



DRAFT – January 9, 2009

Martha's Vineyard Commission

Budget FY2010

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1. Introduction

This year's budget no longer includes a separate section for the Island Plan, the Island-wide planning effort. Although the Island Plan Steering Committee anticipates that some activities, such as printing the final report, will spill over into FY2010, we will set aside funds in this fiscal year and have secured a grant extending into FY2010 to cover these costs and we are not budgeting any additional funding or town assessments for the Island Plan in FY2010.

2. Legal and Administrative Context

The Martha's Vineyard Commission is an independent agency created by the Massachusetts legislature and operating under Chapter 831 of the Acts of 1977 as amended. Section 4, Assessments, Accounting outlines the Commission's funding mechanism and procedure.

The commission shall annually in the month of January estimate the amount of money required to pay its total expenses for the following fiscal year, deduct estimated contributions from sources, and pro rate the net expenses to each town on the basis of its latest equalized valuation for property tax purposes as established pursuant to section nine of chapter fifty-eight of the General Laws. The commission shall certify the amount so determined to the town clerk and assessors of each town within the commission's jurisdiction who shall include the sum in the tax levy of the year.

Upon order of the commission, each town treasurer shall, subject to the provisions of sections fifty-two and fifty-six of chapter forty-one of the General Laws, pay to the commission clerk-treasurer the town's share of the commission's net expenses. The amount so determined and levied shall not exceed .036 per cent of the latest equalized valuation for each town. A penalty of eight per cent per annum shall be paid by towns delinquent in paying their assessed appropriations to the commission if not paid within sixty days of the notice of payment due.

3. The MVC Budgetary Process

The Commission budgetary process is similar to that of the towns.

- First, the Commission staff prepares an initial draft budget.
- This is then reviewed and revised by the Commission's Finance Committee. This committee is chaired by the Commission's Clerk-Treasurer and is made up of one member from each town (including many Commissioners appointed by Boards of Selectmen). Upon adoption by the Finance Committee in December, the preliminary amount of each town's assessment is forwarded to the town's administrator for inclusion in that town's budgeting process.
- Finally, the budget is adopted at the Regular Meeting of the Commission held on the third Thursday of January. The adopted budget then is sent to each town. If requested, Commission representatives meet town's finance committees to explain the budget.

4. MVC Reserve Funds

The following is an explanation of two reserve funds maintained by the Commission.

- General Reserve Fund: The Commission maintains this fund to cover urgent, unforeseen expenses during the course of the year. This is similar to the towns' Stabilization funds and

the high school's Excess and Deficiency fund. It is set at the equivalent of two months' operating expenses, approximately \$160,000. This fund can also be used to deal with short-term cash flow.

- Building Reserve Fund (Capital Improvements): This separate fund is for building renovations and improvement. Each year, the budget includes \$12,000 for building renovations and these funds are accumulated until there is enough to undertake a specific renovation project.

Both reserve funds are maintained in a Massachusetts Municipal Depository Trust Account where they accrue interest at prevailing interest rates.

The following is the policy for the use of the General Reserve Fund.

- The General Reserve Fund may be used for a short-term (30-90 days) working capital infusion not to exceed \$50,000 to bridge receipt of town assessments or grant disbursements. The Administrator and Executive Director must authorize such use, and the funds so used are to be replaced once the assessment or grants are received.
- Utilization of the General Reserve Funds for extraordinary, non-budgeted purposes must be approved by the Executive Director and majority vote of the Finance Committee.
- In preparing its annual budget, the MVC calculates the balance of the General Reserve Fund at the end of each fiscal year. If this balance – less any outstanding accounts payables and any amount being used for short-term cash flow at the end of any given fiscal year – is less than or exceeds the \$160,000 limit by more than 15%, then the budget shall provide for re-establishing the normal amount. This involves either adding the shortfall or subtracting the excess from the subsequent year's budget.

5. General Notes on the FY2010 Budget

- The total of town assessments for FY2010 is \$803,885, a 0.93% increase over the FY2009 assessment of \$769,497.

