



*FINAL BUDGET – January 19, 2023*

**Martha's Vineyard Commission**

**Budget FY2024**

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## 1. Introduction

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### **Looking Back at FY2022**

Revenues earned by the MVC were slightly lower showing a decrease of \$126,406 (5.1%) from FY2021 to FY2022. Revenues for FY2022 were \$2,344,885 compared to \$2,471,291 for FY2021.

- Overall expenses increased to \$2,723,622 in FY2022 as compared to \$2,330,786, an increase of \$519,243 (16.9%) though FY2022 showed stabilized expense spending other than legal fees.

Certain expense increases are outlined below.

- Total legal fees increased significantly to \$477,554 in FY2022 from \$153,046 (FY2021), an increase of \$324,508 (212.0%). The main source of this increase (\$361,390) was from the Meeting House Way litigation.
- Salaries and payroll related expenses increased in FY2022, showing a slight 6.9% increase.
- Purchases of expendable equipment decreased to \$22,838 in FY2022 from the prior fiscal amount of \$37,904 (39.4%). The prior year increase was attributed to the MVC securing COVID related equipment in FY2021.
- The Commissions FY audit for 2022 is expected to be completed in February 2023.
- The MVC received competitive grants in FY2022 totaling over \$411,883. These grants regarded:
  - Development of a climate change adaption plan for island towns This continued in FY2022.
  - Up Island 208. This was a specialized grant given to the Commission to development water quality management plans for the three up island Towns.
  - Wildfire grant to develop an island wide fire protection plan.

### **Budget Highlights 2024**

- The FY2024 budget presented proposes an increase of \$364,659 (18%) in revenue, from \$2,032,789 to \$2,397,448. Please see notes to the FY2024 budget on pages 10 and 11.
- For FY2023 the Town Assessments will increase, approximately 24.50%, from \$1,365,389 (FY2023) to \$1,699,448, an increase of \$334,059.
- The MVC's assessments are collected for the Commission by the Towns, and are based on the valuation of each property.
- Increases to the FY2024 legal fees budgeted line item equal \$445,000 versus the FY2023 budgeted amount of \$195,000.
- Salaries and payroll related expense are projected to be \$1,692,437 with increases to salaries (\$86,947), medical and dental benefits (\$33,908), and current OPEB payments (\$5,000).

Current staff members could receive an increase of up to 4.70% representing merit increases of 2.20% (based on performance) and the average Cost of Living Adjustment ("COLA") from all the Towns at 2.50%. The MVC now has twelve (12) full-time employees. The budget includes an on-going effort to pre-fund Other Post-Employment Benefits ("OPEB") of \$65,500, based on the Commission's policy of increasing this payment by \$5,000 per fiscal year. It also includes a policy to use any annual surplus, after the General Reserve Fund is fully funded, to go to OPEB payments.

- Currently, the MVC has six (6) retirees (same as Fiscal Years 2021, 2022 and 2023), with two (2) retirees having spouses, and two (2) retirees having dependents.
- The Commission projects revenue (apart from Town funding) from grants, such as those for completion of the adaptation plan, additional transportation funding, and climate change projects, which are projected to increase in this budget.
- FY 2023 revenues are approximately the same as FY 2022 observed at this point.

Please see Section 5 - General Comments and Section 8 – Specific Comments for further explanation.

## 2. Legal and Administrative Context

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The Martha's Vineyard Commission is an independent Regional Planning Agency (“RPA”) created by the Massachusetts legislature and operating under the Martha's Vineyard Commission Act, namely Chapter 831 of the Acts of 1977, as amended. The Commission has both legislative and quasi-judicial functions.

The Commission is the only RPA in Massachusetts where most of its commissioners are elected. Of the seventeen (17) Commissioners entitled to vote on regulatory matters, nine (9) are elected, one (1) is appointed by the Governor, one (1) is appointed by the County Commission, and one (1) is appointed by each of the six (6) Martha's Vineyard Town Boards of Selectmen. In addition, the Governor may appoint up to four (4) additional Commissioners who are not entitled to vote on regulatory matters but may vote on other matters such as the budget.

Section 4, Assessments, Accounting of the Martha's Vineyard Commission Act outlines the Commission’s funding mechanism and procedure. The formula for apportioning town assessments, set out by the Legislature in the Martha's Vineyard Commission Act, calls for the assessments to be divided based on each town’s equalized valuation.

