

**West Tisbury
Finance Committee Meeting
Howes House
January 5, 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

The Chair called the meeting order at 4:34pm. A quorum was present.

Approval of Minutes of Previous Meetings:

December 9, 2015 – Greg moved to approve the minutes as submitted and Doug seconded the motion. The motion was passed 4-0. Greg abstained because he was not in attendance on December 9, 2015.

Old Business

None

New Business

Personnel Board Preliminary Wage Adjustment for 2016

The Chair reported that no one from the Personnel Committee was able to attend the meeting. A discussion ensued regarding the preliminary wage adjustment proposed by the Personnel Board of 1.7%. Doug pointed out that social security and military retirees were not receiving an increase and asked if the increase is truly a cost of living adjustment (COLA). Bruce informed the Committee that the bylaws state that it can't just be a cost of living adjustment and that it is a wage adjustment. Bruce also informed the committee that all budgets submitted include the preliminary 1.7% wage increase, but there will be a separate warrant article to approve the wage adjustment. Katherine asked Jen Rand if the selectmen give guidance to the Personnel Board regarding the wage adjustment and Jen responded "no."

Bruce suggested that if the Personnel Board used data from September to September instead of December to December, the PB Committee would have a final recommendation earlier.

The committee decided that because they are concerned about the preliminary recommendation and the fact the wage increase is not determined with one specific formula, it is necessary to meet with the Personnel Board to understand the recommendation. Additionally, Katherine will email the Personnel Board to express the Finance Committee's concerns about the preliminary wage increase. Upon Sharon's suggestion, Katherine will also request that the Personnel Board Chair attend the meeting with the Finance Committee.

Review of Budget Books

Bruce gave an overview of the budget books and handed out additional pages as well as a memo regarding the budget highlights.

Bruce pointed out some additional materials about the actuarial study regarding other post-employment benefits (OPEB) liabilities. The study is done every two years. For West Tisbury, the total actuarial accrued liability as of July 1, 2015 is \$5,982,313 and the unfunded portion is \$4,730,284. According to the study, the annual OPEB cost/expense is \$404,700 and the town is currently paying premiums and contributing to the trust a total of \$273,000.

In response to Doug's questions, Bruce explained that the Governmental Accounting Standards Board (GASB) methodology will change in the near future so towns will be required to report the entire liability in financial statements. However, this will not impact borrowing capability because the rating agencies are already aware of the full liability.

According to Bruce, the health insurance line item in the budget includes all healthcare costs for current employees and retirees. Due to both rising healthcare costs and an increasing number of retirees, that line has increased over time and will continue to dramatically increase over the next 30 years.

However, the Town is contributing to a trust for OPEB, but it is not fully active meaning that retiree health benefits are not being paid out of the trust. Bruce does not know of a detailed plan of when funds in the trust will be used.

Bruce pointed out the state mandated a 30 year period to fully fund pension liabilities. It is estimated that in 2028, the pension liability will be fully funded so there can be a transition from committing funds to the pension liability to committing those funds to the OPEB liability.

The Committee discussed each department/committee budget. The Committee decided to meet with the following department/committee heads:

General Government	
145	Town Treasurer
146	Tax Collector
152	Personnel Board
161	Town Clerk
162	Elections
163	Board of Registrars
177	Martha's Vineyard Commission
Public Safety	
231	Tri-Town Ambulance
241	Inspector of Buildings & Zoning
291	Emergency Management
Education	
311	Up-Island Regional School District
313	MV Regional High School District

UIRSC

No report.

Martha's Vineyard Commission

No report.

Correspondence

The Chair shared a report she received entitled "Town of West Tisbury Classification Presentation and Minimum Residential Factor for Fiscal Year 2016" and an article regarding "Payments in Lieu of Taxes" published by the Lincoln Institute of Land Policy.

The Chair shared a pamphlet "Municipal Financial Data."

Adjournment

Doug moved to adjourn at 6:40pm and Greg seconded the motion. The motion was passed unanimously.

Respectfully Submitted,
Margo Urbany-Joyce, Administrative Assistant

Approved: 1/12/16

Vote: 5-0

Roads & Sanitation	
421	Superintendent of Streets
422	General Highway Funds
423	Snow & Ice Removal
439	Martha's Vineyard Refuse District
Health & Human Services	
525	Vineyard Health Access Program
540	Martha's Vineyard Center for Living
Culture & Recreation	
610	Library
Debt	
710	Debt Service
751	Long Term Debt
752	Short Term Debt
Benefits	
911	County Retirement
912	Worker's Retirement
913	Massachusetts Unemployment
914	Health Insurance
915	Life Insurance
916	Medicare Tax

Committee Reports

CPC

Gary reported that CPC approved the following projects:
 Dukes County Regional Housing Authority rental assistance
 Island Housing Trust Kuehn's project
 Island Housing Trust accessory apartments
 Mayhew Chapel – only \$10,000 of the \$75,000 requested
 Martha's Vineyard Tabernacle project

CPC did not approve the Martha's Vineyard Museum marine house roof because the request is for a slate roof and deemed the Featherstone and cemetery requests ineligible.

Capital Planning

No report.