

Finance Advisory Committee Minutes 10/18/18

FinCom October 18, 2018 Meeting Minutes

Present: Chairman Rob Hannemann, Marshall Carroll, Vicky Divoll, Bruce Golden, Susan Murphy, Eric Glasgow and Don Leopold.

Others: Tim Carroll, Melanie Becker and Diana DeBlase.

At 5:01 PM Chairman Hannemann called meeting to order in the 2nd floor meeting room of the Town Hall.

Minutes:

Draft minutes from the FinCom joint meeting with Selectmen held July 16, 2018 were reviewed. Spelling correction was made. Marshall Carroll moved to approve minutes as corrected. Mr. Leopold seconded the motion. **SO VOTED 5 Ayes 2 not present at the 7/16/18 meeting**

Draft minutes from the FinCom meeting held July 26, 2018 were reviewed. Spelling correction was made. Ms. Divoll moved to approve minutes as corrected. Mr. Golden seconded the motion. **SO VOTED 6 Ayes 1 not present at the 7/26/18 meeting**

FY Budget Summary- Overview/ FY2020 Assignments:

Chairman Hannemann referred to the pie chart he created to illustrate the percentage of budget spent on departments and a summary of all expenses (schools Tri Town Ambulance, county and social services). Chairman Hannemann said if this is a format all would like to use he will get precise numbers from Town Accountant Ellen Biskis as this is a general summary for illustration purposes. FinCom members were supportive of this format.

Chairman Hannemann said it was interesting to see that the Social Services is only 4% of the FY19 budget but we spend most of our time talking about this budget. Chairman Hannemann said that the overall reason he sees spending this much time on the Social Services (SS) is that our Chilmark departments really work hard to minimize spending while Social Services seem to duplicate services.

Discussion turned to FinCom members being assigned to review budgets for FY20 prior to the departments and organizations scheduled hearings. Assignments are as follows:

- Chairman Hannemann - UIRSD & MVRHS (Schools) ,ConCom & Planning Board
- Ms. Divoll - MVC, Beach & Library & Legal
- Mr. Leopold - Social Services
- Ms. Murphy - Harbor, Shellfish & ZBA & possibly High School Building committee
- Mr. Carroll - Town Buildings (with R. Bunker), Board of Health, MV Refuse District
- Dr. Golden - Fire Department, Highway & HRB
- Mr. Glasgow - Tri Town Ambulance & Police Department

Ms. Murphy asked what our process will be this coming season during the budget hearings.

Tim Carroll asked the FinCom to work on their vision to give to departments about the budget policy; Zero based? Not more than 2.5%...

Capital Improvement Planning:

Tim Carroll said for bonding evaluation we established a Capital Planning Committee. Mr. Carroll pointed out when the Selectmen are considering a land acquisition for a million dollars on a property that came up just weeks ago it throws the planning out the window. Mr. Carroll said the Capital Planning we have established is Fire Truck, Police Vehicle and Tri Town Ambulance replacements. Mr. Carroll said having at least 15% savings is good healthy capital planning policy.

Tri-Town Ambulance Retirement Change:

This change to TTA retirement from group 1 to group 4 already was approved by Tri Town Selectmen. Tim Carroll said he did email this to all of the FinCom and received no comment prior to the Selectmen approving this. Tim Carroll said there is a \$40,000.00 FY cost, and \$90,000.00 unfunded liability and the OPEB has not even been figured into this increase yet. Chairman Hannemann recommended Mr. Glasgow look into the Tri Town budget to get the figures.

Employee Health Insurance Change:

Chairman Hannemann asked for discussion about an alternate health insurance group. Tim Carroll said years ago we compared Cape Cod Municipal Health Group (CCMHG) with Group Insurance Commission (GIC) and at the time CCMHG was the better

choice. Chilmark at this time is still with CCMHG. Chairman Hannemann said it might only save the town a couple thousand dollars if we made change but Tri Town Ambulance Administrative Assistant believed switching could save approximately \$50,000.00 a year. Discussion turned to plans needed to be negotiated through unions. Mr. Carroll said Police Department has a union.

Chairman Hannemann said if the schools were to change it could save a substantial amount of money for the taxpayers. FinCom representative will review the GIC plan with Allison from TTA and report back. Mr. Leopold said he would send a request to a friend (a consultant) for their review and comments and see if we should hire a consultant to compare not only the cost but the benefits of the 2 different insurance bargaining companies.

