The Town of Barnstable
Comprehensive Financial Advisory Committee (CFAC)
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CFAC Committee:

Chair:
Chris Lauzon

Members:
Vice Chair, Jim Sproul
Clerk, Jeremy Shea
Hector Guenther
Tom Keane
Chris King
Frank Ward
Lillian Woo

Staff Liaison:
Mark Milne

Councilor Liaison:
Betty Ludtke

MEETING MINUTES

Comprehensive Financial Advisory Committee

10.14.2025
6:00 PM

Join Zoom Meeting: https://townofbarnstable-us.zoom.us/j/83291245617
PHONE: **877-853-5257**
Meeting ID: **832 9124 5617**

Roll Call:
Chair Lauzon called the CFAC Zoom meeting to order at 6:00pm

- CFAC Members Present: Hector Guenther, Tom Keane, Chris Lauzon, Jim Sproul, Frank Ward, Lillian Woo, and Jeremy Shea
- Roll call and quorum verified by Jeremy Shea
- CFAC Members Absent: Chris King
- Councilors Present: None
- Staff Present: Finance Director-Mark Milne
- Others Present: None

Public Comment:

- Chair Lauzon stated that members were provided with emails relative to public comment from Suzanne Conley, Gary and Ann Peters, and Bo Schulte prior to the meeting.
- Suzanne Conley:
  Ms. Conley speaks to her email correspondence and supporting documentation encouraging CFAC members to keep the reference to offshore wind projects in the final draft of FY26 report. She follows this closely and firmly believes it merits continued consideration by CFAC. The large fiscal impact this project has on the Town of Barnstable (TOB) and the potential impact if it were to cease. She believes many people follow the budget and the project.
- Bob Schulte:
  Extends appreciation to members for their hard work, time and effort being made.
  The Looking Ahead section should include references to zoning, housing and offshore wind, which are likely to have a financial impact on the TOB. He further states that the Town Council (TC) is currently reviewing and discussing the recommendations by the Housing Committee and Ad Hoc Zoning committee. The ongoing changes with wind projects are important to follow, and references statements made by Town Manager Ells which are also included with his email correspondence.
- Chair Lauzon shares that CFAC has had more public engagement over the past few months, and it is appreciated.

Motion to approve the minutes of September 22, 2025, made by Hector, seconded by Tom
Roll call vote by Jeremy: Hector-yes, Tom-yes, Chris L.-yes, Jim-yes, Frank-yes, Lillian-yes, and Jeremy-yes
Minutes approved as submitted

<u>Approval of CFAC's Financial Overview Report for Fiscal Year 2026</u>

Special thanks to Tom for taking all members' suggestions, consolidation and work put into the creation of the report, greatly appreciated. Tom notes that the FY23 numbers have now been added

- Page 1: Cover
  * No changes
  * Summary is good, table of contents is clear, budget figures easily identify what lies ahead
- Page 2: Summary
  * Format is good
  * Would like to see more data for the Fire Districts (FD's), however, it is noted FD websites are not updated and current. Suggestion made to send the FD's a template requesting they provide information to CFAC for inclusion in their reports.
  * Minor grammatical and language changes
- Page 3: General Fund Revenues (which continues on pages 4, 5, and 6)
  * Minor grammatical and language changes
- Page 4: General Fund Revenues continued
  * Brief discussion regarding how dollars are stated
- Page 5: General Fund Revenues continued - no changes
- Page 6: General Fund Revenues continued
  * Minor grammatical changes
- Page 7: General Fund Revenues continued - no changes
- Page 8: Enterprise Funds
  * As previously mentioned, the FY23 numbers will be updated
  * Discussion on language for 'net' figures, amount of data displayed, and reserves
  * Language change: "net" will be changed to "net effect on reserves"
  * Should the reader seek more detailed information, they would be directed to the full budget document.
- Page 9: Fire Districts
  * As previously suggested, a template will be created for each FD to provide data to CFAC for future reports
- Page 10: Capital Spending
  Discussion on the highest rated projects listed
  * Readers should know what the costs involve
  * Mark will provide Tom with the five (5) largest projects so they can be added under the highest rated projects

* Rating and ranking systems clarified; the ranking system is used for projects competing for limited sources within the Capital Trust Fund for financing.

