



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
Hector Guenther
Melanie Powers

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

05.13.19

6:00 PM

Planning & Development Conference Room

Roll Call:

- CFAC Members Present: Hector Guenther, Lillian Woo, Ralph Krau, John Schoenherr, Robert Ciolek, Melanie Powers, 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 Planning & Development Conference Room at Town Hall.

Act on Minutes:

The following minutes were approved by unanimous vote:

04.08.19

Old Business:

John S. informed the committee that Allen Fullerton would no longer be an active member; however, he wanted to welcome our newest member Melanie Powers.

Melanie P. provided a brief introduction, noting that she has years of experience working in international nonprofit finance.

New Business:

Lillian W. reviewed the drafted operating budget report with the committee, which she noted the same methods are being used as previous years.

Joseph M. reviewed the school section, which he noted enrolments in the school district seem to be declining each year, but expenditures are going up. Joseph M. also noted that based on the Massachusetts Comprehensive Assessment, Barnstable's school district does not meet 11 out of 14 state standards. Joseph M. noted we're spending enough on education, but not exceeding state standards. Joseph M. noted we should be targeting the grade levels to meet state standards. Ralph K. asked how frequently should we monitor results? Joseph M. suggested quarterly. Mark M. responded the schools have an action plan in place. Joseph M. asked how detailed is this action plan? John S. asked do we have information on why the decline in student enrolment? Joseph M. noted enrolment has only dropped a percentage in recent years. Bob C. commented that based on historical figures the enrolment drop is significant. Mark M. noted we do send students out of district, and that many different educational options exist for students. Paula S. commented that based on class size by grade, fourth and fifth grade have the highest-class sizes, which may be when parents start to look at other schools. Lillian W. suggested that maybe the next annual report recommended the School Committee talk about the schools action plan.

Hector G. reviewed the Enterprise Funds with the committee, noting the section is essentially updated from last year. Hector G. noted the airport represented the majority of the total budget increase for all Enterprise Funds. Hector G. noted he couldn't find a revenue figure from the new Cape Plaza lease agreement. Mark M. responded the new lease agreement is anticipated to generate \$1 million a year from the current \$70,000 the airport receives now. Mark M. noted this solves the airport's finances, and that the new Cape Plaza development benefits twofold because the airport benefits from the lease and the General Fund receives new tax revenue from new growth. Mark M. noted airport expenses are up because they need to purchase more jet fuel for resale, reestablished the TSA Security reimbursements to the General Fund for police detail, and reestablished the depreciation account to help build up reserves. Hector G. noted Enterprise Funds should be self-sustaining, and that reserves are the lowest in eight years. Bob C. responded that it is a risk for the town to get into subsidizing Enterprise Funds, and that pressure should be put on Enterprise Funds to cut costs before raising fees.

Bob C. reviewed his' comments with the committee. Bob C. noted he is concerned with phrases used in the report that may be perceived as cheerleading and that CFAC needs to be unbiased. Bob C. noted the \$250,000 Town Council reserve might not be enough emergency funding. Bob C. noted this should not be a slush fund, and it should be constrained with standards for emergency funding. Mark M. responded that this was created in fiscal 2019 to address small emergencies because the normal appropriation process can take between 60 to 75 days to complete. Hector G. asked how quickly could these funds be expended from the reserve? Mark M. responded about 4 days. Bob C. noted the emergency funds should remain small with caveats on spending.

John S. noted he isn't confident to approve this report with it constantly changing, and that maybe the committee should submit a report to the council pending approval. Mark M. responded the committee should submit a report on time as council finds it helpful.

Committee voted unanimously to have John S. review and finalize the report for Thursday council hearing.

Matters not reasonably anticipated by the chair:

Mark M. noted the committee is having trouble getting quorums and that maybe next year we should meet more frequently to get things done.

Discussion of topics for the next meeting:

None

Adjournment:

CFAC's next meeting will be Tuesday May 28, 2019 at 6:00pm.

List of documents handed out

1. 04.08.19 minutes
2. CFAC's Drafted Annual Operating Budget Report