



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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Email: cfac@town.barnstable.ma.us

CFAC Committee:

Chair:

Laura Cronin

Members:

Robert Ciolek
Stanley Hodkinson
Ralph Krau
Henry McClean
Jacqueline Michelove
Gregory Plunkett
Lillian Woo

Staff Liaison:

Mark Milne

Councilor Liaison:

James Tinsley
Debra Dagwan

CFAC MEETING MINUTES

11.25.13

7:00 PM

Growth Management Conference Room

CFAC Members Present: Gregory Plunkett, Lillian Woo, Laura Cronin, Jacqueline Michelove, Ralph Krau, Stanley Hodkinson, Henry McClean

CFAC Members Absent: Robert Ciolek

Councilors Present: None

Staff Present: Mark Milne - Finance Director, Deb Childs- Budget Analyst

1. Call to Order

Laura Cronin called the CFAC meeting to order at 7:00 PM in the Growth Management Conference Room.

2. Act on Minutes

Motion made and seconded to approve the minutes of 10.28.13.

Vote: Approved, unanimous

3. Communication From Committee Members

None

4. Communication From Councilors and Staff

None

5. New Business

Review of Certification of Town's surplus funds by the Division of Local Services

Mark Milne shared the Department of Revenue/ Division of Local Services

(DOR/DLS) notification of free cash approval for Barnstable. This year the notification included the detail of how the amount was calculated.

Mark noted the two funds with the largest change are the General Fund and the Sewer Fund. A transfer of \$7 million was made to the Capital Trust fund from the General Fund and the new meals and rooms tax revenues of approx. \$5 million were moved to the Sewer Fund.

Laura inquired how many months of collections did the \$5 million represent?

Mark responded it is close to two and a half years.

Laura inquired what the money is eligible for?

Mark replied that it is for sewer construction and the Stewarts Creek project is the only project it has been used for. He noted there have been no other sewer construction projects submitted to date.

Mark noted that the DOR/DLS looks at operational and capital funds as one surplus amount. For example the \$12 million in the sewer fund represents \$4.5 million in the sewer trust fund (capital) and \$7.5 million in operations.

Gregory inquired how the reserves compared with other cape towns?

Mark indicated he could check on the DOR website for the specifics but that overall on a percentage basis Barnstable is higher than other cape towns.

Jacqueline asked if we would ever fund any additional monies to the Stewart Creeks project?

Mark replied the only funds would be an abatement if there were an error in a calculation.

Henry inquired about the fixed assets variable?

Mark reviewed that on the balance sheet this is the difference between the fixed assets and bonds payable balances; or net fixed assets. This is part of fund balance so the DLS reduces fund balance by the net amount of the two accounts. Net fixed assets are not cash and therefore not available for appropriation, so they are a reduction to "free cash". Fixed assets are recorded at their historical cost less depreciation.

Laura referred to page 6 and the negative assets under solid waste ? Why?

Mark indicated the bonds payable exceeds the fixed assets. When the landfill was capped a bond was issued and the cost was not capitalized. It was expensed instead.

Assign committee members to FY15 Capital Improvement Plan Budget sub-committee and FY15 Operating Budget sub-committee

Laura reviewed the assignments to the sub-committees. Stan, Gregory, Bob, and Ralph will be on the Capital Improvement Plan Budget sub-committee. Laura, Jacqueline, Henry and Lillian will be on the Operating Budget sub-committee.

Gregory had some questions on projects that were not approved specifically the breakwater repair in Hyannisport.

Laura noted that the department managers have the strongest weight of the recommendations and that the Town Manager reviews them and with other input prioritizes and makes the final recommendations to the Town Council.

Mark noted that the project may have scored high in the review process but not be approved due to cost considerations, too high a cost or waiting on matching funds from the state. The town council can reject a project but cannot bring one forward themselves.

Mark mentioned that all CIP requests should be available at the next meeting.

Review of potential departments to invite for discussion of budgets

Suggestions departments included DPW, Community Services, Growth Management, School Department, Sewer Operations and Solid Waste.

Mark will check on the availability of departments to attend. The consensus was for DPW first and Community Services or Growth Management second.

Review of Town of Barnstable November Bond Issuance

Mark shared the results of the recent bond sale and provided a handout with the details.

6. Discussion

None

Meeting adjourned at 8:05 p.m.

Next Meeting - Monday , December 9th @ 7 p.m.

7. Documents Distributed to Committee

- A -Massachusetts Department of Revenue notification of free cash approval for Barnstable
- B -Town of Barnstable 2013 Bond Bid results