

**Town of Oak Bluffs Finance and Advisory Committee  
Meeting Minutes  
Thursday, July 7, 2022, 5:00pm  
OB Town Hall Meeting Room/Zoom Conference**

Present: Chair – **Sherry Countryman**, Vice Chair – **Richard Weiss, Maura McGroarty, Mimi Davisson, Sean DeBettencourt, Dion Alley, Mike Taus (zoom – joined late)**

Absent: Reuben Fitzgerald

Others: Deb Potter, Carrie Blair, Jason Balboni, Ewell Hopkins (zoom – joined late)

Juliet Mulinare – Recorder.

**5:00 pm** Ms. Countryman called the Oak Bluffs Finance and Advisory Committee meeting to order.

**Announcements**

Ms. Countryman stated that Mr. Hopkins, Chairman of the Planning Board, was invited to join but has a conflicting meeting so she is not sure whether he will be able to attend.

**Approval of Minutes**

The Committee reviewed the minutes from the June 30, 2022 meeting. Ms. Davisson moved the minutes be approved, seconded by Mr. DeBettencourt.

No further discussion, vote taken:

Weiss – Aye, McGroarty – Aye, Davisson – Aye, DeBettencourt – Aye, Countryman – Aye, Alley - Abstain. **(5 – Aye, 1 – Abstain).**

**Recap of School Committee Discussion & Moving Forward**

Ms. Countryman asked about the other member's thoughts on the meeting with the representatives from the School and whether the FinCom should invite them back to the meeting on the 21<sup>st</sup>. Ms. Countryman said she thinks it is important for a representative from the FinCom to attend the School Committee meetings, especially during budget season. Ms. Davisson said she looked for their agendas online but was not able to locate them on the town's website. Ms. McGroarty stated that they are on the School's website and you can sign up to receive email notifications when they are posted. Ms. McGroarty and Ms. Davisson volunteered to attend the meetings and report back to the FinCom. Ms. McGroarty then clarified that the Oak Bluffs School Committee agendas are posted on the town's website.

Ms. McGroarty stated that she had reviewed the High School's budget for the past 5 years and the average annual increase over those 5 years was 2.6%. Ms. Davisson asked for a full breakdown of the budget including grants received and other funding sources; she would like to see the big picture for the School's budget.

Ms. Countryman said she sent out the 2021 OPEB Summary Report because the School officials reported some difficulty with the towns' differing opinions on how much money to put towards the liability. The Summary Report shows that Oak Bluffs is at a low percentage compared to most other towns in the State. Ms. Potter stated that this is because the town only started funding OPEB a couple of years ago. Ms. Potter followed up by saying that a plan for how to fund OPEB was now in place. Ms. Countryman asked what the funding policy is; Ms. Potter said she would send it out. Ms. Potter stated that she tries to identify money in the budget to fund OPEB, but if she is not able to, she funds it with end of year transfers. Ms. Davisson asked if the new policy was on the town website and Ms. Potter responded that she did not know. Ms. Potter said her goal is to get the payments to the point that the interest rate goes down. This is not the ADEC threshold that Mr. Friedman had spoken of, it's a different threshold that

allows for a more appealing interest rate and Ms. Potter is working to get to that point. Ms. Countryman stated that Oak Bluffs is substantially lower than other towns; Ms. Potter clarified that the report Ms. Countryman referenced does not include payments made last fiscal year, since the report being referenced is from 2021. Mr. Weiss asked why the town had not funded anything prior to 2 years ago. Ms. Potter responded that it is not a law to fund OPEB but for information beyond that, he would have to ask former Town Administrator, Robert Whritenour. Ms. Potter also said that although it is not statutory to fund OPEB, doing so improves the town's bond rating. Mr. Balboni stated that they didn't fund OPEB at the time because it wasn't required and the town did not have the funds to do so. He said he used to be on the FinCom and pushed to put money towards OPEB but it took almost three years to get it integrated into the budget process. Furthermore, because the town was not able to fund its own OPEB, they did not contribute to the High School's either.

Ms. Countryman suggested that if there was an island-wide policy for funding OPEB then disagreements could be avoided. Ms. Potter stated that the High School is back-funding their debt by putting in more than the minimum payment and she thinks that voluntary contributions should be open to discussion, however, the High School has included those additional payments in their budget, leaving the town with no choice on the matter.

Ms. Countryman returned to her initial query as to whether the school reps should be invited back to the FinCom meeting on the 21<sup>st</sup>. Ms. Davisson responded that if they have additional information to share, they should come back. Ms. McGroarty reminded the Committee that the two schools are two separate entities and should be discussed as such, as different rules apply to each. Ms. Countryman told the Committee that had informed the school reps that if they want to come back, to let her know what they would like to discuss and she will take it from there.

### COY Transfers

\*\*Mr. Taus not present for votes on transfer requests 1-4. Voting members present include: Countryman, Weiss, Alley, Davisson, McGroarty, DeBettencourt.

Ms. Potter distributed a list of requested FY22 Budget Transfers under MGL 44:33B. The first transfer request was for the retirement payout of two long-time employees for accrued time. Both employees retired on June 30<sup>th</sup>, leaving no opportunity to recapture the revenue for the payouts during this fiscal year.

