Town of Oak Bluffs
Finance and Advisory Committee
Thursday, January 6, 2011, 4:00 PM
Oak Bluffs Library Conference Room

Present: Chair - Bill McGrath, Steve Auerbach,
Mimi Davisson, Mike Perry, Mac Starks,
Hans Von Steiger

Others:
Town: Selectman Gail Barmakian, Ron DiOrio,
Administrator – Michael Dutton,
Cindy Noyes,
Library: Danguole Budris, Peter Palches,
Schools: Melanie Marchand, Carlin Hart,
Jim Weiss,
Public: Maura McGroarty,
Recorder - Marni Lipke,
Press: Steven Myrick – MV Times,

Absent: Bob Blythe, Frank Case, Cathy Goudy,

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

OLD BUSINESS

• Approve Minutes for 12/2/10, 12/14/10 and 12/16/10

• MIMI DAVISSON MOVED TO APPROVE THE DECEMBER 2, 2010 MINUTES AS WRITTEN: MICHAEL PERRY SECONDED: MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.
• MIMI DAVISSON MOVED TO APPROVE THE DECEMBER 14, 2010 MINUTES AS AMENDED: MICHAEL PERRY SECONDED: MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.
• MIMI DAVISSON MOVED TO APPROVE THE DECEMBER 16, 2010 MINUTES AS AMENDED: MICHAEL PERRY SECONDED: MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

• FY2010 Closeout

Fiscal Year 2010 (FY10) remained open, the Consultant having concentrated on information required to set the FY11 tax rate (the first and second quarters would be estimated, the third and fourth actual); tax bills had not gone out. The Town was in touch with auditors Powers and Sullivan. FY10 would show a minimal residual that would go towards reducing the $250,000 FY09 deficit.

• FY2011 Financial Status (See documents on file.)

Projected FY11 revenues had not been realized, with shortfalls in:
- charter school reimbursement,
- penalties and interest on taxes,
- permits and fees,

- Payment In Lieu Of Taxes (PILOT)
- State revenues,
- Meals and Lodging taxes,
- parking fees,
- trash stickers.

• The FinCom agreed that the Town should reduce projections for revenues below State recommendations of level funding each year for the foreseeable future. Any overage at the end of the year would build up free cash.
• The nature and results of yearly budget shortfalls were reviewed.
- Structural Deficits – where a town consistently overspent its revenues could eventually trigger intervention by the Mass. Dept. of Revenue (DOR).
- The Town could reduce services, increase taxes or try some combination thereof. Other options such as relying on the Stabilization Fund were not desirable.

• Town Administrator Michael Dutton and the FinCom discussed changes in Town Hall staff configuration including:
- consolidation of all permitting to one position / Health Dept. assistant's position,
- the pressing need for a Finance Director/Treasurer,
- how many positions would have to be cut to cover the shortfall,
- possibility of furloughs and union rules,
- contracting out services and eliminating benefits,
- use of volunteers,
- timelines for FY11 and FY12.

• Service changes might include:
- temporary suspension of the Senior Center,
- reduction of Library hours-which might endanger Certification and state funding,
- elimination of Information Kiosk funding,
- reduction of street lights,
- reduction of two paraprofessionals at the Oak Bluffs School (OBS),

• Revenue sources were explored
- The Water, Wastewater and Ambulance Transport Departments could reimburse the Town for their gasoline.
- Levy capacity could be built by overrides.

NEW BUSINESS

• FY2012 Budget Additions/Deletions (See documents on file.)

The bulk of the meeting reviewed and considered the current draft of the FY12 Budget.
• There were no collective bargaining agreements in place and therefore no projections of salaries, steps, etc.
• The mandated Master Plan (see 2/18/10 Minutes p.4) that was deferred last year was included in FY12.
• Residential Placement costs were expected to drop.
• The Police could consolidate some line items.
- Animal Control had been broken out as possibly needing specialized personnel.
- The Quinn Bill had ceased to provide matching funds.
- The Police had taken pay cuts in the last two fiscal years.

• Fire Department salary recommendations would be taken up at the February 1st Personnel Board meeting.

