

**West Tisbury Finance Committee Meeting
Howes House
December 12, 2017**

Attendance

Committee: Gary Montrowl – Chair, Greg Orcutt – Vice Chair, Chuck Hodgkinson, Doug Ruskin, Katherine Triantafillou (phone)

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

The Chair called the meeting to order at 4:30pm. A quorum was present.

Approval of Minutes from Previous Meetings

Doug moved to approve minutes as edited. Greg seconded the motion which passed unanimously.

Old Business

Chair Term and Selection Process

There was a discussion regarding whether the optimal Chair term is two or three years.

Doug moved to set the formal Chair Term and Selection Process as follows:

- *Chair term will be set at two years.*
- *Chair term will begin at the first Finance Committee meeting following the annual town meeting.*
- *Chair position will rotate such that the Vice Chair will become Chair.*
- *Vice Chair position will rotate such that the next senior Finance Committee member who is not the Chair nor the Chair Emeritus will become the Vice Chair.*

Chuck seconded the motion which passed unanimously. The policy is attached to these minutes.

Finance Committee Budget

The Chair presented a draft Finance Committee budget with personal services of \$2,940.55 (down 1.4% from FY18 budget) and expenses of \$2,200.00 (down 1.1% from FY18 budget), creating a total budget of \$5,140.55 (down 1.1% from FY18).

Doug moved to submit the budget as presented. Chuck seconded the motion which passed unanimously.

Posting of the Budget with the Warrant

The Chair presented a draft letter to the Selectmen as requested by Dan Waters, Town Moderator, who asked for the Fin Com's support in petitioning the Selectmen to consider posting the budget and warrant together.

Greg moved to email the letter to the Selectmen as corrected for wording. Chuck seconded the motion which passed unanimously.

New Business

Financial Ramifications of Leaving UIRSD

Doug reported the West Tisbury selectmen are in discussion with the selectmen of Aquinnah and Chilmark to come up with a new UIRSD allocation formula. Greg added Aquinnah selectmen voted to comply with the formula that becomes agreed upon by the Chilmark and West Tisbury selectmen.

Doug explained that when the issue of a revised UIRSD allocation formula comes before town meeting, it is likely voters will want to know the financial ramification of pulling out of the UIRSD and it is the responsibility of the Finance Committee to provide this information.

There was a discussion regarding the methodology and complexity of a valuation including variables such as long term financing and OPEB obligations previously incurred, the Superintendent's shared services budget and special needs students. This led to a conversation regarding the optimal composition of a committee to perform the analysis as well as timing since budget and warrant hearings dominate the Fin Com calendar in January, February and March.

There was a concern that moving too quickly to form a committee and create the analysis would undermine the work of the joint task force process currently in place to revise the UIRSD allocation formula. The next task force meeting is January 11, 2018.

The Committee decided to add this topic to the next Fin Com meeting agenda with the discussion to center on the composition and formal structure of a group.

Town Employee Step Increases

The Committee decided Doug would send a letter to the Personnel Committee which contains the same recommendation sent last year requesting the Personnel Committee change the step increase process.

Any Topic Not Anticipated by the Chair

No discussion.

Committee Reports

Community Preservation Committee (CPC)

Chuck informed the Committee he has not been able to attend CPC meetings due to a scheduling change, but he did send the Fin Com comments on CPA projects.

Chuck reported the CPC voted on the following:

Conservation of S.M. Mayhew & Co. Peddler Wagon – MV Museum (\$50,000)

CPC voted to recommend.

Replacement of the Main Barn Doors – MV Agricultural Society (\$15,000)

CPC voted to recommend.

Door Replacement at the Old Mill – MV Garden Club (\$20,000)

CPC voted to recommend.

Greenwood Ave – Island Housing Trust (\$100,000)

CPC voted to recommend.

Kuehn's Way – Island Housing Trust (\$35,270)

CPC voted to not recommend because project is in court.

Funds for WT Affordable Housing Trust – WT Affordable Housing Committee (\$50,000)

CPC will vote at next meeting, but there is a request to increase the amount from \$50,000 to \$300,000. Of the \$300,000, \$250,000 is earmarked as an emergency request and \$50,000 is earmarked as predevelopment costs. Chuck said the DOR new regulation is to fund for specific projects so that CPC can determine project meets CPA requirements.

