

Town of Oak Bluffs
Finance and Advisory Committee
Thursday, January 5, 2017, 5:00 PM
Library Conference Room

Present: Chair - Jason Balboni, Steve Auerbach, Kim Burke, Bob Gaffey,
Herbert Kiehn, Maura McGroarty, Mike Taus, Bill Vrooman, Richard Weiss,

Absent: None

Town Town Administrator – Bob Whritenour, Selectman Walter Vail,
Capital Improvements – Bill McGrath, OBS – Megan Farrell,
Planning – Brian Packish,

Others: Schools – Supt. Matt D’Andrea, Asst. Supt. Richie Smith,
Kimberly Burke

Recorder - Marni Lipke

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

• Call to Order

• The Oak Bluffs Finance and Advisory Committee (FinCom) came order at 5:02PM. *(The discussions/presentations are summarized and grouped for clarity and brevity.)*

• Capital Improvements (See documents on file.)

• Capital Program Committee Chair Bill McGrath commended the two FinCom representatives bringing nice perspectives and in Maura McGroarty’s case experience to the Committee deliberations.

• The Committee planned, proposed and recommended for the next six years on department requested expenditures of about \$10,000 or more (or occasionally projects proportionally large for Dept. budgets) for: vehicles, equipment, buildings, and some maintenance such as catch up projects.

• Funding sources were considered:

- Excluded Bonds (BE)—goal to replace them as they aged out for a stable tax rate, (example of conservatively estimated (2%) costs included);

- Bond Anticipation Notes (BAN)-eventually wrapped into a larger excluded bond projects;

- grants—hopefully more such application and revenue in the future,

- Ambulance Reserve—legislated for public safety equipment (ambulance, fire, police, etc.)

and currently with a generous balance;

- Community Preservation Act (CPA)—reported but not graded as this was the purview of

the Community Preservation Committee;

- Waste Water/Waterways.

- Available Funds/Free Cash—prioritized at Maura McGroarty suggestion.

• Projects were graded:

- #1 strongly recommended

- #2 second priority,

- #3 not considered necessary and/or no available funding.

• Mr. McGrath spoke to proposals for the 2017 Annual Town Meeting (ATM) Available Funds. The Committee requested more design/plans for the following projects:

- The Police Dept.: gym equipment, Station remodel (not eligible for Ambulance Reserves);

- Harbormaster shack expansion/replacement (see below p.4).

• The Highway Dept. five-year lease (see 3/14/16 Minutes p.2 Article #7) was rated #1.

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- The Oak Bluffs School (OBS) roof and Heating/Ventilation/Air Conditioning (HVAC) project would eventually be funded by an excluded bond and might be eligible for a Massachusetts School Building Authority (MSBA) grant.
- Wastewater (WW) had a lot of planning ahead of them in anticipation of expanding the plant and system, so the Committee proposed it be funded with a targeted Wastewater Management Plan and Enterprise funds as prioritized by the WW Commission.
- Larger OBS and Regional School renovation projects were noted for the future as conservative estimates (2%) in the debt management tool footnotes (see below: Meetings).
 - Later in the meeting the Martha's Vineyard Regional High School (MVRHS) project was roughly outlined as probably encompassing the 1957 section of the building and other interior and HVAC renovations.
 - The Shared Services Office replacement had only outdated cost figures, and was on hold pending decisions on the MVRHS renovation.
- The Plan also included a list of Town owned buildings and vehicles by Department. The FinCom asked about mileage/depreciation. Town Administrator Bob Whritenour noted the Assessor's initiative that gained four electric vehicles at \$318 per car per year for four years.
- Mr. McGrath felt the Plan was a good explanation of Town capital needs and funding and expected it to be part of the Annual Town Report. He looked forward to all feedback.
- The FinCom thanked him for his time and report.

• Budget Presentations

- Oak Bluffs School (OBS) (See documents on file.)

Principal Megan Farrell thanked the OB School Committee (OBSC and Mr. Whritenour for their cooperation with the budget draft.