*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.*

The preparation of the budget is overseen by the Martha's Vineyard Commission Finance Committee. This committee is chaired by the Commission’s Clerk-Treasurer and is made up of one member from each town and the County, (including many Commissioners appointed by Boards of Selectmen).

### 3. The MVC Budgetary Process

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The Commission budgetary process is like that of the towns.

- In October, Commission staff prepares a preliminary draft budget.
- In November, Town Finance Committees are invited to attend a special meeting to explain the Preliminary draft budget and invite questions, input, and comments. The preliminary draft budget is reviewed by the Commission's Finance Committee and a Draft Budget is adopted. The draft budget is forwarded to the Commission and the Town Finance Committees with the preliminary amount of each town's assessment for their inclusion in that town's budgeting process.
- In December and January, as requested, Commission representatives meet town finance committees to discuss the budget.
- In January, the MVC Finance Committee may meet again to discuss possible changes to the draft budget.
- At the Regular Meeting of the Commission in January, normally held on the third week of January, this year on January 19, 2023, the final FY2024 budget is adopted. The adopted budget is then sent to each town.

### 4. MVC Reserve Funds

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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 year. This is similar to the towns' Stabilization Funds and the high school's Excess and Deficiency fund. It is set at approximately the equivalent of two months' operating expenses, namely \$200,000. The general reserve fund balance was \$10,715 as of December 31, 2022, as it was used to pay off legal expenses. (This fund can also be used to deal with short-term cash flow.) In FY2019 the MVC obtained a line-of-credit from Rockland Trust. The line-of-credit was increased to \$350,000 in December 2022, and the MVC used \$150,000 to pay down legal costs with the Meeting House litigation. There is \$200,000 available as of January 19, 2023. Repayment of the drawn down line-of-credit will be made July 2023. While the line-of-credit is in effect, it mitigates the need to replenish the Excess and Deficiency Fund.
- Building Reserve Fund (Capital Improvements): This separate fund is for building renovations and improvements. The building fund balance at the start of fiscal year-end 2022 was \$524 and on December 31, 2022, the balance was \$10,524. The FY2024 budget reflects a budgeted amount of \$25,000 that will be reserved for unforeseen future repairs. Both reserve funds are maintained in separate accounts at Rockland Trust, where they accrue interest at prevailing interest rates.

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

- 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 payable and any amount being used for short-term cash flow at the end of any given fiscal year – is less than or exceeds the \$200,000 limit by more than 15% (\$170,000 to \$230,000), then the budget shall provide for re-establishing the normal amount (unless an available line-of-credit is available to mitigate the deficit). This involves either adding the shortfall back to the previous fiscal year's balance or subtracting the excess from the subsequent year's

budget back to the General Reserve Fund. Due to higher than anticipated legal fees over the past several years, the General Reserve Fund has been depleted. The MVC will not budget for replenishment of the General Reserve Fund for FY2024 (see above regarding the available line-of-credit).

- 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.

## **5. General Notes on the FY2024 Budget**

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- **Assessments:** For FY2024, the Commission budgeted an increase in ongoing annual costs (including the \$225,000 legal costs budgeted for the Meeting House Way legal costs), resulting in an annual increase of \$334,059 (24.5%) to a total budget amount \$1,699,448 from FY2023 town assessments of \$1,365,389. The total equalized valuation of all properties per the MA Department of Revenue as of January 1, 2022, used in Dukes County was \$27,330,766,900 for the FY2024 assessments. The taxes paid to support the MVC are currently \$0.0621322 per \$1,000 in assessment, which comes out to about \$31.07 (up from \$27.66 in FY2023) for a typical year-round house assessed at \$500,000. This is only 17.26% of the maximum assessment authorized in the Martha's Vineyard Commission Act.
- **Positions:** The Commission has twelve staff members namely an Executive Director, Administrator/Chief Fiscal Officer, Executive Assistant & DRI Administrator, and nine planners: (1) Senior Planner, (2) Climate Change Planner, (3) DRI Coordinator, (4) Island Housing Planner (5) Special Projects Planner, (6) Cartographer/GIS Coordinator, (7) Research & Communications Manager (8) Transportation Planner, and (9) Water Resources Planner. In addition, there is an Energy Planner who is compensated by a fellowship grant.

