



# 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:

James Munafo Jr.

### CFAC MEETING MINUTES

8.17.09

7:00 PM

Growth Management Conference Room

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

CFAC Members Absent: Stanley Hodkinson

Councilors Present: James Munafo Jr. , Frederick Chirigotis

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 7:00 PM in the Growth Management Conference Room.

#### 2. Act on Minutes

Motion made and seconded to accept minutes of 07.20.09.

Vote: Unanimous

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

Bill Brower informed the committee that a letter had been received from Town Council President Chirigotis requesting the committee review financial options and alternatives for the sewerage of Barnstable and more specifically the Stewart's Creek area. Bill invited the Council President to attend this evening's meeting to discuss the request in more detail.

Councilor Munafo discussed his concerns about the hardship the 100% betterment may create for some homeowners. He mentioned some alternatives such as possibly using \$1 Million from the capital roads program to start the process or spreading the tax across the whole town base via a broad based Proposition 2 ½ override. He indicated any solution needs to be received well by the impacted homeowners.

He would like to see any solution go through a thorough researching and not just be a council decision.

Bill Brower inquired on what the expected timeframe the council would like a response.

Councilor Munafo suggested maybe the end of September but referred Bill to the Council President.

Bob C. inquired as to the ultimate long term solution. Would everyone be sewerred in 20-30 years? Is there any legal consequence requiring it?

Councilor Munafo responded no. He mentioned a new nutrient mgmt study is due that should provide some insight into the question “ If we sewer all three bay preservation areas, do all issues go away?”. He thinks no. The total cost may be upwards of \$165 to \$250 million.

Mark M. added that the issue is countywide and not limited to just Barnstable. He anticipates that the estuary report will highlight the need for a regional effort on the issue.

Councilor Munafo questioned if we can get people on board. He thinks we should have “ our ducks in a row” to be prepared should legal action be taken requiring action.

Bill B. asked if the committee could put together a sub-committee?

Tom M. asked about what documentation has already be provided to the Council. Is there any package format that we could use to spring off before starting from scratch?

Bill B. would expect that to be the first step of the subcommittee to review and acquire any existing information.

Laura C. inquired if we had the total dollar amount involved for Stewart’s Creek?

Mark M. responded that it is approx. 320 homes at \$20,500.20 plus hookup costs etc. per home.

Council President Chirigotis joined the meeting and indicated the betterments could be charged as early as 2012 and would like to have a solid plan by next year.

Bob C. inquired if there was already a wastewater advisory committee in town and or countywide.

Council President Chirigotis responded yes and he would hope they could join in and leverage the CFAC committees financial expertise.

Bob C. commented that he thinks it would be helpful to provide a scale of where the project is going in terms of a long term regional nature.

Bill B. inquired which group would take the leadership role.

Council President Chirigotis responded the Council Committee would likely coordinate it. Any new financing currently has a betterment policy plan and he thinks we need to take a look at that policy.

Bill B. feels CFAC would be interested in reviewing alternative financing plans.

Bob C. assumes we would look at a range of different options.

Ralph K. inquired who knows the status of where piping is outlined in the ground and ? Who is ready to be sewerred? Where are septics ready to fail that would be priorities?

Council President Chirigotis responded DPW and the Board of Health would have that information. He would like see all the information pulled into one location.

Laura C. requested clarification of the scope of the Council request. Is it Stewart's Creek area only or all of Barnstable?

Council President Chirigotis responded we have a plan that is not fully accepted. If Stewart's creek is completed as a 100% betterment how would we then be able to do other projects in the future differently. He would like to have potential alternatives reviewed now prior to setting a precedent with Stewart's Creek.

Tom M. inquired if any other alternatives are up for debate?

Council President Chirigotis stated under the time constraints to vote on Stewarts Creek policy right now is 100% betterment but hopes to be able to change that.

Councilor Munafo added that a quick vote was to take advantage of the 8.8 SRF funding and additional 2.2% financing.

Council President Chirigotis added that the SRF funding and reduced loan rate would not be available on future projects.

Bill B. requested volunteers for the sub-committee.

Laura C., Bob C. and Ralph K. volunteered.

Councilor Munafo requested the sub committee review what is available at present, what could be proposed with legislation etc. , what have other states done in similar situations? He mentioned that the County would be willing to give a finance seminar to provide an overview of any available information. Councilor Munafo would like to see options reviewed and why rejected or accepted.

