

Finance Advisory Committee Minutes 02/02/17

FinCom & Selectmen FY18 Budget Hearing February 2, 2017 Meeting Minutes

Present: FinCom Members: Chairman Marshall Carroll, Susan Murphy, Bruce Golden, Vicki Divoll, Adam DeBettencourt, Eric Glasgow and Rob Hannemann.

Selectmen: Chairman Warren Doty, Bill Rossi and Jim Malkin. **Others:** Tim Carroll, Ellen Biskis, Melanie Becker, Diana DeBlase, Jenifer Christy, Richard Osnos and Jennie Greene.

At 7:00 PM Chairman Carroll called meeting to order in the Selectmen's meeting room.

Treasurer Melanie Becker said she would recommend hearing from the other departments so they don't have to wait as she is planning on attending the entire meeting tonight. Chairman Carroll then started with the Planning Board budget hearing.

#175 Planning Board:

Chairman of the Planning Board Richard Osnoss and Administrative Assistant Jennifer Christy presented this budget. The only increase is Step & COLA.

Mr. Hannemann said we have been looking at what departments have not been using and may recommend reducing budget lines that have not been utilized for years. Mr. Osnoss said he would support the FinCom recommendations. Discussion ensued. With the Menemsha Master Plan and subdivisions on the horizon for the coming year it was recommended to leave the \$6,180.00 in the expenses unchanged. But if there is a possible override situation they may return to this budget for reductions. Chairman Carroll thanked Mr. Osnoss for this presentation.

#152 Human Resource Board (HRB):

Chairman Jennie Greene and Administrative Assistant Jennifer Christy presented this budget.

The increase to this budget is Step & COLA and a \$30.00 increase to line #5306 Advertising for a total of \$80.00. Ms. Greene said the HRB has been working to complete an Independent Compensation Study and will need the advertising line increase. Chairman Doty asked if there would be any fiscal impact in the salaries for FY18. Ms. Greene said no. Tim Carroll said there is a warrant article of \$40,000.00 as salary reserve for any changes as needed. Tim Carroll said the report is expected to be finalized by the end of February. Mr. Golden said Ms. Greene is doing a great job as chairman of the HRB (Mr. Golden is a HRB member). Chairman Carroll thanked Ms. Greene for this presentation.

#161 Town Clerk:

Town Clerk Jennifer Christy presented this budget. Ms. Christy submitted with her report supporting documents that were included in the budget binders. They are:

- Estimates for travel costs for conferences
- Voting trend chart 2008-2016
- Election worker cost analysis 2012-2016
- Postage expenditure analysis FY2009-FY2017
- 2018 anticipated postage expenditure analysis

Having this information gave a clear support of changes to the budget. Ms. Christy explained reductions were made as this is not an election year aside from our town elections. Ms. Christy said she has a stellar staff of Election Officials but will be decreasing this line. Ms. Christy discussed key items about this budget. There was an increase to allow for Records Organization. Ms. Christy discussed the new responsibilities tied to the New Records Request Law enacted

#161 Town Clerk Continued...January 1, 2017. Ms. Christy was appointed (for a 6 month assessment) as the Records Access Officer and will be working at improving access to all records. The discussion turned to budget increase for organizing the vote. Even with the increases to improve record access this budget is still 1.54% less than FY17. Chairman Carroll said he appreciated that Ms. Christy makes these adjustments to her budget to keep it true to what is needed.

Ms. Christy said since she started as Town Clerk in 2009 the voter numbers are up 16%. This Presidential Election was the first year for Early Voting which was well attended. Ms. Christy also discussed the need for the voting booth to be repaired or replaced and encouraged recommendations. There was discussion; no action was taken at this time.

#699 Martha's Vineyard Cultural Council (MVCC):

Jennifer Christy presented this budget. Ms. Christy said the Chilmark representatives on the MVCC were unable to attend tonight's meeting and as she has served on this board for six years and was the chairman she said she would be happy to answer any

questions about this budget. Ms. Christy explained that the MVCC is requesting an additional \$500.00 to help continue the many events on Martha's Vineyard. The total being requested is \$3,000.00. Ms. Christy said the board reviews about 45 applications annually. The Chilmark representatives on the MVCC are Alison Mead, Dyan Demers and Linda Thompson. Chairman Carroll thanked Ms. Christy for all of her presentations tonight.

