



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)
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CFAC Committee:

Chair:

John Schoenherr

Members:

Robert Ciolek
Cynthia Crossman
Ralph Krau
Gregory Plunkett
Lillian Woo
Joseph Mladinich
Allen Fullerton
Vacant

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

John T. Norman

MEETING MINUTES

08.21.17

6:00 PM

Growth Management Conference Room

Roll Call:

- CFAC Members Present: Lillian Woo, , Gregory Plunkett, Robert Ciolek, Joseph Mladinich, and Ralph Krau
- CFAC Members Absent: Cynthia Crossman, John Schoenherr, and Allen Fullerton
- Councilors Present: None
- Staff Present: Mark Milne, Finance Director, Nathan Empey, Budget Analyst

Call to Order:

Ralph Krau called the CFAC meeting to order at 6:00 PM in the Growth Management Conference Room of Town Hall.

Act on Minutes:

The following minutes were approved by unanimous vote:

Minutes 07.17.17

Old Business:

None

New Business:

Mark M. reviewed the Massachusetts School Building Authority Project at Cape Cod Regional Technical High School handout with committee members. Robert Sanborn presented to Town Council last Thursday an updated version on the Cape Tech Regional High School project. Mark M. noted the project cost has been reduced from \$140 to \$127.9 million, and that Massachusetts School Building Authority (MSBA) will provide \$41.9 million towards the cost. The remaining \$86 million of the cost will have to be shared across the 12 participating districts through debt financing. Mark M. noted the district wide vote on the project will be Oct 24th, but the Town of Barnstable will have a debt override vote September 19th to pay for its portion of the debt financing. Mark M. also noted the debt override vote is an opportunity to educate the public on the cost to taxpayers as well as potential impact to town services. Mark M. noted the current financing for the project is anticipated to be done with a 30-year bond issue; however, the town could save millions through a shorter maturity. Ralph K. asked if Town Council understood the debt override vote? Mark M. responded that question #14 in the handout explains clearly how the debt override works. Mark M. also noted it has been over 20 years since the town passed a debt override. Mark M. will be attending both the West Barnstable Civic Association and Osterville Association meetings to discuss the Cape Tech Regional High School project. Lillian W. commented the Q&A handout was very clear and informative. Mark M. responded we are very limited on what we can do to educate and make citizens aware of the project, and that we cannot campaign for a debt override. Elected Officials have more leeway on voter influence. Ralph K. asked if Town Council figured out how to pay for the project? Mark M. responded Town Council is proposing a debt override, which can be voted on more than once if it does not pass the first time. Mark M. also noted the town's existing debt exclusions are soon expiring, and thus the proposed debt override would almost be a wash. Joseph M. asked would the citizen's vote on the bond issue maturity? Mark M. responded the Regional School would decide on the maturity and not the citizens.

Mark M. reviewed the unaudited FY17 General Fund and Enterprise Funds budgetary results with committee members.

- General Fund revenues exceeded budgeted estimates by \$4 million;
- All departments came inside budgeted expenditures;
- The General Fund experienced a net positive \$5 million overall budgetary variance;
- Snow and ice removal budget has been increased to \$725,000;
- Airport continues to struggle with revenue, but will return \$487,000 in project appropriations;
- Airport will experience a \$248,000 favorable budget variance;
- Golf met revenue estimates and will experience a \$69,000 favorable budget variance;
- Solid Waste missed revenue estimates, but will return \$285,000 in appropriations netting a favorable budget variance of \$164,000;
- Water Pollution Control had a very favorable budget variance of \$627,000;
- Water Supply in FY17 will receive \$170,000 from Barnstable County, returned \$254,000 in unexpended appropriations, and thus a favorable budget variance of \$496,245;
- Marina exceeded revenue estimates by \$37,000, returned unexpended appropriations of \$19,000, and will have a favorable budget variance of \$57,000;
- Sandy Neck generated \$1.1 million in revenue, returned \$63,000 in unexpended appropriations, but \$55,000 of budgeted expenditures for sand management had not been used;
- Hyannis Youth & Community Center was just short of revenue estimates, but still had a positive budget variance of \$67,000;
- Airport and Water Supply Enterprise Funds will have to be monitored closely to make sure they are cover costs.

Mark M. reviewed the Fire Training Academy settlement. Mark M. noted the town would receive reimbursements of \$170,000 for prior operating costs associated with the contamination. The town will also receive \$2,950,000 in capital cost broken into semiannual principal payments over 20 years. Barnstable County has also agreed to put \$70,000 annually in an escrow account for water filter replacements. Mark M. noted this should help keep the fees down significantly. Bob C. asked is there any obligation to Barnstable County to financially contribute to new wells? Mark M. responded the county would give us access to land with wells. Ralph asked did the commissioner's vote in favor of the settlement? Mark M. responded 2 out of 3 voted in favor. Joseph M. asked how does the county generate revenue? Mark M. responded through a county tax assessed on towns across Cape as well as through transfer of deeds fees.

Matters not reasonably anticipated by the chair:

Mark M. noted the drafted Budget Action Calendar has been created with only one major change to the calendar. The joint meeting with the school committee will be conducted earlier in the budget process. Everything else will stay the same.

Bob C. noted the Water Resource Advisory Committee (WRAC) presented to Town Council its report with no new ground. The WRAC committee itself was also formally disbanded. Mark M. responded that Town Council accepted the WRAC report, and that a new committee may be formed on how to finance it. Lillian W. noted she couldn't get a read on Town Council's direction on the WRAC's plan.

Discussion of topics for the next meeting:

Topics for next meeting will include an update from Mark M. on the two civic association meetings regarding the Cape Technical High School project.

Adjournment:

CFAC's next meeting will be Monday September 11, 2017 at 6:00pm.

List of documents handed out

1. 07.17.17 Minutes
2. Regional School District Question & Answers handout
3. FY17 General Fund and Enterprise Funds budget results