

**Town of Oak Bluffs
Finance and Advisory Committee
Thursday, September 17, 2009, 3:30 PM
Oak Bluffs Library Conference Room**

Present: Chair Mimi Davisson, Doug Best, Frank Case
Thad Harshbarger*, Bill McGrath*, Mac Starks,
Others: Recorder - Marni Lipke
BOS Kathy Burton,
Town Administrator Michael Dutton,
Town Finance Director - Paul Manzi
Ambulance - John Rose,
Wastewater - Joe Alosso,
Schools OBSC: Lisa Reagan, Priscilla Sylvia,
Supt./Shared Services - James Weiss, Dan Seklecki
Absent: Linda Marinelli, Michael Perry, Hans Von Stieger

* Late arrivals or early departures
noted solely to mark vote counts.

The meeting was called to order at 3:39PM.

Adjust Agenda as Needed

Bill McGrath requested a discussion on East Chop.

OLD BUSINESS

• **Approval of Past Minutes (DECIDE)**

The Minutes were still in summer backlog.

• **Warrant articles for special town meeting (DECIDE)** (See documents on file.)

> **Revised Budget**

- The major budget revisions were reviewed, showing cuts in:
 - street lighting,
 - Assessor hours,
 - fixed costs (benefit residuals from reduced staff – including schools),
 - Police personnel and hours,
 - Marina staff hours by rescheduling shifts,
 - Shellfish, Board of Health, and Library hours,
 - School (2 paraprofessionals, 1 custodian, field trips, mental health, cultural).
 - A part-time human resource coordinator would be added to the Town Hall staff.
- The net total came to a reductions of \$479,160.
- Further revenue cuts from lost Mass. State reimbursements would result in contracting out or further staff hour reductions. In any case FY10 (as well as FY11) was likely to be unpredictable in regards to budgets and budget schedules.
 - Solid waste/refuse collection savings (see 2/12/09 Minutes p.3) involved a number of public issues that should be aired before any changes such as:
 - service for seniors and the disabled,
 - private versus public options, and
 - littering/illegal dumping resulting from higher prices or less service.

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- The FinCom commended Town Administrator Michael Dutton and Finance Director Paul Manzi for their great work on a difficult matter.

DOUG BEST MOVED TO SUPPORT SPECIAL TOWN MEETING WARRANT ARTICLE ON THE REVISED OAK BLUFFS FISCAL YEAR 2010 BUDGET WITH THE UNDERSTANDING THAT ANY FURTHER CHANGES WOULD ONLY BE REDUCTIONS; FRANK CASE SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

• Update on Town Government Re-structuring (INFO SHARE)

- 95% of all town licensing and permitting would be consolidated into a single unit for easier citizen access.
- All Finance Departments will move into a single space in Town Hall to promote better communications and skill/personnel sharing.
- A Planning and Development Department would be formed of the Zoning Board of Appeals, the Conservation Commission and other related Boards and Committees.
- A Natural Resources Department would include the Shellfish Dept., the Harbor, Parks and Recreation, etc.
- It was hoped that this would increase intergovernmental exchanges so that decisions were not made in a vacuum, as well as increasing grant application strength and synchronization.
- Public Safety (Police, Fire, Ambulance, Emergency Management) savings might involve consolidation or coordination with other towns
- All personnel had been notified of the changes, which were scheduled to take effect October 1st.

NEW BUSINESS

> Other Articles

• Wastewater Retained Earnings for Ocean Park repair (INFO SHARE)

• High School Wastewater Piping (INFO SHARE) (See documents on file.)