#145 Treasurer:

Town Treasurer Melanie Becker presented this budget. The salary line has a 4.70% increase due to increase of hours to 40 hrs. per week, step, COLA and longevity. Ms. Becker increased the line# 5248 Software Maintenance / License by \$96.00 for a total of \$3,296.00.

Ms. Becker gave an outline of the conversion using (Zobrio Cash Management) the software that was purchased two years ago. Ms. Becker said when she purchased ZCM she took over the receipt entry from the Accountant which feeds into the accounting system.

At this time all departments except two are using ZCM to enter their receipts. Ms. Becker said at the same time we started utilizing City Hall Systems which is a Municipal online payment company that charges the customer (not the town) a convenience fee. Integrating these systems at the same time has been a cumbersome process. Ms. Becker said her goal is to get the Treasurer's Cash reconciled and the receipts entry done and to the Accountant for each month by the middle of the following month. Ms. Becker said the next step in utilizing the software will be to work on training for enhancing our use of the reporting function so departments can create reports and search and retrieve data.

#710 Retirement of Debt-Principal, #751 ROD Interest & # 752 Short Term Interest:

Town Treasurer Melanie Becker presented these budgets. Ms. Becker said that our goal is to have a level Debt service. Key points where made by Ms. Becker:

- Principal is down \$5,000 – about 1%
- The school bonds that were issued in '99, refunded at a lower rate in 2010; will be paid for FY19
- Dock Repair (fire damage of July 2010) bonds were issued in 2012 – paid in FY2022

#710 Retirement of Debt-Principal, #751 ROD Interest & # 752 Short Term Interest continued...

- Town Hall and Landfill were issued in 2004 and will be paid in FY23
- Middle Line Road (Affordable Housing Project) issued in 2010 and will be paid in FY2025
- After 7 years – no debt, unless we do more borrowing – Fire House/ Ambulance Barn?

Ms. Becker said she looked at redeeming our 2010 bonds. They are first callable in this year (FY18) in August, paying them off would cost the town \$631,000.00 generating a \$40,000.00 savings. After reflection this would more or less deplete the Town's Stabilization Fund and with the possibility of a Fire House/ Ambulance Barn project we could refund the bonds without drawing down the Stabilization Funds. Ms. Becker recommended waiting another year.

#910 Employment Benefits & Contributions:

Town Treasurer Melanie Becker presented this budget. Ms. Becker said it's no surprise to anyone that there's lots of change happening with rising health insurance costs and the repeal and changes to ObamaCare: i.e. the Affordable Care Act. Ms. Becker gave key points to this budget:

- For the benefit of new members: we are part of the CCMHG, a Purchasing Group
- The state of MA insures its employees through an entity called the GIC. State law requires that municipal plans to meet similar standards as the GIC's plans; they are the Benchmark. The problem is that if/when the GIC runs out of money every year and goes to legislature and asks for more \$ to cover the shortfall.
- But we still have to benchmark to those plans.
- Puts stress on our group to make Plan Design Changes to our plans that reduce benefits
- Our most popular plan is up 12% this year, but would be up 1.5% – 2% more without this year's Plan Design Changes
- Deductibles for Individual Plans are up \$50 to \$300/yr
- Deductible for Family Plans are up \$150 to \$900/yr
- Copays also up , Prescription co-pays up \$5 - \$15 per prescription except for Generic; now: \$10 generic / \$30 Tier II / \$65 Tier III

Ms. Becker discussed the introduction of the Health Account Savings (HAS) Plans:

- These new plans will offer savings to the town and the employees, but we haven't budgeted for any savings because we don't know if we'll have any takers.
- They have lower rates – 75% of that savings would go to the town
- The lower rates are paid for by much higher deductibles: \$2,000/individual;

\$4,000/family

- HAS mitigates the higher deductible w/ a Health Savings Account that the employee uses to pay for deductible and other health expenses

#910 Employment Benefits & Contributions Continued...

With the HAS plans employers must share the savings by contributing 50% of the cost of the deductible to the employees HAS plan. There was also extensive discussion on the OPEB / Other Post Employment Benefits for employees.

Chairman Carroll thanked Ms. Becker for this presentation.

At 9:00 PM with no further budgets on the agenda Mr. Glasgow moved to adjourn, Mr. Golden seconded the motion.

SO VOTED: FinCom: 7 Ayes, Selectmen; 2 Ayes, 1 not present

Minutes respectfully submitted by Diana DeBlase. **Approved 11/15/17**