

**Town of Oak Bluffs Finance and Advisory Committee**  
**Thursday, May 19, 2022, 5:00pm**  
**OB Town Hall Meeting Room/Zoom Conference**

Present: Chair – **Sherry Countryman**, Vice Chair – **Richard Weiss, Bob Gaffey, Dion Alley, Maura McGroarty, Mimi Davisson, Reuben Fitzgerald, Sean DeBettencourt**

Absent: **Mike Taus**

Others: Deborah Potter – Town Administrator/Accountant

Juliet Mulinare – Recorder.

**5:03 pm** The Oak Bluffs Finance and Advisory Committee meeting was called to order.

**Approval of Minutes**

Review of the minutes from the May 3, 2022 meeting. Ms. Countryman stated that Committee members should please review the minutes prior to the meeting; if they are unable to, they should abstain from voting on their approval.

Mr. Alley moved the minutes be approved, seconded by Ms. Davisson. Brief discussion regarding a couple minor modifications requested by Mr. Gaffey.

Weiss – Abstain, McGroarty – Aye, Alley – Aye, Gaffey – Aye, Fitzgerald – Aye, Davisson – Aye, DeBettencourt – Aye, Countryman - Aye (**7 – Aye, 1 – Abstain**).

**Report on High School Funding Formula**

The ad hoc Committee met again last night. At their meeting last week, the discussion was primarily about the structure of the funding formula based on 75% enrollment and 25% equalized value.

At the meeting last night, the discussion covered whether to cap the School's annual budget increase at 2.5%, which School officials are not in favor of. There was also discussion on the possibility of doing a PILOT (Payments In Lieu Of Taxes) Program that would provide some compensation to the town to balance the fact that the School does not pay property taxes, however there is no precedent for a program like this so there was concern that it's not an option.

Instead of a PILOT Program, a 1% reimbursement to the town was proposed as a way to provide some compensation, but per Ms. Potter, 1% on the 75/25 formula is not enough. [OB's share on 100% enrollment is about 28%, at 100% equalized value, OB's share is about 15%.] Ms. Potter would like to see a formula that is based on 60% enrollment and 40% equalized value (which puts OB's share of the costs around 23%), and to still receive the 1% reimbursement.

The ad hoc Committee is going to work on cleaning up the numbers and will meet again in 2 weeks.

Mr. Weiss asked what the deadline for negotiations on the formula is. Ms. Countryman said September, but hopefully an agreement will be reached sooner.

The Committee discussed the other properties near the School that also are not subject to property taxes – ie the YMCA and Community Services Campus, and the lease arrangements they have with the town.

Ms. Potter stated that there is no incentive for these organizations to change the current format because they have 99 year leases. They do provide services to the School and the community that are valuable, but the value of those services does not compare to the market rate rent those properties would be worth.

The Committee discussed whether the town could charge for services provided to these locations but determined that would not be fair as others are not charged for those same services.

Ms. Potter stated that her goal throughout these discussions is to reach a compromise on the capital funding formula and then implement the same formula into the regional agreement for operating costs. She would also like to see the School's operating budget based on a 5 year average for enrollment as this would stabilize the budget and make it easier for the town and the School to plan for the future.

The members of the FinCom were in agreement that a formula that reduced OB's share of the costs to 23% or less would be acceptable to everyone.

There was some discussion on what homes of a certain value pay in taxes in different towns. For example, a home in OB worth \$1 million is paying ~3 times more in taxes than a \$1 million home in Edgartown. Ms. Potter stated that the Assessor has done an analysis that she will distribute to the Committee.

### **Funding Request Dukes County/Center for Living**

The County will be requesting about \$3200 from the town's Reserve Fund due to a deficit in the Center for Living's FY22 budget. The deficit is due to the loss of some private clients the County expected to receive money from.

Ms. Potter stated that there will be another request from the County as well. Ms. Countryman will wait until the request officially comes before the Committee to further discuss.

Mr. Alley commented that, although it is not a ton of money, it's an issue if it becomes a recurring thing.

### **Organizational Discussion/Expectations for FY 2023**

Ms. Countryman reminded the Committee that all new members must get sworn in and complete the Conflict of Interest training; all new members have done both.

Ms. Countryman will send out Finance Committee background materials so new members can familiarize themselves with the roles and responsibilities of being a member of the FinCom. Ms. Potter stated that she will also put the information up on the website.

