

**Town of Oak Bluffs
Finance and Advisory Committee
Tuesday, September 16, 2010, 4:00 PM
Oak Bluffs Library**

Present: Chair – Bill McGrath, Steve Auerbach,
Bob Blythe, Mimi Davisson, Cathy Goudy*,
Mike Perry, Mac Starks, Hans Von Steiger
Others: Selectmen: Gail Barmakian,
Town Staff Administrator – Michael Dutton
Tax Collector – Cheryl Sashin
Library – Danguole Budris,
Public Maura McGrority,
Recorder Marni Lipke
Absent: Frank Case,

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

The meeting was called to order at 4:04PM.

Adjust Agenda as Needed

OLD BUSINESS

• Approve Past Minutes June 17 & July 15, September 2, 2010 if available

The minutes were still in summer backlog.

**• Implementation of FY2011 Budget: What changes have already been made?
What changes are imminent? What issues are impeding implementation? (INFO
SHARE –Dutton)**

- The reduction of the Health Administrative Assistant involved three displacements: the Health Asst replaced the Tax Asst who replaced a Library Aid who was laid off. It was hoped that the Library Aid could be hired in the summer or on a temporary basis. The FinCom discussed qualifications involved in each shift of position as well as Library staffing.
- That being said the Board of Health had demonstrated to the Selectmen that some level of assistance was very important, therefore negotiations with the union were proceeding around an attempt to fund something at the Special Town Meeting.
 - The Building and Health Dept.s office work could be greatly reduced by putting all plot plans on line.
 - There seemed to be the political will to initiate more Islandwide services including health services.
- So far there have not been any abnormal expenses. There was an internal issue on a lack of reports; Town Administrator Michael Dutton was reviewing all expenses each month.
- Harbor Revenues were at \$800,739 for Fiscal Year 2011 (FY11).
- **A report about the new revenue stream from the meals tax from State report on sales this quarter versus the same quarter in prior years.**
 - Meal Tax revenue would not be formally reported until October however Mass. Dept. of Revenue (DOR) was tracking revenues about 5-7% above expectations.

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• FY2010 Closeout (INFO SHARE – Dutton)

- An expenses to date to budget report for FY 2011 with comparative data for prior years.

Due to the departure of Town Accountant Karen Gomez, the training and medical leave for the Assistant Accountant, and the illness of Finance Director Paul Manzi the FY10 close out was delayed.

- There was a long discussion on how the Town was operating under the current situation and whether/what reports were being generated. Michael Dutton was hoping to implement software changes to track the budget monthly.
- The FinCom expressed concern re: oversight, reporting, accessibility for the public and the delay in filling the Town Accountant position – which was explained as due to lack of funds, and qualified candidates.

NEW BUSINESS

• Scheduling joint Selectmen/Finance & Advisory Committee working meeting Minutes likely to be delayed by ML family health issues.

The joint meeting was scheduled for 4:30PM Tuesday, September 28th at the Sailing Camp. The October meetings were discussed (see below: Meetings).

• Preliminary schedule for FY2012 budget cycle (INFO SHARE / BRAINSTORM

Dutton) including the following information requested of the Finance Director:

It was agreed that last year's schedule was excellent, allowing a budget to be finalized and printed in mid to late March, consequently the same timeline could be used for this year's budget.

- The Finance Department would require an increase.
- The MV Regional High School (MVRHS) Oak Bluffs assessment was likely to rise by about \$300,000 on enrollment alone.
- Municipal contracts were up due this year and negotiations would be awkwardly timed for the middle of Budget process.
- The Capital Planning Committee would meet next week with deteriorating police cars, failing trash trucks, etc. as part of their agenda.
- Concern was expressed over the Ambulance Fund going out to borrow three times in anticipation of revenue (the ambulance, the ladder truck, and the rescue truck).
- The Personnel Board was working on adequate compensation studies for both the Ambulance and Fire Departments as promised last year. An informal survey concluded that the current departmental separation was fairly efficient and only administrative costs would be saved by a merger.
- Bob Blythe was researching the possibility of an employee handbook for municipal staff.
- At the end of the last budget cycle the Selectmen were asked to begin a number of projects (Payment In Lieu Of Taxes (PILOT), parking, trash stickers, etc.) so that revenues could be realized for FY12.
- There was a brief discussion on costs associated with the President's visit.

