



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

09.25.17

6:00 PM

Growth Management Conference Room

Roll Call:

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

Call to Order:

John Schoenherr 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 08.21.17

Old Business:

None

New Business:

John S. provided Senator Julian Cyr a copy of CFAC's Financial Overview Report as well as referred to the back of the report for topics of discussion. Julian C. responded his' focus is on how to address long-term and immediate needs. This includes a focus on wastewater and housing affordability. Julian noted current state discussion includes the local option on taxing short-term rentals to generate resources for such needs. John S. asked Mark M. the results of the debt override? Mark M. responded the town voted in favor of the override, but he doesn't know if the 11 other communities will pass overrides. In addition, this override vote may help the project go through. Mark M. noted only 7% of the registered voters in Barnstable voted at the polls. Julian C. noted the cost allocation of the tech school project needs to be reviewed because the current formula is based off enrolment, which can fluctuate year-over-year. Currently, the tech school is seeking 42% to 48% reimbursement from the School Building Authority (SBA) for the cost of the project. Ralph K. asked is there any chance of getting a higher rate from SBA? Julian C. responded we are waiting to see what the outcome of the vote is, and that if the town's do not want the project, there will be no push on SBA. Julian also noted it is more likely to be a push in FY19 for a higher rate from SBA.

Julian C. noted many colleagues at the state level know Cape Cod and its issues. Bob C. asked how many colleagues have properties on Cape? Julian C. responded quite a few. Julian C. expressed his' concern if the 208 plan goes back to court, since a court order would force Cape to resolve the wastewater issues sooner, and potential betterments could be as great as property taxes, which taxpayers cannot afford.

Julian C. noted the states FY18 budget has significant money for education. The school budgets will help with healthcare costs in the current budget. Julian C. voiced that Chp70 aid is not about how to split the pie, but how to increase the pie. Julian C. mentioned student enrolment on Cape is a concern, and that English Language Learners is a significant cost to Barnstable. John S. noted that Mark M. attended several civic association meetings regarding the technical high school project. Mark M. noted these meetings were sparsely attended. Julian C. asked what is the consensus? Mark M. responded attendees are supportive for the project. Bob C. noted there is a maximum cost per square foot cap SBA will cover, and that the tech schools cost is \$400 per square foot. Bob C. mentioned that maybe there could be a push in the language to move the cap up for tech school projects. Julian C. responded there is a renewed interest in tech schools, and the question becomes how we update the formula to become more equitable. Bob C. responded that a Vocation School Superintendent Association exist, which deals with these sorts of issues. This association may already have legislation written on changing the formula. Joseph M. asked is there any federal support for the school project? Julian C. responded not that I am aware of, but Robert Sanborn, School Superintendent may be pursuing federal assistance for the project.

Bob C. asked how are we going to solve the wastewater problem? Julian C. noted the current solution is to sewer the Cape, but not sure how to find a funding mechanism. Currently, it is estimated the towns would pay 50% of the project cost, 25% state, and 25% federal. Julian C. noted were does this cost come from the state? There is no way to maintain annual appropriations from the state to support the project over a decade. Julian C. noted the short-term rental tax has passed in the senate, and that places like Cape Cod where populations double during the summer months will benefit. This tax will help distribute costs across all users. Julian C. noted his' proposal to create a Cape Water Protection Trust could receive benefits such as a favorable bond rating on projects by pooling resources together. Julian C. noted this is an option, because a court order would be far more costly to taxpayers. Leslie S. mentioned the Conservation Law Foundation has said to the Cape selectman association that we are watching you, and that in 1978 it was predicted this issue was going to happen. Bob C. asked would the house or senate version of the short-term rental tax bill pass? Julian C. responded that the house bill is too complicated, and that the senate is in a stronger position.

Bob C. mentioned to Julian C. is there anything CFAC should review? Leslie S. responded that Cape Cod Water Protection Trust Fund legislation is currently under review and being revised by the State Treasurer's office and could be reviewed once that legislation is revised and amended. John S. asked do we know how much potential tax revenue could be received from the short-term rental tax? Julian C. responded Truro has little to no hotels/motels, and that the rental tax has tremendous potential for Truro. Leslie S. noted Provincetown is going to be a large source of the rental tax revenue collected.

Mark M. noted the Water Resource Advisory Committee (WRAC) presented to Town Council a 60-year plan that does not include inflation or interest costs. Mark M. asked if there is any alternative technology to the keep the cost down? Mark M. mentioned that the Department of Environmental Protection (DEP) does not recognize alternative technologies, but can the state push to include this solution? Julian C. responded DEP is cautious and does not move quickly, and that any aquaculture alternatives would have to be done in large scale. Bob C. asked why could Chatham move aggressively to sewer its community, political will?

Julian C. asked what the leading issue is with Other-Post-Employment-Benefits? Mark M. responded Governmental Accounting Standards Board (GASB) has new requirements for recognizing unfunded liabilities. This new accounting standard will be similar to the pension issues. The requirement will be for the communities to start amortizing OPEB on the town's financial statements. The pension is not expected to be fully funded until 2037. Barnstable's OPEB liabilities are roughly \$130 million. Mark M. asked Julian if there are any conversations at the state level? Julian C. responded OPEB is not the main topic of discussion at the state. Bob C. asked would the state or accounting standards board trigger this issue? Mark M. responded the accounting standards board. Mark M. noted the amortization requirements would match the taxpayers with the employees who benefit.

Bob C. mentioned the state owns a lot of land, but the cherry sheet shows they pay little in taxes on state owned lands in Barnstable. Bob C. noted the state should pay its fair share. Julian C. noted the state owned land is a potential resource for the state budget.

Gregory P. asked Julian C. what the top five issues he sees on Cape Cod. Julian C. responded Housing Affordability, Opioid epidemic, wastewater, town's specific needs for grants, and our aging population.

Matters not reasonably anticipated by the chair:

Mark M. noted that this Thursday Town Council would have its annual joint presentation between the school and municipal department.

Discussion of topics for the next meeting:

Topics for next meeting were not discussed.

Adjournment:

CFAC's next meeting will be Monday October 10, 2017 at 6:00pm.

List of documents handed out

1. 08.21.17 Minutes
2. CFAC Financial Overview Report