

Tisbury Finance and Advisory Committee
6:30PM, Wednesday, March 2, 2022
by Zoom Cloud Conference due to Covid-19 Restrictions

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Present: Chair Nancy Gilfoy, Louise Clough, Mary Ellen Larsen, Rachel Orr, Allan Rogers, Lesley Segal, Dan Seidman, Sarah York,
Others: Recorder – Marni Lipke,
Town: Town Administrator – Jay Grande, Treasurer – Jonathan Snyder, Moderator – Deborah Medders, Building Inspector – Ross Seavey, Accountant – Suzanne Kennedy, Water Works – Chris Cassidy, Wastewater – Jared Meader, Melinda Byers
Library – Amy Ryan, Arch Smith,

* TFC members late arrivals or early departures.

Call Meeting to Order

• The Tisbury Finance and Advisory Committee (FinCom) was called to order at 6:30PM. (*Recorder's note: Discussions are summarized and grouped for clarity and brevity.*)

Review of Fiscal Year 2023 (FY23) Library Budget and Warrant Articles – Amy Ryan, Library Director (See documents on file.)

Budget - Town Administrator Jay Grande declared that of all the Town buildings, the Library should be impeccable. Library Trustees President Arch Smith commended Amy Ryan for her leadership.

• The Part-time/Seasonal Line reflected the almost 30% salary increase voted at the 2021 Annual Town Meeting (ATM) which was not in the FY22 budget because it was submitted before the vote.

- There were 1-2 non-union part-time casual laborers renamed library pages and the remaining funds was a conglomeration of 3200 hours of library aids which varied with the season and the week (average pay \$24.21/hr).

• Heating propane prices increased 40% (creating a FY22 shortfall).

• **ALLAN ROGERS MOVED TO RECOMMEND APPROVAL OF THE LIBRARY DEPARTMENT #610 FISCAL YEAR 2023 BUDGET; MARY ELLEN LARSEN SECONDED; MOTION PASSED **UNANIMOUSLY: 7 AYES, 0 NAYS, 1 ABSTENTION** (not present for the discussion): MARY ELLEN LARSEN—AYE, SARAH YORK—AYE, RACHEL ORR—AYE, LESLEY SEGAL—ABSTAIN, LOUISE CLOUGH—AYE, ALLAN ROGERS—AYE, DAN SEIDMAN—AYE, NANCY GILFOY—AYE.**

Articles (See 2/16/22 Minutes p.3 #9f & 9g.)

• The solar article was withdrawn while the library pursued grants.

• The 2003 website no longer worked on some modern browsers, scripts, etc. The \$15,000 website/technology upgrade request was the low end of quotes (some supplemental funds available) and vendors specializing in library websites could work from templates.

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- \$150,000 Building Repairs addressed a number of small but critical issues (windows, shingles, roof, doors, water/air tightness, septic/sewer gas, etc.) after ~ 20 years of neglect without a capital maintenance budget. This money would be added to previously voted funds, some in general Town building maintenance and some specific to the Library (e.g. see 3/10/21 Minutes p.1-2). All previously voted funds were still earmarked and available.
 - Heating/Ventilation/Air Conditioning (HVAC) consultants were designing short-term remediation (air handlers, wall units, electrical, etc.) and long-term replacement.
 - The septic tank was under a sidewalk, preventing inspection/upkeep, but problems and plumbing issues were expected.
 - Work delays were partly from lack of Department of Public Works (DPW) staffing, and partly because some projects (e.g. painting/carpeting) should follow other necessary repairs.
 - There was now a comprehensive list and timeline of current issues in coordination with the addition/renovation project targeted for FY24.
 - The FinCom requested that besides the new Facilities Director, the Town develop and commit to capital maintenance budgeting for all its properties and that new projects include project maintenance and operations budgets (see 1/19/22 Minutes p.2).
 - *ALLAN ROGERS MOVED TO RECOMMEND APPROVAL **AS PRESENTED** OF THE FOLLOWING ANNUAL TOWN MEETING ARTICLES:*
 - **LIBRARY TECHNOLOGY AND WEBSITE UPGRADE - \$15,000,**
 - **LIBRARY BUILDING REPAIRS - \$150,000,;**
- LOUISE CLOUGH SECONDED: MOTION PASSED **UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS:** MARY ELLEN LARSEN—AYE, SARAH YORK—AYE, RACHEL ORR—AYE, LESLEY SEGAL—AYE, LOUISE CLOUGH—AYE, DAN SEIDMAN—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.*

Review of Water Works Fiscal Year 2023 (FY23) Budget and Capital Requests – Christopher Cassidy, Water Superintendent

(See documents on file.)