The FY2024 Budget includes a 2.50% COLA and a two percent (2.20%) merit adjustment.

- **Other Post-Employment Benefits (“OPEB”):** Based on requirements of the Governmental Accounting Standards Board (“GASB”) Statement 45, all public agencies must show as a liability in their financial statements the amount that would have to be put into trust to ensure that funds are available to pay the employer’s share of health care and other benefits, other than pension, of retired employees. There is no legal requirement to pre-fund this liability; however, it is desirable to do so.

The Commission’s annual OPEB cost is calculated based on the *annual required contribution (“ARC”) of the employer*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

There are two components to OPEB: (1) funding the MVC’s share of retirees’ healthcare for the current fiscal year; and (2) the long-term liability to set aside funds to pay post-employment benefits of future retirees.

It would be desirable to increase the OPEB contributions as much as possible to limit future liability for the Commission and the towns. Some Vineyard towns are attempting to at least stay current with their contributions, recognizing that there is a historic shortfall that also must be addressed. In the case of the MVC, the ARC to remain current for FY2024 and not fall further behind would have been \$122,629. To gradually increase the Commission's contributions, the Commission made an OPEB contribution of \$60,500 in FY2023 and agreed to increase this contribution by \$5,000 per year until it reaches the recommended contribution. The MVC's net OPEB liability as of June 30, 2022, was \$1,137,966. To speed up reaching this level, the following protocol will be used for dealing with any future budget surpluses.

- 1) Any surplus at the end of the year would go first to replenish the General Reserve Fund if it is less than the targeted amount, presently \$230,000 (i.e., \$200,000 plus 15%).
- 2) Next, any additional surplus would be used to increase our OPEB contribution up to the amount needed to not fall further behind for that year, i.e., increase the \$65,500 contribution up to \$122,629.
- 3) Next, any remaining surplus would be used to reduce the town assessments in the following year.

**Medical Insurance:** The Commission's healthcare plan is a single employer defined benefit plan administered by the Commission. The Commission provides medical and dental benefits to current employees, eligible retirees, and their spouses. Chapter 32B of the Massachusetts General Laws ("MGL") assigns the authority to establish and amend benefit provisions. The contribution requirement has been based on a pay-as-you-go financing method. In addition, the Commission may pre-fund an additional amount as determined annually by the Commission and through the end of FY2023 the MVC will have funded \$372,750 of future liability. The market value as of December 31, 2022, was \$495,415.