Rental Assistance – Dukes County Regional Housing Authority (\$80,000)

CPC will vote at next meeting.

Up Island Regional School District (UIRSD)

Greg reported the UIRSD budget will be up approximately 6% over last year and there will be another \$400,000 in warrant articles. Greg said the UIRSD school committee did a great job managing small expenditures, but the overall cost of educating a student is very high. Doug added the student/teacher ratio is very low and is driving costs. There was a discussion about how to change the thought process regarding overall costs and the student/teacher ratio.

Martha's Vineyard Regional High School (MVRHS)

Chuck reported there was a public hearing on November 27 in which budget draft #6 was presented. It was scheduled to be voted on December 6, but the required two-thirds membership was not present. Chuck said a similar budget was subsequently voted on December 11, 2017 and passed.

Chuck informed the Committee the MVRHS still has not learned if it will be accepted into the state grant program for the high school renovation. If accepted, it will save the taxpayers \$40 million of a \$100 million renovation.

Chuck shared the following analysis he prepared with the Committee:

- Operating budget is \$21,197,000 up \$1,244,833 or 6.5% over FY18. Excluding OPEB, medical benefits and maintenance, the budget is up 2.0% over FY18.
- The assessed budget for the towns is \$18,579,000 up 7.4% over FY18. This is a greater increase than the operating budget due to a decrease in revenue. If West Tisbury maintains a 16.7% allocation, the increase is over \$200,000.
- Medical benefits are up 20% over FY18 versus 14% in FY17 and 10% in FY16.
- Excess & Deficiency (E&D) offset is \$43,000. However, total FY17 E&D is estimated to be \$900,000.
- Chuck calculated that a \$184,000 bonded surplus could be used to pay for budget line items including the bus parking lot, horticulture building design, engineering, exterior windows, new roof which are all line items in the current budget.

- Chuck questioned if \$233,000 in periodic scheduled maintenance items that take place once every three to five years are all due for maintenance in FY19, estimating West Tisbury's 16.7% allocation is approximately \$39,000.
- Chuck said that each year the MVRHS budgets \$300,000 for a new bus to keep the fleet current and suggested the Fin Com request an inventory of the bus fleet.
- There is \$839,000 budgeted to OPEB, but the Annual Required Cost (ARC) of \$2,332,000 is \$1,500,000 more than budgeted.
- If ARC is \$2.3 million and the renovation cost is \$60.0 million, WT costs will be an additional \$1.1 million /year for 20-30 years on top of regular school and town increases.

The Committee decided Chuck would formulate questions to send to the MVRHS in preparation for the MVRHS budget hearing and would prepare analysis for the All Island Finance Committee.

After a discussion regarding the MVRHS costs, the Chair summarized the Finance Committee has the responsibility to inform taxpayers of this impending tax burden.

Correspondence/Scheduling

The Chair shared the latest copy of the Beacon with the Committee.

Adjournment

Katherine moved to adjourn. Chuck seconded the motion which passed unanimously. The meeting was adjourned at 6:40pm.

The next meeting is Tuesday, January 9 at 4:30pm.

Respectfully Submitted,

Margo Urbany-Joyce
West Tisbury Finance Committee Admin Assistant

Approved 5-0

January 9, 2018

Finance Committee Chair Selection and Term Policy

The Chair of the West Tisbury Finance Committee shall be held on a rotational basis. The Chair shall serve a term of two years beginning on the date of the first meeting of the Committee following the Annual Town Meeting. Succession of the Chair position shall be based upon seniority with the most senior member of the Committee assuming the Chair upon the completion of term of the extant Chair. In the event the extant Chair is unable to complete his term due to retirement, resignation or for health reasons, the successor's term of service shall begin on the day of the Chair's relinquishment of the position. Every effort will be made to return the date of the Chair's succession to the first Committee meeting following Annual Town Meeting as soon as is practical.

The next most senior member of the Committee, upon the most senior member's assumption of Chair responsibilities, shall be appointed to the position of Vice Chair. In the event the Vice Chair is unable to serve, the next most senior member of the Committee shall be appointed to that position.

The purpose of this policy is to ensure stability and experience in the leadership of the Finance Committee as well as to benefit from the diverse views and expertise of its members. It will be made a part of the Committee Chair Handbook for future guidance and reference.