



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
Gregory Plunkett
Lillian Woo
Joseph Mladinich
Allen Fullerton
Vacant

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

John T. Norman

MEETING MINUTES

04.24.17

6:00 PM

Growth Management Conference Room

Roll Call:

- CFAC Members Present: Cynthia Crossman, John Schoenherr, Lillian Woo, Allen Fullerton, Ralph Krau, Joseph Mladinich, and Gregory Plunkett
- CFAC Members Absent: Robert Ciolek
- Councilors Present: None
- Staff Present: Mark Milne, Finance Director, Nathan Empey, Finance/Budget Analyst

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:

Minutes 04.10.17

Old Business:

Lillian W. noted the Town Manager recognized CFAC on its annual capital budget report.

John S. said he would be contacting Senator Julian Cyr's Office to invite him to a CFAC meeting in September.

New Business:

Mark M. reviewed the drafted FY18 budget changes with the committee. The appropriation orders have been prepared and sent to Town Council. The Town Manager has been keeping Town Council informed of the budget changes, which it is anticipated that these appropriation orders will be read at the next council meeting ahead of schedule. This information is still confidential until post public hearing on May 18th Town Council meeting. Ralph K. asked is there any reason Town Council is reviewing the appropriation orders so early? Mark M. noted Town Council wants to start acting.

General Fund Significant Budget Changes

The School Department's budget is increasing \$1.8 million, which most of the increase being directly related to contractual obligations. The next major cost change is the School Department's expansions of its New England Center for Children program because it is more cost effective to provide learning services within district for autistic children than outsourcing. In addition, the bus contract is expected to increase by \$340K, which was attained through a competitive bidding process. John S. asked how long is the bus contract for? Mark M. noted it is a five-year contract with options to extend. Joseph M. asked are there cost escalations in the contract? Mark M. noted yes.

The Town Manager's office will eliminate one full time position and \$26,000 in operating expenses. Other cost savings in the municipal budget includes removal of one-time charges. The largest component of the budget changes is the increase of \$452K for contractual obligations net of turnover savings. Due to the states new public records law, the Town Clerks office will receive additional funding for a public records officer and software to manage this new requirement. Ralph K. noted there could potentially be four elections this coming fiscal year? Mark M. noted the clerk's budget is for two elections annually. The four potential elections this fiscal year include a number of Town Council seats are up for reelection, Cape Cod Vocational construction project, town override vote if the construction project passes, as well as a general election. Ralph K. noted his concern the public might not fully understand the financial impact of the vocational school construction project. The biggest change to the municipal budget comes from reinstating the police dispatch center with civilian personnel. The funds will support six months cost of nine dispatch positions. Currently, police officers are working in the dispatch center, by converting to civilians will allow these officers to be better utilized in the field. An associated reduction in overtime with support this cost increase. Building Services revolving fund will be integrated into the General Fund, this will transfer two full time positions, which will be fully covered by building fees. Barnstable has the second largest aquaculture industry in Massachusetts, and based on this, Community Services will add a new Aquaculture Specialist position to monitor this industry. Mark M. noted a new division is being created within the Community Services Department that will be responsible for all public information. Hyannis Youth & Community Center Marketing Manager and Information Technology Website Developer positions will transfer to this new division. Other changes to the budget includes police overtime for training, matron funds, conservation overtime, harbor master training, assessing consulting funds, town wide software licensing fees, town wide cell phone costs, police patrol refills and safety equipment, increased gasoline/diesel contracts, building services PayPal expenses, health division nuisance costs, and public works software, reoccurring capital, and snow/removal cost increases. Fixed costs are increasing, and that health care and pension contributions contribute the largest change at \$1.7 million. Pension costs are increasing 7% and healthcare cost 11%.

Joseph M. asked if these comparisons are against last year's budget or actuals? Mark M. noted comparisons are against last year's budget. The Town anticipates returning \$3.5 million in FY17. The use of those savings will be used to balance FY18 budget. This includes using reserves for \$200K School Department budget, \$825K benefits, \$1.5 million snow deficits, and \$1,000,000 capital trust fund. Mark M. noted he expected certified free cash to be unchanged in FY17. John S. asked how much does healthcare account for the fixed cost changes? Mark M. a few hundred-thousand dollars. Joseph M. asked what are the increases over the prior year's budget? Mark M. the overall budget is increasing \$6.6 million or 4.3%.

Mark M. noted some organizational changes would take effect in the FY18 budget. HYCC is going to be a program under the Recreation Division, but will still be accounted for as an Enterprise Fund. A new Enterprise Fund will be created under Community Services titled Public, Educational, Governmental Access Television (PEG). Building Services will be taken out of Regulatory Services as a standalone department. Growth Management will be retitled Planning & Development. Mark M. noted he would send CFAC the new organizational chart.

John S. asked how is the new Enterprise Fund funded? Mark M. responded with the cable-licensing fee.

Marina Enterprise Fund budget will increase 5.2%. This is mostly due to the debt services associated with recent capital projects.

Sandy Neck Enterprise Fund budget will increase by \$80k. There are no full-time staffing changes, however, the budget includes state minimum wage increases, and other budget line items such as police detail and gatehouse seasonal staffing.

Golf Course Enterprise Fund will increase 3% with \$65k use of reserves to balance the budget.

Solid Waste Enterprise Fund will stay level funded in FY17 to FY18.

Water Pollution Control budget will decrease 2%.

Water Supply budget will increase 1.26%. Rates will increase 9%, and still the budget requires used reserves of \$1.4 million. The Enterprise Fund has experienced huge capital cost. These costs may change if litigations are favorably resolved or state aid is received.

Airport budget is increasing 6.8% most attributed to jet fuel cost increases. The Airport has been experiencing revenue issues because passenger and plane landings are down. The ferry industry causes many competitions. Sale of jet fuel, rental car concessions, and parking fees contribute the largest revenues sources for the Airport.

Hyannis Youth & Community Center budget will increasing 5%. Several enhancements have been made to the Enterprise Fund. This includes increased staffing and division between recreation and facility maintenance operating budgets. This facility will receive roughly \$2.2 million in General Fund subsidy. John S. asked how much capacity is utilized in the HYCC facility? Mark M. noted about 50% of the hockey rinks are utilized.

Public, Educational, Government Access Television (PEG) is a new Enterprise Fund. The budget will be \$800K, which includes \$125k in capital outlay cost.

The committees annual operating report is due to Town Council by May 18th. In order to meet this deadline, committee members will be each Monday at 1pm in the Finance Conference Room starting May 1st.

Matters not reasonably anticipated by the chair:

Discussion of topics for the next meeting:

CFAC's next meeting will be Monday May 8th at 6:00pm.

Adjournment:

The next meeting is May 08, 2017.

List of documents handed out

1. 04.10.17 Minutes
2. Significant Budget Changes General Fund
3. Enterprise Funds Operating Changes