



# 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:

Richard Barry  
James Munafo Jr.

### CFAC MEETING MINUTES

2.16.10

7:00 PM

Growth Management Conference Room

CFAC Members Present: Bill Brower, Laura Cronin, Robert Ciolek, Tom Michael

CFAC Members Absent: Ralph Krau, Stanley Hodkinson

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 7:02 PM in the Growth Management Conference Room.

#### 2. Act on Minutes

Motion made and seconded to accept minutes of 01.19.10

Vote: Unanimous

Motion made and seconded to accept notes as written for 02.01.10 unofficial meeting.

Vote: Unanimous

#### 3. Chairman, Staff & Councilor Comments

Bill Brower made note that the committee currently has six of a potential nine members. He hopes to see more members soon. Bill commented that the past six months have provided an abundant amount of work for the existing members and he thanks them for their efforts.

Mark Milne announced that the Comprehensive Annual Financial Report (CAFR) is back from the auditors and he will have a copy for the committees review at the next regularly scheduled meeting. This report will include the auditor opinions and comments.

Mark met with Moody's last week to discuss updating the Town's bond ratings. It was a due diligence effort as the town now uses Standard and Poors ( S&P) but has a few bond still under issue from Moody's. He anticipates a report in a few weeks and expects that rating will stay at AA1. The S & P rating remains at AAA. Mark will share the report when available.

#### 4. Old Business

Ten Year Forecast -

The Ten year forecast is still a work in progress and Mark will provide and updated at a future meeting.

Clean Water Protection Sub-Committee -

Laura informed all that the sub-committee met on Saturday, February 13<sup>th</sup> as a workshop to review the draft of their presentation for the Town Council. They covered the details, wording, doubled check numbers etc. There was solid attendance from the public. Due to the document being a work in progress the sub-committee was not able to provide a copy to the public. During the workshop they did accept comments and feedback from the attendees. The sub-committee feels they are in good shape to meet the 2/23 deadline.

Two open questions for legal were clarified today. The document is currently approx. 55 pages and should be about 16-17 slides. The Town Council will receive a full document to reference during the presentation.

The presentation is tentatively scheduled for March 4<sup>th</sup>. The next sub-committee meeting is scheduled for March 1.

CIP Sub-Committee -

Bill B. has compiled a draft report. Copies were shared with the committee. He made note that some bids have been coming in lower and hopes the Town may be able to take advantage as well as obtain other funding sources to complete more projects.

Bob C. inquired what was the value of current bonds outstanding for capital projects?

Mark M. replied that the current amount was close to \$140M and that the Town had the capacity for \$660M.

Bob C. inquired if there are any bonds outside of CIP projects.

Mark M. responded that yes in the 1990's some school projects went to ballot for a debt exclusion. He also noted that the Community Preservation Fund has \$20M outstanding.

Laura C. commented that Roger Parsons from DPW was available and willing to meet with the committee to provide an overview of the roads projects.

Bill B. suggested inviting him to the first meeting in April.

Tom M. questioned the roads maintenance amounts. How much is spent in one year and does that affect the following year?

Mark M. replied that the DPW originally recommended needing \$4M to maintain the road conditions. The funding has grown to the current \$3.25M. If funds are reallocated to a new project ( i.e. a loan payment for 5-10 years) that amount will be reduced to the roads for those same years. If it is reallocated to a pay as you go or cash reimbursement project it would only be a one year reduction.

Mark noted the general ordinance indicates a life of 3 years. Unexpended and unencumbered funds after that time would go back in to the General Fund Surplus account. Roger Parson's overview will show the committee where all current projects stand in that regard.

Tom M. thanked Bill for putting together the report.

Mark M. inquired who would attend the meeting to present the report to the Town Manager.

Tom M. is willing if needed. Bill B. will attend. Mark will try to schedule for next week.

## 5. New Business

Bill B. would like to put to rest the discussion of the composition of a letter to Town Council regarding the topic of Fire Districts. Bill noted that the CFAC committee is appointed to serve the Town Council and Town Manager specifically in review of the Budget, CIP, and the School Budget as approved by the School Committee. He is not sure it is appropriate for CFAC to address the topic.

Tom M. initially brought the topic up for discussion and feels the pressures on current citizens due to the economic situation warrants the answering of two questions. Would consolidation create an increase in revenues? Would consolidated create an impact on safety? As a member of the committee he feels it is his obligation to bring up the topic for discussion to insure all potential revenue sources have been reviewed.

