**Dukes County Advisory Board on Expenditures**

Minutes

**Wednesday, August 8, 2018**

**2:00pm**

**Dukes County Administration Building**

9 Airport Rd., Edgartown, MA 02539

**County Advisory Board (CAB):** Arthur Smadbeck (Edgartown – 38.60%), Skipper Manter (West Tisbury – 12.45%), Melinda Loberg (Tisbury 13.52%) and \*Brian Packish\* (Oak Bluffs – 14.10%)

**Dukes County Commissioners (DCC):** \*Leon Brathwaite

\*Arrived late

**County Staff Present:** Martina Thornton – County Manager, Connie Andrade - Administrative Assistant to County Manager, Ann Metcalf (Ann M.)–County Treasurer, Bob Rosenbaum – Chair Martha’s Vineyard Airport Commission (MVC), Ann Richart (Ann R.) – Martha’s Vineyard Airport Manager, Richard Knabel – Martha’s Vineyard Airport Commission, Kristen Zern– Martha’s Vineyard Airport Commission.

**Others:** Joanie Ames – MVTV

**Art called the meeting to order at 2:00 pm**

**Minutes:**

**Melinda/Skipper made a motion to approve the minutes from the 6/8/18 meeting and the 4/4/18 meeting. So voted. West Tisbury, yes. Tisbury, yes.** **Edgartown, yes. Motion carries.**

**FY2019 Airport Budget Amendments:**

* **Budget Summary:** Art reviewed the proposed FY2019 Airport budget amendments with the CAB (see file). A discussion was held. Ann R. said that the wastewater line in the budget is now zero (not $370,000, as previously proposed) because the Martha’s Vineyard Airport Commission (MVAC) voted to reduce wastewater rates retroactively to January 2017, therefore no money will be collected for 2.5 years as the credits are used up. Ann R. said that proposed Other Post-Employment Benefits (OPEB) contributions changed from $200,000 to $150,000. Ann R. said that since she’s been manager at the Airport no contributions have been made to OPEB. Skipper asked what the money was spent on. Ann R. did not know specifically but said it was operating costs. Skipper asked if the Airport could make the $150,000 OPEB contribution for FY19 now. Martina asked Ann M. if the County had sufficient funds available, Ann M. answered yes and Ann R. agreed that the funds should be contributed. While discussing the allocation of funds to the County for services to the Airport, Ann R. said that they need to provide justification to the FAA for the allocation of funds. Ann R. said that the previous proposed allocation was $100,000 but agreed with the CAB to increase back to $125,000. Skipper asked if a FY18 Actual column could be added to the budget spreadsheet as it would be beneficial to compare these numbers during the discussion. Skipper asked why the proposed utilities budget increased so much. Ann R. said that it was due the new fire station and associated propane cost. Ann R. also noted that the actual number will be lower than proposed because they were charged an incorrect rate for propane last year. Melinda asked about the plans for potential solar farm. Ann R said that they are running into environmental issues that are preventing them from moving forward, but the MVAC is looking into other options for solar that would be part of general building renovations like the possibility of solar canopy in the parking lot. The CAB asked what the $64,000 in debt servicing is used for. Ann R. said it is for the interest on some loans, one of them is for a Federal Anticipation Note (FAN) and the other is a bond that is pending legislature approval. Skipper asked what are the services that the County provides to the Airport and if the Airport is under obligation to use them. Ann M. said that the County provides Treasurer services such as payroll, cash flows and other reporting, and benefits administration. She also said that the County is working on a MOU with the Airport to better define the services.
* **Capital Budget:** Ann R. said that $870k in unreserved funds is for two short-term bonds; one for the new fire station and the other for an environmental assessment for future airport projects. Ann R. also said that the $200k in passenger facility charges budget is new revenue that the County has started to collect from passenger airline tickets and it must be used for FAA approved projects only. Ann R. said the $11,434,263 expense is for a project to start this fall to fix the main runway. She said it will be reimbursed 90% by FAA and 5% by Mass Dot. A discussion was held. Melinda asked if the Airport will be borrowing to cover the remaining 5%. Ann R. said that it’s on the table for the MVAC to approve a long-term bond for the remaining 5%. Skipper asked how much land will be made available through the land improvement project at the business park. Ann R. said seven acres at the beginning of 2019, but there will be more acreage available down the road. Ann R. said $712,500 in revenue is for the replacement of a fire truck, 95% funded by FAA.
* **Debt Service**: Ann R. said there should be no problems covering debt service in the future. A discussion was held. Melinda asked if the DCC has given any consideration to the problems that we had in the past with underwriting loans for the airport. Leon said that after discussing with Noreen that the current debt service account will have sufficient funds for the following year’s payments. Melinda said she was concerned with the amount of short-term borrowing with the tax-payers being on the hook for it. Ann R. said that short-term borrowing is industry standard and the Airport has been deferring on projects for years, and now they are facing crumbling infrastructures. Martina said that the Federal Anticipation Notes (FANs) are good since these projects are being supported by the FAA, but we need to watch the borrowing that is not supported by the government as we take on more projects in the future. There was a discussion of what the community feedback was to the changes in the parking lot at the Airport. Ann R. said it was going well.