* Because the Comprehensive Wastewater Management Plan (CWMP) pre-projects have an independent funding source, they do not go through the ranking system

* An additional bullet will be added for the CWMP

- Page 11: CWMP

  * Clarification provided on cranberry bog conversions

  * Discussion

    Connection costs

    Whether there is any definitive data on connection costs

    Costs vary depending on each property to be connected

    Frank to reach out to Kelly Collopy and will report back if there is any data collected by the town from residents on connection costs

    Further inquiries would also be directed to either DPW's Homeowners Guide for Sewer Connection or to the CWMP website

  * Tom will make the suggested change to sewer usage fee language because typical costs cannot be stated: "Connection costs will vary widely. They will depend, among other things, on the contour of the property, the distance of the house from the road, and multiple other factors."

- Page 12: Looking Ahead

  * The addition of the zoning and wind project bullet is appreciated, and should be expanded and separated

  * Reference to Mr. Schulte's compelling comments

  * How the TOB is considering the status of the projects both completed and pending, financial standings and impacts, and infrastructure should be included in this section

  * Whether or not the piece on the windfarm should be expanded

  * CFAC's involvement and advisement vs. the TOB's involvement

  * The purpose of this is to provide the readers with some of the larger upcoming issues for taxpayers in the current and subsequent years and impacts on the budgets; focus the readers attention on what CFAC sees as the major issues facing the TOB.

  * Pros and cons of windfarms

  * Suggested language change for windfarm to read "A developer's plans to install massive infrastructure associated with three offshore wind projects potentially pose major financial benefits and challenges to Barnstable. It's critical that town leaders evaluate these short and long impacts on town revenues and expenses."

  * The three (3) suggested bullets from Hector's revision include language approved by CFAC from last year

  * Suggested language change for zoning to read "The financial consequences of zoning and land use policies, and any revisions to them must be carefully evaluated"

Motion duly made by Tom that we approve this report conditional upon me making the revisions discussed tonight, circulating them to the members of the committee, and absent an objection from the members of the committee, it is approved. Seconded by Chris L.

Discussion:

- Tom will commit to finalizing all edits, sending it to Chris L. and Mark, along with a red-lined version to see what changes were made, then it will be circulated to members
- It must be noted that all members are to reply to the Chair individually to maintain proper Open Meeting Law procedures.
- If for some reason any member has a problem with the language, they can object individually to Chris L. within 48 hours of receipt. If no one objects, it would then be approved. After Chris L. has heard from all members, he will then update the group, should there be an objection further review of the report would take place at the October 27th meeting.

Amended motion moved by Lillian Woo, seconded by Chris L.

Roll call vote by Jeremy: Hector-yes, Tom-yes, Chris L.-yes, Jim-yes, Frank-yes, Lillian-yes, and Jeremy-yes. Amended motion passed unanimously.

Fiscal Policy Discussion Presentation Provided to the Town Council on September 18, 2025

Review provided by Mark Milne; the objective was to received direction from the TC on what fiscal policy should be followed. Several questions were posed, and no direction was received. Mark plans to be back in front of TC in the first quarter of 2026.

Presentation included the following:

- Operating Budget (OB) overview

  FY25 GF budget performance - Revenues

  * Favorable variance over $14m

  * Mostly in property and vehicle excise taxes, fines, penalties and investment income, it was a strong year in collecting outstanding taxes from prior fiscal years and investment income was projected conservatively on purpose

  FY25 GF budget performance - Expenditures

  * Returned $6.2m in unspent appropriations across all departments, this contributed to growth in GF savings

  * GF 10-year history of free cash certification and distributions reviewed. TC has a 4% policy reserve, that 4% of the OB is set aside.

  General Fund Balane Trend – Savings distributions reviewed

  * The additional is allocated to Municipal and School savings accounts, both can be accessed with TC approval to fund various capital items in the OBs.

