



# The Town of Barnstable

## Comprehensive Financial Advisory Committee (CFAC)

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### CFAC CIP Sub-Committee:

#### Members:

Hector Guenther  
Neil Kleinfeld  
James Sproul

#### Staff Liaison:

Mark Milne

#### Councilor Liaison:

Craig Tamash

### MEETING MINUTES

01.16.2024

5:00 PM

#### Roll Call:

Hector Guenther called the CIP Sub-committee Zoom meeting to order at 5:00pm

- CFAC Members Present: James Sproul, Neil Kleinfeld, Hector Guenther
- Councilors Present: Craig Tamash
- Staff Present: Mark Milne, Director of Finance

#### Public Comment

None

#### Correspondence

None

#### Quick recap

The meeting focused on discussing changes to the cover page, justification of areas of needs charts, and addressing calendar issues. The team also discussed their experience with using 'word on the web' for editing, which was found to be a good and easy-to-use tool. The team also discussed updates to capital spending, financial data related to various projects and budgets, and potential budget issues due to delayed sewer systems as part of the Comprehensive Wastewater Management Plan (CWMP). Towards the end of the meeting, Hector suggested previewing for the Town Council the tough decisions they will face in the coming years, based on their analysis and projections.

## **Summary**

### **Subcommittee Discusses Cover Page Changes and Editing Tools**

Hector started the meeting by calling the rolls and passing the meeting to Neil, the chair of the subcommittee. Neil initiated the discussion about changes to the cover page, justification of areas of needs charts, and addressing calendar issues. The team also discussed their experience with using 'word on the web' for editing, which was found to be a good and easy-to-use tool. The meeting was also joined by Councilor Craig Tamash, the committee's liaison. Neil ended the discussion by noting that the team had successfully used 'word on the web'.

### **Report Improvement and Correction Suggestions**

Neil suggested improvements to the upcoming report, including the addition of a table of contents and making the report more visually appealing. He presented two cover page designs for discussion. Jim supported the visual improvements, suggesting the use of one color to avoid confusion. Hector recommended inserting "table of contents" in the header and suggested enlarging the font. They also pointed out a misspelling in the previous year's report and suggested asking Jacky Johnson about their preferred name spelling. Neil agreed to implement these changes. Towards the end of the meeting, Mark offered to provide the date when the committee was established.

### **Capital Spending Prioritization and Terminology Clarity**

The team discussed updates to capital spending, with Neil proposing a new approach to prioritize spending based on area of need rather than department. This method was deemed informative and useful. Neil emphasized the importance of considering building submissions separately and the need for a clear understanding of terms. The submission of 280 million dollars from all departments was discussed and a plan to set up a spreadsheet in March to compare recommendations was proposed. Hector suggested including an area of need analysis in the report. The importance of being clear on the use of words and their impact was also discussed, with Jim and Neil emphasizing the need for a shared understanding of terms.

### **Strategic Planning and Capital Alignment**

Neil expressed difficulty in understanding how to align capital with strategic objectives. Jim suggested that Mark, who had knowledge of the strategic plan, could help. Mark explained that they use a matrix to evaluate projects against 10 strategic areas, and that they could share this tool. Mark also clarified that the total of \$280 million represented Enterprise, General Fund, and CWMP submissions for one year. Hector asked for the strategic planning document to be circulated, and Mark agreed to send them the evaluation criteria matrix.

### **Financial Data and Project Budgets**

Neil, Hector, Mark, and Jim discussed financial data related to various projects and budgets. They agreed to use the term "approved" when referring to the Town Council's decision on project funding. They also decided to verify the fiscal year 2022 approved budget, which was initially presented as \$53 million but may have been higher. Neil suggested compiling a list of questions to guide their data search and emphasized the need to align the facilities conditions assessment with recommended projects. The team agreed to continue this analysis in the future and to clarify any potential discrepancies between recommended and approved figures.

### **Fate of Unfunded Approved Projects**

Neil raised a question about the fate of projects that don't receive funding but are submitted, wondering if the assets eventually deteriorate, are divested, or undergo some other transformation. Jim suggested that the importance of a project, as rated by the department, could influence its fate. Hector agreed, suggesting that asset divestiture should be considered due to forthcoming fiscal pressures. The group decided to ask the Department of Public Works (DPW) these questions in advance of their upcoming meeting, to allow for thoughtful responses.

### **CWMP Costs and Revenue Alternatives**

Neil raised concerns about the potential impact of increasing the CWMP costs. Jim suggested reallocating funds from road projects to support debt service for the CWMP, an idea Mark agreed could be considered, but would need to be evaluated. The team agreed on the need to provide clear answers to such questions in their report. Mark discussed the new tax on millionaires in Massachusetts, noting that some of the revenue is being used for public transportation projects. They suggested the possibility of cutting 3.8 million from public road funding within the Capital Trust Fund and moving it to a debt service category. The team discussed financial pressures on the town, particularly in relation to the CWMP program. Hector suggested exploring other revenue sources and emphasized the need to consider various revenue-raising opportunities to prevent a debt override in the community.

### **Budget, Sewer, Project, and Presentation Review**

Neil identified potential budget issues due to delayed sewer systems in CWMP, which the team agreed to discuss further in the next meeting. The team assigned tasks for an upcoming project, with Neil handling the cover page, executive summary, and 5-year plan, Hector focusing on the debt section, and Jim taking on the general and enterprise funds. Additionally, Neil offered financial analysis for the team's consideration. The team also reviewed and adjusted a slide presentation, with Hector suggesting calendar adjustments on slide 11 and agreeing with Jim that the current version was acceptable for now. Mark was tasked with re-sharing the slide deck for further discussion.

### **Town Council's Future Decisions Preview**

Hector suggested previewing for the Town Council the tough decisions they will face in the coming years, based on their analysis and projections. Craig and Mark agreed that such a preview would be valuable. They also discussed the ongoing process of evaluating cash flow and funding sources for various projects. Mark mentioned that while they have enough resources to implement the projects on their FY 25 list for the CWMP, they are unsure if they can do the same for the FY 2026 and FY 2027 lists.

### **Town Budget and Asset Sales Discussion**

Hector and Craig discussed the town's annual budget cycle. Craig noted that new counselors have a steep learning curve, and Hector asked if Mark's presentation on town finances was helpful. Craig thought it was, but noted that understanding future funding and bonding requires a different level of comprehension. Hector then asked Craig about the town's past asset sales, to which Craig responded they weren't aware of any. Jim brought up the topic of cost savings, questioning the assumption that there are savings due to efficiencies when sewer line and electrical conduits are installed along the same route. Hector expressed skepticism about this claim, as there could also be cost increases due to coordination with sewer installation and cable conduits. They decided to explore this topic further.

### **Next steps**

- The team will create a set of questions for different areas to identify necessary data.
- Mark will verify the approved project amounts for fiscal year 2022.
- Hector will obtain the Capital Trust Fund presentation from the Town Council's website.
- Mark will check with Director Santos about who will be attending the next CFAC meeting on behalf of DPW.
- Hector and Neil will update the list of questions for DPW and send it to them before the next CFAC meeting.
- Mark will forward the specific slide discussed during the meeting to DPW.
- Neil will draft the executive summary and handle the 5-Year Plan analysis.
- Hector will work on the debt section.
- The team will consider adding a section about the tough choices the Town Council will face in the future.

Attachments: [Agenda and more for Jan 16.pptx - Read-Only.pptx](#)