Town of Oak Bluffs
Finance and Advisory Committee
Tuesday, September 28, 2010, 4:30 PM
Oak Bluffs Sailing Camp

Present:	Chairs – Mimi Davisson, Bill McGrath, Steve Auerbach, Bob Blythe, Mac Starks,
Selectmen	Gail Barmakian, Kathleen Burton, Greg Coogan, Ron DiOrio Duncan Ross,
Others:	Recorder – Marni Lipke
Town Staff	Administrator – Michael Dutton Clerk – Alice Boyd
Public	8-10 citizens including: Renee Balter - OBA, Maura McGrority, Supt. Jim Weiss
Press	Steven Myrick – MV Times, Tom Mayhew – MVTV
Absent:	Frank Case, Cathy Goudy, Hans Von Steiger , Mike Perry,

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

• The Board of Selectmen meeting was already in session.

A Special Town Meeting was set for 7:00PM, Tuesday, November 9, 2010 at the Oak Bluffs School. Warrant submissions to be turned into the Selectmen's Office by October 8th. The current warrant draft included only four issues:
• a petition to reduce the size of the Board of Selectmen,
• funding for a residential placement,
• fund transfers to pay the Board of Health assistant,
• a vote to decide whether to accept the early retirement incentive bill.

Joint Meeting with Finance Committee

• The Oak Bluffs Finance and Advisory Committee (FinCom) was called to order at 4:55PM. The Selectmen welcomed the FinCom and new members were introduced.

(*The order of some of the discussions has been changed for increased clarity*.)

The FinCom main goal in the meeting was to start the Fiscal Year 2012 (FY12) budget process and discuss how to make that process more effective.

A preliminary FY12 Budget overview reviewed (see documents on file), including:
- Finance Director Paul Manzi's conservative estimate of revenues at $25,045,000, and
- expected changes in spending at $25,695,000 – including several items that failed last year's overrides and were likely to recur.
- a $650,000 shortfall requiring either revenue increases, overrides or spending cuts.
- In addition further deferment of both capital spending (such as police cars) and road repair (see 3/5/09 Minutes p. 2) would begin to take a more urgent toll.

Selectman Ron Di Orio modified a number of points.
• The Meals tax add-on revenues were reported to be substantially higher than projected (see below: Actions).
• Estimated spending from the Teacher's contract should be offset by significant savings from the elimination of Master Medical health insurance option.
• Conversation with Steamship Authority and the Island Queen predicted record numbers of passengers likely to result in increased ferry fee revenues.
• Mr. DiOrio was hoping to successfully revisit the hotel tax at special town meeting.

• FinCom Chair Bill McGrath reviewed the May letter requesting Selectmen action on a number of issues for the FY12 budget: Payment In Lieu Of Taxes (PILOT) for non-profits, increases in trash sticker price, parking revenue, a classification and compensation study for the Fire Department, compensation for the costs of hosting major events, and saving through multi-town collaboration.
- Of these issues the revenues from both parking and trash sticker increases were needed to balance the FY11 budget.

The Selectmen noted progress in a number of areas but also emphasized that many of the programs were slow moving.
• The Community Development Committee (CDC) was meeting with the Tax Assessors to review the status of each non-profit in the town. For example a church running a for-profit day care was now paying taxes on that program.
- There was discussion and resolution to compel non-profits to negotiate with the Selectmen by withholding permits. This would entail coordination between all Town Boards (see below: Actions).
• The Selectmen were meeting with other Towns' Selectmen on departmental collaborations to save money but the process was not likely to effect the FY12 Budget.
• Parking was again raised as an issue with Steve Auerbach suggesting fees for Ocean Park only, allowing all other downtown parking to remain free. The Selectmen continued to research the issue.

The discussion then moved on to FY11 financial status.
• There was no budget accounting for the FY11 first quarter nor had FY10 been closed out.
- It was hoped FY10 would be closed and the Auditors would start work in early November, but this was predicated on getting outside help which was scarce.
- The software upgrade would allow closer tracking of spending as well as a centrally controlled freeze on spending. The meeting was reminded that much spending was seasonal (the Harbor expenses for example) and consequently not evenly distributed throughout the year.
- The FinCom emphasized it was important to know if Departments were spending what was necessary or what was in their budgets.
• Projections for FY10 showed a negative Free Cash for the second year in a row.
- As revenues had surpassed projections the FinCom conjectured a spending problem.
- Departments were not exceeding their budgets; Town Administrator Michael Dutton identified most of the deficits to be: health and other insurance costs (which could not be estimated when budgets were set), Workmen's Compensation, etc.
- The FinCom informed the Selectmen that they were studying the Ambulance Fund to clarify revenue and expenses.

• The FinCom was planning to repeat last year's budget process of choosing among cutting services, overrides/tax increases, or raising revenues. They suggested the Selectmen consider how to present the inevitable cuts in service and overrides to the public.

THE FINANCE AND ADVISORY COMMITTEE UNANIMOUSLY ADJOURNED AT 5:23PM.

• Meeting Schedule/Next Meeting

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 – post agendas 48 hours in advance.
• Ron DiOrio/Bill McGrath –send Bill sales tax website.
- get real numbers on Meals/sales tax from the Dept. of Revenue
• Ron DiOrio/Gail Barmakian – draft motion re: permits for non-profits vs. PILOT negotiations.

Ongoing Action List from previous meetings.
• 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:
• Capital Program Com. Report (quarterly)
• Capital Program Com. Roles and Responsibilities
• New Website Report
• Ambulance Fund Report.
• Finance Dept. Reorganization

Documents on file:
• Board of Selectmen Agenda 9/28/10
• First-Pass FY2012 Budget 9/17/10