  * Opiate settlement funds reviewed

  FY26 GF Expenditure Budget

  * A similar 4.9% increase in the FY27 OB would require $11m in revenue growth

  * Municipal and School operations, as well as other requirements reviewed

  Budget Drivers and Pressures

  * Key expenditure pressures are labor contracts, health insurance and pension assessments, school assessments, insurance, aging infrastructure and CWMP

  FY26 Tax Levy Growth

  * Largest component is property tax; this base tax levy may be increased by 2.5% annually; a factor for new building growth that did not exist in the previous year may be added as well

  * A slight growth in the exclusions came from the assessments for the Cape Cod Commission and the Regional School Districts

  * A portion of the tax levy is set aside for abatements and exemptions; this portion is redirected to both OB and Capital Budget(CB)

  FY26 GF Revenue Budget

  ** The use of GF reserves increased by $2m, growth could not keep up with expenditure growth*

  * The categories that make up the difference include tax levy, state aid, excise tax, fees, licenses, permits, investment income, Enterprise Fund chargebacks, and GF reserves

  Local Receipt Analysis

  * This represents 1.7% of GF revenue budget

  * If local receipt estimates were maximized for the FY26 budget, over $4.5m in GF reserves would be required to balance the budget.

  * Review included excise tax, fees, licenses, permits, and investment income

  5-year GF Budget Targets

  * This target review shows budget increases followed by revenue growth needed

  * There have been budget increases for the past five (5) years

  * Attracting and maintaining a qualified workforce contributes to those budget increases; budget increases going forward need to be much smaller

  Recent History of new property tax growth

  * FY24 and FY25 include the addition of Vineyard Wind and Wilkens 1, both are two (2) of the top 10 taxpayers in the TOB

  * Wilkens II tax revenue is expected to begin @2-3 years after they break ground

  OB Funding

  * Proposed developments brought forward on underutilized properties become controversial and make new growth targets difficult to achieve

  * Possibilities include redirecting GF resources to the CB or OB; maybe reducing funding toward the capital side and directing it to the operating side providing relief. With more money going to the capital side, the operations side has struggled.

* Should the Municipal Empowerment Act be approved, should changes allowed under that be approved, and direct that revenue to the operations of the capital side of the budget?
* Should an OB override question be considered to maintain service levels and reduce reliance on reserves to balance the OB?
* These are just some of the policy questions answers are being sought for, and presented to the TC
* With the drivers being labor, health, and pension; it is important for a taxpayer to see the costs as a whole; level services require an increase of 5% or more annually.
Capital Program Review
Capital Program Funding
* Currently @8% of the GF budget is allocated to the Capital Program; this is a combination of dept service and pay-as-you-go financing for capital improvement

- *CWMP Financing*
 * Annual commitment is $5m
 * An increase of $750k is planned for FY27
 * Panned projects for FY27 can go forward under current assumptions and commitments
 * More resources are required for FY28 and beyond
 * Mechanisms going forward – those options include debt exclusion override, Municipal Water Infrastructure Investment Fund (MWIF), Redirecting more GF OB resources, revisit a System Development Charge (SDC), Assessment on user rates, and MEA which is still waiting for approval
 Tax Levy Shifting Options include:
 * Adopting a split tax rate – this has little benefit to a residential taxpayer
 * Residential exemption – this could go as high as 35% or 50% if the TOB is designated as a seasonal community; the current exemption rate is 25%.
 * Both of those options affect the tax levy amount – but who pays it?
 * Should the MEA pass, increasing the exemption would provide a better path to achieve an override
 * Funding the CWMP and protecting our primary residents is important

Members are grateful to Mark for his presentation and appreciate his efforts.

Preparing CFAC Annual Reports for FY23 and FY24

- Reports prepared by Lillian are ready to be submitted to the Town Manager's office
- No reports were needed, but Town Councilors have asked for reports to begin again

Motion to approve annual reports for FY23 and FY24 made by Hector, seconded by Jeremy
Roll call vote by Jeremy: Hector-yes, Tom-yes, Chris L-yes, Frank-abstain, Lillian-yes, and Jeremy-yes

Correspondence from Committee Members: None

Correspondence from Staff:

- MMA just released their report on a study on financing municipal government shared with members

Matters not reasonably anticipated by the Chair: None

Closing public comment: None

The next CFAC meeting is scheduled for Tuesday, October 27th

Motion duly made by Hector, seconded by Lillian to adjourn the meeting Roll Call vote by Jeremy: Hector-yes, Tom-yes, Chris L.-yes, Jim-yes, Frank-yes, Lillian-yes, and Jeremy-yes
Meeting adjourned at 8:28pm

Respectfully submitted
Theresa M. Santos

2025.09.22 Minutes CFAC Draft.pdf

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CFAC Annual Report FY 2022.pdf

FY2026 CFAC financial overview -- (

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Looking Ahead HG edits 14 October 202

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