

**Tisbury Finance & Advisory Committee
at the Tisbury Emergency Services Building
6:30PM, Wednesday, October 16, 2019**

Present: Chair – Mary Ellen Larsen, Nancy Gilfoy, Seth Gambino,
Larry Gomez, Lolly Hand, Jynell Kristal, Laura Rose, Lesley Segal,
Sarah York*,

Town Staff: Jonathon Snyder – Town Treasurer, Maura Valley – BOH Agent,

Others: Recorder Marni Lipke, * Late arrivals or early departures

Call to Order

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

Minutes –review and approval - September 18, 2019

• LARRY GOMEZ MOVED TO APPROVE THE TISBURY FINANCE COMMITTEE MINUTES OF SEPTEMBER 18, 2019; LESLEY SEGAL SECONDED; MOTION PASSED UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS.

- October 2, 2019

• NANCY GILFOY MOVED TO APPROVE THE TISBURY FINANCE COMMITTEE MINUTES OF OCTOBER 2, 2019; JYNELL KRISTAL SECONDED; MOTION PASSED UNANIMOUSLY: 8 AYES, 0 NAYS, 0 ABSTENTIONS.

Request for reserve fund transfer for the Board of Health

After many years of good off-gassing reports on the capped landfill the Tisbury Board of Health (BOH) was applying to the Massachusetts Dept. of Environmental Protection (DEP) to reduce from quarterly to semi-annual testing—saving the Town ~ \$3,000 per year pending favorable approval as expected. The estimated cost to compile reports and complete an application was \$3,500 (unbudgeted) so BOH Agent Maura Valley was requesting a Reserve Fund transfer. The current year monitoring contract was \$18,300 and a timely decision might save the Town \$1,500 (cost of one quarterly test) this year.

• JYNELL KRISTAL MOVED TO APPROVE THE WITHDRAWAL OF \$3,500 FROM THE RESERVE FUND TO COVER THE BOARD OF HEALTH APPLICATION TO THE MASSACHUSETTS DEPARTMENT OF ENVIRONMENTAL PROTECTION TO REDUCE THE FREQUENCY OF LANDFILL TESTING; LARRY GOMEZ SECONDED; MOTION PASSED UNANIMOUSLY: 9 AYES, 0 NAYS, 0 ABSTENTIONS.

Workshop on Municipal Finance Orientation – Jon Snyder

(See below: Actions & documents on file from 10/16/19 & 7/3/19.)

• The Board of Selectmen (BOS) set policy and executed Town decisions. They

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coordinated departments and had budgetary oversight especially over the departments they oversaw—although some departments reported to their own commissioners or boards. The Selectmen decided Annual and Special Town Meeting (ATM/STM) warrants including the order of the articles. Much of the work was delegated to The Town Administrator, who implemented Selectmen directions, running the day-to-day operations with authority to make decision on the fly.

- Emphasis was made that the FinCom was a Finance and *Advisory* Committee that could advise on *all* Town matters. The FinCom was deeply involved in setting department budgets and had authority over the \$70,000 Reserve Fund (see above).

- As Finance Director, Treasurer and Tax Collector Jonathon Snyder also oversaw the Assessors and Accountants Departments as well as his own small staff:

- receiving and depositing all town funds in banks,
- paying ~ 12,000 invoices per year through the Accountant's office;
- issuing and collecting tax bills, (real estate, personal property, vehicles, boats, etc.),
- managing all town funds in banks and investment services (in keeping with very conservative State guidelines),
- having responsibility over all Town borrowing—usually in the lower interest Bond Anticipation Notes (BANs), and
- managing the budget process along with the BOS and FinCom.

- The tax rate was set by dividing total Town expenditure, by the total value of Tisbury real estate. The Town allowed an 18% residential exemption discount. Estimated tax bills were sent out until the tax rate was set after which actual taxes were billed.

- A 10-year master capital plan forecasted projects and debt levels. Major local capital projects included: the Tisbury School, the Beach Road seawall, the wastewater treatment plant expansion, and a new Town Hall—plus the more regional MVRHS project.

- STM in Tisbury traditionally voted on non-monetary articles such as bylaws and zoning while ATM articles were monetary and decided spending for the v-current and coming Fiscal Year (FY). The deadline for article submission to the Town Clerk was usually mid-December. (In order to avoid holidays and conflicts this year's ATM was likely to be in mid-March.)

- The Water and Wastewater Departments operated on independent enterprise funds, which were separate from other Town finances.

- The Town Stabilization Fund (previously at \$3,100,000—see 10/15/19 Minutes) operated as a reserve. Three other dedicated Stabilization Funds built up capital to pay large items: fire-trucks, ambulances, and dredging projects.