Ms. Countryman described the process for bi-weekly meetings: Agenda and materials for Thursday meetings will be distributed the Friday beforehand so there is plenty of time to review. The meetings will continue to be offered as hybrid until further notice. Committee members who serve as representatives to other boards should keep the Chair informed on when other meetings are taking place and should be ready to report back to the FinCom.

Ms. Countryman stated that last year, the Committee's goals were mostly about enhancing revenue for the town. This year, she would like to focus on the School Committee and budget discussions (ie limiting them to 2.5% annual increase); potentially forming a sub-committee or assigning someone to attend the meetings. Another goal is to assist in the re-organization of the Police Department budget as well as the Fire Department budget, both of which will have new Department Heads this summer.

The Committee briefly discussed the revenue potential of the Harbor and how the new Harbormaster will capitalize on this.

Ms. Countryman said that during budget season she would like to see each of the FinCom members find an area of interest and pursue that by attending meetings and engaging with other Departments regarding their budgets. During the rest of the year, she would like the FinCom to focus on capital programs (projects and costs) and revenue enhancements. She has spoken with Selectperson Packish regarding the embarkation fees the town receives from the SSA; she would like to pursue this and try to make some progress. Mr. Weiss stated that he has been in contact with Senator Cyr to get the ball rolling on the ability for the town to set their own fee structure for embarkation fees.

The Committee returned to the discussion of a PILOT Program; Ms. McGroarty suggested that it could be done with the Hospital. Ms. Potter suggested that the FinCom meet with the Planning Board to discuss how a PILOT Program could be implemented by incorporating it into the permit approval process. The Committee would like to see an analysis of how much it costs the town to host these different services. The FinCom asked Ms. Potter and the Selectboard to bring forth any recommendations they have for potential PILOT Program or other opportunities.

The Committee discussed the parameters of the Open Meeting Law and how it applies to deliberation between Committee members outside of a public meeting.

### **Accountant's Comments**

Ms. Potter distributed copies of emails from Town counsel regarding her appointment as Town Administrator while continuing to serve as Town Accountant. She stated that the Chairperson of the FinCom had made an inquiry as to whether she was legally allowed to hold both positions.

Ms. Potter then departed the meeting.

Ms. Countryman stated that she felt it was part of her responsibilities as newly-elected Chairperson to review the Conflict of Interest Law. In doing so, she read that a Town Accountant is not allowed to hold another position in town that deals with either the receipt or disbursement of funds. Ms. Countryman stated that it was of some concern to her that one person held both positions so she reached out to Michael Goldsmith to confirm that Ms. Potter's multiple appointments had been reviewed and approved by town counsel. Ms. Countryman's inquiry was relayed to the Selectboard and information from town counsel was provided to her via Mr. Goldsmith.

Mr. Fitzgerald and Ms. Davisson departed the meeting at 6:20pm, as had been previously discussed with the Chair.

Ms. Countryman further described the situation and informed the other FinCom members that in order to inquire about anything with town counsel, a form must first be submitted and approved by the Selectboard.

### **Adjournment**

At 6:30pm a motion to adjourn was made and seconded. No further discussion, roll call vote:

McGroarty – Aye, Weiss – Aye, Alley – Aye, DeBettencourt – Aye, Countryman – Aye (**5 – Aye**).

The meeting was adjourned at 6:30pm.

### **Meeting Documents on File**

1. Center for Living Request
2. Planning Board Briefing Materials
3. TA-ATA Report

Link to Recorded Meeting: [https://oakbluffs.zoom.us/rec/play/raErSLlLfJ3xqQ3lFfFqa2c2xbWw\\_bC-7wqnBUMRvd7alKdU9U5a9bVyRkxz-EAVMy8Qrup6v\\_EOEAbU.JVo8bTylEi17k95S?startTime=1652993488000&\\_xzm\\_rtaid=LtqFFp0mT\\_a-ozkAsSutZ3Q.1654713233907.8db317c1943dad6d11a974e96153f70e&\\_xzm\\_rhtaid=492](https://oakbluffs.zoom.us/rec/play/raErSLlLfJ3xqQ3lFfFqa2c2xbWw_bC-7wqnBUMRvd7alKdU9U5a9bVyRkxz-EAVMy8Qrup6v_EOEAbU.JVo8bTylEi17k95S?startTime=1652993488000&_xzm_rtaid=LtqFFp0mT_a-ozkAsSutZ3Q.1654713233907.8db317c1943dad6d11a974e96153f70e&_xzm_rhtaid=492)

*Respectfully Submitted*

*Juliet Mulinare, Recorder*

Minutes Approved 6/7/2022