**\*Brian Packish arrived at 2:40PM**

**Melinda/Skipper made a motion to approve the FY2019 budget with the amendment as presented with the exception of $25,000.00 which will be added back into the Services budget line (for the services the County provides) for a total Operating Expense budget of $4,815,864 and an ending balance of $546,552. So voted. Oak Bluffs, Yes. West Tisbury, Yes. Tisbury, Yes. Edgartown, Yes. Motion carries.**

 **County Manager’s Update:**

* **Courthouse: T**he handicap ramp has been completed. Parking lot improvements are still underway. She asked the DCC to approve a carryover from FY18 to FY19 due to the ongoing lift work. There are also still some water damage issues being worked on.
* **Healthy Aging MV:** There is now a signed contract between the County and Community services for Healthy Aging MV. The towns voted to fund this service through the County going forward. The County now has a total of three contracts with Community Services.
* **Center for Living Building:** The County should be getting money back from the Center for Living because they have not yet started operating five days a week. A discussion was held. The CAB had concerns that they are not yet operating the senior day program five days a week; it has been in discussion for two years and they were moved to a new building for this purpose. Martina said that she agrees that this needs to happen and she will continue to press the Center for Living on this issue. Brian said that Oak Bluffs leadership feels strongly that these services should be in the County budget and not dealt with as warrant articles at the Annual Town meetings. He also said that this was going to become a larger discussion between the Towns in September. The CAB said that these are not county mandated services, the agreement was to allow Townspeople to have a say. Art said Edgartown would not support a move to have these services funded through the County. Brian said that we need to start the discussion about the five social services organizations and the overlap in their services and the potential for future consolidation of these organizations should be discussed. Melinda asked if the Memory Café program on Thursdays was paying rent. Martina said no, they are a non-profit and the lease agreement was to provide senior day program and associated services, rent-free. Martina said that she is concerned about the Center for Living branching out to services that the Towns may not support. Martina also said that the grant-funded medical taxi program will be running out at the end of September, however the VTA is going to pilot a program to run a van weekly that will transport Islanders to the Cape. The CAB asked for an update on the Lease for 29 Breakdown Lane. Martina said she is working on a proposal with another community organization. She will let the CAB know when it can become public knowledge. However, the current proposal will likely not be a source of income for the County, but will be beneficial to the community.

**Melinda/Skipper made a motion to adjourn. So voted. Edgartown yes, Tisbury yes, West Tisbury yes and Oak Bluffs yes. Motion carries.**

**CAB meeting was adjourned at 3:23pm.**

Respectfully Submitted by:

JOSEPH E. SOLLITTO, JR., Clerk of Courts

**Documents presented at the meeting and part of the Official Records:**

* Agenda
* FY2018 to FY19 Carry Overs
* FY2019 Amended Dukes County Budget Summary Spreadsheet
* FY2019 MVYA Amended Budget – Adopted July ‘18
* FY2019 MVYA Capital Budget Spreadsheet
* 2019-2039 MVYA Debt Service Spreadsheet