Council President Chirigotis stated he would be available to facilitate any assistance required from other departments.

Bill B. inquired who should be the interface for the Council.

Council President Chirigotis stated either himself or Councilor Munafo, either one or both should work.

Jim Consela, a reporter from the Barnstable Enterprise, stated that other towns have taken different strategies and would CFAC and/or the Council be looking into those options? For example, Town based funding.

Council President Chirigotis responded that the issue is a regional wastewater issue and maybe work could be done together between towns.

Ralph K. suggested that the sub-committee provide regular reports with status updates.

Councilor Munafo inquired about current openings on the committee?

Bill B. responded that there are currently 3 open positions on the committee as well as room for alternates.

#### 4. Old Business

Review of financial section within the Barnstable Administrative Code -

Bill B. reviewed his updates to the CIP section. Bill had some questions regarding the <50K funded debt.

Mark M. reviewed that the 50K to 250K cash reserves if for the capital trust fund. Over 250K would be borrowing. He indicated there was some missing language that would need to be inserted.

Bill will rework the sentence and provide any other comments.

Financial Mgmt Procedures section -

Laura C. reviewed her questions in regards to section 401-26 and the qualifications for the Director of Finance.

Mark M. indicated they would follow along with the job description on file with Human Resources.

Laura C. also had questions regarding the type of budgeting being used and the programmatic reviews.

Mark M. reviewed how they were established and commented that they can always be reviewed for changes.

Laura C. inquired about referring to leasing options and where the RFP process falls?

Mark M. responded that leasing would be considered a type of borrowing and fall under that section. Mark will review where the RFP process should fall but indicated it follows the Ch 30 B rules.

Investment policy section -

Bob C. commented that he had provided his final comments to Treasurer Debra Blanchette. A final draft will be forthcoming.

Insurance section -

Ralph K. indicated he and an outside consultant, Joe McWilliams, provided comments to David Anthony. David will review and provide a revised version with the combined comments.

Bill B. inquired about the completion deadline.

Mark M. responded they should be reviewing the final drafts at the Sept 2<sup>nd</sup>. Meeting.

#### 5. New Business

Bill B. requested an update on the FY10 Budget from Mark M. Specifically in regards to the State funding.

Mark M. informed the committee that the final State aid numbers were approx. \$200K less than what was in the budget. The options are currently being weighed on how to handle the difference and will be presented to Town Council.

Bill B. inquired if there are any "surprises" showing up in regards to FY09.

Mark M. responded that due to the early action of the Town Manager they were able to cover the appropriations for 2009 without any surprises and end with a positive.

Bob C. made note of the Town Manager's comments in his newsletter to have Dept. Heads move forward with planning for FY11. He thinks this is a good idea.

Mark M. estimated that next year's State aid will be down approx. \$1M.

Bob C. recommends that focus be given to the review of programs and what we are getting for our money. I.E. program performance measures.

Mark M. agrees.

Jim Consela, a reporter from the Barnstable Enterprise, inquired what was the total amount of state aid this year.

Mark M. indicated it was approx. \$11 M out of a approx. \$150 M budget.

Councilor Munafo inquired about what type of auditing of programs do we have in place? Does CFAC get involved in that process?

Mark M. reviewed that the Town is audited annual by an outside firm and a copy of the report is provided to CFAC but they do not have any direct involvement. The audit follows the generally accepted auditing procedures for municipalities.

Councilor Munafo inquired if the report is published and available? What firm is used and how selected?

Mark M. responded yes it is available on the Town website. The firm is selected via the RFP process. There was a three year contract awarded to Powers & Sullivan.

Councilor Munafo asked about specific accounts or programs?

Mark M. responded that as part of the budgetary compliance one of the main concerns checked is that no budget exceeds it's appropriations. Mark also mentioned there was a recent RFP issued for an operational audit which would look more at the services provided by a particular department and determine if any efficiencies or opportunities for improvement could be identified. This year will focus on Administrative Services which includes the Human Resources, Finance and Purchasing departments.

Laura C. inquired if it would ever encompass any Enterprise Funds.

Mark M. replied no.

Councilor Munafo inquired about the review of fees and the Cost Recovery policy.

Mark M. replied that any time a department is seeking a fee increase an analysis is performed at that time to see if the increase is justified.

6. Discussions

None

Next meeting is scheduled for Tuesday September 8, 2009 in the Growth Management conference room.

Meeting adjourned at 8:00 PM.