Mr. Weiss motioned to approve transfer line #1, seconded by Mr. Alley. No further discussion, vote taken and approved unanimously **(6 – Aye)**.

The second transfer request was to reallocate funds from seasonal wages to Highway salaries due to the reclassification of two employees' job descriptions during the year.

Ms. Davisson motioned to approve transfer line #2, seconded by Mr. DeBettencourt. No further discussion, vote taken and approved unanimously **(6 – Aye)**.

The third transfer request was to redistribute funds from the Board and Health salary and seasonal wages to Public Building Maintenance. Funds were available from the BOH salary due to the consolidation of the BOH and Conservation Departments following the departure of the previous Health Agent.

Mr. Weiss motioned to approve transfer line #3, seconded by Ms. Davisson. No further discussion, vote taken and approved unanimously **(6 – Aye)**.

The fourth transfer request was the General Authorization to allow the Town Accountant to make interdepartmental and line-item transfers to facilitate the payment of any unanticipated shortfalls since individual departments are no longer able to process expenditures after June 30<sup>th</sup>. The General

Authorization also allows the Town Accountant to allocate a portion of available funds towards an additional OPEB payment. The Committee had some questions about the amount of free cash that remains and how much of that would be put towards OPEB. Ms. Potter explained that she would not put every remaining cent towards OPEB but would try to put another \$50-\$100k in, additional to the \$50k already allocated, as long as there was enough Free Cash to do so while also leaving a cushion in the budget. The FinCom asked Ms. Potter to estimate the total amount of unforeseen expenses which Ms. Potter said she was not able to do. Ms. McGroarty stated that she had some concerns about authorizing Ms. Potter and Ms. Blair to put money towards OPEB to which Ms. Potter responded that she would never allow the town's budget to be exceeded. Ms. McGroarty said she did not feel comfortable voting on this as an unknown amount, and not knowing the balance of Free Cash after all FY22 bills are paid. Ms. Davisson asked if there was any historical data that could be provided to give the Committee a ballpark of what Free Cash remains. Ms. Potter said there was no way to know exactly until the Free Cash is certified in late fall, but there is an additional ~\$130k coming back to Free Cash due to warrant articles that are closing. After further discussion regarding the balance of Free Cash and the authority being requested by the Town Accountant under this request, Mr. DeBettencourt suggested that Ms. Potter should be granted the General Authorization she was seeking so the Committee could move the meeting forward.

Mr. Weiss motioned to approve transfer line #4, seconded by Mr. Alley. No further discussion, vote taken and approved unanimously (**6 – Aye**).

Mr. Taus joined the meeting via zoom.

The fifth transfer request was the request to fund a one-time stipend for all town employees. The Committee had previously voted against this request but since that vote took place, the Selectboard had voted 3-0-0 to approve the stipend. Ms. Potter explained that the Selectboard approved this one-time payment to all town employees as a way of showing appreciation and helping to combat inflation. She explained that the money will come from the employee health insurance line so it is money that has already been allocated to employee benefits. Mr. Balboni stated that the Selectboard members who voted are strongly in support of this payment. Mr. Weiss asked why. Mr. Balboni responded that the town is trailing other towns with employee compensation and is also having problems with employee retention; people have been hit hard this year with inflation. After questioning whether the money would be better put towards OPEB, Mr. Balboni explained that putting money towards OPEB only benefits the town, not the employees. The employees are entitled to their post-employment benefits regardless of whether the town chooses to fund OPEB each year. Mr. Weiss asked why the town was behind in compensation. Mr. Balboni responded that the Selectboard works hard to stay within the 2.5% allotted budget increase but needs to get to a more competitive place to retain personnel. Ms. Potter added that the Selectboard is working on a long-term plan to improve employee retention. Mr. Weiss asked if the one-time stipend would be retroactive for employees that left within the past year. Ms. Potter said the stipend would be given to everyone who worked for the town within the last year; it is based on number of hours worked per week, not seniority, as that is the only equitable way to distribute the funds. Mr. DeBettencourt questioned the use of the word "stipend" to which Ms. Countryman responded that it's more like a "bonus". Ms. McGroarty echoed a similar concern from the previous meeting's discussion, which was that the School employees are not included due their contract negotiations occurring through the union. Ms. Potter reiterated that this is a one-time payment only and that the payment will not be benefit bearing. She also stated that if there were any substantial unforeseen expenses she has to cover under the General Authorization, those expenses would come first and the amount of the stipend might have to be reduced to cover those. Mr. Weiss commented that the town needs to do a better job of retaining employees. Ms. Countryman asked whether there was a plan in place for that purpose. Ms. Potter responded there is a plan but it has yet to be discussed with the Selectboard so she cannot disclose any of the details until that discussion takes place.