- Free Cash constituted appropriated but unexpended funds, and could be re-appropriated for other purposes at the next ATM. The Town had been fairly responsible in re-appropriations spending on capital items, replenishing Stabilization and lowering the tax rate—not a long-term good policy.
- Proposition 2 ½ restricted taxes to the 2.5% of the previous years tax *levy* plus new growth. The taxes could be raised by Town vote for an override or debt exclusion—which was dropped once the debt rolled off the books.
- Other Post Employment Benefits (OPEB) was a municipal liability from Town payment of 75% of retiree health insurance. Currently about \$19,000,000 it was commensurate to the pension liability. The Town usually paid \$300,000 per year into the Dukes County OPEB trust, but this was a small portion of the needed commitment.
- The bulk of Town revenues (87%) were from real estate taxes, with the remaining funds from excise, personal property, hotels/meals and State revenues.
- Education accounted for ~ 45% of all Town spending with police/fire /ambulance and insurance accounting for another 30%.
 - 75% of all expenditure was personnel (salaries and benefits).
- The FinCom thanked Jonathon Snyder with a round of applause.

Committee Reports (See below: Actions & Meetings/Events.)

Community Preservation Committee (CPC): was starting interviews next week and would vote recommendations shortly thereafter. They received 25 well-documented applications with a total value of \$1,790,000. State matching funds were likely to be reduced by 16 new municipalities joining the CPC program.

Embarkation – nothing to report.

Energy – nothing to report.

Harbor – Laura Rose sent a letter requesting appointment to a vacant seat but had received no response. A recent meeting showed a number of new members.

Martha's Vineyard Regional High School Committee (MVRHSC) – The Budget Subcommittee was discussing a number of FY2021 budget iterations (0%, 4%, etc.) In addition Administration was struggling with temporary updates to a number of systems (heating/ventilation/air conditioning-HVAC, internet access, etc.). There were some school buses waiting to be surplus.

MVRHS Building Committee – nothing to report.

Personnel Board – nothing to report.

Housing Committee – nothing to report.

Planning Board – was still advocating for a housing bank despite rejection by six town ATMs. The FinCom discussed:

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- Tisbury need for all revenues;
- Planning Bd. members conflict of interest with the Island Housing Trust (IHT) Board;
- Tisbury share of affordable housing;
- loss of tax revenues to non-profits.

Sewer Flow – was looking for someone with Munis capabilities. Back payments were down to \$50,000 (three property liens). The largest discussion was on the survey for the State Road sewer expansion and whether to allow voluntary or to force tie-ins. The leaching field had extra capacity but the treatment plant was at its limit. Larger housing development projects might be asked to install nitrogen reduction or alternate septic systems.

Tisbury School Committee (TSC) – Lead remediation was approved at last night's STM. The Education Plan, including a Shared Services pre-kindergarten space, was being updated. The School applied for \$100,000 in CPC funds for playground improvements. Enrollment dropped from 290 to 288. The next All Island School Committee (AISC) would discuss the Shared Services FY21 Budget draft.

Wastewater – nothing to report.

Capital – an informal committee asked each department for 10 year projections of capital needs along with justifications for each item.

All Island Finance Committee (AIFC) update

The FinCom debated the stalemate over the MVRHS Regional Agreement Assessment both operating and capital, noting at least the presence of all six towns at the last meeting and lamenting the subsequent boycott of Chilmark and Edgartown. Suggestions on breaking the impasse included:

- dissolving the regional agreement;
- suspending AIFC meetings for a year;
- waiting for the pressure of Edgartown children's need for a renovated facility;
- keeping the issue before the press;
- the assistance of the Massachusetts Association of Regional Schools (MARS) technical expertise;
- continuing AIFC meetings to work out a consensus plan to present to Chilmark and Edgartown.
- the issue of Chilmark offering to host the next AIFC meeting;
- forming an initial working group of the 6 FinCom Chairs.

Adjournment

- *LAURA ROSE MOVED TO ADJOURN AT 8:49PM; NANCY GILFOY SECONDED; MOTION PASSED UNANIMOUSLY.*

continued

Appendix A: Meetings/Events:

- AISC – 5:00PM, Monday, October 28, 2019 at the MVRHS LCR
- **TFC – 6:30PM, Wednesday, November 5, 2019 at the EMS Building**

Appendix B: Actions

Jon S. – send TFC FY20 revenues preliminary revenues report.
Jon S. – send TFC 10 yr. master capital/debt plan.
Mary Ellen – contact Pam Bennett re: FinCom appointee to Personnel Bd.
All – rotate Planning Bd. attendance mid-November through mid January.
Jynell – contact Prin. Custer re: detail of split campus expenditures.
Larry – send Mary Ellen current capital plan
Marni – send Lesley Segal Housing Committee contact
November Agendas:
Minutes: 7/3/19, 10/15/19, 10/16/19, (AIFC 8/28/19?)
Capital Plan

Appendix C: Documents on File:

- TSC Agenda 10/16/19
- Request for Transfer from the Reserve Fund (3 p.) 10/9/19
- FY2021 Budget / 2020 ATM & STM Draft Calendar (2 p.) 9/27/19
- FinCom Orientation October 2, 2019 (3 p.)
- 7/3/19 Documents on File
 - Financial background binders:
 - Budget Index
 - Strategies to Consider OPEB Costs Escalate (8 p.)
 - A Guide to Financial Management for Town Officials (52 p. plus blanks)
 - Open Meeting Law Guide 10/6/17 (24 p.)

Mary Ellen Larsen – TFC Chair

Date

Minutes approved 11/6/19.