



# The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)  
367 Main Street, Village of Hyannis, MA 02601  
v. 508.862.4654 • f. 508.862.4717  
[www.town.barnstable.ma.us](http://www.town.barnstable.ma.us)  
Email: [cfac@town.barnstable.ma.us](mailto:cfac@town.barnstable.ma.us)

## CFAC Committee:

### Chair:

John Schoenherr

### Members:

Robert Ciolek  
Ralph Krau  
Lillian Woo  
Joseph Mladinich  
Allen Fullerton  
Hector Guenther

### Staff Liaison:

Mark Milne  
Nathan Empey

### Councilor Liaison:

Paula Schnepf

## MEETING MINUTES

04.08.19

6:00 PM

### Planning & Development Conference Room

## Roll Call:

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- CFAC Members Present: Hector Guenther, Allen Fullerton, Lillian Woo, Ralph Krau, John Schoenherr, and Joseph Mladinich
- CFAC Members Absent: Robert Ciolek
- Councilors Present: None
- Staff Present: Mark Milne, Director of Finance; Nathan Empey, Budget Analyst
- Other Present: None

## Call to Order:

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John Schoenherr called the CFAC meeting to order at 6:00 PM in the Planning & Development Conference Room at Town Hall.

## Act on Minutes:

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The following minutes were approved by unanimous vote:

03.11.19

## Old Business:

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John S. wanted to note the Rob Steen, Assistant Director of Public Works did a great job presenting Public Works operating requests at the last meeting.

Mark M. noted the Capital Improvements Plan hearings started at the last Town Council meeting, which we were able to get halfway through and expect to be finished by April 25<sup>th</sup>. Mark M. noted Paula S. mentioned CFAC's Annual Capital Report at the hearing and that CFAC's comments regarding tracking previously approved capital project budgets should be considered for future documents.

Mark M. noted the Budget Action Calendar has been updated, and that the proposed FY20 Operating Budget will be submitted to Town Council on May 6<sup>th</sup>. This should give the committee more time to create its annual operating budget report.

## New Business:

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CFAC approved its Annual Capital Report unanimously.

Mark M. reviewed with the committee the proposed FY20 operating budget draft.

## Comments & Takeaways

- Property taxes are anticipated to increase \$5.7 million mostly due to the Cape Tech High School construction project new debt exclusion. Mark M. noted new growth is anticipated to be \$1 million and any excess over this amount will be dedicated to the capital program.
- Total General Fund resources will increase \$5.3 million and the reduction in state aid is a result of Massachusetts School Building Authority reimbursements for debt service expiring. Chapter 70 will increase \$1 million.
  - John S. asked how are the revenue numbers derived? Mark M. responded revenue estimates are determined through activity levels and adopted fee changes.
  - Mark M. noted we're consistently seeing increases in interest on late payments due to an aggressive collection policy that includes the potential assignment of tax liens receivable. Hector G. asked have you done this before? Mark M. responded no, and that this is the first time we've contemplated doing this.
  - Mark M. noted that alarm registrations are a biennial fee due on odd years, which has contributed to the increase.
  - Joseph M. asked what are rents? Mark M. noted the Town leases several properties, which the JFK Museum is the largest.
  - Allen F. asked what are special assessments? Mark M. noted the Assessor sends out income and expense questionnaires to commercial property owners. There is a \$250 assessment added to the tax bill for property owners that don't return the questionnaire. The assessor needs this information to accurately determine commercial values.
  - Ralph K. asked does the new growth include upgrades to the Sears building at the mall? Mark M. noted it depends if it adds value to the property. Mark M. noted we are optimistic about new growth with the Vineyard Wind and redevelopment of Capetown Plaza.
- The budget anticipates no increase in health insurance. Hector G. asked why is employee benefits going up? Mark M. noted the pension assessment has increased partially due to the Town of Barnstable becoming a larger percentage of the overall pension system. Barnstable has grown from 15% to 16%. This could be due to workforce growing while other members' have not.
- Other fixed costs are down \$3.3 million and transfers up \$670,770 mostly due to capital fund transfers.