6. MVC FY2010 BUDGET - DRAFT JANUARY 7, 2009

		FY 2009	FY 2010	Change	
		Budget	Budget	09 to 10	Notes
					4.0%
INCOME					
Grants/Contracts/Gifts		\$420,000	\$310,000	-\$110,000	-26.2% A, B
Interest/Other Income		\$65,000	\$55,000	-\$10,000	-15.4% C
Town Share		\$796,497	\$803,885	\$7,388	0.9%
TOTAL		\$1,281,497	\$1,168,885	-\$112,612	-8.8%
EXPENSES					
Payroll					
Salaries		\$635,250	\$660,660	\$25,410	4.0% D
Pension Plan (DCRS)		\$88,954	\$92,512	\$3,558	4.0%
Health & Disability Insurance		\$173,500	\$176,970	\$3,470	2.0% E
Retirees Insurance		\$22,500	\$17,500	-\$5,000	-22.2% F
Medicare-Other Payroll Taxes		\$9,793	\$10,185	\$392	4.0%
Worker's Comp		\$3,200	\$3,328	\$128	4.0%
DET		\$1,600	\$1,664	\$64	4.0%
subtotal		\$934,797	\$962,819	\$28,022	3.0%
Administration & Operating					
Advertising/Communcations		\$9,000	\$750	-\$8,250	-91.7% A
Audit Fees		\$7,400	\$7,400	\$0	0.0%
Capital Improvements		\$12,000	\$7,000	-\$5,000	-41.7% G
Contractual		\$98,000	\$20,000	-\$78,000	-79.6% A, H
Dues/Subscriptions/Licenses		\$13,500	\$7,000	-\$6,500	-48.1% I
Equipment: Contract		\$6,500	\$4,000	-\$2,500	-38.5%
Equipment: Purchase		\$3,000	\$2,000	-\$1,000	-33.3% A
Equipment: Repair		\$2,250	\$2,750	\$500	22.2%
Insurance		\$12,500	\$12,500	\$0	0.0%
Interest		\$37,000	\$35,750	-\$1,250	-3.4%
Legal Fees		\$60,000	\$50,000	-\$10,000	-16.7% J
Maintenance		\$4,700	\$5,200	\$500	10.6%
Mortgage Principal		\$15,000	\$14,500	-\$500	-3.3%
Postage		\$4,000	\$3,500	-\$500	-12.5% A
Printing		\$15,000	\$1,000	-\$14,000	-93.3% A
Registry Fees		\$1,000	\$1,000	\$0	0.0%
Rent		\$750	\$0	-\$750	0.0% A
Supplies		\$22,000	\$12,500	-\$9,500	-43.2% A
Travel/Conference		\$8,500	\$6,616	-\$1,884	-22.2%
Utilities: Electric		\$5,500	\$4,500	-\$1,000	-18.2% K
Utilities: Telephone		\$4,750	\$4,750	\$0	0.0%
Utilities: Oil		\$4,000	\$3,000	-\$1,000	-25.0% K
Utilities: Water		\$350	\$350	\$0	0.0%
Other Costs			\$0	\$0	0.0%
subtotal		\$346,700	\$206,066	-\$140,634	-40.6%
TOTAL		\$1,281,497	\$1,168,885	-\$112,612	-8.8%
SURPLUS/DEFICIT					
		\$0	\$0		

7. MVC FY2009 BUDGET - ASSESSMENTS - DRAFT JANUARY 7, 2009

Assessments to Towns - July 1, 2009 - June 30, 2010

	Aquinnah	Chilmark	Edgartown	Gosnold	Oak Bluffs	Tisbury	West Tisbury	TOTAL	NOTES
Equalized Valuation	\$597,379,100	\$2,908,274,200	\$6,168,978,200	\$245,632,600	\$2,799,162,000	\$2,733,958,400	\$2,552,816,600	\$18,006,201,100	
Share of Planning	3.32%	16.15%	34.26%	1.36%	15.55%	15.18%	14.18%	100.00%	L
Share of Regulatory	3.36%	16.37%	34.73%	0.00%	15.76%	15.39%	14.37%	100.00%	L
Assessment - Planning	\$17,335	\$84,396	\$179,019	\$7,128	\$81,229	\$79,337	\$74,081	\$522,525	M
Assessment - Regulatory	\$9,464	\$46,072	\$97,728	\$0	\$44,344	\$43,311	\$40,441	\$281,360	N
Total Assessment 2009	\$26,799	\$130,468	\$276,747	\$7,128	\$125,573	\$122,648	\$114,522	\$803,885	

8. Specific Notes on Budget

- A. Indicates income or expenses reduced due to end of this stage of Island Plan.
- B. We anticipate a very significant reduction in grant income due to state cut backs. (A \$60k grant from the Department of Conservation and Recreation that had been awarded for the current fiscal year was subsequently withdrawn.)
- C. Lower anticipated DRI fees due to economic situation.
- D. Salary expense in FY2010 is based on a 4% increase, representing a 3% COLA and 1% performance increase. Please note that the MVC doesn't have a salary table providing annual step increase. This item also includes maintaining our Administrative Assistant at full-time status.
- E. Health Insurance premiums will increase by 7%. This budget is based on the assumption that, to offset this, the MVC will eliminate the more costly Master Medical Indemnity plan and provide only the Blue Care Select (PPO) for all staff. This would afford the MVC approximately \$13,000 in annual savings. The definitive decision on this will be made in the spring.
- F. Reduction in retirees insurance due to death of Charles Clifford.
- G. One-time reduction from the normal \$12,000 due to the current economic situation. In order to maintain the property and building, this will need to be reinstated to the normal level in the next budget year.
- H. Cut back in the use of outside contractors.
- I. Savings projected due to recent countywide license for ESRI GIS software (facilitated in part by the MVC), which reduces the basic fee and also eliminates the fee for a separate service from another company.
- J. We budgeted for lower fees and will have to draw on our reserve should the legal fees exceed the budget.
- K. We expect to have energy efficiencies due recently installing new windows and roof insulation.
- L. Planning accounts for 65% of the Commission's budget. Regulatory accounts for 35%. This allocation is based on a past analysis of the proportion of staff hours and other expenses related to the two parts of the Commission's mandate.
- M. All seven towns in Dukes County share the cost of Planning according to their relative equalized valuation.
- N. The six towns on the Island of Martha's Vineyard share the cost of the Regulatory and Planning expenses.

Mark London - Executive Director
Jeff Wooden - Administrator
Martha's Vineyard Commission
January 7, 2009