6. MVC FY2024 FINAL BUDGET					
19-Jan-23					
	FY2023 Budget	FY2024 FINAL	Change		Notes
			\$	%	
<b>INCOME</b>					
Grants/Contracts/Gifts	\$ 435,000	\$ 550,000	\$ 115,000	26.4%	A. MassDOT (\$373,966), DLTA (\$100,000), Other (\$75,000)
Housing Reimbursement	\$ 32,400	\$ 33,000	\$ 600	1.9%	B. Tia Anna property
Insurance Reimbursement	\$ 100,000	\$ 40,000	\$ (60,000)		C. Harbor View legal fees insurance claim reimb. expected receipt in FY2024
Interest, DRI Fees and Other Income	\$ 100,000	\$ 75,000	\$ (25,000)	-25.0%	
Town Share	\$ 1,365,389	\$ 1,699,448	\$ 334,059	24.5%	See Note D, page 10
<b>TOTAL INCOME</b>	<b>\$ 2,032,789</b>	<b>\$ 2,397,448</b>	<b>\$ 364,659</b>	<b>17.9%</b>	
<b>EXPENSES</b>					
<b>Payroll</b>					
Salaries	\$ 1,063,647	\$ 1,150,594	\$ 86,947	8.2%	E. COLA is set at 2.5% and merit at an avg of 2.5%. The MVC has 12 full-time employees
Pension Plan (DCRS)	\$ 148,771	\$ 151,460	\$ 2,689	1.8%	F. Per DCRS Memo received 12/06/2022 and based on actuarial valuation dated as of 01/01/2022
Health, Dental & Disability Insurance	\$ 202,743	\$ 236,651	\$ 33,908	16.7%	H. Five family plans, six single plans and one employee covered by spouse.
Other Post-Employment Benefits (OPEB) - Current	\$ 54,419	\$ 55,311	\$ 892	1.6%	Six retirees
Other Post-Employment Benefits (OPEB) - Future	\$ 60,500	\$ 65,500	\$ 5,000	8.3%	G. \$5,000 annual increase
Medicare/Social Security, Unemployment & Other Payroll Costs	\$ 35,988	\$ 29,721	\$ (6,267)	-17.4%	I. Eliminated tax for Paid Health Leave eliminated
Worker's Comp	\$ 2,800	\$ 3,200	\$ 400	14.3%	J. Based on FY2022 workers comp audit
<b>Sub-Total Payroll</b>	<b>\$ 1,568,868</b>	<b>\$ 1,692,437</b>	<b>\$ 123,569</b>	<b>7.9%</b>	
<b>Administration &amp; Operating</b>					
Advertising/Communications	\$ 4,000	\$ 4,000	\$ -	0.0%	
Audit Fees	\$ 16,000	\$ 17,000	\$ 1,000	6.3%	Based on FY2022 Audit Fee
Capital Improvements >\$5,000	\$ 40,000	\$ 25,000	\$ (15,000)	-37.5%	See Note K
Contractual/Consultants	\$ 10,000	\$ 10,000	\$ -	0.0%	
Dues/Professional	\$ 10,000	\$ 10,000	\$ -	0.0%	
Dues/Subscriptions/Licenses	\$ 10,000	\$ 10,000	\$ -	0.0%	
Equipment <\$5,000	\$ 12,000	\$ 7,500	\$ (4,500)	-37.5%	
Insurance	\$ 23,516	\$ 29,356	\$ 5,840	24.8%	K. Based on FY2023 premiums
Legal Fees	\$ 195,000	\$ 445,000	\$ 250,000	128.2%	M. General: \$15,000; Harbor View: 5,000; Island Elderly: \$40,000; Lampost: \$40,000; Meeting House: \$225,000; West Chop: \$40,000; Arlington Avenue: \$40,000; Look Street: \$40,000
Maintenance	\$ 20,000	\$ 20,000	\$ -	0.0%	
Mortgage P+I-Office	\$ 41,511	\$ 41,511	\$ -	0.0%	N. \$3,459 per month
Mortgage P+I-Residence	\$ 38,844	\$ 38,844	\$ -	0.0%	N. \$3,343 per month
Postage	\$ 3,000	\$ 3,000	\$ -	0.0%	
Printing	\$ 1,000	\$ 1,000	\$ -	0.0%	
Registry Fees	\$ 1,000	\$ 2,000	\$ 1,000	100.0%	
Rent	\$ -	\$ -	\$ -		
Supplies-General	\$ 8,500	\$ 8,500	\$ -	0.0%	
Supplies-Software & Toner	\$ 12,000	\$ 10,000	\$ (2,000)	-16.7%	
Travel/Conference	\$ 5,000	\$ 5,000	\$ -	0.0%	
Utilities: Electric	\$ 6,000	\$ 7,000	\$ 1,000	16.7%	Based on average billing
Utilities: Oil	\$ 2,100	\$ 3,000	\$ 900	42.9%	Based on average billing
Utilities: Telephone and internet	\$ 13,800	\$ 16,500	\$ 2,700	19.6%	Internet charges have increased and average monthly telephone costs have increased over the past year. Additionally, the MVC now pays for five staff cell phones.
Utilities: Water	\$ 650	\$ 800	\$ 150	23.1%	Based on average billing
<b>Sub-Total: Administration and Operating</b>	<b>\$ 463,921</b>	<b>\$ 705,011</b>	<b>\$ 241,090</b>	<b>52.0%</b>	
<b>Sub-Total: Expenses</b>	<b>\$ 2,032,789</b>	<b>\$ 2,397,448</b>	<b>\$ 364,659</b>	<b>17.9%</b>	
<b>TOTAL EXPENSES</b>	<b>\$ 2,032,789</b>	<b>\$ 2,397,448</b>	<b>\$ 364,659</b>	<b>17.9%</b>	
<b>SURPLUS (DEFICIT)</b>					
	\$ -	\$ -	\$ -		

