. You have another set of items such as debt service and benefits that are fixed. That leaves a small amount for expenses and personnel which is guided by personnel bylaws. Because it is the first year after the classification study, it appears there is a large increase in personal services. We have requested that when new staff is added that it be highlighted. The expense part of budgets actually is level funded. So many of the budget increases are driven by assessments and fixed costs for benefits and debt service.

Bruce stated the budget is \$17,573,600 including draft 6 of UIRSC and an estimate of MVRHS, but does not include warrant articles. This creates an Estimated Tax Levy of \$15,637,000. The Max Tax Levy is \$15,248,457. As of that point with just the budget (excluding warrant articles and use of free cash) we are \$388,000 greater than the Max Tax Levy.

Doug asked about free cash being \$100,000 at end of town meeting last year. Bruce confirmed it was \$50,000-\$100,000 after town meeting and is currently approximately \$745,000.

Sharon asked if the selectmen sent a letter to department heads and committee chairs requesting budgets be level funded. Bruce confirmed this was the case and the Finance Committee also sent a similar letter.

Cynthia Mitchell stated the town side of the budget, excluding schools and regional assessments, over which we have control is so small and the Selectmen have felt we've done a good job reigning in expenses. Gary added that most of the increases were due to personal service budgets which, one way or another, are out of the Committee's hands. Richard Knabel added the fraction of the budget under the Selectmen's direction is shrinking and we are staring at a huge bill from the high school which will be in the budget for the next 15 to 20 years.

Gary reiterated his point that we spend an awful lot of time worrying about affordability and being able to retain the elderly population and the young population, but we are starting to hollow out the middle by increasing taxes. We need to make the public aware that they need to think very carefully about these budgets and warrant articles because it is going to come out of our pockets.

Sharon asked that if a proposition 2.5 override is required and it does come down to the warrant articles, how do we go about getting the warrant articles on the ballot so that the people can decide what is passed. Bruce answered it is ultimately the Selectmen's decision to decide what the proposition

2.5 articles are. Bruce said that some of the budget line items could be part of the override. Sharon suggested in fairness to each department, it was beneficial to have items listed individually instead of in aggregate so that people can make specific choices. Doug agreed that he liked the individual choices, but asked if that increased the risk of not gaining enough votes for the override.

Katherine asked Bruce and Jen if the budget as presented was denuded of excess spending? She asked if there were things that could be cut from the budget. Bruce responded that there is an incredible demand for services and it is a time of growth right now.

Scheduling and Correspondence

None

Adjournment

Greg moved to adjourn. Gary seconded the motion which passed unanimously. The meeting was adjourned at 6:16pm

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 1/26/16

Vote: 5-0