- School operations will increase 2.6%
- General Fund personnel base budget is \$31.4 million plus a \$575,000 in contractual obligations. Changes to the personnel budget includes:
  - \$5,000 reduction to Town Manager budget for merit bonus not being repeated.
  - There are a number of salary reclassifications totaling \$42,000.
  - Increase receptionist hours from 25 to 40hrs a week, which costs will be split between municipal and school department.
  - Town Attorney is retiring, which the legal budget includes \$78,000 for overlap cost to higher another attorney.
  - Budget includes early voting costs, which may receive some state reimbursements.
  - State mandatory minimum wage impact, which all hourly pay scales will be impacted.
  - Bismore Park funds of \$98,800 will increase the Planning & Development budget. Mark M. noted last summer was very congested at the park. It has become dangerous for pedestrians. These funds will help manage the traffic flow, provide police details, and seasonal employees. This cost will be funded through parking receipts.
  - Police will receive longevity adjustments in accordance with contractual agreements. They will also be provided funding for one new officer, payments for memorandum of agreement for dispatch center, one-time training funds for targeted training, and overtime for school resource officers. Mark M. noted the police department anticipates receiving a 911 grant of \$200,000 from the state to offset these costs.
  - There is \$7,000 in overtime increases for various departments. Mark M. noted as salary costs go up so will overtime costs.
  - Public Works budget includes 3 full-time employees for a field maintenance crew.
  - Mark M. noted the new seasonal waterways officer to increase enforcement efforts. Mooring fees are increasing to cover costs, which the fee increase anticipates to generate \$100,000 in additional revenue.
- General Fund operating expenses include:
  - Mark M. noted several one-time training costs in the police department are being removed in FY20, however, additions include police targeted training, new technology to upgrade Microsoft exchange servers, and police academy funding for 2 officers.
  - Town Manager budget will add back \$25,000 for professional services, which was removed in previous fiscal years.
  - Mark M. noted Town operations have about 14 different software programs that require annual increases in funding for license agreements.
  - Bismore Park Host funds for uniforms and other supplies.
  - Mark M. noted the Inspectional Services Department has started accepting credit card payments. Because of this, funds have been made available for credit card charges. The department also needs to replace some Ipads.
  - Mark M. noted the snow & ice removal budget will be increased by \$125,000. The goal is to have this budget up to \$1,500,000.
    - Lillian W. asked what happens if we don't use all the snow & ice budget? Mark M. responded the available budget remaining goes back into reserves.
  - Public Works request to replace and/or repair automated external defibrillator (AED) devices for all town wide buildings. Mark M. noted that some of the devices batteries and other supplies need replacing. Other funds include Lombard Field and Barnstable Dog Park maintenance, updating safety personnel equipment, vehicle maintenance materials, flag pole and lighting repairs and replacements, and tools and equipment.
  - Recreation division will receive funds for CPR training.
- General Fund capital outlay includes:
  - Mark M. noted Information Technology receives monies on an annual basis to replace hardware.

- Mark M. noted funding would be available to purchase new voting machines. The existing machines are 14 years old. Mark M. noted we have numerous elections coming up.
  - Conservation receives annual funds for invasive weed control.
  - Mark M. noted there is funding to remove a pipe system that was used to as an aeration system for controlling algae growth.
  - Police Department will receive funding for vehicle replacements. Mark M. noted the department has roughly 60 vehicles, which some can incur in excess of 35-40,000 miles a year. The existing funding can replace about 8 vehicles a year, but prices per vehicle are anticipated to increase. Mark M. noted we are looking into the viability of leasing vehicles, or possible combination of purchasing and leasing. A leasing program can lock in a replacement program, it's more costly to lease, but a reduction in maintenance costs on vehicle repairs could offset those costs. Other requests include radio replacements at the dispatch center, and taser replacements.
  - Mark M. noted Public Works has been provided the same funding for vehicle replacements as well as mechanical and building repairs.
  - MEA will receive funding for a vehicle replacement, security camera replacements, and an animal control database.
  - Recreation will continue to receive funding for aquatic equipment replacement.
- Mark M. noted the General Fund will used \$2.4 million in reserves to balance the FY20 budget, but we anticipate to generating that much in surplus in FY19.
  - Airport is increasing 16%. A new ground lease is anticipated to bring in \$1 million in annual lease payments. This will cover an increase in jet fuel purchases and a depreciation provision in the operating budget.
  - Golf Enterprise Fund will increase \$230,000 due to minimum wage impacts and pro shop purchases for resale. The enterprise fund increased rates this year.
  - Solid Waste finally paid off debt service associated with capping the landfill. Sticker fees are to remain steady at \$250. Mark M. noted we've been using \$500,000 of surplus to balance the budget.
  - Sewer fund to remain level funded.
  - Water Enterprise Fund shows a significant increase due to debt service associated with the capital program and increased contract costs with Suez.
  - Marina is increasing \$40,000 to purchase a new vehicle.
  - Sandy Neck is decreasing \$93,000, as the reimbursement to the General Fund in F19 for sand nourishment will not be repeated.
  - HYCC is increasing \$101,000, which the operation is adding a new supervisor position.

**Matters not reasonably anticipated by the chair:**

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John S. asked has the town created a waste water policy statement, and what is the process? Mark M. noted that there is a working group in conjunction with council leadership for developing policies. John S. asked are there financial matters that CFAC could be involved in? Mark M. responded the working group would be working on financial matters, but may request some input from CFAC.

**Discussion of topics for the next meeting:**

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The committee will initiate its annual operating budget review at the next meeting.

**Adjournment:**

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CFAC's next meeting will be Monday April 29, 2019 at 6:00pm.

## List of documents handed out

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1. 03.11.19 minutes
2. Drafted Proposed FY20 Operating Budget