Budget - Water Works was shut down for much of the previous year, and consequently Supt. Chris Cassidy took FY21 as a baseline. He expected FY23 to return to standard, but if not, would look to trim FY24.

- A Full Time position vacant for a couple years was being re-funded.
- The Overtime increase banked on union negotiations to allow compensation for each employee to be on-call on a week-to-week basis.
- Indirect and Direct Costs were Town services: accounts, invoice processing, accountant, etc.

Articles

- Two Vehicle purchases were in line with the usual vehicle lifespan rotation.

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- Water Meter Replacement (\$5,000 over FY22) continued a monumentally successful program that would replace all meters on a 12 year rotation.
- Sanborn Well Generator would swap out a diesel powered generator within 5 ft. of a drinking water source for the standard Tisbury well propane generators. The diesel generator could be utilized elsewhere in Town.
- Water Main Replacement paid for ~1,500 ft. of new mains (with ideal conditions and equipment), coordinated with DPW roadwork (see 3/17/21 Minutes p.4), prioritized by: old pipes, restricted flow, lead surfaces, etc.
- Hydrant Repair brought the work in-house to avoid the current astronomical prices. The goal was 10 hydrants per year, replacing operating valves, older hydrants, etc.
- MARY ELLEN LARSEN MOVED TO RECOMMEND APPROVAL *AS PRESENTED* OF THE **WATER WORKS FISCAL YEAR 2023 BUDGET ANNUAL TOWN MEETING ARTICLE**: ALLAN ROGERS SECONDED: MOTION PASSED **UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS**: MARY ELLEN LARSEN—AYE, RACHEL ORR—AYE, LESLEY SEGAL—AYE, LOUISE CLOUGH—AYE, DAN SEIDMAN—AYE, SARAH YORK—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.
- MARY ELLEN LARSEN MOVED TO RECOMMEND APPROVAL *AS PRESENTED* OF THE *FOLLOWING ANNUAL TOWN MEETING ARTICLES*:
 - **VEHICLE REPLACEMENT \$50,000,**
 - **VEHICLE REPLACEMENT \$60,000,**
 - **WATER METER REPLACEMENT \$50,000,**
 - **SANBORN GENERATOR REPLACEMENT \$100,000,**
 - **WATER MAIN REPLACEMENT \$500,000,**
 - **FIRE HYDRANT REPLACEMENT \$25,000,**ALLAN ROGERS SECONDED: MOTION PASSED **UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS**: MARY ELLEN LARSEN—AYE, RACHEL ORR—AYE, LESLEY SEGAL—AYE, LOUISE CLOUGH—AYE, DAN SEIDMAN—AYE, SARAH YORK—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.
- The FinCom thanked Chris Cassidy for his excellent background documents.

Review of Fiscal Year 2023 (FY23) Wastewater Budget – Jared Meader, Wastewater Superintendent (See documents on file.)

Budget – was based on the new rate structure. Other Superintendents suggested the revenue might be considerably higher than projected.

- Salaries/Wages included one new employee, and a grade/step/salary increase for a new FY22 position that failed to attract candidates. Incentives could be offered to employees increasing their certification status.
- Finance Director Jon Snyder proposed that the \$500,000 Town debt for Wastewater Improvements was not part of the B2/State Rd. expansion and

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therefore should be assigned to the Wastewater budget, amounting to a \$100,000 pay-down and \$3,000 annual costs that could be covered by the \$73,000 surplus and ~ \$30,000 in reductions.

- Supt. Jared Meader argued that this was a 50/50 Town/Wastewater shared debt and that Wastewater paid its share of through a \$500,000 debt reduction of surplus earnings and Wick stabilization fund rescinding (see 2/20/19 Minutes p.14). He cited April 2021 Informational Guideline Release (IGR) re: Massachusetts General Law (MGL) Chapter 44, Section 33. Suggesting that the proposed change would set precedent effecting several aspects of the Wastewater Department including nitrogen mitigation.

- Unfortunately there was no documentation for the details, however several participants in the Sewer and Town remembered it as Mr. Meader described.

- The Tisbury Select Board (TSB) approved the Wastewater budget without being aware of the issue. Town Administrator Jay Grande had requested FinCom opinion. Mr. Meader would ask to be on the next TSB agenda.

