



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
Joseph Mladinich
Melanie Powers
Tracey Brochu

Staff Liaison:
Mark Milne
Nathan Empey

Councilor Liaison:
Paula Schnepf

MEETING MINUTES

10.28.19

6:00 PM

Planning & Development Conference Room

Roll Call:

- CFAC Members Present: Hector Guenther, Lillian Woo, Melanie Powers, Ralph Krau, and John Schoenherr
- CFAC Members Absent: Tracey Brochu and Joseph Mladinich
- Councilors Present: Paula Schnepf
- Staff Present: Mark Milne, Finance Director, and Nathan Empey, Budget Analyst
- Other Present: None

Call to Order:

Lillian Woo 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:

10.15.19

Comments:

Hector G. noted he had attended a public forum, which Department of Public Works presented their Wastewater Management Plan. Hector G. felt most people were satisfied with the presentation, but there were still questions on how much it will cost. Melanie P. asked are they presenting to all the villages? Hector G. responded he didn't think all of them.

Hector G. noted he also attended the Army Corps of Engineers presentation on the bridge study and that about a hundred people attended. Ralph K. asked does the study include Route 6, since the route is too small to handle additional traffic? Hector G. responded the plan does not provide details about additional volume of traffic.

Mark M. noted Public Works is out in the villages giving Wastewater presentations, but it does not include the financial portion because each individual project will require Town Council decision on funding.

Old Business:

None

New Business:

Mark M. reviewed the FY 2021 preliminary budget and noted these projections will change overtime as information comes in.

Mark M. noted that any new property tax growth in excess of a million would be directed to the capital program. The debt exclusion relates to the debt service for Cape Tech High School approved project. Mark M. noted the town's portion of the debt service is dependent on student enrollments, which final figures are not anticipated to be available until the next 3 to 4 months. Total property taxes are anticipated to be \$132 million. Mark M. noted there's one million set aside for abatement, and that we processed 200 less applications last year. We typically give back \$500k to \$600k annually. Melanie asked do people have to apply ever year? Mark M. responded yes.

Mark M. noted other tax revenues are increasing by \$381k, which is mostly attributed to motor vehicle excise tax. Mark M. also noted we are concerned with the long-term prospects of the motor vehicle tax revenues because the industry growth may have maxed out.

State aid is anticipated to increase \$676K. Mark M. noted significant changes are being made to the Chapter 70 School Foundation formula that will benefit districts with English Language Learners and economically disadvantaged children. These new formula changes will be phased in over seven years. Mark M. noted any state aid change to the formula is subject to actual appropriations.

Charges for services is anticipated to change by \$51,000, Fees by \$65,000, and Fines & Penalties by \$96,000. Most of the changes in other revenue are due to renewable energy. Hector G. asked what is the Medicaid reimbursements? Mark M. responded some students are eligible for Medicaid. Hector G. asked how many students? Mark M. responded a few hundred.

Permit revenue to increase by \$116k. Mark M. noted Special Assessments relates to businesses not filing their income statement reports with the town. The town charges a \$250 fee for not submitting the reports, which this charge is a state law. Mark M. noted these reports help us properly value businesses under proposition 2 ½. Ralph K noted they might not be submitting this report because of hidden accounting. Hector G. commented for filing income taxes?

Mark M. noted special revenue transfers to stay the same. The Capital Trust Fund transfer into the General Fund exactly matches the debt service cost.

Total General Fund revenue is projected to increase \$8 million or \$182 million.

Melanie P. asked what is the transfer overlay surplus? Mark M. noted after several years we can release these overlay funds, which is transferred to the capital program.

Mark M. noted school assessments include school choice, which roughly 100 students from the town of Barnstable attend schools outside the district. Paula S. asked is this a net amount? Mark M. responded the school choice revenue the town receives goes to a special revenue fund for the school committee. All assessments are anticipated to increase by 4.5%, but final numbers won't be able available until February.

Mark M. noted the pension contribution is the largest component of the employee benefit costs. Total employee benefits is anticipated to increase by \$1.1 million.

Fixed cost includes the library grant, which consistently increases by 2.5% each year. Ralph K. asked who gets the tourism grants? Mark M. responded it's through a RFP process, but usually the Cape Cod Chamber.

Mark M. noted the Capital Trust Fund transfer is increasing by proposition 2 ½ plus any new growth in excess of million. Mark M. noted we're trying to create more resources for the capital program.

Mark M. noted this preliminary budget is a starting point for the municipal and school operating budgets. Melanie P. asked is this schedule just fixed costs? Mark M. responded yes, and that this does not include any operating requests.

Melanie P. asked what is the General Fund support? Mark M. noted this is support for the Enterprise Funds, but Public Works and Airport do not receive support.

Lillian W. asked are the operating requests done? Mark M. responded we're developing the request now.

Mark M. noted this year we will continue with the task force workshop, and that a CFAC member is invited to attend.

John S. asked what are the projections for school enrollments this year? Mark M. responded level and do not anticipate any change.

Lillian W. asked should CFAC start meeting with departments? Mark M. responded in January we can start meeting with the larger departments.

Mark M. noted at our next CFAC meeting we can talk about the annual tax reclassification hearing that's coming up. The presentation is anticipated in late November when a new Council is established and the vote on tax policy in December. This would give the finance department a couple of weeks to have final printouts to be sent to taxpayers for payments in February and May.

John S. asked how is the Cape Plaza Development going? Mark M. responded WS Development is in the process of renegotiating with current tenants, but they are already paying the Airport lease payments.

Matters not reasonably anticipated by the chair:

None

Discussion of topics for the next meeting:

Director of Finance will discuss the annual tax reclassification policy at the Tuesday November 12th meeting.

Adjournment:

List of documents handed out

1. 10.15.19 minutes
2. FY 2021 Preliminary Budget