• The Ambulance Chief's pay continued to be a source of concern including assignment of overtime (see 7/15/10 Minutes p. 2) and raises over the last two years.
- Regionalization of paramedic services and local versus transport costs were also argued.
• The Building Inspector had not filled the Zoning Board of Appeals (ZBA) Administrative Assistant position.
• Complaints had prompted reconsideration of the cut in Shellfish Dept. staff.
• Emergency Management Director Peter Martell expected to retire soon and suggested a salary for his successor.
• The Harbor had been level funded for six years.
• The FinCom and School representatives examined projected budget numbers.
- The Martha's Vineyard Regional High School (MVRHS) assessment would rise due to Commonwealth revenue reductions and increases in OB proportion of enrollment.
- The Oak Bluffs School (OBS) continued with steady enrollment.
- Would Oak Bluffs vote to regionalize, possibly by joining the Up Island Regional School District (UIRSD).
• The Highway Dept. was in desperate need of a loader/rubbish truck.
• As a regular expense Landfill Testing should be in the Board of Health (BOH) budget.
- A debate followed over the BOH Administrative Assistant position (twice rejected by Town Meeting vote) its re-configuration into a central permitting position and the awkward process of Town vote, union negotiations and BOH needs, required to make the change.
• A State grant had reduced counseling costs in the Council on Aging budget.
• There was an increase in Oak Bluffs veterans but the State reimbursed the costs.
• The Library, Arts and Recreation Depts. were level funded.
• The Town was looking at refinancing its debt again.

• Given the above and depending on the MVRHS budget, collective bargaining, etc. the Town could expect about a $500,000 shortfall.
- The FinCom talked about how to include residential placement in Town budgets as a regular item, (again if it were not used it would build up Free Cash).
- Although Oak Bluffs was ahead of the curve Other Post Employee Benefits (OPEB) liability investment should be further addressed. The Town would explore bonding for the entire amount while interest rates were low.
• The Town went back and forth between leasing and purchasing vehicles.
• FinCom Chair Bill McGrath suggested a series of cuts: travel, street lights (see below: Actions), Information/Technology, postage, Information Kiosk, Ambulance Chief salary, Emergency Management, Council on Aging staff, Ocean Park maintenance, Wastewater salaries.

• Plan January 20 Public Hearing

• The Public Hearing would be postponed and the FinCom would have a regular meeting.
• The FinCom would meet with the Selectmen at their next meeting (see below: Meetings).
• The ad hoc committee requested by the Community Development Committee (CDC) was briefly discussed.

• MOTION TO ADJOURN DULY MOVED AND SECONDED AT 6:32PM.

• Meetings

• OB FinCom/Selectmen – 3:30PM Tuesday, January 11, 2011
• OB FinCom regular meeting 4:00PM Thursday, January 20, 2011.

Action List:
• Bill McGrath post January 11, and January 20, 2001 meetings.
• Michael Dutton –ask Dept. Heads re: FY11 reduction of hours/services.
• Michael Dutton – look at Finance Director contract for savings.
• Michael Dutton - consider bonding for OPEB liability while rates are low.
• Michael Dutton – research Oak Bluffs Assoc. share of Information Kiosk cost.
• Michael Dutton – put reduction of street lighting on warrant.

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. budget will not be recommended for free cash.
- update Capital Improvement Plan regularly.
• Regular meetings with Bd. of Selectmen and Personnel Board.

Future Agendas:
• Capital Program Com. Report (quarterly)
• Capital Program Com. Roles and Responsibilities
• New Website Report

Documents on file:
• Agenda 1/6/11
• December 2010 FY2012 Annual Budget Process
• OB FY2011 Report (26 p.) 1/6/11
• OB FY2012 Draft Estimated Revenue for Fiscal 2012 (4 p.) 1/6/11
• OB 2009-2012 Budget Analysis Fiscal Year 2012 Budget Worksheets (11 p.) 1/6/11
• OB 2009-2012 *(Excell worksheets)* (11 p.)

• These Minutes approved as amended by the Oak Bluffs FinCom 2/3/11.