

Town of Oak Bluffs
Finance and Advisory Committee
Thursday, February 7, 2019, 5:00 pm
Oak Bluffs Library Second Floor Conference Room

Present: Chair – Bill Vrooman, Bernie Crossland, Bob Gaffey*, Herbert Kiehn,
Maura McGroarty, Richard Weiss, Mike Taus, Walter Vail,
Absent: Ray Moreis,
Town: Library Director – Allyson Malik, OBS Principal – Megan Farrell,
Schools – Supt. Matt D’Andrea, Asst. Supt. Richie Smith,
Business Admin. – Amy Tierney, MVRHS Finances – Mark Friedman,
Others: Recorder - Marni Lipke * Late arrivals or early departures,
noted solely to mark vote counts.

• The Oak Bluffs Finance and Advisory Committee (FinCom) came to order at 5:07PM.
(Recorder’s Note: Discussions have been summarized and grouped for clarity and brevity.)

• **Approve Minutes (1/24/19, 1/31/19)** - Tabled

• **2020 Library Budget Review** (See documents on file.)

- As a new Oak Bluffs homeowner, Library Director Allyson Malik thanked the FinCom for all their hard work. The report included library activities, use, programs and the mandated biannual report to the Massachusetts Board of Library Commissioners (MBLC).
 - In Fiscal Year 2019 (FY19) Library saved the community \$2,031,000 for a 403% return on investment through: lending materials, community connections and referrals, technology assistance and instruction, wifi hotspot lending, computers, on line databases, Oak Bluffs specific and historical collections, hard copy and online periodical subscriptions; in short, addressing community money, time and frustration with humanity and patience. The FY20 request was for \$546,300.
 - The largest increase was staffing due to a 1.5% Cost of Living Adjustment (COLA) as well as unexpected turnover with new hires at increased steps/ pay.
 - Computer Automation covered the steadily increasing Cape Libraries Automated Materials Sharing (CLAMS) dues.
 - In order to maintain accreditation the Library was required to spend 19.5% of its budget on materials, books and periodicals, i.e. \$105,612, some of which would include materials from donations/fundraising by Friends of the Oak Bluffs Library and an English Language Learner (ELL) grant.
 - Education/Training was needed more than ever but the Line was reduced \$1,000 in anticipation of State grant funding.
 - FinCom raised the following issues:
 - The FY16 salaries were erroneously reported, mostly due to complications from several staffing shifts, maternity leaves, etc.
 - Some salary adjustments followed compensation/classification study recommendations.
 - The Library was starting a tool borrowing collection (laser level, jig saw, etc.). Other libraries, counsel and insurance were consulted on indemnification.
 - The Library was open 40 hr./wk. and full time staff worked the same. Maura McGroarty asked **if occasional police presence couldn’t reduce evening staff**. The Library Trustees had recommended extra staff in response to some incidents.
 - Library revenue was - \$45,000 per year which was counted in local estimated receipts.
 - At the end of the meeting members considered the increase, in terms of the Library as a valuable community asset.

Oak Bluffs Finance and Advisory Committee
February 7, 2019

2

• 2020 Oak Bluffs School (OBS) Budget Review (See documents on file.)

After the Library presentation OBS Principal Megan Farrell wished she had brought a video showing student progress, OBS programs, maker spaces, etc. that made everyone 'Proud to be from OB'.