- It was not clear what was being asked of the FinCom and Chair Nancy Gilfoy noted the FinCom's role was to recommend budgets, not to resolve conflicts between the Finance Dept. and other Departments. All hoped the Finance and Wastewater Departments would work together to resolve the issue. Town Counsel could be consulted.

- *ALLAN ROGERS MOVED TO TABLE THE WASTEWATER BUDGET ARTICLE UNTIL THE DEBT ISSUE WAS RESOLVED; SARAH YORK SECONDED; MOTION PASSED UNANIMOUSLY: 8 AYE, 0 NAYS, 0 ABSTENTIONS: DAN SEIDMAN—AYE, LOUISE CLOUGH—AYE, LESLEY SEGAL—AYE, SARAH YORK—AYE, RACHEL ORR—AYE, MARY ELLEN LARSEN—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.*

- The FinCom thanked Jared Meader for the well-constructed budget in keeping with the new rates

Article – The Sewer Connection was a pro-active housekeeping move to formally approve some Town owned (Emergency Services Facility (ESF), & Wastewater Facility) and some private lots, already connected to the system.

- One of the old Hinckley properties (including the new Vineyard Wind offices) had deed restrictions forbidding sewer connections. However, sewer flow was Town purview and not within private control to barter or trade.

- The Santander property was actually 2 lots, both already tied into the system.

- *ALLAN ROGERS MOVED TO RECOMMEND APPROVAL **AS PRESENTED** OF THE **WASTEWATER CONNECTIONS ANNUAL TOWN MEETING ARTICLE: MARY ELLEN LARSEN SECONDED: MOTION PASSED **UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS:** DAN SEIDMAN—AYE, MARY ELLEN LARSEN—AYE, RACHEL ORR—AYE, SARAH YORK—AYE, LESLEY SEGAL—AYE, LOUISE CLOUGH—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.***

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Review of Debt and Interest Budget #700 – Jonathan Snyder, Finance Director (See documents on file & Minutes: 3/10/21 p.4,& 4/14/21 p.6.)

Short-Term borrowing had been instituted for \$13,000,000 (of the \$55,000,000) School Project debt (cost \$1,800,000) and the \$5,000,000 Roadwork debt (cost \$500,000) . As well as the possible \$103,000 Wastewater debt cost (see above)—constituting a 180% increase over FY22. There was a move that as this was short-term borrowing, the increase be delayed a year, particularly as the FY23 budget was under the tax levy limit (see below). However Mr. Snyder strongly advised against this because taxpayers would see the work on the school without any increased taxes and consequently would protest twice as much when there was a big increase in FY24.

- The Town currently had about \$1,000,000 in debt expenses, the largest of which were:
 - \$550,000 for the ESF maturing in 9 years, and
 - \$330,000 for the Tisbury School roof maturing in 3 years.
- The short-term bonds were at very low interest rates but interest was expected to rise sharply. Unibank advised borrowing half the School bond in August 2022. Mr. Snyder would prefer to borrow the total but Federal law constrained how far in advance of spending funds could be borrowed.
- ALLAN ROGERS MOVED TO RECOMMEND APPROVAL OF THE DEBT AND INTEREST DEPARTMENT #700 FISCAL YEAR 2023 BUDGET; MARY ELLEN LARSEN SECONDED; MOTION PASSED WITHDRAWN pending resolution of Wastewater debt issue.

Levy Limit Discussion – Jonathan Snyder, Finance Director, Suzanne Kennedy, Town Accountant (See documents on file.)

- The FinCom thanked Mr. Snyder and Town Accountant Suzanne Kennedy for their helpful background documents.
- Although not yet finalized the Town FY23 budget was \$34,500,000 (up ~ 13% of which 8% was debt) with some revenues reducing it to \$34,200,000.
 - The Budget and all raise and appropriate articles including funding stabilization accounts constituted \$34,500,000.
 - State assessments (the Cherry Sheet was always net-negative for Tisbury), Charter School tuition and School Choice assessments (likely to rise during the construction project) would increase the total to \$36,600,000.
 - Local revenues and dedicating ~ \$800,000 Free Cash towards lowering the tax rate would bring the raise and appropriate total to \$31,800,000, about \$92,000 below the Proposition 2 ½ levy limit.
 - Last year's budget was \$700,000 below the levy limit but the Town spent \$650,000 of it to cover swings in State and local revenues as well as other unexpected factors.