A large project had been broken into three stages to clarify cost sharing among users:

- Installation of pumping and piping from the Martha's Vineyard Regional High School (MVRHS) to the Oak Bluffs Wastewater Treatment Plant - \$994,425,
 - with a very rough cost sharing break down by Mass State mandated Title V flow of 50% MVRHS, 30%, Woodside Island Elderly Housing (IEH), 8% YMCA, 6% MV Ice Arena, 5% MV Community Services (MVCS).
- Additional leaching capacity on the Leonardo Lots at \$700,000 (clean up included),
 - with a very rough cost sharing break down by leaching capacity, Town of Oak Bluffs 85-7%, and then descending order MVRHS, Woodside/IEH, YMCA, MV Ice Arena, and MVCS.
- Increased treatment level at the Oak Bluffs Treatment plant to conform to the residential well region classification of the Leonardo Lots at a \$750,000
 - with a cost breakdown based on flow similar to the second stage.
- Total costs of the entire project would be shared (give or take a couple percentage points):
Town of Oak Bluffs 51%
MVRHS 25%
Woodside/IEH 15%
YMCA – 4%
MVCS 2.5%
MV Ice Arena 1-2%

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- All entities were agreed in principle (for example the MVRHS School Committee voted twice to move the project forward), and any delayed hook-in fee would be the same as the capital costs above. If one of the entities failed to hook-in, the other users would share the increased cost. A contract was being negotiated and drafted.
- This project was at the top of the line for an American Recovery and Reconstruction Act (ARRA) Stimulus Fund grant for 40% from the US Dept. of Agriculture and a 70% low interest loan for the remainder (\$2,244,425). The ARRA shovel ready requirement meant funds for the entire project had to be already voted/approved.
- Assuming the 40% grant as well as all user participation, the Town's share of the total project would be \$746,699.
- An earlier vote authorizing a bond for plant improvements (see 3/16/06 Minutes p. 1 #IV) had \$700,000 worth of borrowing capacity still available.
- The FinCom explored and discussed the project at length, the issues being:
 - various bond figures and interest on each section and on the total project,
 - added tax payer cost and possible wastewater payment of the bond payments,
 - implications of implementing parts of the project instead of the whole,
 - implications of the economic climate re: federal grants and delinquent wastewater bills,
 - the endangered species imperial moth mitigation by other habitat,
 - use of the savings from the Ocean Park remediation (see below),
 - Wastewater over-budgeting/charging re: user fees and vague demarcation/allocation of tax payer versus user funding.
 - taxpayer benefits to Lagoon and Sengekontacket Ponds' water quality / health comprising: shellfishing, Town tourism activities such as sailing, swimming, and Mass. Estuary Project recommendations, etc.
 - long range planning implications, and the addition of sludge removal,
 - treatment level versus leaching capacity
 - use of the cleaner effluent for water/fertilizer as a possible revenue source
 - presentation of the article and issue to the Town Meeting in a clear and positive form.
- In a related matter Ocean Park remediation had been greatly reduced by more specific testing pits and the savings would remain in Wastewater retained earnings. (The Article wording would change pending counsel advice).
- **FRANK CASE MOVED TO AUTHORIZE THE WITHDRAWAL OF \$50,000 FROM WASTEWATER RETAINED EARNINGS FOR OCEAN PARK LEACHING FIELD REMEDIATION; BILL MCGRATH SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**
- **FRANK CASE MOVED TO APPROVE THE FULL AMOUNT OF \$2,444,425 FOR ALL THREE STAGES OF THE ENTIRE PROJECT**
- **SUBJECT TO WASTEWATER COMMISSION APPROVAL AND NECESSARY WORDING CHANGES,**
- **WITH THE CONTRACT FOR ALL CAMPUS USERS AS NOTED; DOUG BEST SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**
- The FinCom thanked the school officials for their spirit of cooperation.

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• **Possible New Ambulance (INFO SHARE)**

The rest of the ambulance fleet was bearing the burden of the increased repairs and service gaps from the oldest ambulance, endangering the Ambulance Fund income stream. The proposal for a new leased higher quality vehicle and repair of the old ambulance was closely examined including:

- length and cost of lease options and purchase (see below: Actions),
- whether repair and storage of the old ambulance to relieve the fleet in emergencies was cost effective (see below: Actions),
- Ambulance Fund depletion from previous purchases and the burden of continued payments (such as \$100,000/year for the ladder truck) leading to Capital Planning Committee refusal of the request,
- possible pooling of the Ambulance fleet with other Island towns,
- Ambulance income which greatly reduced the cost of the service to the Town taxpayers.

