Dukes County Advisory Board on Expenditures (CAB)
Meeting Minutes
Friday, April 2, 2021
4:30 PM
REMOTE PARTICIPATION ONLY

County Advisory Board Members Present: Arthur Smadbeck – Edgartown, Jeff Kristal – Tisbury, and Skipper Manter – West Tisbury, Brian Packish – Oak Bluffs (joined for budget discussions)

Other County Officials Present: Martina Thornton – County Manager, Paulo DeOliveira – Registry of Deeds, Ann Metcalf – County Treasurer, Dukes County Commissions: Christine Todd, Tristan Israel, Leon Brathwaite, Keith Chatinover, John Cahil


Arthur Smadbeck called the meeting to order at 4:30 PM.

Minutes
Meeting minutes from January 29, 2021 were presented. Skipper Manter made a motion to approve the minutes. Jeff Kristal seconded the motion. So voted. Skipper Manter yes, Jeff Kristal aye, and Arthur Smadbeck aye. Motion carries.

Martina introduced her new assistant Annie Gillet.

Fiscal Year 2022 Budget – Public Hearing
Art Smadbeck opened the public hearing. Ms. Thornton presented the FY2022 budget (see copy on file) as approved by the County Commissioners on March 12, 2021 and printed in the paper along with the notice of the public hearing couple weeks ago. Martina went on to explain the reasoning behind budget amount in the revenue lines for town assessment, Cape and Islands License Plates, Deeds Excise and Grant administration. In the departmental budget the biggest increase over last year is in retirement contributions to the retirement system, implementation of the compensation study and liability insurance costs. In the County Commissioners budget there will be a further decrease in health insurance line since we budgeted for family plan but the new assistant will only require single plan. She went through the individual departmental budgets and explained any bigger changes compared to FY2020 budget. The retiree health and life insurance increased over last year by over $33K, this is big contributor to the budget not being balanced. There is also increase in allocation of overhead revenue due to a new formula agreed on by the Airport, which is resulting in the Registry of Deeds needing to contribute more. There is also increase in expenses in the Treasurer’s Office due to increase of the Assistant Treasurer hours from 20 to 30 hours per week. The position was in the past split with the Parking Clerk but going forward the Treasurer would like to separate the two due to different skillset needed for each position and the need for additional hours in the Treasurer’s office for training and to do other functions in the department other than just accounts payables and deposits. Ann also explained the increase in the retirement contributions due to the need to allocate the prescribed amount across all departments based on active employees who work more
than 20 hours per week. Originally, we budgeted about 19% of the employees’ salaries for the FY22 but that turned out to be low and we needed to adjust it about 28%. Martina added that this was discussed that last CAB meeting as part of the VHCA and the DC Social Services departments budged, and CAB authorized her to ask towns to ask for this budget increase over what was originally submitted and presented to town Finance Committees. However, Oak Bluffs did not allow for this increase as part of their final town budget. There was suggestion to amend the amount to the proper amount at the town meeting, all CAB members agreed. Martina finished with stating the amounts the Airport submitted as approved by the Airport Commission with a surplus of $1,351,713. Ann said that the Airport is considering contributing something to OPEB but they did not include any specific amount in their budget yet. The County is not in a position to contribute to OPEB, although we did contribute the 2.5% increase for last couple of years. Martina informed the board that by decreasing the health insurance in Dept. 300 to $33,388 that led to savings of about $12,000 and decreased the deficit to about $35K.

Allocation of overhead amounts shown below are based on the new formula and FY2020 financials. So far only the Registry of Deeds included their share based on this new formula into the FY2022 budget. It is calculated for all other departments. This is done due to requirement of FAA to fairly calculate the allocation for the Airport, so the costs need to be shown across all the departments and functions of the county. We do not have the collect the amounts from departments that are part of the general county budget because it would be income and revenue in the same fund with zero effect. However, we should be looking at collecting it from all the other departments and programs that are not part of the general fund – shown underneath the budget summary (Parking Clerk, VHCA, DCSS, Center for Living, First Stop, CORE, Health Aging, etc.) Skipper felt uncomfortable to charge a “surcharge” for county operations that are already paid for from the town assessments. Martina reminded the board that the budget is in deficit and the assessment cannot be increased by more than 2.5% over prior year amount and the amount is currently insufficient to cover the budget. In FY2019 county charged 5% administrative fee to balance the budget with promise that the fee will be allocated among the programs more fairly once the new formula is in place. Skipper also expressed that he would like to see OPEB contribution. Martina suggested to revisit this before the end of FY2021 as there will be big surplus in this year and allocate some of the funds for the OPEB contribution. The CAB disagreed with this approach. Skipper disagreed with using unreserved fund balance to balance the budget. He stated that if the County was anticipating shortfall that should have been discussed in the fall and ask the towns to contribute extra through the warrant article as was done for FY2021. Skipper suggested not increasing the hours in the Treasurer’s Office. Ann said that would save about $21K but if CAB went in that direction, she would like the money to be available at some point in the future so there can be a person trained in the treasurer’s functions aside from Ann. Skipper suggested perhaps increasing the hours by only 5 hours for FY22 and another 5 years the following year. This decreased the expense by another $5K. Martina proposed to review budget mid-year and if there are additional revenues coming, we can amend the lines and limit or eliminate the need to tap into the unreserved fund balance. Brian Packish did not feel it would make sense to save $5K and loose the additional needed hours in Treasurer’s Office. Paulo agreed and asked what would happen if we do not meet the revenue projections for deeds excise tax. This year we have already surpassed $300K mark mid-year. If the trend continues, we could add the needed $35K to the deeds excise revenue projection. Others agreed
that this is a good idea and that if we do not meet the mark mid-year, we would need to look at starting to cut expenses to balance the budget before the end of the year.

Also, the County asked the towns for appropriations to the Stabilization Fund. Four towns have already passed it and as long as the other two towns vote it in this year we can collect from the four towns in FY21 and from the remaining two in FY22. All agreed.

There were no additional questions or comments, and Art closed the public hearing.

Skipper Manter made a motion to approve the FY2022 County budget including the Airport in the amount of $10,867,164 in revenue and $9,514,807 in expenses. Brian Packish seconded the motion. So voted. Brian Packish aye, Jeff Kristal aye, Skipper Manter aye, and Arthur Smadbeck aye. Motion carries.

Skipper asked for an earlier start on the next year’s budget, ideally before the town warrants close.

Martina informed the board that the County was successful in receiving an insurance claim for the Courthouse boiler replacements and the $32K will go back to the Capital Improvement Fund.

Skipper Manter made a motion to adjourn the meeting. Jeff Kristal seconded the motion. So voted. Jeff Kristal aye, Brian Packish aye, Skipper Manter aye, and Arthur Smadbeck aye. Motion carries.

The Dukes County Advisory Board on Expenditures meeting was adjourned at 6:25 PM.

Certified by:

\[Signature\]

T. George Davis, Clerk of Courts

Documents presented at the meeting and part of the official record:
- Meeting Agenda
- CAB Minutes of meeting on 1-29-2021
- Proposed Budget for FY2022