



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chair:

Laura Cronin

Members:

Robert Ciolek
Stanley Hodkinson
Ralph Krau
Henry McClean
Jacqueline Michelove
Gregory Plunkett
Lillian Woo

Staff Liaison:

Mark Milne

Councilor Liaison:

James Tinsley
Debra Dagwan

CFAC MEETING MINUTES

10.28.13

7:00 PM

Growth Management Conference Room

CFAC Members Present: Gregory Plunkett, Lillian Woo, Laura Cronin, Jacqueline Michelove, Robert Ciolek, Ralph Krau

CFAC Members Absent: Stanley Hodkinson, Henry McClean

Councilors Present: None

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

1. Call to Order

Laura Cronin 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 approve the minutes of 09.09.13.

Vote: Approved, unanimous

3. Communication From Committee Members

None

4. Communication From Councilors and Staff

None

5. New Business

Review and Discussion of the FY14 Airport Budget

Mark Milne welcomed Airport Manager Bud Breault and Airport Finance Chair Ron Pursitte to the meeting.

Mark reviewed that the committee intends to sit down with departments and take the opportunity to discuss budgets prior to the issuance of the FY15 budget. This will provide the departments and the committee an opportunity to share ideas on opportunities that could be explored and challenges the departments are facing.

The CFAC committee submits a report to the Town Manager and Town Council on the proposed budget. Due to time constraints there is no time to meet with departments between the time the committee receives the budget and their letter is due.

Mark inquired if the Airport Manager would like to have an open question and answer session or would he like to respond directly to the CFAC report?

Bud responded that either was fine. He thanked the committee for the invitation to open the dialogue.

Mark noted that fuel sales are the main revenue source for the Airport. The committee noted a large discrepancy in the budgeted amount and the actual amount year over year. Mark noted that the Airport is not able to enter into a long term contract for fuel sales.

Ron commented that it is also the largest expense which will also be reduced if the revenue from sales does not appear.

Mark suggested maybe a gross profit estimate could be used rather than the revenue/expense method. He will check with the Department of Revenue to see if that is acceptable.

Bob C. commented that he was not aware that long term contracts were not available. He inquired what it is that prohibits them?

Mark responded that storage capacity was one factor.

Bud responded that the price changes every Tuesday and is based on a commodity exchange market. The industry does not do long term pricing. He also noted that the storage capacity is 20,000 gallons. They are working on a new fuel field that would increase the storage to 60,000 gallons. One weekend of sales could reach 40,000 gallons. This year they did experience a few situations where they needed to turn away jets.

Ralph inquired if this is the same at all airports.

Bud replied that larger airports have more capacity such as Logan airport in Boston which has approx. one million gallons of capacity. Bud noted the airport does have rolling stock via four fuel trucks that adds approx. 14,000 gallons of capacity.

Jacqueline asked how many suppliers they can choose from?

Bud replied there is just one supplier. They contract with the supplier who delivers the fuel and uses various refineries.

Laura asked if the amount the airport charges for fuel changes?

Bud replied yes it changes weekly. Normally, it is cost plus \$2.00. He reviewed some strategies they are taking to create large purchase discounts to reduce the cost with a guaranteed volume.

Bob C. inquired where else fuel would be purchased?

Bud replied Nantucket and noted that they had won some business over by improving the service. Trucks are meeting jets with a 15 minute advance notice.

Discussion on various factors implementing the actual sales which occur such as weather, trend, contracts with carriers etc.

Bob C. wonders if the Airport has been too optimistic about sales.

Mark noted that the recent years have seen sales volumes a little over 700K per year where it used to be over one million.

Laura asked if there were any plans to expand the explanation of expenses?

Bud noted that the MUNIS system contains all the detailed breakdown of expenses by line item. He can obtain that information and share with the committee.

Bob C. commented that a more thorough description of the stats and performance measures would be helpful to insure the general public understands what the items represent.

Bud reviewed several of the items in detail.

Lillian inquired about the Parking revenue. What percentage of revenue does it represent?

Lillian suggested the airport consider a proposal to have a Plymouth & Brockton (P & B) Bus stop at the Airport since the current stops at the Transportation Center and at Burger King on Rte 132 have limited parking spaces. In addition, many riders of the P & B take taxis to the airport to pick up their rental cars. Bud and Ron were receptive to this suggestion and indicated they would look into it.

Bud replied that the parking is filled to capacity in the summer and is at about 20% in the fall and winter. There are 600 regular spots and 400 overflow spaces.

Laura inquired if there is a threshold for enplanement numbers that would generate concern for the Airport?

Bud was unsure and noted that is a good question. He will review.

Ron commented that the airport commission is actively reviewing sources of revenues. He encouraged the committee to contact himself or Bud for any needed information.

Bob C. commented that CFAC is open to review and discussion of facts. They welcome the communication.

Lillian inquired if the Airport has included the Town Council and local business community in discussions?

Ron responded yes they have been pursuing ways to market the airport and include the council liaisons, Cape Cod Community College, an economic pillar group and members of the chamber of commerce.

Mark restated that the CFAC charge is to comment on the budget itself not the development of the budget.

Bob C. inquired if there are any fundamental changes to the budget for FY15.

Bud replied no but did review some capital plans for a 30 acre solar farm and work to change lights to LED lights to reduce energy costs.

Laura thanked Bud and Ron for their time.

CFAC Annual report

Laura inquired if anyone had comments on the document?

Mark replied that he had some revision to the section on CIP plans. He will revise and forward to the committee for approval.

FY14 Tax Classification

Mark reviewed the one page document that highlights the impacts of the various potential tax classifications. Due to the timeliness of tax bills and upcoming new councilors, he anticipates the Town Council will act at the Nov. 7th meeting.

Gregory inquired if there was any support for splitting the tax rate?

Mark replied no.

6. Discussion

Brief discussion on the availability of zero percent loans for the sewer hookup costs.

Meeting adjourned at 8:15 p.m.

Next Meeting - Tuesday, November 12th @ 7 p.m.

7. Documents Distributed to Committee

- A - Barnstable Municipal Airport Revenue Packet
- B -CFAC annual report Draft
- C- TAX Policy Options for FY2014 Impacts