• **DOUG BEST MOVED TO RECOMMEND APPROVAL OF A FIVE YEAR LEASE (\$250,000) FOR A NEW AMBULANCE ONLY; BILL MCGRATH SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**

• **Warrant articles for special town meeting (DECIDE)**

 > **Other Articles**

The Martha's Vineyard Hospital (MVH) had requested expand its Health Care District for a much needed increase in parking as required by the MV Commission (MVC).

- The Town would lose from \$2-5,000 in tax revenues,
- The move would have a negative effect on the neighborhood and the environment.

• **DOUG BEST MOVED TO RECOMMEND APPROVAL OF THE REQUESTED EXTENSION OF THE MARTHA'S VINEYARD HOSPITAL HEALTH CARE DISTRICT; BILL MCGRATH SECONDED; MOTION PASSED: 4 AYES: 2 NAYS – MIMI DAVISSON, BILL MCGRATH: 0 ABSTENTIONS.**

• **Potential revenue sources for FY2011 (INFO SHARE / BRAINSTORM)**

 > **Meals and Lodging local option taxes**

The FinCom deemed this proposed article premature, as the issue needed public discussion. It was pointed out that an article on the Annual Town Meeting warrant would still be in time for the 2010 tourist season.

• **THAD HARSHBARGER MOVED TO RECOMMEND THE APPROVAL OF THE MEALS LOCAL OPTIONS TAX; FRANK CASE SECONDED; MOTION WITHDRAWN;**

• **BILL MCGRATH MOVED TO REMOVE THE MEALS LOCAL OPTION TAX FROM THE WARRANT; THAD HARSHBARGER SECONDED; MOTION PASSED: 5 AYES, 1 NAY – FRANK CASE, 0 ABSTENTIONS.**

• **BILL MCGRATH MOVED TO REMOVE THE LODGING LOCAL OPTION TAX FROM THE WARRANT; THAD HARSHBARGER SECONDED; MOTION PASSED: 5 AYES, 1 NAY – FRANK CASE, 0 ABSTENTIONS.**

• **Next Meeting:**

3:30PM Thursday, October 1, 2009 at the Oak Bluffs Library

THE MEETING ADJOURNED AT 5:47PM.

continued

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Action List:

- Marni Lipke – Batch and send PDF minutes to Travis.
- Michael Dutton/Paul Manzi – in case of 3 year lease resubmit ambulance article to FinCom.
- Michael Dutton/Paul Manzi – delete old ambulance costs from article
- Michael Dutton/Paul Manzi – instigate public discussion of meals/lodging tax.
- Mimi Davisson – officially communicate FinCom decisions to Selectmen

Ongoing Action List from previous meetings.

- Chair and Vice Chair
 - keep up timely communications with FinCom members and Town Government.
 - Inform the Selectmen in writing of all significant FinCom decisions.
- FinCom - talk about Federal Stimulus money at Town Meeting.
- FinCom – Continue to emphasize \$2,000,000 Stabilization Fund goal.
- Inform Depts. - any item not in dept. budgets will not be recommended for free cash.
 - update Capital Improvement Plan regularly.
- Regular meetings with Bd. of Selectmen and Personnel Board re: Financial Team.

Future Agendas:

- Capital Planning Com. Report (quarterly)
- Ambulance Fund Report.
- Board of Health – solid waste issues
- Finance Dept. Reorganization

Documents on file:

- Agenda 9/17/09
- Fin. Director/Town Admin. Update (2 p.) 9/17/09
 - Warrant or Special Town Meeting (2 p.)
 - Mass. Dept. of Revenue Div. Of Local Services Bulletin re: New Local Meals Excise and Amended Local Room Occupancy Excise Rate, (6 p.) July 2009
 - Revised (*Wastewater*) Project Cost Estimates

- **These Minutes approved by the Oak Bluffs FinCom 10/15/09.**