*FINAL Budget - FY 2024*

**7. MVC FY2024 FINAL BUDGET - ASSESSMENTS**

**Assessments to Towns - July 1, 2023 - June 30, 2024**

	<u>Aquinnah</u>	<u>Chilmark</u>	<u>Edgartown</u>	<u>Gosnold</u>	<u>Oak Bluffs</u>	<u>Tisbury</u>	<u>West Tisbury</u>	<u>TOTAL</u>	<i>Notes</i>
<b>Equalized Valuation</b>	\$ 860,784,100	\$ 3,878,126,000	\$ 11,072,643,200	\$ 238,470,900	\$ 4,343,520,600	\$ 3,667,871,800	\$ 3,290,703,900	\$ 27,352,120,500	<i>N</i>
<b>Share of Planning</b>	3.15%	14.18%	40.48%	0.87%	15.88%	13.41%	12.03%	100.00%	<i>O</i>
<b>Share of Regulatory</b>	3.17%	14.30%	40.84%	0.00%	16.02%	13.53%	12.14%	100.00%	
<b>Assessment - Planning</b>	\$ 34,764	\$ 156,622	\$ 447,179	\$ 9,631	\$ 175,417	\$ 148,130	\$ 132,898	\$ 1,104,641	<i>P</i>
<b>Assessment - Regulatory</b>	\$ 18,883	\$ 85,077	\$ 242,907	\$ -	\$ 95,286	\$ 80,464	\$ 72,190	\$ 594,807	<i>Q</i>
<b>Total Assessment FY2024</b>	<u>\$ 53,647</u>	<u>\$ 241,698</u>	<u>\$ 690,086</u>	<u>\$ 9,631</u>	<u>\$ 270,703</u>	<u>\$ 228,595</u>	<u>\$ 205,088</u>	<u>\$ 1,699,448</u>	
<b>Previous Assessment FY2023</b>	<u>\$ 44,993</u>	<u>\$ 202,964</u>	<u>\$ 562,098</u>	<u>\$ 8,255</u>	<u>\$ 201,499</u>	<u>\$ 178,954</u>	<u>\$ 166,626</u>	<u>\$ 1,365,389</u>	
<i>Source: Massachusetts Department of Revenue Division of Local Services for use in FY2024 and FY2025.</i>									
<b>FY2024 Increase (Decrease)</b>	<u>\$ 8,654</u>	<u>\$ 38,734</u>	<u>\$ 127,988</u>	<u>\$ 1,376</u>	<u>\$ 69,204</u>	<u>\$ 49,641</u>	<u>\$ 38,462</u>	<u>\$ 334,059</u>	

**Current and Historical Assessments**

<u>Fiscal Year</u>	<u>Aquinnah</u>	<u>Chilmark</u>	<u>Edgartown</u>	<u>Gosnold</u>	<u>Oak Bluffs</u>	<u>Tisbury</u>	<u>West Tisbury</u>	<u>TOTAL</u>
<b>2024</b>	\$ 53,647	\$ 241,698	\$ 690,086	\$ 9,631	\$ 270,703	\$ 228,595	\$ 205,088	\$ 1,699,448
<b>2023</b>	\$ 44,993	\$ 202,964	\$ 562,098	\$ 8,255	\$ 201,499	\$ 178,954	\$ 166,626	\$ 1,365,389
<b>2022</b>	\$ 41,486	\$ 187,142	\$ 518,281	\$ 7,611	\$ 185,792	\$ 165,004	\$ 153,637	\$ 1,258,953
<b>2021</b>	\$ 45,026	\$ 190,659	\$ 490,172	\$ 8,534	\$ 181,105	\$ 163,719	\$ 150,202	\$ 1,229,417
<b>2020</b>	\$ 39,955	\$ 169,186	\$ 434,966	\$ 7,573	\$ 160,707	\$ 145,280	\$ 133,285	\$ 1,090,952
<b>2019</b>	\$ 38,438	\$ 176,462	\$ 411,278	\$ 8,005	\$ 150,239	\$ 143,995	\$ 132,622	\$ 1,061,039
<b>2018</b>	\$ 37,509	\$ 172,597	\$ 401,336	\$ 7,811	\$ 146,607	\$ 141,039	\$ 129,417	\$ 1,036,316
<b>2017</b>	\$ 42,207	\$ 173,809	\$ 373,251	\$ 8,048	\$ 141,869	\$ 141,040	\$ 132,717	\$ 1,012,941
<b>2016</b>	\$ 42,207	\$ 173,808	\$ 373,250	\$ 8,053	\$ 141,868	\$ 141,039	\$ 132,716	\$ 1,012,941
<b>2015</b>	\$ 59,402	\$ 256,864	\$ 558,588	\$ 15,600	\$ 217,484	\$ 216,143	\$ 201,084	\$ 1,525,164
<b>2014</b>	\$ 35,767	\$ 154,661	\$ 336,333	\$ 8,421	\$ 130,950	\$ 130,143	\$ 121,075	\$ 917,350

