

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

Present: Chair –Bill McGrath, Bob Blythe,
Mimi Davisson, Cathy Goudy*,
Mike Perry, Mac Starks,
Others: Recorder – Marni Lipke
Town Staff Administrator – Michael Dutton
Schools Supt. Jim Weiss, Prin. Carlin Hart
Public Maura McGrority,
Absent: Steve Auerbach, Frank Case,
Hans Von Steiger,

(For clarity's sake these minutes have been grouped by topic rather than by chronological discussion.)

OLD BUSINESS

• Approve minutes from December 2 meeting

The minutes were tabled until the next meeting.

• Report FY11 extra revenues: parking, trash, meals, lodging, etc.

In a review of Fiscal Year 2011 (FY11) revenues the following were noted and discussed.

- FY11 Harbor season receipts (estimated at \$912,000) were expected to top FY10 receipts.
- A number of factors were effecting solid waste revenue projections (see below: 'Actions').
 - a run on the lower price trash stickers before the raise went into effect,
 - fees for brush/leaf disposal with a different scale for commercial landscapers,
 - decreased volume of trash (and therefore tipping fees).
 - slow nature of negotiations for the All Island trash district,
 - possible new tipping contractors:
 - shipping trash to New Bedford, Rhode Island, New York or Ohio,
 - Cape's invitation to join a consortium to negotiate better tipping fees,
 - The Bourne landfill, one of the country's largest, offering very low prices for long term commitment.
 - The FinCom discussed:
 - ending trash service all together and letting private companies compete,
 - closed loop incineration and the probable rejection of permits,
 - public attitude to alternatives and inclusively reported costs (see below: Actions).

* Cathy Goudy entered the meeting at 4:30PM.

- The FinCom considered rough projections of the new meals and lodging tax revenues (see 6/4/09 Minutes p. 1). The State paid on a lag so FY11 would encompass only 10 months revenue—May/June 2011 revenues being received after July 1st—i.e. in FY12.

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• Report from Ambulance Transport subcommittee

The Subcommittee reported that after the last set of questions Lt. John Rose asked to meet with the FinCom. The FinCom however, emphasized its urgent focus on FY11 and FY12 budget matters and asked that the responses be made to the Subcommittee.

NEW BUSINESS

• Report from CDC hearing

The Community Development Council (CDC) had again invited the FinCom to their next meeting and expected to go forward with the Selectmen on the formation of a blue ribbon committee.

• Agenda for January 20 Public Hearing/Press release

The first Public Hearing on the FY12 Budget was set for 4:00PM Thursday, January 20, 2011. The FinCom would explore the first rough draft of the FY12 Budget at its January 4th meeting (see below: Actions).

• FY2012 Budget Draft

Various factors and suggestions were considered—everything was seen as “on the table”.

- A discussion of the Community Preservation Act (CPA) program covered:
 - possible reduction from 3% to 1%.
 - whether eliminated or reduced taxes would decrease by the CPA percentage tax surcharge; the basic tax rate would remain the same—the percentage could not be put towards the general fund without an override vote,
 - given the State matching fund (now at 38%), objections to the CPA program were not the money but how it was being spent.
- The Library hours could be cut another day (see below: Actions).
- The Senior Center was a large building (with attendant heating/power costs) that was under utilized (see below: Actions).
 - The fuel assistance program was run out of the Centers by practice but not necessity.
- Discontinued services included: life guards and some summer police. Some of the street lighting was the next project.
- The new Islandwide municipal electric contract rate was 21% lower.
- Oak Bluffs was negotiating with Tri-Town Ambulance to regionalize—with Oak Bluffs acting as the fiscal agent. If this went smoothly Tisbury might also be willing to join.
- Capital Planning Committee had made it clear there would not be a new fire/ambulance building this year.
- However, the Highway Dept. needed to replace some aging equipment.
- In addition the Personnel Board would make a recommendation on Fire Dept. salaries and the consequent pay raise would be also be a draw on the Budget.
- The FinCom and the School Administrators exchanged information.

