



# The Town of Barnstable

## Comprehensive Financial Advisory Committee (CFAC)

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### CIP Sub-committee Members:

#### Members:

Hector Guenther  
Neil Kleinfeld  
James Sproul

#### Staff Liaison:

Mark Milne

#### Councilor Liaison:

Craig Tamash

### MEETING MINUTES

02.27.2024

5:00 PM

#### Roll Call:

Neil Kleinfeld called the meeting to order at 5:00pm

CFAC Members Present: Hector Guenther, Lillian Woo, Jim Sproul, Neil Kleinfeld

- Councilors Present:
- Staff Present: Mark Milne, Director of Finance

#### Public Comment

None

#### Correspondence

None

#### Quick recap

The Comprehensive Financial Advisory Committee's Capital Improvement Plan Report Subcommittee held a meeting to discuss a draft of the CIP report. The team, including Neil, Hector, James, and others, discussed feedback and ideas for improvement. The team also discussed the increasing town debt due to the higher CIP and the need for the Town Council to deliberate on how to manage these funds. They also discussed the need to educate town councilors on the process of debt exclusion votes and the importance of early planning for potential debt solutions. The team discussed the creation of a budget report that outlines several strategies for the town's financial management and the distribution of the Town Manager's report. Towards the end, they discussed the challenges of projecting an annual sewer assessment and the importance of effectively communicating and selling their decisions to the public.

## **Summary**

### **CIP Report Subcommittee Meeting**

Neil Kleinfeld welcomed everyone to the scheduled meeting of the Comprehensive Financial Advisory Committee's Capital Improvement Plan Report Subcommittee. The team, including Hector and James, discussed a draft of the CIP report, seeking feedback and ideas for improvement. Neil mentioned that the team was working off the material shared by Gareth and noted that the CIP Subcommittee had new members and was trying to bring new ideas to the report. Hector added that the Town Manager's final recommended CIP numbers were expected on March fourth, and the numbers might change slightly, but the trends outlined in the report would not change significantly. The team then started to review the document.

### **CWMP, CIP, and Town Debt Discussion**

Neil discussed the significant increase in the CWMP, noting a double-digit price increase for the second consecutive year and a 50% rise over the past four years. He also mentioned that all capital requests for the CIP were recommended, with some reductions made in the General Fund. A large Enterprise Fund request was not recommended but might be submitted out of cycle later in the year. Mark explained that they were waiting for more information before deciding whether to proceed with a project, and that out-of-cycle projects are not uncommon. Neil raised concerns about the rising town debt due to the higher CIP, emphasizing the need for the Town Council to deliberate on how to manage these funds. The exclusion of CPC projects from the 244 million was also discussed.

### **Report Clarity and Future Financial Plans**

Neil, Hector, and Lillian discussed the language and clarity of a report concerning the town's debt and financial plans. They agreed to revise the wording to clarify that the debt would triple over several years, not suddenly in 2025. Neil also noted the increasing costs of the project, attributing the rise to more than just inflation. They further discussed the need to update the CWMP plan and to begin planning for a potential debt exclusion in 2027. There was also a discussion about the historical success of debt exclusions and overrides in the town, with Mark suggesting that dates published by the state might not accurately reflect when the votes took place.

### **Debt Exclusion Votes Education and Planning**

The team discussed the need to educate town councilors on the process of debt exclusion votes, with Mark suggesting repetition of presentations for new councilors. Neil emphasized the need for early planning for potential debt solutions, highlighting the importance of simplicity and clarity in the plan. Hector agreed, emphasizing the need to understand the process and potential challenges. The team also discussed the importance of considering factors such as the duration of a communications program to inform the public before the vote and the timing of the vote itself. The team also discussed the timing and funding of a capital program development, with Lillian suggesting a target date in November and Mark emphasizing the need to identify the funding source before requesting approval in 2026. The team agreed on the need for the town council to engage with the details of the plan.