Ms. Countryman stated that the one-time stipend only benefits the employees, not all of the taxpayers, and questioned whether that was fair. She continued that she would rather see bonuses distributed based on performance. Ms. Potter stated that a bonus of that nature would constitute a change to the compensation plan, which would have to be approved by a number of other town entities. Ms. Countryman stated that she has concerns that the Personnel Board was not involved in the stipend discussion. Mr. DeBettencourt said that contract negotiations take time, but inflation can act very quickly; he sees the stipend as a reasonable effort to mitigate the problem of employee retention for now. Ms. Countryman responded that everyone is suffering from inflation. Mr. DeBettencourt reminded the Committee that the money being used to fund this stipend has already been tax-payer approved and was previously allocated to fund employee benefits.

Mr. DeBettencourt motioned to approve transfer line #5, seconded by Ms. Davisson. No further discussion, vote taken and approved (**5 – Aye, 1 – Nay, 1 - Abstain**).

Weiss – Aye, DeBettencourt – Aye, Davisson – Aye, Taus – Aye, Countryman – Aye, McGroarty – Nay, Alley – Abstain.

Ms. McGroarty stated that she felt she had to vote against this due to concerns about unintended consequences. Ms. Davisson commented that the FinCom should be learning more from the Personnel Board. Mr. Weiss agreed and said this was the first time he was hearing about the employee retention problem.

Ewell Hopkins joined the meeting via zoom.

#### **Discussion with Planning Board – Ewell Hopkins**

Mr. Hopkins expressed his gratitude for the invitation to speak with the FinCom and stated that he hopes the two boards can maintain an open dialogue moving forward; when the Planning Board receives an application there is often a financial consideration for the town and he would like to bring the FinCom in to advise on those financial matters. Mr. Hopkins said that the role of the Planning Board is to be a portal to other town boards and committees when land-use applications come in and to consider the formal versus informal role of those boards and committees when it comes to approving or rejecting an application. He's heard that the voice of the FinCom is limited when it's not budget season and he would like to know how he can better interact with and utilize the board's expertise, which has not been the situation historically. The FinCom agreed that this interaction between boards is very important. Some of the issues Mr. Hopkins brought up for potential collaboration were: special permits, zoning reform and impacts on Southern Tier and New York Avenue, and the proliferation of non-profits and their impact on the tax base. Mr. Hopkins said he will be sending relevant Planning Board applications for special permits to the FinCom at the time they are received; if the FinCom feels that it is an important issue for them to weigh in on, they can communicate that and the Planning Board will give them as much time as they need to review and discuss the application. Mr. Hopkins will communicate with the FinCom through Chair Countryman and said he wants to move forward, not critique the past, and he looks forward to engaging with the FinCom on important zoning issues and other topics with financial implications.

Ms. Davisson departs the meeting.

#### **Fee Schedule Discussion**

The Committee reviewed the fee schedule provided by Ms. Potter. Some of the fees have been recently updated and others have not. The Committee discussed the Wastewater Department being an enterprise fund; Ms. Potter stated that it is up to the Wastewater Commission to decide on the fees, as an enterprise fund they are permitted to increase fees, or bring in more than their operating costs, in order to cover capital improvement expenditures. The Committee discussed the \$26 million recently appropriated at

Town Meeting to upgrade the existing system; this upgrade will not expand the system but will allow the existing system to operate at its full capacity. The Wastewater Commission can opt to expand the system but that would be an additional expense. Ms. McGroarty stated that the State encourages sewerage as it serves to protect the ponds. After further discussion, the Committee felt it was prudent to invite the Chairperson of the Wastewater Commission, Gail Barmakian, to the next FinCom meeting to provide more information. Mr. Alley commented that the fees for being a user of the sewer system have not been raised in over 20 years.

The Committee discussed other departments as well: the Building Department charges based on the scale of the project, so they are seeing increased revenues due to the increased size of homes being built. Ms. McGroarty asked if other departments have a formula like the Building Department; Ms. Potter responded that most departments structure their fees based on the cost of the service provided, not to make a profit. The Committee then touched on the cost of trash stickers, the fact that the Library has eliminated their late fees and the low cost of utilizing the public parks in town for events. The Selectboard does generate a profit from alcohol licenses but those are set by State law. Ms. Potter stated that the County will be looking at and updating the fees for parking tickets.

### **Updates from Other Committees**

Mr. Alley updated the Committee on the school union negotiations; they are currently at an impasse. The arbitrator advocated for more fact finding so this process will likely continue for another 2-3 months at least. The other union negotiations are moving along, it's only the teacher's contract that cannot be worked out.

The Committee also welcomed newly appointed Town Accountant, Carrie Blair.

### **Accountant's Comments**

Ms. Blair stated that the Accounting Office will be busy closing the FY22 books for the next 3 months.

### **Member Comments**

Ms. McGroarty presented a tax bill from South Burlington, VT that shows how taxes are allocated; the school receives 75% of the tax base.

### **Adjournment**

At 6:25pm a motion to adjourn was made by Mr. Taus and seconded by Mr. Weiss. No further discussion, approved unanimously (**7 – Aye**).

The meeting was adjourned at 6:25pm.

### **Meeting Documents on File**

1. COY Transfers 7/7/22
2. OPEB Cities and Towns - 2021

*Respectfully Submitted*  
*Juliet Mulinare, Recorder*

Minutes Approved: 7/21/22