

**Tisbury Finance & Advisory Committee
& All Island Finance Committee
at the Tisbury Emergency Services Building
6:30PM, Wednesday, July 10, 2019**

Tisbury: Chair – Mary Ellen Larsen, Seth Gambino, Nancy Gilfoy,
Larry Gomez*, Lolly Hand, Laura Rose, Leslie Segal*,
Oak Bluffs: Chair Bill Vrooman, Sherry Countryman, Robert Gaffey,
Maura McGroarty, Richard Weiss,
W. Tisbury: Jane Dreeban, Greg Orcutt, Doug Ruskin,
Chilmark: Vicky Divoll
Towns: OB Selectman – Greg Coogan,
Tis. Fin. Dir. – Jonathon Snyder,
Schools: Supt. Matt D’Andrea, Asst. Supt. Richie Smith,
MVRHS Prin. Sarah Dingley,
MVRHS Finance Dir. – Mark Friedman,
MVPS Business Admin. – Amy Tierney,
School Committees: Robert Lionette*, Kris O’Brien,
Michael Watts,
Others: Recorder Marni Lipke, * Late arrivals or early departures

Call to Order

Everyone introduced themselves. Tisbury Finance Committee (TFC) Chair Mary Ellen Larsen welcomed and thanked everyone for their attendance. She emphasized that:

- everyone wanted the best education for the best value;
- membership was open to a variety of approaches;
- the initial move was to separate operational expenses from building costs as a facility that served the comprehensive Island community
- it was hoped the competitive exclusiveness could be put aside;
- the goal was to begin a conversation not to solve it,
- if the AIFC agreed to continue meeting the dialog will have been a success.

• The All Island Finance Committee (AIFC), Tisbury and Oak Bluffs Finance and Advisory Committees (FinComs) were called to order at 7:08PM. *(Recorder’s Note: Discussions are summarized and grouped for clarity and brevity.)*

Martha's Vineyard Regional High School (MVRHS) Assessment Formulas; Is There a Fair Approach for All Towns

(See documents on file.)

MVRHS Finance Manager Mark Friedman reviewed the history of the MVRHSD Regional Agreement and formulas from the 1950’s to present.

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- To build the original facility the Agreement had two formulas, operating (by enrollment) and capital (fixed percentages). A 1989 amendment merged capital expenses with enrollment-based operational assessment.
- In 2008 the MVRHSC voted to use the default Massachusetts statutory formula due to lack of unanimity among the Towns. At that time the statutory formula was based on population and equalized property value, but over time it migrated to within 1% of the enrollment based formula.
- Other statistics and information was reviewed
 - 2017-18 total MVRHS enrolment was 643, 2018-19 was 659, and 2019-20 projections continued the rise. 52% of students resided in Oak Bluffs and Tisbury.
 - Fiscal Year 2012 (FY12) through FY20 MVRHS assessment changes by town, showed that although the budget increased (salaries, health insurance, etc.) individual town assessments rose and fell as families moved around the Island. For example, in FY20 Tisbury enrollment jumped by 20 additional students at \$29,000 per student causing a \$580,000 budget spike in MVRHS assessment alone.
 - Property values by town (in dollars and percentages) showed stresses on different towns e.g. Oak Bluffs and Tisbury had high enrollment and lower property values.
- Mr. Friedman presented 7 different assessment formulas shown with FY19 totals and in tax rates (overall and MVRHS) per \$1,000 value:
 - 1) statutory State formula,
 - 2) Regional Agreement (with almost the same outcome as the statutory);
 - 3) averaging enrollment by 3 to 5 years for more predictable, smoother assessments - long term same rate as regional and statutory formulas;
 - 4) capital and debt by equalized property value, operating costs by enrollment;
 - 5) capital, debt, maintenance, and utilities by equalized property value, operating costs by enrollment;
 - 6) total budget by common regional formula - 50% enrollment / 50% equalized property value (same as Dukes, County, Martha's Vineyard Commission (MVC), etc.)
 - 7) unified tax rate, i.e. regard the Island as one town with one tax rate – similar to the way Towns funded local schools.
- Because one town's gain was another town's loss conversations around amending the assessment to a more acceptable compromise were difficult and unfortunate, particularly as time was now a factor.
 - The facility was in need serious reinvestment (building envelope, heating/ ventilation/air conditioning (HVAC), etc.).
 - Maintenance costs were increasingly problematic triggering Excess and Deficiency (E & D) procedures.