### **Budget Report Strategy and Navigation**

The team discussed the creation of a budget report that outlines several strategies for the town's financial management. The report includes a proposal to study a policy to lower capital repair needs, a recommendation for a minor addition to the CIP process to explain changes year-to-year, and the inclusion of a table of contents for easier navigation. The team also suggested making Lillian's alternate for bullet 2 a part of the report. However, Lillian's suggestion about the maintenance schedule and James's idea about considering developing a policy if liabilities exceed assets were not included in the report. The team agreed that the report is comprehensive and aims to encourage more detailed discussions in the future.

### **Report Distribution and Presentation**

The group discussed the distribution of the town manager's report. Mark clarified that the report would be uploaded on their website and sent electronically to the Town Council administrator, who would distribute it to councilors. Some councilors might receive printed materials upon request. Hector asked about the first meeting where CIP matters would be addressed, which Mark believed was the first meeting in April. The team emphasized the importance of presenting the report in a way that would be easily consumable by various audiences. Lillian confirmed that the CIP Subcommittee would meet with the town manager after the report's approval. Neil emphasized the importance of the report's first page. The executive summary was still under construction.

### **Financial Plan Details and Revisions**

The group discussed the details of a financial plan, particularly focusing on debt service and revenue sources. Neil proposed reducing the word count on the first cover page and emphasizing the debt service aspect more prominently. The team agreed to rework some parts of the document, including the headline and the section on revenue sourcing. They also discussed the need to update the CWMP plan due to changes and the potential to make it more affordable. Towards the end, Hector suggested comparing the revenues from the original plan with the new one, but this was deemed not feasible due to differences in presentation and projections.

### **Sewer Assessment, Budget, and Future Debt Exclusions**

The team discussed the challenges of projecting an annual sewer assessment due to the option of amortizing over 30 years, with Mark noting the impact of upfront or time-based payments. Lillian provided feedback on the executive summary, suggesting it be tightened and reduced in redundancy, with Neil agreeing to revise it. The team also discussed the school budget and its relevance to the CWMP, with James expressing concerns and Neil suggesting it as something the Town Council should be aware of. Neil, Mark, and Hector discussed potential future debt exclusions to fund their program, with Mark confirming more would be necessary unless new funding sources were found. Neil emphasized the need for adaptability and invited further ideas or questions.

### **Communication and Legal Guidance for Town Council**

The committee discussed the Town Council's ability to effectively communicate and sell their decisions to the public. Neil expressed concerns about this, emphasizing the importance of water infrastructure for the town's livelihood. Lillian and Hector noted the recent departure of experienced members and the need for legal guidance on the dos and don'ts of conducting a ballot. Mark emphasized that while elected officials can campaign, they cannot use town resources. Neil also mentioned that he had communicated with his town councilor about this issue.

### **Document Review and Committee Tasks**

The team discussed the challenge of reviewing a 22-page document in one go. James suggested assigning specific sections to each member for review, while Mark emphasized the need to understand the context and content first. Hector proposed focusing on the substance of recommendations, which Lillian agreed to, suggesting dividing the document into sections for at least two meetings. Neil suggested supplementing understanding through written comments. The team also discussed their upcoming committee meetings and tasks, with Neil and Lillian agreeing to consolidate and correct figures by March 8th, aiming for final approval on the 25th. Mark confirmed his group would review the numbers, and they discussed the possibility of an in-person meeting on the 15th.

### **CIP Document Report Structure Discussed**

The team discussed the structure and content, including the cover and executive summary. The team decided to leave these until after finishing individual sections. They also discussed the need to simplify complex financial information. Neil suggested dividing the remaining 17 pages into three sections, and Hector, Jim, and Neil were tasked with further working on the document. The team also discussed focusing on the eleventh and fifteenth meetings.

**Next steps**

- Review the early draft of the CIP report and provide feedback.
- Revise the report summary to clarify the breakdown of the proposed CIP, CWMP, general fund, and Enterprise funds.
- Consider consolidating the first two items in the advice section of the report.
- Neil will correct the date of the proposition votes in the document.
- Neil will revise the executive summary, focusing on the key questions and reducing redundancy in the narrative.
- Neil will edit and review the report, focusing on clarity and tightening the language.
- Neil will work with Mark and Garreth to review the CIP document and ensure the numbers are correct.
- Mark will set up an external link for the committee to access the CIP document.
- Jim, Neil, and Hector will work on dividing the CIP document into sections for review by the committee.

APPROVED