## 8. Specific Notes on Budget

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- A. This budget is based on town assessment, funding from DRI fees and other charges and on reliable grants. Like previous years revenue projections were based on a recently renewed contract that the MVC has with MassDOT and a grant from the District Local Technical Assistance (“DLTA”) Fund allocation. The MVC seeks additional grant funding on an ongoing basis. These grants are competitive and their receipt cannot be predicted. The budget includes estimates for grants with a high degree of confidence. Note that additional grant revenue is generally accompanied by outgoing expenses to complete the scope of work (such as costs incurred to hire consultants and temporary personnel (such as interns) and other costs associated with the project.
- B. Housing reimbursement and purchase of residence – staff rental of housing is pegged by MVC policy at 30% of annual salary per HUD guidelines for affordability.
- C. The MVC filed an insurance claim regarding its legal fees paid in the Harbor View litigation. Anticipated receipt of claim (\$40,000) is expected to be received in FY2024.
- D. Town Share assessments to the towns have increased to \$1,699,448 from \$1,365,389 (\$334,059 or 24.5%,).
- E. Salaries will increase in FY2024 from \$1,063,647 to \$1,150,594 (8.2%). The FY2024 salaries reflect a COLA increase of 2.50% for each employee, and a step increase averaging approximately 2.2%. With the departure of employees and the hiring of new employees at a rate greater than the previous employees’ salaries in FY2023 increased 8.2%. The MVC employs twelve full-time employees.
- F. The Pension Plan will slightly increase \$2,689 (1.8%) to \$151,460 from a FY2023 budgeted amount of \$148,771. The budgeted amount is from the most recent actuarial report received from the Dukes County Retirement System.
- G. As in Fiscal Years 2012 to 2023, the MVC will continue to pre-fund payments for future retirees and will be deposited in the Dukes County Pooled OPEB Trust Fund. The Commission is increasing the annual contribution by \$5,000 per fiscal year, and the FY2024 budget includes a \$65,500 contribution to the OPEB Trust Fund.
- H. Expenses for medical, dental and disability insurance increased to \$236,651 in FY2024 from \$202,743 for FY2023, or \$33,908 (16.7%), and was caused by rising premium costs and the addition of one new MVC employee to the medical and dental plans (MVC share of new married plan employee, \$27,738 per year).
- I. The decrease reflects the MVC being exempt in paying for the MA Paid Health Leave assessment on payroll.
- J. Based on the most recent worker’s comp audit, the MVC has increased this line to reflect the amount of \$3,200, an increase of \$400 (14.3%).
- K. Capital improvements for FY2024 are budgeted at \$25,000, down from \$40,000 from FY2023 budget.
- L. Insurance costs reflect the amount paid during the most recent fiscal year, and the budgeted amount reflects these costs over the previous twelve months. This line item may increase in

future years as the MVC will look to increase liability coverage due to recent years' litigation costs.

- M. Budgeted legal fees for FY2024 will be \$445,000, compared to \$195,000 for FY2023. For FY2024 the MVC projects legal fees in the amount of \$225,000 to retire the costs of the Meeting House Way litigation and fund future action in that matter, and \$200,000 for the anticipated costs of the other pending litigation defending matters relating to historic demolitions and DRI compliance.
- N. The MVC has two mortgages, the Old Stone Building and the MVC owned residential property. Both mortgages have interest rates of 3.50% per annum. The loans are amortized over 20 years. As of December 31, 2022, the principal amounts due are \$604,476 and \$477,787, respectively. Monthly principal and interest payments are \$3,459 and \$3,343, respectively.
- O. This apportionment of assessments is based on the equalized valuations report dated January 1, 2022, from the Massachusetts Department of Revenue.
- P. 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.
- Q. All seven towns in Dukes County share the cost of Planning per their relative equalized valuation.
- R. The six towns on the Island of Martha's Vineyard share the cost of the Regulatory and Planning expenses.