



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chair:

Lillian Woo

Members:

Vice Chair, Ralph Krau
Clerk, Hector Guenther
John Schoenherr
Melanie Powers
Tracey Brochu
Wendy Solomon
Chuck McKenzie

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

6.14.21

6:00 PM

Zoom Meeting : <https://zoom.us/j/93939796230>

Meeting ID: 939 3979 6230

Roll Call:

Lillian W. called the CFAC Zoom meeting to order at 6:00 PM. Hector G. called the roll call.

- CFAC Members Present: Lillian Woo, Hector Guenther, Melanie Powers, Tracey Brochu, Wendy Solomon, and Chuck McKenzie
- CFAC Members Absent: John Schoenherr and Ralph Krau
- Councilors Present: Paul Neary and Paula Schnepf
- Staff Present: Mark Milne; Finance Director, Nathan Empey; Finance/Budget Analyst
- Other Present: None

Act on Minutes:

The following minutes were approved by unanimous vote:

05.24.2021

Public Comments:

None

Correspondence:

Lillian W. noted Ralph Krau had passed away recently due to cancer. Lillian W. noted we as a committee were very lucky to have Ralph K. as a member.

Mark M. noted the proposed budgets for airport, school, police, planning & development, community services and their enterprise funds, and marine & environmental affairs and their enterprise funds were acted upon and approved at the Town Council budget hearing on June 3rd. Mark M. noted we anticipate to conclude the budget hearings for inspectional services, public works and their enterprise funds, administrative services, town council, town manager, and all the other requirements at this Thursday's council meeting.

Mark M. noted there will also be a couple of supplemental appropriations at the council hearing for increased cost associated with the Strawberry Hill sewer project. Mark M. noted bids came in higher than anticipated and thus require an additional \$4.7 million to fund that project. In addition, \$2.8 million is needed for the solids handling building replacement project. Mark M. noted both bids came in higher than anticipated. Hector G. asked how much are the additional requests over the original project cost? Mark M. noted the original project request for the two projects was \$8.5 million. Hector G. noted that is a significant increase all together. Mark M. noted the construction bids over the past few months have shown significant increases over cost estimates. Mark M. noted cost of materials as well as an influx of stimulus money has resulted in a lot of construction work, it is very competitive out there. Mark M. noted we also have the Route 22 sewer expansion project on the agenda for \$22 million. Mark M. noted this is the next appropriation for the comprehensive wastewater management plan. Mark M. noted the original estimate for the project was \$18 million, but the latest cost estimate indicates it is a \$22 million project.

Mark M. noted the town was directly awarded American Rescue Plan Act (ARP) funds by the federal government as opposed to it going through the state. Mark M. noted the grant recipients of the CARES Act money were received through the state, who decided how to share those funds. Mark M. noted directly receiving these grant funds is not very common across the country as most states kept the CARES Act funds. Mark M. noted Massachusetts did it differently and shared some of the CARES Act money with local communities. Mark M. noted the ARP funds are directly funded to the town and we will be receiving \$7.6 million. Mark M. noted last week we received half of that with \$3.8 million to be used for similar purposes as the CARES Act grant. Mark M. noted we're putting together a list of how we're going to use that grant. There are five main categories on how it can be spent. Mark M. noted the list includes public health spending for COVID-19 efforts, economic impacts for business and households harmed due to the pandemic, replace lost revenue from the public sector, premium pay for essential workers, and infrastructure for water, sewer, and broadband. Mark M. noted these funds are just a drop in the bucket based on our water quality needs. Mark M. noted we will have to bring this grant to the town council for acceptance, and treat this like other grant awards. Mark M. noted council will be meeting twice in July and August as opposed to once. Mark M. noted we will be taking up the final sewer assessment ordinance for action July 1st Town Council meeting. Lillian W. asked did the Town Manager mentioned he was going to have a workshop in August for Town Council at the last meeting, which would focus on General Funds to address the remaining cost beyond those covered by the existing revenue sources for the sewer. Lillian W. asked is there anything CFAC could do to help? Mark M. noted that discussion could be had at that workshop meeting, perhaps make an offer and get some direction from Town Council.

Old Business:

None

New Business:

Committee voted unanimously for the following committee positions: Lillian Woo as Chair, Hector Guenther as Vice-Chair, and Chuck Mckenzie as Clerk.

Committee reviewed the drafted FY22 Financial Overview Report.