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- An estimated revenues statement for FY 2012. (See documents on file.)

Bill McGrath had some trouble getting clear information from Finance Director Paul Manzi for preliminary work on the FY12 budget.

- It was early for projections however the first draft showed revenue about \$225,000 short so with the additional MVRHS rise and other expenses detailed above the Town would likely face a gap of about \$600-700,000.
- Although trash sticker increases were in the works, tonnage was down so the rates would remain flat. Other revenue meals tax, excise, harbor, etc. were unpredictable, flat or slightly reduced.

• MIMI DAVISSON MOVED TO ACCEPT AS FIRST PASS THE REVENUE PROJECTION FOR 2012 OF \$24,297,557; BILL MCGRATH SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS.

- A preliminary number, at a minimum, for free cash for 2010, be it positive or negative.

• Due to the Financial Department internal difficulties mentioned above (p.2) FY10 was not likely to be closed before the end of October or November 2010; however all indications showed that Free Cash would probably be in the negative for the second year in a row. There was a brief discussion on how to remedy and fund the Finance Dept. staffing shortage. Michael Dutton made it clear that, contrary to rumor, Oak Bluffs did not have any reserves or residual money available.

- A November Special Town Meeting would deal with a small number of issues including:
 - a petition to reduce the number of Selectmen from five down to three members (which the FinCom felt ought to be before the Annual not the Special Town Meeting), and
 - an unexpected and mandated residential placement tuition (the FinCom asked if such costs could be regionalized under the Superintendent's Office (see below: Actions)).
- A possible petition to revoke participation in the Community Preservation Act should also be taken up at the Annual Town Meeting. The FinCom discussed dissatisfaction with the way the votes were presented and with lack of timely Selectmen and FinCom notification of recommended projects. In addition if the Act were eliminated the Town could raise taxes 3% without anyone's tax bill going up.
- The CPA funded a lot of affordable housing although there might be other ways to do this.
- The amount of participation could be reduced down from 3% (see below: Actions).

OLD BUSINESS

• Set FinCom goals for coming fiscal year

• MIMI DAVISSON MOVED THAT THE SOLE GOAL OF THE OAK BLUFFS FINANCE COMMITTEE FOR THIS YEAR BE TO PREPARE A BUDGET FOR FISCAL YEAR 2012 BY THE END OF FEBRUARY ANY OTHER GOALS TO BE DEALT WITH AS THEY CAME UP WITH THE EXCEPTION OF THE AMBULANCE TRANSPORT FUND SUBCOMMITTEE WHICH HAD ALREADY BEEN ESTABLISHED; CATHY GOUDY SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS.

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• The Association of Town Finance Committees Conference was in Franklin, MA on October 23, 2010. Members were invited to attend.

• **STEVE AUERBACH AND HANS VON STEIGER MOVED TO ADJOURN AT 5:46PM; BOB BLYTHE SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS.**

• **Meeting Schedule/Next Meeting**

4:30PM Tuesday, September 28th, Joint Selectmen-FinCom

4:00PM Thursdays, October 7th, and 21st,

4:00PM Thursdays, November 4th, and 18th,

4:00PM Thursdays, December 2nd, and 16th,

Action List:

- Bill McGrath – add CPA to public hearing agenda.
- Michael Dutton – contact Supt. re: regionalization of residential placement costs.
- Michael Dutton – research CPA reductions in percentage

Ongoing Action List from previous meetings.

- Chair – post agendas in advance.
- All – please inform the Chair if you are unable to attend a meeting.
- Chair and Vice Chairs
 - Remind Selectmen to of FinCom recommendations re: refuse, parking, PILOT, etc.
 - keep up timely communications with FinCom members and Town Government.
 - Inform the Selectmen in writing of all significant FinCom decisions.
 - 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.

Future Agendas:

- Power/light savings for Town – street light timer, office equipment, etc.
- Capital Program Com. Report (quarterly)
- Capital Program Com. Roles and Responsibilities
- New Website Report
- Ambulance Fund Report.
- Finance Dept. Reorganization

Documents on file:

- Agenda 9/16/10
- OB FY2010 Draft (1) Estimated Revenue for Fiscal 2012 (4 p.) 9/16/10
- OB Revenue Fiscal 2010 Update Local Receipts, State Revenue
- Manzi emails re: request for information (2 p.)

• **These Minutes approved as written by the Oak Bluffs FinCom 11/4/10.**