

**Town of Oak Bluffs
Finance and Advisory Committee
Thursday, January 7, 2010, 3:00 PM
Oak Bluffs Library Conference Room**

Present: Chair Mimi Davisson, Doug Best,
Frank Case*, Thad Harshbarger,
Bill McGrath*, Mac Starks, Hans Von Stieger
Selectmen Kathy Burton, Ron DiOrio,
Personnel Bd. Sheila Bracy,
Others: Town Administrator - Michael Dutton,
Tax Collector – Cheryl Sashin
Highways - Richard Combra, Jr.
Recorder - Marni Lipke*
Absent: Steve Auerbach, Mike Perry

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

The meeting was called to order at 3:31PM. Steve Auerbach was out of town and Michael Perry had a conflicting meeting.

OLD BUSINESS

• Approve December 17, 2009 Minutes

**• FRANK CASE MOVED TO APPROVE THE DECEMBER 17, 2009 MINUTES AS CORRECTED FOR SPELLING: THAD HARSHBARGER
SECONDED: MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 1 ABSTENTION – BILL MCGRATH** due to absence.

• Prepare for January 14 Public Input Session about the FY2011 Budget

- The Massachusetts Municipal Association Annual Meeting would be held January 22-23, 2010 in Boston. Details and Agenda were available on line.
- The Personnel Board officially voted a 0% Cost of Living Adjustment (COLA) for Fiscal 2011 (FY11).
- There was a discussion on all the Island towns coordinating COLAs according to the index; although town autonomy would take precedence.
- There was a brief discussion on the differences in benefits between the towns and teachers and the possibility of regularizing benefits across the Island. For example with teachers, personal days had evolved from days to be used for necessary and otherwise un-schedulable appointments to days that could be used as a “mental health” day at the beach (see below: Actions).
- Since the Oak Bluffs employees contributed to the Oak Bluffs Other Post Employment Benefits (OPEB) trust (see 10/15/09 Minutes p. 3 required the employees to pay benefits even if the contract were canceled.

Oak Bluffs Finance and Advisory Committee
January 7, 2010

2

§ Share research and analysis results and first-pass detailed budget
(INFO SHARE)

- Town Administrator Michael Dutton gave a detailed overview of the proposed Fiscal Year 2011 (FY11) Budget issues raised at the December 3, 2009 OB FinCom meeting.

Paving:

- If the \$250,000 were restored the Highway Dept. would begin with the postponed 2010 projects (\$235,000) (see 3/5/09 Minutes p. 2), and then would proceed as possible:
 - 2011 projects for (\$205,000),
 - 2012 (\$385,000) as well as,
 - resurfacing, drainage and sidewalks, etc. of Dukes County Avenue (\$370,000) and
 - resurfacing and erosion control of East Chop Drive (\$385,000)
- If the projects were again postponed the Crack Sealing line item would be increased.
- Department personnel would remain steady as the above projects were contracted out.

Garbage –

- Analysis showed operating costs at \$320,000/yr with an added \$30,000/yr. for capital/equipment costs. The town was operating with ~\$150,000 shortfall, of which \$50,000+ was service for downtown street and harbor barrels. Options were:
 - eliminate public service and send residents to private companies (debate on user costs),
 - increase sticker costs,
 - create an enterprise fund so trash is self-sustaining by the users,
 - create an enterprise where all residents (including seasonal) pay a flat fee.

Hotel Tax:

The implementation process was: a majority Town Meeting vote to increase the current lodging tax by 2%, to go into effect the following quarter (i.e. if passed at the April 2010 Town Meeting the raise would begin July 1, 2010).

- Current revenue at 4% was \$212,000; the additional 2% would add \$106,000.
- However occupancy rates were decreasing and the Wesley House was slated to become condos - another \$30,000 loss.
- The tax applied to all hotels, Bed & Breakfasts, etc. but not to rentals. All revenue returned to the Town.
- Two other Island towns were considering the raise, as were many towns on Cape Cod. Nantucket had already voted the increase.

Meals tax:

The 0.75% rise (for restaurant and catering customers) would bring meal taxes from 6.25% to 7% for a possible additional \$217,000. Implementation was the same as the above hotel tax.

Fees and Licensing :

With the exception of the Building Department, the Harbor, the Sailing Camp and the Board of Health Oak Bluffs municipal fees were out of date.

- The greatest revenue was likely to come from substantial changes in livery business fees which were calculated by business, vehicle and driver. Car, moped and motorcycle rental business fees would also rise.
- This raised the issue of parking income from these businesses as well as other possible options such as offering parking space leases to downtown businesses.
 - FinCom input was solicited on possible parking meters around Our Market.
- Other fee rises (Town Clerk, Conservation, etc.) would generate minimal income.

Oak Bluffs Finance and Advisory Committee
January 7, 2010

3

Non-Essential Service Cuts

Without a detailed analysis the closing of the Library, Senior Center and Recreation (which was not recommended) would save \$800,000. (See below: Actions).

- It was noted that 70% of the budget was basically fixed costs—insurance, assessments, etc.

- A brief overview showed the FY11 Budget gap at about \$2,000,000.

(8-9%) rises from a 0% budget were:

- Personnel Benefits raises - \$345,000
- Fire Dept increases (long overdue) - \$75,000
- Paving - \$250,000 restoration,
- the 3% municipal employee steps (not including school staff) \$150,000,
- Oak Bluffs School - \$150,000 increase,
- Student Residential Placement – \$90,000 (for both FY10 and FY11)
- MV Regional High School budget and Oak Bluffs proportional share - \$460,000,
- new roofs for some town buildings - \$100,000 (making OB eligible for solar panel grants),
- Life Guards and equipment restoration - \$72,000,
- Recreation equipment - \$35,000 (possibly included in the Lifeguard total),
- Insurance increases - \$200,000
 - (including: Property -\$75,000, Workman's Comp - \$35,000).
- OPEB fund Town contribution \$75,000

- A preliminary budget (see documents on file). roughed out significant changes but no accurate bottom line.

