



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chairman:

Bill Brower

Members:

Robert Ciolek
Laura Cronin
Stanley Hodkinson
Ralph Krau
Tom Michael

Staff Liaison:

Mark Milne

Councilor Liaison:

James Munafo Jr.

CFAC MEETING MINUTES

12.07.09

7:00 PM

Growth Management Conference Room

CFAC Members Present: Bill Brower, Laura Cronin, Stanley Hodkinson, Robert Ciolek, Ralph Krau, Tom Michael

CFAC Members Absent: None

Councilors Present: None

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

1. Call to Order

Upon a quorum duly present, Bill Brower 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 accept minutes of 11.02.09

Vote: Unanimous

3. Chairman, Staff & Councilor Comments

Bill Brower informed the committee that on Dec. 2nd the Town Manager met with Ralph Krau, Bob Ciolek, Mark Milne and himself to discuss the committee's recommendations for updates to the Town Manager section of the Town Code. The Assistant Town Manager, Tom Lynch was also in attendance at the meeting. The Town Manager thanked the committee for their work and has taken the recommendations under advisement.

Mark Milne reviewed that the updates to the tax classification will now be taken into consideration at the first scheduled meeting in January of the Town Council. As of today, the Town has not yet received certification from the DOR therefore the third quarter tax bills will be preliminary bills rather than actual. Statewide, the DOR has set few tax rates, approximately 53 communities so far. They are experiencing staffing issues as a result of budget cuts. Special regulation is currently being reviewed to allow for the third quarter actuals to be submitted a month late with an extended deadline of 01.31.09. This would then allow all new assessments and any adjustments to be on the 4th quarter bill.

Mark reviewed some analysis of potential changes to the tax classifications by the Assessing department which overviewed the monetary impact of each. The various changes would shift the tax burden from parcel to parcel not decrease the levy.

Mark also reviewed an analysis of the commercial property taxes with a highlight on the impact to Cape Cod Mall - the largest commercial property.

In light of a recent article in the paper about the decrease in assessed valuation, Mark M. wanted to review the information. Changes in assessed value will all depend on location as to whether the value will increase or decrease. These analyses do not address the Community Preservation tax or the Fire District tax.

Laura C. questioned if the CPA tax could be changed? Mark responded it is a 3 % surcharge of the tax bill. If the community wanted to change the percentage it would require a referendum ballot and vote of the majority. If bonds are outstanding on land purchased under that agreement then the percentage cannot be reduced until that is paid off.

4. Old Business

Ten Year Forecast -

Mark M. reviewed the draft of the Ten Year Forecast and reviewed the various budget assumptions he utilized. He welcomes feedback from the committee as to whether they feel the forecast is too conservative, too aggressive etc.

Bill B. inquired if building permits were a good indicator of growth?

Mark M. responded yes if for new growth and not for renovations. Mark has not talked with the building commissioner recently but things appear slow as no new subdivision plans have been submitted, which are a definite indicator of potential new growth.

Under Hotel/ Motel Excise taxes the first payment is down 10 % and Mark may need to be more conservative in this category. The assumptions for this category do not consider if the Town Council should vote to approve an increase in the room tax rate. If the Council were to consider a change it would need to be done at least one month prior to the subsequent quarter. The earliest they could consider it would be March of 2010.

Bill B. commented that an increase could potentially up the revenue by 50 %.

Laura C. commented it could also drive down revenue and it is not necessarily a 1:1 relationship.

Mark M. commented the current rate is 9.7% and was not sure how that compared to other communities.

Bill B. noted that he was in Miami Beach recently and the rate was 13% there.

Mark M. commented that an increase in the meals tax would be more lucrative and could produce closer to \$1M a year. The funds could be targeted for particular projects and would require a lot of discussion about how to use any gained revenues.

Mark M. noted that Chapter 70 aid can not be held to as FY10 may still be subject to cuts. Lottery Aid is anticipated to be subject to cuts as well.

Mark M. noted that during tough financial times revenue from Fines and Penalties tends to increase. However, he did note that the Town has a 96% collection rate for taxes within the year levied. He prefers to see the taxes collected on time.

Interest from other revenue is down across the board as rates are low.

Sewer Sub- Committee Status Report-

The committee met with Dale Saad from DPW and learned about some of the water issues impacting the Stewarts Creek and Wequaquet Lake areas. They discussed alternative systems versus collective systems .

Bob C. indicated they are looking towards early January for a public forum to hear what the community has to say. The next meeting is set for 12.21.09. They will try to put together some structure for the public meeting and in the interim are trying to set

up some meetings with folks who participated in the initial plant system to gain more background information.

2010 Calendar or Meetings -

Deb C. will update the draft to remove the 7.19.10 and 8.2.10 meeting and resend to the committee for review.

5. New Business

FY11 CIP Review -

The team has been provided their CIP packets for FY11. They will begin reviewing and working on their recommendations. Bill B. gave a brief overview of how the scoring should be approached.

Mark M. indicated they could anticipate similar funding as last year with \$3.25M for public roads and approx. \$2M for borrowing authorization.

Bob C. inquired if that \$2M is strictly for CIP projects or unforeseen events.

Mark M. replied it is for CIP projects.

It was noted that any project \$50K or less should be under Operating Capital Budgets.

Barnstable Harbor/ Parking Licenses -

Laura C. distributed a packet of information regarding the properties along the Barnstable Harbor and parking licenses revenue. Laura is proposing a change in the structure of licensing fees to increase revenues and/ or generate alternate business growth in the area to revitalize the harbor.

Mark M. will run the proposal through Legal and provide to Senior Managers for feedback. He anticipates there could be challenges by the property owners that an increase would be an illegal tax versus a fee. He also noted the Town would incur costs in enforcing any new regulations.

He agreed to review the Steamship authority agreements for any pertinent information. He noted that they are a state authority and therefore not subject to taxes however the Town is able to collect an embarkation fee.

6. Discussions

None

Next meeting is scheduled for Monday December 21, 2009 in the Growth Management conference room.

Meeting adjourned at 8:23 PM.

DRAFT