Comments and takeaways

- Lillian W. suggested adding commas after FY 2022 and after June 2022. Lillian W. also noted change the page number 523 to 472
- Hector G. asked if we can reference a link to where the budget document is available on the website
- Mark M. noted we need to add “assessed” to say the median residential assessed value

Fiscal Accountability and Transparency section

- Chuck M. noted he would review and update the Response to COVID-19 section
- Hector G. noted we should review the reference to the fiscal year in the bond rating section as it is not relevant. Mark M. responded that is correct and that the reference should be to each specific bond issue. Mark M. noted it should reference the recent bond issue. Tracey B. noted we should move the bottom part that indicated we’ve maintained this AAA since 2007 to the above paragraph
- Melanie P. noted fix the typo in the last paragraph deficit spends to deficit spend

Property Taxes section

- Chuck M. agreed to review and update the Property Taxes section
- Mark M. suggested removing the heading about the table that allocates the property levy. Chuck M. asked is that similar to what you’d see with other towns around the state. Mark M. responded schools dominate the town’s budgets across the common wealth. Mark M. noted this is an extra step we take that breaks down the fixed cost and allocate it across the departments.
- Mark M. noted anytime we use data outside the town of Barnstable we should reference our source.
- Tracey B. asked is the 20 cents right? Tracey B. noted it should be 21 cents. Hector G. noted the last sentence should say remaining balance funds all other operations.
- Chuck M. asked what is the purpose of the arrows within the headers? Committee agreed to remove the arrows.

General Fund Expenditures section

- Lillian W. noted she had a proposal to include a Police Department narrative within the expenditures section of the report. Melanie P. noted the narrative felt out of place and that we do not do this for other departments. Hector G. responded that the purpose of the financial overview report is to give a summary of the towns’ financial performance and key gauges to inform taxpayers. Hector G. noted he doesn’t know if this is appropriate to add to the report and that it is dissimilar to the rest of the report. Wendy S. noted it is kind of a weird spot to put it in this section, and that we should keep the narrative brief. Tracy B. responded she doesn’t think it should be included because we don’t do this for other departments. Chuck M. noted he agreed and that if we included the narrative it may appear we’re trying to up fund the police. Committee agreed to leave out the narrative.

Enterprise Fund Budgets section

- Melanie P. noted she felt the enterprise fund section to be helpful and ask do we charge the indirect cost? Mark M. responded yes. Melanie P. asked do charge backs happen for every department? Mark M. responded mainly for the administrative department, which we use an allocation model.
- Committee agreed to remove the second paragraph from the enterprise fund section. Chuck M. noted in the first paragraph referring to the indirect model needs some verb consistency. Chuck M. noted the sentence should say identifying the total cost for the service, providing management with useful information for setting user fees and measuring subsidies, and allowing investment income and surplus. Committee agreed it is clearer and more precise.

- Mark M. do we want to mention the enterprise funds that are subsidized as the chart below illustrates the three enterprise funds are subsidized. Committee agreed to add a sentence referencing the three enterprise funds receiving subsidies.

Public Education Overview section

- Melanie P. noted she added language for specific types of enrollment. Mark M. suggested removing the title from the table. Hector G. noted the last sentence on page 8 remove “compared to the total births in”. Mark M. noted the two factors (a) and (b), what are the sources? Committee agreed to remove the two factors and add the first sentence from the below paragraph above.

Comprehensive Wastewater Management Plan (CWMP) section

- Tracey B. suggested removing the first sentence starting with What is. Lillian W. suggested rewording the next sentence to start with over the past several decades. Hector G. noted in the third paragraph it references the sewer plan is estimated to be \$1 billion, but our previous discussions indicated it to be higher. Mark M. noted we could just say estimated to be in excessive of \$1 billion.
- Mark M. to update the last couple of paragraphs in the CWMP section for the most recent discussions with town council.

CWMP Financial Questions & Answers

- Lillian W. noted the last question in the section should note that six public meetings were held. Tracey B. noted we should reword the question to what public meetings were held. Mark M. noted we ended up having five meetings due to technical issues with Zoom. Wendy S. noted we should highlight that the meetings were well attended by a robust exchange. Tracey B. reworded it to robust discussion.
- Hector G. noted you can remove the last sentence in bullet 8 robust group of rate payers.

Last Page

- Change the committee members to chairperson, vice chairperson, and clerk positions
- Lillian W. to provide a statement in recognition for Ralph Krau

Matters not reasonably anticipated by the chair:

Adjournment:

Meeting adjourned

List of documents handed out

1. 05.24.21 draft minutes
2. Draft FY22 Financial Overview Report