

Finance Committee Meeting
Minutes of Meeting 2-15-19
Aquinnah Town Hall Selectmen's Meeting Room

Members present: Chairman Allen Rugg and Tom Murphy

Not Present: Mark Foster

Also present: Town Treasurer Sibel Suman, Selectmen Gary Haley, Town Accountant Emily Day and Board Administration Assistant Sophia Welch, Town Administrator Jeffrey Madison, BOH Assistant Phoenix Becker

- The meeting began at 9:35am

- First on the agenda was a review of minutes. The Committee deferred review of the 2/4/19 minutes to their next meeting.

- Next the Committee met with the Board of Health Assistant Phoenix Becker to discuss an issue raised regarding FY19 wage overage. Allen stated that there is a discrepancy in what hours were approved for the BOH assistant for FY19: Town had approved a budget with up to 18hrs and the BOH had requested an increase of up to 19hrs for FY19 and had the view that the Town had approved that budget. Allen had reviewed the FY19 budget season minutes and noted that the Finance Committee had never taken an action on the requested increase for the Assistant but did support the LDO hour increase. In addition, the Committee had requested a job description for the Assistant position. Allen took responsibility for not forwarding the job description that he did receive for the BOH to the Committee the issue was never addressed at subsequent meetings and the budget remained with up to 18 hours at the Town Meeting. There was brief discussion concerning the job description. Phoenix noted that she had attended multiple Fin Comm FY19 budget meetings to try and resolve the issue and remembered that at the last one she attended she was told by Tom, off record, that Fin Comm was going to recommend the BOH requested budget and at that point she thought it was resolved. Emily stated that were missing steps in changing the hours of an employee: presenting the change to the Personnel Committee who then makes a recommendation to the Selectmen. Phoenix stated that, during her hiring, the BOH Chair had been before the Personnel Committee and Selectmen and the outcome was for the position to remain below 20hrs/week. Emily stated that there were too many moving parts in the process that didn't converge the way that they should have, and it wasn't one specific event that caused the budget to go from 19hrs to 18hrs. There was discussion on when Phoenix had become aware of the time issue. Allen stated that the role of Fin Comm is to review the Selectmen's budget and express support or disagreement with it and it's not within their authority to define jobs nor define the budgets. Last year, Fin Comm had withheld their support on other department budgets and the budgets were reflected accordingly. Allen stated that it is clear that Fin Comm did not endorse a 19hr BOH Assistant budget increase. Tom did not recollect the conversation that Phoenix spoke of but did recall her attending many of the meetings that did not pertain to the BOH. Allen asked if anyone had calculated the hours between now and the end of the year with the present BOH budget (reducing hours to accommodate the remaining budget). There was no answer, but Sibel offered to help calculate the hours. The Committee noted that they had received a letter from the BOH Assistant identifying the issue of shortfall where she suggested two solutions: drawing from the Fin Comm reserve funds or approving a Chapter 77 yearend transfer. The Committee had also received a letter from the BOH Chair requesting that the Committee resolve this shortfall. Emily informed the Committee that the Chapter 77 yearend transfer happens at the end of the year. After May 15th, she can identify areas where departments have over spent or under spent and then can reallocate money within the total budget amount. As for the Fin Comm reserve funds, the requirement is for an extraordinary and unforeseen expense, which this situation does not seem to be. Phoenix noted that she had been working regularly 19hrs/week but during the summer she was working full time but still putting in for 19hrs.

Based on the fact that there was some omission on the Fin Comm's end, Tom made a motion to pay the shortfall of \$1318 out of an account with the Chapter 77 Yearend Transfer and resolve this past year but make sure that they clarify the responsibility going forward for this next budget period. Motion was seconded by Allen. The Committee voted 2-0, the motion passed. Tom reiterated that there needs to be clarification going forward and there is a misunderstanding from the Fin Comm perspective where they understood that the job was an average of up to 18hrs/week for the year, where it seems the BOH thought the job was a flat 18hrs/week. Allen noted that the Fin Comm's request going into the next year will be that the budget reflects the job at up to 18hrs/week and not a salary position. Emily noted that the next thing is for the BOH to go to the Personnel Committee to request the increase, then Personnel to Selectmen and then back to Fin Comm for budget review.