- She led off by describing the current OBS enrollment status and demographics:
 - 454 students (16.6% increase) the largest population ever:
 - part of a predicted growth trend for the next few years;
 - probably due to affordability of OB housing;
 - continual increase after the October 1, 2016 census.
 - English Language Learners (ELL) proportion from 16 (0.4%) in 2012 to 112 (28%) in 2016;
 - Special Needs decrease from 110 (28%) in 2012 to 84 (18%), still higher than State average;
 - Socio-economic (Free & Reduced lunch eligible) from 102 (26%) in 2012 to 185 (40%).
 - School Choice levels slightly down but fairly stable.
 - This meant that after FY18 there would be three sections in each grade.
- The ELL, Special Needs and Socio-Economic designations usually carried either mandated curriculums and/or increased interventions on literacy, behavior, etc. As a proud Level One rated school the OBS both philosophically and by rating, worked hard to address any achievement gaps in those categories.
- Subtracting the 15 Shared Services program students (paid outside the OBS budget), the School supported the equivalent of two extra grades (next largest Island school - 360 students) with the smallest per pupil cost—but still robust compared with State numbers.
 - The Fiscal Year 2018 (FY18) Budget manipulated existing services to best serve the growing population. It was presented as the first part of a two-year plan. Originally the 7.70% increase Budget requested:
 - one full time ELL teacher—the School was currently out of compliance; and
 - one full time Middle School teacher to cover the three sections.
- However, in working with Mr. Whritenour, the OBSC and Supt. Matt D'Andrea, Prin. Farrell brought the increase down to 5.26% as follows:

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- half time ELL teacher – with an additional half time commitment in FY19;
- half time Middle School teacher – with an additional half time commitment in FY19; and
- elimination of increases that covered trended deficits for: ELL Translations, Textbooks and Computer Supplies.
- The FinCom asked about a number of issues.
 - They commended the OBS and its dedicated staff on the decrease in Special Needs.
 - This Draft reduced the teacher salaries for the two additional positions. Prin. Farrell hoped to hire on the lowest step (Bachelor’s Degree) and would cover any difference with School Choice funds—provided there were no serious facility issue drains.
 - Ms. Farrell was also aggressively writing grants to alleviate technology needs—a necessity for 21st Century skills. However she emphasized that with a 16.6% population growth the FY19 Budget would require more staff, more learning consumables (textbooks), more technology supplies, etc.
 - Prin. Farrell reviewed the section sizes low (12-17) in kindergarten (K) first and second grades where individual attention was most desirable; and 18-20 in the higher grades. Section configuration (Special Needs, ELL, student ‘chemistry’ etc.) was the important factor in determining size. The School Committee had to give permission for classes larger than 23 and 25 was the maximum. (The small k and seventh grade classes were anomalies.)
 - Unlike other Martha's Vineyard Public Schools (MVPS), which had an assistant in every section, at the OBS three sections shared two teaching assistants with the exception of K and first grade.
- The FinCom thanked the School representatives for their presentation.
 - **Marina** (See documents on file & below: Actions.)
- The recommended Budget had two simple increases of \$3,000 (the first in eight years):
 - Repair/Maintenance, and
 - Other Charges & Expenses to cover software licensing vendor increases.
- On Mr. Whritenour’s initiative, salaries were reduced by shifting an office assistant to full time at Town Hall—rather than spending the summer at the Harbor office. Another assistant would fill in their duties. Harbormaster Todd Alexander was resigned and emphasized his best wishes on the promotion to Town Hall.
- Mr. Alexander was looking to make this a transition year from his current software to Dockwa, now the industry standard, and hopefully saving \$3,500 in FY19. Dockwa allowed booking by cellphone, required complete payment (instead of deposits), eliminated double booking, and in general was a more efficient system (already in use in Edgartown). The only concern was the essential factor of boat size in Oak Bluffs Harbor bookings.
- The FinCom explored various factors.
 - Other Charges had never been overspent. The Harbor produced about \$1,000,000 in revenue (tracked in Exel) that went into the General Fund.
 - Deposits were not usually abandoned as staff refunded them with notice or tried to accommodate date changes.
 - Maintenance was sometimes paid out of the Waterways fund.
 - Both diesel and gas Fuel Depot sales (\$300,000/yr.), both gallons and rates, wildly exceed original projections so capital debt would be paid off in half the time. Prices were set by market rates and gouging lost customers to other harbors. The Depot stayed open passed the Derby week and then closed for the winter. Future revenue would go into a stabilization fund for Harbor improvements allowing some separation of Harbor needs from Town tax rolls. Jetty repair (now failing with climate change storms and sea level rise) was the first priority but other needs included: the back wall, piling maintenance, electrical refit and bathroom renovation.

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- The Harbor Office was an un-insulated shack, pieced together over the years, too small for the 16 person summer staff, with a bathroom in the middle of the floor, was cold in winter and shook in winds. The pilings were sound. In view of the short off-season timeframe Mr. Alexander proposed ordering a pre-fab that was very slightly larger (1.5 ft.) than the current office so the old office could be demolished and hauled away and the prefab installed in fairly quick turn around.

Bob Whritenour presented the FY18 recommended budget up 3.1% within the Proposition 2 ½ without an override, with no Free Cash or Stabilization commitment. The OBS was high at 5.25% including the Supt. Shared Services at 5.6%, but these were balanced by a drop in MVRHS enrollment/assessment—as usual estimated until the State Statutory formula was set.