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- Consequently the Finance Director asked for a \$750,000 override. If the override failed the Budget would still be under the levy limit—although it would be very tight and cuts were likely throughout the year. If the override passed the Town would be slightly ahead. Another override was likely in FY24.
- Mr. Snyder asked for a general override without specifying debts.
- The override was only on the ballot and therefore would be voted by many residents that had not attended ATM.
- The FinCom explored a number of issues.
- Further budget reductions might leave the Town \$150,000 below the limit, however Mr. Snyder considered, that given current uncertainties the differential should be at least \$600,000.
- \$5,000,000 Free Cash paid for many articles, thus reducing those that required appropriation.
- All articles creating new permanent positions were raise and appropriate.
- The FinCom did not usually make recommendations on ballot questions.
- The override proposal would be presented to the TSB tomorrow.

Discussion and Voting on Previously Reviewed Budgets and Warrant Articles

- ATM protocol was briefly discussed. The printed and Town Moderator read Budget was as the FinCom recommended. Any Department Head wishing to contest a FinCom budget would have to make his case on ATM floor.
- The Personnel Board met and supported a small amendment to the original Bylaw as well as the creation of a Human Resource Director and Department with purview over Management and Professionals (M & P), Town-wide personnel policies, and some coordination with collective bargaining.
- Union contracts specified grievance procedures. The Town Administrator would still participate in union grievance procedures and have supervisory duties over the entire organization but would cease to be the primary contact.

Future Meetings (See below: Meetings/Events & Actions.)

- Principal John Custer informed the Town that the Tisbury School gym would be available on April 12th. This pushed the ATM schedule forward considerably, requiring the Warrant be signed shortly and FinCom recommendations be voted as soon as possible.
 - March 9th - The Personnel Board would be on the agenda to talk about their warrant articles and various proposed positions. Member should be prepared to vote all the remaining budgets and warrant articles (see below: Actions).
 - The Chair reminded members that Open Meeting Law prohibited discussions over email and asked members to keep their comments for meetings.
- Next week Personnel bd re: human resources and positions.

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Items Not Reasonably Anticipated by the Chair - None

Adjournment

• ALLAN ROGERS MOVED TO ADJOURN AT 8:33PM; MARY ELLEN LARSEN SECONDED; MOTION PASSED UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS: MARY ELLEN LARSEN—AYE, LOUISE CLOUGH—AYE, RACHEL ORR—AYE, DAN SEIDMAN—AYE, SARAH YORK—AYE, LESLEY SEGAL—AYE, ALLAN ROGERS—AYE, NANCY GILFOY—AYE.

Appendix A: Meetings/Events:

- **TFC – 6:30PM, Wednesdays, March 9, 16, 23, 2022 – Zoom**
- **STM/ATM – TBD – 7:00PM, Tuesday, April 12, 2022 – Tis. School Gym**
OR - 2:00PM, Saturday, April 30, 2022 – PAC

Appendix B: Actions

Nancy – distribute STM/ATM Draft #5

All – contact Nancy with any budgets you wish to discuss.

Agenda – Minutes: 2/9/22, 2/16/22, 2/23/22, 3/2/22

Personnel Board

Discussion and Voting on All Remaining Budgets and Warrant Articles

\$100,000 FY22 Reserve Fund spending tally – Balance: \$75,000

8/25/21 – Selectmen Other/Finance - \$25,000 Insurance shortfall

Appendix C: Documents on File:

- Agenda 3/2/22
- FY 2023 Budget Plan Town of Tisbury Department 610 Library (4 p.) 1/11/22
- Article Submission Form – Library Building Repair 12/18/21
- Article Submission Form – Library Technology/Website Upgrade 12/18/21
- Tisbury Water Works Warrant Articles for Town Meeting FY2023 (3 p.)
- Treasurer article – to assess an additional \$800,000...
- Kennedy email re: Debt and Interest Budget (4 p.) 3/1/22
- Gilfoy/Grande emails re: Preliminary Override Proposals (3 p.) 2/28/22
- Gilfoy/Seidman/Metell emails re: Town Support of Enterprise Fund (4 p.)
3/2/22
- Kennedy email re: FY22 Budget Expense Report (4 p.) 3/2/22
- Kennedy email re: FY22 Budget Expense Report (4 p.) 3/2/22
- Town of Tisbury FY22 Wastewater Enterprise March 1, 2022 Balances
3/2/22
- Town of Tisbury Wastewater Department Customer Rates FY2023 (4 p.)
- To Adopt FY2023 Sewer Enterprise Fund Budget (3 p.) 12/21/21

Nancy Gilfoy – Chair

Date

Minutes approved as amended 3/23/22