- Next, the Committee reviewed the Salary and Employee Benefit FY20 budget. Sibel presented the Committee with a compensation plan reflecting the budget with department step increases and a separate sheet with step increases and a 1% COLA. The impact on the budget with just a step increase would be \$45,267 and the impact with the step increase and 1% COLA would be \$56,666 (COLA portion being \$11,399). Sibel noted that she did reach out to other towns to see what the compensation is for Selectmen (requested by the Committee). Aquinnah Selectmen compensation is within the range of what other town selectmen are paid. In terms of COLA, West Tisbury is proposing a 2.3% COLA, Chilmark is proposing a 2% COLA, Refuse District proposes a 2% COLA every year, Dukes County Regional Housing Authority will have a 2.5% classification increase (no COLA), and the Martha's Vineyard Commission is not sure for this year but within the past few years they have been between a 1% and 2% COLA. Should Aquinnah go without a COLA in FY20, it will be the third year (reassessment done in FY17 was done in lieu of a COLA). The Selectmen will make the final recommendation but will look to the Fin Comm to see how to proceed depending on the overall budget. Jeffrey noted that he has been advocating for the COLA and finds it difficult to see other agencies proposed budget increases come in when Aquinnah employees have gone without increases for the past 2 years. The Committee felt that they should be in favor of a COLA given the 2-year absence, but they are reluctant on a specific percentage prior to seeing the final budget amount. The Committee asked that Jeffrey inform the Selectmen that a 2% COLA is favorable, but they will not take a firm position on it now. Emily noted that the Chilmark Personnel Comm. during the Fall will look at a specific Consumer Price Index and compare the prior year with the current year and come up with a percentage that way, then they pass it onto the Selectmen for a final decision.

Emily will include a 2% COLA in the department budgets but will inform the departments that it is tentative until a final decision in March. As for the Town Meeting, Emily was confident that the 2% COLA will not be an issue and the Town can adjust warrant articles to adjust for the COLA.

- Next, Emily gave a summary of the current warrant articles. She noted that the current articles total \$132,000 (bringing the override to \$409,000) and will increase with COLA and any department article requests. There was a lengthy discussion on the Up Island School budget and article requests and the cost difference per student between Chilmark School and West Tisbury School. Allen requested that Jeffrey put together the basic economics of sending Aquinnah children to Chilmark and West Tisbury for the Committee to review. The Committee agreed to further review the issue of the cost difference between schools but to be cautious on approaching the discussion of school choice with Aquinnah residents. The Committee reviewed the following warrant articles requests:

- Other Post Employee Benefits (OPEB): \$50,000 - In past years this was covered by Free Cash, but not this year. OPEB fund is up to \$400,000.
- Up Island School District: Requests requires passing in all three towns.
- County: There was discussion concerning the requests for the Dukes County communication system (\$13,000 plus entering a regional maintenance payment plan each year).
- Debt Service for Community Services Building: \$6,000 request which will continue decreasing each

year.

Remaining articles discussed were from the County totaling \$44,000 (2.46% is Aquinnah's portion of the total budget). Emily pointed out that the County is requesting towns to contribute into their OPEB (\$3610). County will come to present their budget. For the next meeting, Emily will have an updated draft of warrant articles including the ACE MV article and Youth Task Force article and will have an updated departmental budget including the 2% COLA. The Police Dept., Fire Dept. and Tri Town will be attending the next Fin Comm meeting.

- The Committee briefly discussed the purchase of a new DPW vehicle. Jeffrey noted that he was still in the process of reviewing a lease option instead of purchasing a new vehicle. He further noted that vehicle leasing is a growing avenue for towns in similar financial position to Aquinnah.

- Emily confirmed that the Selectmen will be attending the March 8th Fin Comm meeting with the School Committees.

- In other business, Jeffrey informed the Committee that on March 7th an assessing outsourcing company will be meeting with the Selectmen. The Selectmen are looking at ways to save costs for the town and outsourcing may be an option. Jeffery has spoken with other towns that outsource their assessing department. Board of Assessors would still manage the outsource contractor/company and there would be an administrative position in the assessing dept. for the public but would not require the current 32hrs budgeted currently for that dept.

- With no other business to discuss, a motion was made and seconded to adjourn. **The Committee voted 2-0 in favor, the motion passed.**

- The meeting ended at 11:05am.

Respectfully submitted, Sophia Welch, Board Administrative Assistant