

The following email was sent to John Breckenridge, MVC clerk/treasurer.

John:

I have several questions regarding the MVC FY 2011 budget.

The MVC has changed its policy so that employees, who previously contributed ten percent, are now required to contribute 25 percent towards the cost of health insurance.

A split that is consistent with policies in the Island towns.

The MVC offset that change by adding \$25,700 to the budget to be spread across salaries. The practical effect is that despite a change in the split, in FY 2010 employees will see no change in their salaries and bear no extra cost.

The salary line item shows a 1.7 percent increase. The money that was added to the budget to boost salaries is described separately as a "salary adjustment for health."

Why was that number separated from the salaries?

I would describe the addition of \$25,700 as a raise meant to offset the increase in employee health care contributions?

How would you describe it?

At a time when many taxpayers will see no raises and are attempting to cut costs the MVC budget will increase from \$1,161,497 to \$1,167,625. What would you say to those taxpayers about the increase in the MVC's budget?

Thanks

Nelson

Mr. Breckenridge's response follows:

The following is based on my remarks made to the Edgartown and Chilmark joint meetings of their Boards of Selectmen and Finance Committees, and to the MVC's meeting on 1/21/10 where the draft budget approved by the MVC Finance Committee was approved unanimously by the full Commission. I believe they answer your questions. I hope this information is useful.

My name is John Breckenridge. I am Oak Bluff's Elected Commissioner to the MVC. I was recently elected as Clerk/Treasurer due to the retirement of Ned Orleans from that position.

This is my first budget season. I have worked closely with our staff, the All Island Finance Committee, and my own Committee made up of representatives from each one of the Island Towns. We started work early in October preparing the budget which is in front of you for approval this evening.

Our Fiscal 2011 Budget recognizes the difficult economic environment.

We listened carefully to the recommendations of the All Island Fin Com and have moved from a 90/10 to a 75/25 split pertaining to the shared cost with our employees on Healthcare insurance.

We have budgeted a 0% COLA for our employees and will work closely in the future with other Island entities to address this issue on a unified basis.

The MVC Finance Committee approved a draft Budget with NO increase in total assessments to the towns in Fiscal 2011, although the revisions to the equalized valuations mean that there is a modest increase for Edgartown and Aquinnah. This was done by sharpening our pencils at

every corner and indeed with great difficulty due to the rising cost of legal expenses resulting from recent lawsuits as well as projected costs due the release of the Ocean Plan. Last week we presented our budget to joint meetings of the Boards of Selectmen and Finance Committees in Edgartown and Chilmark. I am pleased to report that they did not express major concerns and were supportive of the steps we have taken to hold the line with our Budget. We handled the transition in the healthcare split in the same way that it was done a few years ago in Oak Bluffs and now under consideration by the County, namely by offsetting the change from 90/10 to 75/25 with a salary adjustment for health care. To be transparent and with the advice of Island Fin Com members, this is shown as a separate line item in this year's budget. The Commission felt that the current overall compensation of our employees is reasonable and, with respect to health care, the total compensation for each employee remains exactly the same in the Fiscal 2011 budget year. In the longer term, we anticipate that there will be savings to the Commission resulting from the fact that health care premiums have been increasing at a higher rate than cost of living adjustments, and the MVC will be paying 75% rather than 90% of these costs.

The overall budget total remains virtually unchanged from last year increasing by only \$6,128 and the overall assessments to the towns decreased by \$2,372.

Thank you,

John Breckenridge