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- The Schools' budget structure was different from other Departments in that the school committee acted as a finance committee and certified their budget.
- The Oak Bluffs School Committee (OBSC) had received the Town letter on FY12 Budget guidelines and had directed Principal Carlin Hart to bring in a 0% budget.
- OBS enrollment remained steady at around 400 with 154 active employees.
- In light of the current market no housing subsidies were being paid, however there was a continuing shortage of certified staff (math, physics, world languages...)
- A fee structure could be instituted for sports, school buses, extra curricular activities and field trips (see below: Actions).
- OBS had three buses two of which were packed and one 1/2 to 3/4 full. In a discussion on parent responsibility and the 1 mile pick up cut off, it was noted that busing also addressed safety issues (no sidewalks and reduction of crossing guards).
- Ch. 71 Transportation reimbursement had decreased; however Islandwide costs had dropped ~\$1,000,000 six years ago when the service was taken in-house. In addition administrative costs would decrease \$5,000 for FY12 when Edgartown joined the service.
- School / Town relations had improved in recent years.
- The Schools in general were concerned about facility issues. OBS used School Choice funds to cover some of these issues but it just had to replace its boiler. The regional districts had Excess & Deficiency (E & D) funds which were similar to a Town's Free Cash.
- The OBS thanked Supt. Weiss and Prin. Carlin Hart for their attendance.
- Attention then turned to municipal staffing and union negotiations.
- The last contract had no Cost of Living Adjustment (COLA) and only 3% steps (less than in other towns). A public/FinCom move to reduce steps in the contract in force was refused by the Selectmen to preserve good faith commitment by both management and labor.
- The negotiation schedule was awkward but partly mandated by law.
- A severe shortage in staff with municipal skills was handicapping the Finance Dept. Town Administrator Michael Dutton had been looking for a Finance Director and an Accountant for more than a year.
- The role of the Reserve Fund was shifting with the stringent budgets because departments no longer had money to cover unforeseen problems and would be requesting withdrawals. Towns could keep a substantial percentage in such funds, however the FinCom compromised at raising it to \$50,000
- Other reserves included the Stabilization Line and the funds earmarked for the Other Post Employee Benefits (OPEB) Unfunded Liability.
- The FinCom suggested borrowing the entire Unfunded Liability costs at the current low interest rates (see below: Actions).

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MOTION TO ADJOURN DULY MOVED AND SECONDED AT 5:58PM.

• Meeting Schedule/Next Meeting

4:00PM OB FinCom regular meeting Thursday, January 4, 2011.

4:00PM Public Hearing on FY12 Budget Thursday, January 20, 2011

Action List:

- Bill McGrath – Post public hearing & press release.
- Michael Dutton – Trash
 - Submit estimate FY12 new revenue from trash sticker increase,
 - calculate total barrel cost (labor, gas, maintenance, tipping fees, capital, etc.)
- Richie Combra – count how many barrels/households per week for January 2011.
- Michael Dutton – submit first draft FY12 Budget and Revenues by 1/1/11
- Michael Dutton – compare tax vs. bond costs for OPEB Unfunded Liabilities.
- Bob Blythe – request and submit Senior Center data.
- Bill McGrath – contact Peter Palches re: Library data.
- Personnel Board/Mike Perry – recommend Fire Dept. compensation for FY12 Budget.
- Carlin Hart – submit possible fee structure.
- Capital Planning/Steve Auerbach/Michael Dutton – submit Capital Plan for FY12 Budget.

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.

Ongoing Action List from previous meetings (cont.).

- 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.

January 4th Agenda:

- Minutes 12/2/10, 12/14/10, 12/16/10

Future Agendas:

- Capital Program Com. Report (quarterly)
- Capital Program Com. Roles and Responsibilities
- New Website Report

Documents on file:

- Agenda 12/16/10

• These Minutes approved as amended by the Oak Bluffs FinCom 1/6/11.