- The School Improvement Project was progressing with its Owners Project Manager, and designers. Other infrastructure issues (new phone system, new intercom system, new security cameras and locks) were being completed with internal and grant funding.
- Enrollment had risen 15% from 378 in 2012 to 433 in 2019 (not counting the Project Headway Shared Services class). This change included disproportionate increases in sub-groups requiring additional intervention:
 - ELL from 24 in 2012 to 89 in 2019 requiring the hiring of an additional teacher (0.5 Full Time Equivalent (FTE) FY19 increase and another 0.5 FTE increase in FY20);
 - Socio-economic (free and reduced lunch) population from 23 in 2012 to 116 in 2019 requiring a larger tutoring budget;
 - Special Education (SpEd) enrollment increase from 12% in 2012 to 21% in 2019.
- The FY20 Budget was up 3.9% driven by contractual obligations (with 2% negotiations placeholder), the ELL teacher and the Superintendent's Shared Services Budget.
- The FinCom asked a number of questions.
 - The average class size was 17-18 students. There was a small first grade with only two classes, all other grades having three sections.
 - The ELL population increased in all the Island schools—particularly down-Island towns. It took 4 - 7 years to gain English academic literacy/fluency, which was a higher level than social competence. Students were tested regularly and graduated from the program.
 - The Supt. Shared Services budget was assessed by school population, not proportional use. It included SpEd Transportation for students whose Individual Education Plan (IEP) required it.
 - OBS staff benefits were budgeted in the Town Fixed Costs Department.
 - The FinCom suggested the schools be held to the same 2.5% increases as the Towns.
 - The Supt. Shared Services budget was up about 5%, major increases being:
 - 1.5 FTE wellness/health/mental health education and resource positions;
 - additional half day mandated integrated class for pre-school students with disabilities.

• Martha's Vineyard Regional High School (MVRHS) Revised Budget

((See 1/10/19 Minutes documents on file & 12/6/18 Minutes p.1-2)

The current certification of the MVRHS FY20 Budget was up 6.35%, with the four largest increases as:

- fairly aggressive Other Post Employee Benefits (OPEB);
- contractual obligations including union negotiation placeholder;
- residential placements;
- and health insurance.
- The Cape Cod Municipal Health Group (CCMHG) reduced the health insurance increase from 10% to 0% allowing the MVRHS Line to drop from \$285,000 to \$60,000 (which would cover the additional ELL staff needed for instruction compliance). The total budget would be recommended at a \$167,000 decrease – with the Oak Bluffs share (26.5%) decreasing \$45,000.
- However, Tisbury was expected to raise the issue of OPEB contribution at the Monday meeting called to re-certify the budget (see below: Meetings/Events). This issue had deadlocked the MVRHSC for two meetings, as a group of members were advocating for the MVRHS to reach OPEB liability pay-down in 5-7 years.

Oak Bluffs Finance and Advisory Committee
February 7, 2019

3

- FY19 OPEB payments were \$1,450,000: \$615,000 in pay-as-you-go costs, and \$800,000 to the Dukes County OPEB Trust. FY20 as certified, raised the OPEB total to about \$1,800,000 by increasing the Trust contribution \$344,000. Normal cost (annual contribution needed to stop the liability from growing) was ~ \$2,000,000/yr. contribution and the current delta with a 30 yr. pay-down contribution was about \$1,500,000/yr. School Administration recommended zero FY20 OPEB increase or a contribution from Excess and Deficiency (E & D).

- Indirect Transportation costs (i.e. administration, etc.) allocation of was also likely to be discussed Monday. However, whether paid through the MVRHS budget or the local (OBS) budget the cost was likely to be net/net.

- [The FinCom discussed the importance of Town officials, both Selectmen and FinCom, attending the MVRHSC meeting to advocate for a budget reduction](#), as well as the political complexities surrounding school budgets.

- The Regional Agreement Subcommittee was considering the assessment formula, however it was difficult to get all towns to agree to change a zero-sum formula. State law required six Town unanimity to use the Regional Agreement assessment (by Town MVRHS enrollment), otherwise it reverted to the State Statutory formula, which was now in use. Other municipalities (i.e. Boston) were able to stabilize budgets through increased State aid.

- [Superintendent Matt D'Andrea and the MVRHS Building Committee requested a presentation and student video on the \\$1.4 million Feasibility Study article at an All Island Selectmen/FinCom meeting.](#)

• **Social Service Warrant Articles** (See documents on file.)

- Town Accountant Deborah Potter had advised that the non-profits (including the Center For Living (CFL) now part of the Council On Aging (COA) budget and the Vineyard Health Care Access Program (VHCAP) now a Dukes County Dept.) could be moved into lines in a Town Social Service Dept.

- Free cash had been certified at about \$650,000. Chair Bill Vrooman advocated for putting all Town warrant articles (capital expenses, pension, stabilization, etc.) first so that non-Town social service articles were forced into the override.