- Michael Dutton was uncomfortable at the deep cuts in the professional/tech lines.
- Action on stipends was referred to the Personnel Board.
- It was hoped the Town Accountant could be replaced at similar costs.
- Health insurance raises were projected at 12%.
- The Dept. Heads for Information/Technology, Emergency Management, Fire, and Shellfish would present their budget increase requests to the FinCom.
- A national election would increase the Town Clerk / Registrar's budget.
- Some street lights would be decommissioned.
- The Town Report printing costs could be alleviated by web posting which was not deemed appropriate at this time.
- Utilities were up modestly in the hopes that conservation measures would help.
- Rental expenses were overhead for the Sailing Camp, Lighthouse, Bandstand etc.
- Ambulance Director John Rose was asked to more accurately reflect 911 service costs in his operating budget.
- In addition to roof replacement \$30,000 was needed for municipal building maintenance.
- The Board of Health wished to restore a full time administrative assistant; and landfill testing was now a continuous \$11,000 per year.
- The Library requested a slight staff salary increase and the restoration of last year's cut. In addition State grant revenue was down \$12,000
- The grant application for Sengekontacket Pond dredging was denied and the Town had approved a \$500,000 bond.

**Oak Bluffs Finance and Advisory Committee
January 7, 2010**

4

- It was suggested that with the low interest rates the Town might refinance all its debt.
- **DOUG BEST MOVED TO ENCOURAGE THE SELECTMEN TO HAVE TOWN TREASURER PAUL MANZI RESEARCH RESTRUCTURING THE ENTIRE TOWN DEBT; FRANK CASE SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS.**

§ Decide on format for January 14 (DECIDE)

- The press release went out and flyers had been posted (see below: Actions).
IT WAS THE CONSENSUS OF THE FINCOM TO HAVE THE MEETING TELEVISED.
- The meeting would be similar to the December 3, 2009 meeting.
 - Michael Dutton would present a summarized budget and possible ways to balance the shortfall (15 minutes or less) while Chair Mimi Davisson wrote the numbers on the white board.
 - Each option would be discussed with the public, other suggestion solicited, and straw polls taken.IT WAS THE CONSENSUS OF THE FINCOM TO DELEGATE IMPLEMENTATION OF THE DETAILS TO THE CHAIR AND VICE CHAIR.

There was a brief discussion on researching improper use of tax exempt properties (see below: Actions).

• Budget Schedule through March 18 – more revisions (DECIDE)

- The schedule was revised as follows (see documents on file):
 - January 14, 2010 3:30PM meeting with the public.
 - January 21, 2010 3:30PM meeting with the Tisbury FinCom to explore inter-municipal sharing of services.
 - January 28, 2010 and February 4, 2010 both the Chair and Vice Chair would be absent. Meeting leadership, agenda (possibly Dept. presentations), and/or cancellation would be decided at the January 21st meeting.
 - February 11, 2010 3:30 Meeting with the Selectmen.
 - February 25, 2010 is the week of school vacation.
 - March 4, 2010 – Public Hearing.

The final warrant for the April 13, 2010 Annual Town Meeting was March 23, 2010.

NEW BUSINESS

• As Needed

- The FinCom was referred to an MV Times article on a \$1,000,000 renovation grant as an example of Oak Bluffs aggressive pursuit of grant revenues.
- Members continued the debate on Waste Management.

The End

THAD HARSHBARGER MOVED TO ADJOURN AT 5:34PM, DOUG BEST SECONDED; MOTION PASSED UNANIMOUSLY AND DECLARED.

continued >

**Oak Bluffs Finance and Advisory Committee
January 7, 2010**

5

Action List:

- Personnel Board consider all town regularization of benefits and COLAs.
- Michael Dutton – draft list of essential and non-essential services,
 - draft across the Board 5% cut of what can be cut, i.e. non-fixed costs, etc.
 - ask Paul Manzi why Leonardo debt increased.
 - ask Travis Larsen to post the 1/14/09 FinCom meeting on the Town Website.
 - arrange MVTV coverage of 1/14/09 Meeting.
 - ask IT, Fire, Emergency Management & Shellfish to put their Dept. budget requests in writing to the FinCom.
- Meeting flyers – Bill McG. – Reliable, Tony's,
 - also Post Office, Linda Jeans.
- Non-taxed properties
 - Ron DiOrio – draft actions that would take effect in FY11
 - Cheryl Sashin – draft list of all non-taxed properties.
- All – please be punctual to the 1/14/10 meeting at 3:30PM.

Ongoing Action List from previous meetings.

- All – please inform the Chair if you are unable to attend a meeting.
- 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.

Agenda:

- Vote 1/7/10 Minutes

Future Agendas:

- February – Town restructuring update.
- Capital Program Com. Report (quarterly)
- Capital Program Com. Roles and Responsibilities
- New Website Report
- Ambulance Fund Report.
- Board of Health – solid waste issues
- Finance Dept. Reorganization

Documents on file:

- Agenda 1/7/10
- Oak Bluffs' FY2011 Budget Prep Calendar 12/17/09
- OB Next Year/Current Year Budget Analysis Fiscal 2011 Budget Worksheets (11 p.) 1/7/10
- Auerbach email re: Garbage Collection 1/2/10
 - Auerbach email re: Trash Pickup 1/5/10
 - Best email re: Trash Pickup 1/5/10

• These Minutes approved as written by the Oak Bluffs FinCom 2/18/10.