He agrees there are the questions of who would pay for an outside analysis and is there a will by the taxpayers to do it?

Laura C. commented that even though the fire districts are a separate entity, the taxpayers are still paying the taxes for it. She feels education on the subject would help clarify some of the questions.

She questioned if there isn't come conflicts with Councilors being on both the Town Council and a Fire Committee. She recognizes that the fire districts are built on village constituencies but that Barnstable is still one "entity". Should the assets be combined?

Laura mentioned there is a report on file in the clerks office that outlines the results of prior Council sub-committee that reviewed the topic. She believes it is dated May of 2006.

Laura recommends not voting on the subject until the committee can review those documents on file with the town clerk.

Tom M. notes that the impact on personnel and benefits creates concern. If there is no will to study the topic he accepts the subject could be dropped.

Bill B. expressed again his concern as to how it fits with what the CFAC committee is chartered to do.

Laura noted that CFAC is also charged with looking for other sources of revenue and/or reducing costs.

Tom M. referred to the prior letter of recommendation from the CFAC committee to the Town Council about the fiduciary responsibility to conduct and outside audit of the fire districts. It may not result in more revenue but it may make taxpayers more amenable to a Prop. 2 ½ override.

Bob C. is in agreement with all. If there is a report in the clerks office, he suggests the report be obtained to see what it contains. He notes a convergence of wills is required - political, economic etc.. As the next months focus on the monetary issues for clean water, it may increase interest in looking at the fire districts.

John Julius addressed the committee to inform them that as a citizen he attended the Budget Forum with Senate President Therese Murray and Senator O'Leary. He requested a \$150K grant for Barnstable to conduct a Fire District study and create a plan. The Senate President responded that she believes it is a Town Council issue. He made several comparison in the budgets of other towns and requested the committees support to address the issue.

Dick Andres addressed the committee regarding his concerns about the Water District and the Fire District charges related to fire readiness and the different boundaries of each department. He has presented information to the Board of Assessors on the topic.

Bill B. recommends the report from the clerks office be obtained for review to see how topic can be addressed within the committees constraints.

## Six Month Revenue Report-

Mark M. passed out copies of the six month revenue report. He noted that most of the Town's revenue is received in the 2<sup>nd</sup> half of the fiscal year, especially property taxes. Mark reviewed the areas of concern. Excise taxes - \$3.9 M billing versus \$4.6 M prior year. Hotel and Motel taxes showed a decline of \$160 K for the busiest months of Apr-Sept. State Aid is showing no indication of cuts.

Enterprise Funds - The Airport is down in sales of Jet Fuel and has already implemented cost savings measures to cover revenue deficit. They also have \$8M in savings.

The Golf Courses are showing approx. \$300 K in decreased revenue. They are set to reduce operating expenses to offset.

Solid Waste's sticker renewal is in January and therefore due to timing does not reflect majority of revenue yet. The DPW director has indicated there has been a noticeable increase in first time sticker buyers.

Marina - May and June are slip renewals. There are questions regarding the Barnstable Harbor construction's impact to that revenue. There is a \$200K surplus account and reduction in expenses may be implanted.

All Personnel costs are tracking were they should be for this time of the fiscal year.

Utilities are showing a saving of \$60K. Mark attributed this to the floating of natural gas prices.

Bob C. questions if the HYCC was tracking were it should be, not including the transfer from the Capital Trust Fund ?

Mark responded yes. They estimated \$1.3M based on ice rental times and other marketing revenue. Town Council would like a presentation on the HYCC and the Community Services Division is likely to present in the next few weeks. Mark noted that public skating is doing much better than expected - \$75K was budgeted and it has already taken in \$100K.

Bob C. mentioned a collective purchasing program run by HEFA for natural gas which may be worth a look into. He provided a contact name of Cindy Acart.

Mark M. reviewed that the Cherry Sheets with the Governors Proposed budget indicated level funds for local aid. The town's FY11 is budgeted for \$1.6M less to be conservative.

Mark M. reviewed the Schools proposed budget and inquired if the committee would like to invite the Superintendent to a March meeting?

Bob C. questioned if Mark was familiar with a recent Supreme Court judgment on how communities assess gas utilities.

Mark M. responded yes and he believes it will allow towns to pick up some new growth. He thought Barnstable's impact may be approx. \$70K but would research to confirm.

6. Discussions

None

Meeting adjourned at 8:30 p.m.

Next meeting is scheduled for Monday March 1st at 7 p.m.