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- MVRHSD was moving closer to Massachusetts School Building Authority (MSBA) acceptance: ~ 40% of capital costs plus expertise and oversight—which would not be forthcoming without a unified/unanimous Island vote.
- The State Auditors Report (see below: Actions) proposed measures that regional school districts should be urging on the Legislature:
 - 100% reimbursement for regional transportation costs;
 - elimination of State law prohibiting regions from helping districts provide bus service, e.g. MVRHSD could not partner with Vineyard Transit Authority (VTA), which needed summer buses;
 - 5 year reviews of regional school district agreements;
 - budget adoption process simplification to population not Township;
 - implement Budget Review Commission recommendations to address State level Chapter 70 inequities.
- The AIFC applauded and thanked Mark Friedman for the presentation and discussed a number of other options and issues.
- AIFC members questioned School officials on whether they were neutral on which formula to use. Superintendent Matt D'Andrea, MVRHS Principal Sarah Dingledey, and Mark Friedman affirmed they were completely neutral except for continuing the current situation, which they found untenable as it produced budget friction, required six strategies to address individual town politics, consumed unwarranted time and resources, and stalled the much needed renovation/replacement project. It was their contention that such energies would be better devoted to educational services.
- It was agreed that unity was a prerequisite for any substantial capital reinvestment project. Failure to come to terms would not change the condition of the building.
- The conversation then shifted to how to engage and motivate those Towns that would lose by formula changes, particularly Edgartown, which had not sent a representative and Chilmark which had high real estate values and low enrollment. However in order to move forward a group of people that don't get along had to get along. Chilmark protested that there was no reason for it to vote for any alternate formula.
- There was general interest in compensating Oak Bluffs for the lost real estate taxes from the 90-acres MVRHS campus with further mention of the Martha's Vineyard Hospital (MVH). Oak Bluffs representatives also noted the additional MVRHS burden on Town services (Police, Ambulance, Highway, etc.).

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- The assessment could be by a flat percentage of a Town's total revenue.
- Others contended the current formula had stood the test of time but it was also pointed out that at least two towns were dealing with intense budget pressure from MVRHS assessments.
- The prime error may have been linking assessment to enrollment when in reality this was a whole-Island greater-good issue that affected residents wherever they lived and whether they had children or not; similar to having one part of your body ill affecting the entire self. It was divisive to consider this to be a purely monetary problem.
- Some advocated for a separate capital costs formula emphasizing as above the Islandwide nature of the campus, e.g. the Performing Arts Center (PAC).
- Prin. Dingley compared it with Career Technical Education (CTE or Vocational Ed), which was operationally expensive with smaller classes and significant equipment needs; however students of these courses almost always moved into the Island workforce and service economy, benefiting the entire community. English Language Learners (ELL) were another challenge that benefited the community.
- The Oak Bluffs FinCom presented several alternate possibilities:
 - operational costs by enrollment with a year's lag (the 2017 enrollment census used for the FY19 budget) to allow budget planning;
 - construction costs assessed by Town taxable housing units (including seasonal), as a more stable indicator than enrollment or population;
 - a third of all Massachusetts regional school districts had mandatory minimum assessments;
 - the MVRHSD had the widest tax rate spread (338%) of any Massachusetts regional school district;
 - any change could be spread over a five-year period to ease the burden.
- The AIFC expressed interest in the suggestions and thanked the OB FinCom, discussing:
 - the need to digest and consider the many complex suggestions,
 - this meeting as a good working group,
 - how to engage Edgartown.
- *GREG ORCUTT MOVED THAT THE ALL ISLAND FINCOM MEET AGAIN ON JULY 31, 2019 AND TO REQUEST EDGARTOWN FINANCE COMMITTEE HOST THE MEETING, WITH A FALL BACK ON WEST TISBURY FINANCE COMMITTEE IF THEY REFUSED; LOLLY HAND SECONDED; MOTION PASSED UNANIMOUSLY.*

• **Future Agenda Items** – Tabled

• **County 5% Housing Administration Fee** – Tabled

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• **Housing Bank** – Tabled

• **Topics Not Reasonably Anticipated by the Chair** – None

• **Adjourn**

• *MOTION TO ADJOURN DULY MADE, SECONDED AND UNANIMOUSLY PASS AT 8:44PM.*

Meetings/Events:

AIFC –TBD, Wednesdays July 31, 2019 at Edgartown

Action List:

• All – contact Mark Friedman for a copy of the State Auditor’s report.

Documents on file:

- Agenda 7/10/19
- Sign In Sheet (2 p.) 7/10/19
- Gilfooy cover email re: Vineyard Gazette – Martha's Vineyard News/Property Taxes Rise, Along with Town Budgets 7/4/19
- Property Taxes Rise, Along with Town Budgets Vineyard Gazette excerpt (3 p.) 1/21/16
- Martha's Vineyard Regional High School Facilities Review (13 p.)
- MVRHS FY19 Budget Funding Formulas Based Upon Certified Budget 2/15/18 (3 p.)
- Martha's Vineyard Tax Rates by Town Five Year Trend 2012-2016
- The Regional Agreement Section VII shall be amended as follows: (7 p.)