



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
Lillian Woo
Joseph Mladinich
Allen Fullerton
Hector Guenther

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

08.20.18

6:00 PM

Planning & Development Conference Room

Roll Call:

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

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:

07.16.18

Old Business:

None

New Business:

Mark M. reviewed the key dates from the FY 2020 Budget Action Calendar with the committee.

September 15 Town Council meets to review and update their strategic plan. John S. asked does Town Council put parameters on what the operating and capital plans will be? Mark M. responded we do not discuss hard numbers at the strategic plan session. The strategic plan will give the Town Manager some guidance on what areas are high priority.

October 4th Town Council conducts a joint meeting with school committee. Mark M. noted this date is a lot earlier than in the past. Discussion will include developing the fiscal budget. October 15th Town Manager and School Superintendent will develop annual revenue sharing agreement.

November 13th public hearing for fee changes to take effect for a calendar year starting January 1st. Mark M. noted that Solid Waste, Waste Water, and Water Supply fees are the only fiscal year based fees.

Mark M. noted capital budget process will conduct another workshop like last year on December 6th. It was discussed last year that a CFAC member would attend this year's workshop. This will provide CFAC an opportunity to hear the presentations. Ralph K. asked would the workshop be conducted in one day? Mark M. responded that we try to focus on the top priority projects to be reviewed in one day. There are too many projects to go through in a day. John S. asked would the members have a copy of the submissions? Mark M. noted CFAC would be provided electronic copies of capital submissions.

December 6th Town Council's annual process to vote for a president and vice president.

March 21st Town Council conducts first capital budget reading, which CFAC submits its review March 28th. April 4th will be the first public hearing and April 18th if necessary.

May 2nd Town Council conducts first operating budget reading, which CFAC submits its review May 14th. May 16th will be the first public hearing. June 6th is the last day to approve the operating budget.

So what can CFAC do ahead of time? Mark M. noted we could discuss the major influences affecting the operating budget. We could invite department managers for a more in-depth discussion. John S. asked is there any changes to the budget process? Mark M. responded we are currently working on a new evaluation tool to try to reduce the labor-intensive process that is currently in place, but it has not been approved yet. Hector G. asked who does the scoring? Mark M. responded the department managers score the projects, but CFAC had also scored them in the past.

Joseph M. asked how many projects are reviewed in the workshop as well as approved? Mark M. responded about 50 projects are reviewed, which roughly 20 projects are approved. Mark M. noted the workshop focuses on the general fund projects. Paula S. asked is there a similar ratio of projects approved between the school department and municipal in regards to the revenue agreement? Mark M. responded no, and that projects are approved based on priority.

Bob C. asked are there any financial constraints in the capital budget? For example, if an extraordinary event happens after the capital program has been approved, can the town adjust? Mark M. responded we look at the funding capacity of our various funds, free cash, and enterprise fund reserves. We conduct a 10-year funding capacity projection and leave some capacity for unforeseen events. We try to spread out our

project needs. For larger projects, we cannot go aggressively forward without increase funding capacity. Town Council approved 3 projects in fiscal 2019 for designs for sewer expansion.

John S. noted the committee should plan for reviewing the next budget or any other issues. Bob C. suggested meeting with the school department first because they are the largest. Mark M. noted there aren't significant changes to the budget year-over-year. The largest change has been the civilian dispatch center. Mark M. suggested the committee could discuss with managers about their programs. Hector G. asked when would be a good time to get started? Mark M. could start in September, review the funding capacity, and analyze the financial resources of the town. Joseph M. asked do you present the financial analysis to the managers? Mark M. responded this analysis is presented to the managers every year as well as included in the budget books. Ralph K. commented that since Marine & Environmental Affairs is now a separate department, we could invite them. Bob C. noted CFAC could also inquire about performance measures with managers, and ask how they measure their own performance standards. Bob C. also noted CFAC could pick a couple of fees at random and request the analysis that supports those fees. Mark M. suggested the enterprise funds would be a good place to start, and that CFAC could review the rate models. Hector G. noted Solid Waste would be interesting because of the changes taking place. Mark M. suggested CFAC could go to the Open Budget website and look at the fees by line item, maybe select the largest accounts to review. Paula S. asked is there a community comparison fee analysis? Mark M. responded we do, but we are conscious of our costs to set fees, which may be different from other communities. For example, if we were to charge market rates for HYCC no one would pay. Mark M. noted that the cost of service analysis can be very complicated, and that costs can change dramatically depending on market conditions, but we can't charge for services more than what they costs.

Joseph M. noted for the cost of producing all these documents is there a way to streamline the process? Joseph M. commented a lot of time is consumed during the budget process. Bob C. responded you could centralize the budget process; however, the department managers wouldn't buy into the process. Mark M. responded that we have to know what the needs are, and that we are looking at reducing the evaluation process. Mark M. noted doing a group workshop gives a better understanding of the projects. We have also reduced the 10-year forecast to a 5-year forecast. Mark M. noted CFAC could review the budget documents and recommend adding or removing pieces they feel the public doesn't need. Paula S. responded that we could move to an electronic form of documentation.

Hector G. noted that Allen F. had provided a handout to the committee from The Boston Globe regarding the PILOT program. Hector G. asked what is the history in Barnstable regarding a PILOT program? Allen F. noted the hospital is the issue in Barnstable. Bob C. responded the Housing Assistance Corp wanted a building, but the fire department wanted pay-in-lieu-of-taxes from them, which Town Council supported. Bob C. noted the hospital provides annually a community report to the state that supports their reason to be a tax-exempt entity. Bob C. also noted that companies for profit should not be provided tax breaks.

Joseph M. asked would CFAC pursue the marijuana analysis? Paula S. responded that Town Council has extended the moratorium on the marijuana ordinance, but there still may be an economic benefit that CFAC could do an analysis.

Matters not reasonably anticipated by the chair:

None

Discussion of topics for the next meeting:

Next meeting topics

Adjournment:

CFAC's next meeting will be Monday September 10, 2018 at 6:00pm.

List of documents handed out

1. 7.16.18 minutes
2. FY 2020 Budget Action Calendar
3. Financial Overview Distribution List