- Walter Vail opposed the move to put social services into override, citing the importance of the services and the regional savings.

- The FinCom reiterated the issues of:

- overlap/duplication of services, administrative costs and oversight;

- Martha's Vineyard Community Services (MVCS) versus County sponsorship, (including a brief discussion on the new MVCS campus)

- the request for [an overview chart showing agencies, responsibilities and funding](#),

- [an additional request for a chart of Dukes County assessments and financials.](#)

- the impact of the 2018 move to consolidate the social service requests into a single article (see Minutes: 3/1/18 p.9 & 3/22/18 p.1).

- IT WAS THE CONSENSUS OF THE OAK BLUFFS FINANCE AND ADVISORY COMMITTEE TO RECOMMEND THE ARTICLES BE LISTED AS PRESENTED.

• **Other Budget Topics**

- The FinCom had agreed [to recommend an Emergency Management stipend of \\$2,500 and a 1.5% increase for Chief John Rose](#) (see 1/24/19 Minutes p.1-2). Other Island Fire Chief salaries were researched however credentials were also noted as a factor. There were conflicting reports of whether the Police Chief was still participating in Emergency Management duties.

**Oak Bluffs Finance and Advisory Committee
February 7, 2019**

4

• **Accountant's Comments** - None

• **Member Comments** (See below: Meetings/Events & Actions.)

- There was a discussion: on the current practice of dedicating all Embarkation revenue to the Police Dept. budget and the lack of [Town policy on Embarkation fund expenditure](#) (see [below: Actions](#)). [Policy should also cover other special fund expenditures such as fuel receipts](#), which were used to support Marina operating expenses, but might be dedicated to marina capital projects and maintenance.
- The FY20 Budget Public Forum was scheduled for February 21st. The Warrant was likely to be voted February 28th—school break week, when attendance would be challenging.

• **Public Comments** - None

• **Adjourn**

- **MIKE TAUS MOVED TO ADJOURN AT 6:54PM; WALTER VAIL SECONDED; MOTION PASSED UNANIMOUSLY.**

Meetings/Events:

MVRHSC - - 6:30PM, Monday, February 11, 2019 - MVRHS

OB FinCom - 5:00PM, Thursdays, February 14, 28, 2019 - OB Library

OB FinCom Public Forum- 5:00PM, Thursday, February 21, 28, 2019

OB FinCom - 5:00PM, Thursday, March 14, 2019 - OB Library

AIFC 5:00PM, Thursday, March 28, 2019

Special & Annual Town Meetings - Tuesday, April 9, 2019 - MVRHS PAC

Action List

- Bill/All - attend MVRHSC meeting about 6:30PM, Monday 2/11/19
- Bill - clarify Emergency Management staff and contact Bob Whritenour stipend/salary
- Bill - contact Martina Thornton re: request for charts.
- Bill - contact AIFC re: All Island meeting for MVRHS Feasibility article presentation
- Bill - contact Bob W. re: whether Harbor Fuel is included in local estimated receipts.

Ongoing Action List from previous meetings (cont.)

• Future Agenda Items:

Police Department Finances	Trash/Waste Analysis
Parking Mitigation Follow-Up	Reserve Fund Increase
Town Cleaning Services Analysis	Assessor's Office re: PILOTs
Auditor Management Letter Update (January, March, June, September)	
Embarkation Fund Policy	

Documents on file:

- Vrooman cover email re: 2/7 FinCom Agenda
- Agenda 2/7/19
- Finance and Advisory Committee
- Sign In Sheet 2/7/19
- OBS FY'20 Budget Analysis
 - OBS 2019-2020 Proposed General Fund Proposed Budget Draft #2A (6 p.) 2/7/19
- Oak Bluffs School Student Demographics
- Vrooman/Brough emails re: Fire Chief (3 p.) 1/28/19
- FY20 Budget Narrative Oak Bluffs Public Library (35 p. not counting blanks)
- Allyson Malik business card

• **Minutes approved as amended by the OB FinCom 2/14/19.**