- Contractual or Cost of Living increases (still in negotiations) were included in an unspecified reserve under the Selectmen part.
- Year to Date actuals were shown in the Munis Budget, and Mr. Whritenour would put out his usual End-Of-Year Update next week.
- The FinCom was invited and urged to attend the Selectmen's Budget Workshop (see below: Meetings/Events).

• **Member Comment** (See below: Actions.)

• Maura McGroarty reiterated her advocacy to address Other Post Employee Benefit (OPEB) liability even as an un-funded line item in the budget, as Oak Bluffs seemed to be falling behind other Island municipalities. The FinCom discussed:

- certification of Free Cash and commitment to Stabilization and OPEB;
- necessity of bringing it to public attention;
- various methods: lump sum commitment, inclusion of cost for each new employee, etc.
- previous action to include in budget (see 12/18/14 Minutes p.1).

• **IT WAS THE UNANIMOUS CONSENSUS OF THE OAK BLUFFS FINANCE AND ADVISORY COMMITTEE TO REQUEST A LINE ITEM FOR OTHER POST EMPLOYEE BENEFIT LIABILITY AT THE SELECTMEN BUDGET WORKSHOP.**

• The Fire Dept. Budget was lower than requested (see 12/8/16 Minutes p.2).

• Members welcomed back Kimberly Burke who had left the FinCom while living in West Tisbury. Her life had changed in the course of the year but she looked forward to finishing out her term (April 2017).

• **Public Comment** - None

Meetings/Events:

Selectmen Budget Workshop – 3:30PM, Tuesday, January 10, 2017 – OB Library.

MVRHSC - 5:00PM, Monday, January 9, 2016 - MVRHS LCR

OBSC - 8:30AM, Tuesday, January 17, 2016 - OBS

FinCom - 5:00PM, Thursday, January 19, 2017 – OB Library

• **Adjourn**

• **MIKE TAUS MOVED TO ADJOURN THE MEETING AT 7:06PM; BILL VROOMAN SECONDED; MOTION PASSED UNANIMOUSLY.**

continued

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Action List:

- Todd A. – send Jason B. monthly revenue/budget summaries.
- Maura. – remind Bob W. to send monthly budget updates.
- Jason/Maura – research how money gets into stabilization.
- Agenda - Minutes: 10/18/16 AIFC, 11/22/16 AIFC (OB FinCom quorums present)
12/8/16, 12/15/16, 1/5/17 OB FinCom.

Ongoing Action List from previous meetings

- All Liaisons - contact departments and keep current with issues
- All - please inform the Chair if you are unable to attend a meeting
- Marni L. – email members substantive changes to final minutes.
- Chair/Vice Chair - post agendas at least 48 hours in advance
- Keep up timely communications with FinCom members and Town Government.
- Inform the Selectmen in writing of all significant FinCom decisions.

Documents on file:

- Agenda 1/5/17
- Sign In Sheet 1/5/17
- Balboni email re: Oak Bluffs Library – Requested Financial Information 12/21/16
- FY18 Budget Narrative Oak Bluffs Library (12 p.)
- Wages per hour for FY17 (2 p.)
- Seiman email re: Resignation from FinCom Committee 12/29/16
- Whritenour email re: MV Regional High School 12/21/16
- Schroeder cover letter re MVRHS FY18 Budget
- Martha's Vineyard Regional High School District Budget for Fiscal Year 2018, Certified 12/05/2016 (8 p.)
- Whritenour memo re: Budget Recommendations for Fiscal Year 2018 (12 p.) 1/4/17
- Town of Oak Bluffs Budget Calendar Fiscal Year 2018
- Town of Oak Bluffs Fiscal Year 2018 Budget Analysis of Available Revenues (2 p.) 12/29/16
- FY15 Actuals, FY16 Actuals, FY17 Budget, FY17 YTD to Jan 04, 2017, FY2018 Budget Request, Recommend, Comments (10 p.) 1/4/2017
- Town of OB, MA Capital Improvement Plan, Fiscal Year 2017 through 2022, January 4, 2017 (30 p.)
- OBS FY'18 Budget Analysis Draft #3.2b 1/5/17
- OBS 2012/2017 Comparison
- Oak Bluffs, MV MA, Projected Enrollment PK-8 to 2025 Based on Data Through School Year 2015-16
- Oak Bluffs, MV MA, Projected Enrollment PK-8 2005-2015
- Per Pupil Amount FY 15]
- OBS 2017/2018 Proposed General Fund Budget for Draft #3.2b January 5, 2017 (6 p.)

- **Minutes approved by the OB FinCom 1/26/17.**