



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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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 Schnepp

MEETING MINUTES

02.25.19

6:00 PM

Planning & Development Conference Room

Roll Call:

- 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:

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

Act on Minutes:

The following minutes were approved by unanimous vote:

02.11.19

New Business:

Mark M. reviewed the FY20 Capital Improvements Plan booklet with the committee.

The first section provides a summary of all capital submissions. Mark M. noted enterprise fund submissions totaled \$82 million, general fund \$158 million, and special revenue fund \$36 million for a total of \$277 million in capital submissions.

The second section includes the capital review process. Mark M. noted this is the same process as last year. The review process includes top priority projects being presented at a joint meeting that offers managers to ask questions. Every member of the taskforce scores the projects, which are then averaged. Mark M. noted the public roads project received the highest ranking. All projects highlighted in yellow are being recommended for funding in fiscal year 2020.

The third section includes status of existing capital appropriations on active projects. Mark M. noted that four projects have available funding to be redirected towards recommended projects. Joseph M. asked is available funding because the bids came in lower for these active projects? Mark M. responded bids came in lower than what was appropriated. Mark M. noted \$500,000 and \$178,000 of available funding would be directed towards to the Environmental Lab recommended project. The Hyannis Golf Course Cart Path project would receive \$32,000 of available funding. Mark M. noted these active projects are reviewed every year.

The fourth section includes the five-year spending plan. Mark M. noted this section shows what the town could potentially fund over the next five years. Mark M. noted there are many assumptions for potential funding capacity, for example, borrowing rates, timing to implement a project, return on capital investments, and amortization periods. In addition, these projects are evaluated every year, so there is possibility for projects to be bumped. Mark M. noted expiration of existing debt service is the main source of funding.

The fifth section includes the Town Manager's recommendations. Mark M. noted the airport would use \$400,000 of reserves, \$1 million in bond issues, and that most of their projects are funded by grants. Mark M. noted that the Town Council Order from the project description corresponds to the table. Hector G. asked is Federal Aviation Administration grant funding guaranteed? Mark M. responded projects are eligible for FAA, and that the airport is eligible for \$1 million a year for airport improvements projects. The golf project is for cart path replacement, Sandy Neck project is for design and permitting to move the gatehouse, water pollution has 5 projects, water supply has 4 projects, and solid waste 3 projects. Mark M. noted several General Fund projects are being recommended such as, updating aerial maps, public bridge repairs, HVAC controls, and building security. Mark M. noted the Osterville project is just for field improvements and does not include the building. The dredging project includes phase 2 of Sampson Island and will dredge the Cotuit Bay entrance. Grant funding has been available for this project. Hecter G. asked is it state money? Mark M. replied yes, with a potential for a 50% grant match towards the next project phase. Mark M. noted the Town has received approval from the state to create an environmental lab. This Environmental Lab project would initially receive grant funding for class materials, and that it offers our students an opportunity to pursue an interest in sciences. Mark M. noted the rooftop unit ventilators at the schools are over 40 years old and this project recommendation is part of a multiyear funding program. Joseph M. asked how do you decide to fund a project with reserves or bond issue? Mark M. responded a project cost must exceed a \$250,000 threshold for a bond issue. Mark M. noted for existing appropriations funded with a bond issue, there appropriations can only fund a recommended project with the same or longer life of the existing project. Furthermore, the special revenue fund will fund \$750,000 towards the dredging project because it increases flushing and thus water quality for Cotuit Bay. John S. asked was the Sampson Island grant from the state because of the environmental impact? Mark M. responded I don't think so, and that the grant was more for safety issues. Hecter G. asked does dredging have to occur? Mark M.

responded all of our channels are going to need maintenance dredging, and that it is less costly than waiting until we have a problem.

John S. noted that status of existing appropriations section could have more value with a five-year plan. Mark M. responded we could do a five-year historical analysis showing if they met their objectives, but how would we measure outcomes? Mark M. noted the Horace Mann Charter project request was for \$4 million, but only used \$2.5 million; maybe managers could provide a brief explanation.

Lillian W. asked when is the public hearing? Mark M. responded March 21st, and that CFAC could have a draft report by the 14th. Mark M. noted the report could provide recommendations on if we're presenting the right information, a better layout, and capital process. John S. asked who is the primary audience? Mark M. responded Town Council and department managers. Hecter G. asked how do we educate the public? Mark M. responded public notice, Town website, Town Manager newsletter, newspapers, and press release.

CFAC members agreed to meet March 4th at 4pm in the Procurement Conference Room to formulate their annual capital improvements plan report.

Mark M. reviewed the General Fund Budget Projection. Mark M. noted solid numbers are now available for state aid and assessments in order to create next year's projection. Property taxes are projected to increase 4.7% with the debt exclusion for the technical high school having the largest impact. Motor excise tax is expected to increase 5.6%. State aid Chapter 70 is expected to increase 10%. Charges for services are expected to remain level. Fines & Penalties are expected to increase due to a more aggressive property tax collection policy. Mark M. noted permits continue to see strong growth. The special assessments increase reflects a new \$250 fine for businesses not filing. Total revenue growth is expected to be \$5.6 million.

Regional school assessment will increase 66%, but will be offset by the debt exclusion. Total school assessments will increase \$2.9 million. Retired teacher's health insurance is expected to increase 13%. Active employees insurance will see a reduction as the group insurance anticipates no rate increases, and there is budget capacity. Pension assessment will increase 11.3% because the town's percentage of the overall pension system has increased. Employee benefits are anticipated to increase \$1.4 million or 5.7%. Library receives a grant every year, which is matched to the municipal and school operations growth percentage. Snow and ice at \$1,275,000. State and county is anticipated to be level funded. HYCC and golf receiving some funding support. The projection anticipates \$110 million in resources available for operations or a 3% increase. When building the fiscal year 2020 budget it will be based on these projections.

Old Business:

John S. commented the council liaison Paula Schnepf wanted to thank the committee for considering videotaping the meetings and that Town Council is still deliberating on videoing committee meetings.

Matters not reasonably anticipated by the chair:

None

Discussion of topics for the next meeting:

The committee will meet with the public works department to discuss operating budget request at the next meeting.

Adjournment:

CFAC's next meeting will be Monday March 11, 2019 at 6:00pm.

List of documents handed out

1. 02.11.19 minutes
2. FY 2019 General Fund Budget Projection