Ms. Murphy moved to pursue a consultant. Ms. Divoll seconded the motion with the condition being after our volunteer looks to see if we should go deeper. Mr. Leopold said you could easily spend \$10,000.00 to \$15,000.00 very quickly on a consultant report. Ms. Becker said Group Insurance Commission is famously obtuse. In the past GIS has large deficits and must go to legislature to pay the difference. Ms. Becker said we have at this time a self-funded plan with CCMHG. Mr. Leopold recommended requesting 5 criteria plan comparison. **SO VOTED: 7 Ayes**

Social Services Assessments:

Chairman Hannemann said that the collected Social Services funded by Chilmark are 4% of our budget. Chairman Hannemann discussed the joint letter prepared by Oak Bluffs and Tisbury that was sent to the Services stating they can no longer afford to pay for the services. The letter requested them to be more efficient and not duplicate spending. Chairman Hannemann said the bottom line is Chilmark could end up paying more for the services.

FinCom agreed to see what kind of efficiency the Social Services come back with in response to the letter. Tim Carroll recommended we support this letter and are happy with the current payment system as the social services are there for individual people not towns. FinCom supported writing a letter with the Board of Selectmen.

Chairman Hannemann said this is not the big picture; Tisbury and Oak Bluffs are seeking to change the school formula which will be really big money.

Ms. Divoll moved to approve Tim Carroll and Chairman Hannemann write a letter together. Mr. Glasgow seconded the motion. **SO VOTED: 7 Ayes**

High School Building Committee:

Chairman Hannemann said there are plans to build a new high school that could cost nearly 100 million dollars. At this time Chilmark has not designated a representative on the Building Committee. Mr. Carroll said the Selectmen have asked some Chilmark residents whom they believed would represent Chilmark well but have not gotten anyone to commit to this yet.

Chairman Hannemann offered to take on the roll if someone could take on the commitments he has as UIRSD and high school budget negotiations. FinCom members requested Chairman Hannemann continue on the committees and boards he has been serving on as he is really doing a good job of it. Ms. Murphy said she has served on school building committees and might be suited for this. She will look into the meeting schedule and see if she can. Ms. DeBlase will get the schedule to Ms. Murphy.

Mr. Glasgow asked if there has been a change in the UIRSD committee with Mark Marcus no longer on the board. Chairman Hannemann said our representative Robert Lionette is terrific and doing a really good job as Chilmark representative on the School Committee. Ms. Murphy said Mr. Lionette could use an ally. Mr. Carroll said we need a Chilmark representative as West Tisbury has 3 votes on the UIRSD.

FY20 COLA Rate:

Chairman Hannemann said the process of setting COLA for FY20:

- The Human Resources Board (HRB) receives the data that the Town uses to formulate the COLA and approve at their next HRB meeting. HRB meeting is scheduled for November 1, 2018.

FY20 COLA Rate Continued...

- FinCom November 7th meeting COLA will be adopted by vote.
- The COLA recommendation then will be on the Selectmen's Agenda for them to approve.
- Town Accountant puts COLA figure into the department budget sheets for budgeting purposes.

Future Meeting Dates:

Chairman Hannemann said to keep the schedule on track our next meeting will be November 7, 2018 at 5:00 PM. The agenda will be:

- budget formula guidance for town departments
- COLA (cost of living adjustments) November 19, 2018 Special Town Meeting warrant recommendations
- Updates - from this meeting discussions

Marshall Carroll recommended having the town departments justify their budgets. If town departments have assets, have them listed in their presentation of their budgets.

Marshall Carroll recommended the letter that will be drafted by Tim Carroll and Chairman Hannemann state "towns should pay a fair share and not the cheapest formula."

At 7:07 PM with no further items for discussion Mr. Carroll moved to adjourn. Ms. Divoll seconded the motion. **SO VOTED: 7 Ayes**

Minutes respectfully submitted by Diana DeBlase.
Document list:

Approved 11/7/18

- Draft Minutes from 07/16/18 and 7/26/18 FinCom meetings
- FY2020 Budget Schedule listing process and dates of meetings up to Annual Town Meeting
- Pie charts FY19 Budget overview
- Tri Town Ambulance Chief letter about moving TTA retirees from group 1 to group 4
- Social Services funding formula for FY19 for island towns
- Letter from Tisbury and Oak Bluffs Selectmen to Island Social Services requesting them to consider municipal government funding (changing the funding formula)
- Special Town Meeting Nov 19, 2018 warrant