



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chair:

Lillian Woo

Members:

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

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

02.14.22

6:00 PM

Zoom Meeting : <https://zoom.us/j/98127641379>

Meeting ID: 981 2764 1379

Roll Call:

Chair Lillian W. called the CFAC Zoom meeting to order at 6:00 PM. Clerk Chuck M. called the roll.

- CFAC Members Present: Lillian Woo, Melanie Powers, Ronald Fone, Hector Guenther, Wendy Solomon, and Chuck McKenzie
- CFAC Members Absent: John Schoenherr and Tracey Brochu
- Councilors Present: None
- Staff Present: Mark Milne; Finance Director, Nathan Empey; Finance/Budget Analyst, Michael Lambros; Director of Facilities Barnstable Public Schools
- Other Present: None

Act on Minutes:

The following minutes were approved by unanimous vote:

01.24.2022

Public Comments:

None

Correspondence:

Staff Report:

Director Mark M. presented the FY 2023 Town Manager's proposed Capital Improvement Plan to the committee. Director Mark M. noted the airport projects total over \$3.2 million, which two of the projects qualify for Federal Aviation Administration and Mass Department of Transportation grant funding. The other two projects will be funded with airport reserves. Director Mark M. noted we continued with the Hyannis Youth & Community Center facility improvements, which this project is for the mechanical systems. Director Mark M. noted there are six recommended projects under the Water Pollution Control operations, which totals \$9.7 million. Of the six projects, two will be financed using reserves and the rest as part of a bond issue. The next group includes five recommended projects through the Water Supply Enterprise Fund, which two projects will be financed using reserves and the rest as a bond issue. Three projects are being recommended for our Solid Waste Enterprise Fund, which all the projects will be financed using reserves. The total cost of the recommended Enterprise Fund projects is \$18 million, which \$2.2 million is financed from reserves, \$2 million in grants, and \$14 million in bonds.

Director Mark M. noted the Comprehensive Wastewater Management Plan includes a lot of design money. There are just over \$5 million in proposed projects. Director Mark M. noted in the following year there would be some very large construction projects being proposed. Director Mark M. noted half of the projects would be financed with cash and the remainder a bond issue.

Director Mark M. noted we are continuing with the police facility improvements, which the recommended project cost is just over \$1.2 million. There is a project for vehicle replacement within the Inspectional Services Department for \$80,000. Marine & Environmental Affairs projects total \$675,000, which include designs for our fish ways and bulkhead assessment. Community Services Department has three recommended projects that total \$1.5 million. The Centerville Recreation site improvements include expanding the parking lot and enhancing the baseball field. The Keyes Memorial Beach Parking Lot Rehabilitation project is being recommended because the parking lot is in very poor condition. The Hathaway's Pond project is for design with the construction anticipated in the following year. Director Mark M. noted the Public Works projects include the Public Roads Maintenance program, which will be financed with Capital Trust Fund reserves. Director Mark M. noted the town has an Emergency Generator Implementation plan, which is a multiyear program for all of our key facilities. Director Mark M. noted we are continuing with our Town Hall and School Administration Building Improvements as these are heavily used facilities. These buildings need improvements to the mechanical systems and bathrooms. Next projects are freshwater monitoring and storm water improvements at various ponds. Director Mark M. noted there is \$2.9 million for Ocean Street Sidewalks and Kalmus Beach Entrance, which the design was done this year. There is design funds for Department of Public Work Offices Expansion for existing and future facilities that we need for the Comprehensive Wastewater Management Plan. Director Mark M. noted we are replacing the Snows Creek Culvert on Ocean Street. Another project includes replacing the underground Cape Cod Airfield fuel tank with an above ground fuel tank. Director Mark M. noted the School Department project cost totals \$8.5 million. Director Mark M. noted there is over \$25 million in General Fund projects, which \$4.2 million will be financed with General Fund reserves, \$3.7 million in Capital Trust Fund reserves for public roads, and \$17.5 million in bond financing.

Clerk Chuck M. asked when deciding on projects is there already a bottom line and that we decide how to fill it in, or do you prioritize the projects and see if you can afford to do them? Director Mark M. noted we know what our affordability is because we maintain our Capital Trust Fund analysis. Director Mark M. noted we also conduct rate adjustment models

every year for the Enterprise Funds, and that we also look at their capacity as well as what kind of impact the projects will have on user rates. Director Mark M. noted that we still have capacity to conduct another capital program next year. Vice Chair Hector G. asked, does the Town Manager approve the proposed capital plan? Director Mark M. responded yes, this will be the Town Manager's capital improvement plan and will be included in the entire five-year capital plan that will be submitted to Town Council on March 7th. These are the fifty-four projects recommended for funding in FY 2023.

Chair Lillian W. asked what about the Community Preservation Funded (CPC) projects? Director Mark M. responded we have a number of projects being submitted through the CPC, but we are going to wait until the projects have been filed and vetted through the CPC committee. Director Mark M. noted if these projects were approved through CPC, then it would be presented to Town Council out of the normal capital program process.

New Business:

Director of Facilities for Barnstable Public School Michael Lambros presented the School Department FY 2023.

Director Michael L. noted the first priority request is the Barnstable Roof Top Unit Ventilator replacement project. This is phase 3 of the project; we already had two previous phases that replaced five units. This current project is going to cost \$4.1 million. Director Michael L. noted there is about a 10% energy savings every year. The current roof top ventilators are greater than twenty years old, replacement parts are no longer available, and the frames are deteriorating. Chair Lillian W. asked are we systematically replacing the ventilators for each school? Director Michael L. responded that this project is for our largest schools, and that this specific project is just for our high school. The high school has twenty-one ventilator units and Barnstable Intermediate School has sixteen ventilator units. Director Michael L. noted we are systematically working to replace the worse off units first.

Director Michael L. noted the next project is the district wide door and window replacement. This project results in 5% energy savings a year. The project is to replace windows that have been inoperable and sealed shut. Current doors and windows are drafty and damp, and will be replaced with energy efficient units. Chair Lillian W. asked would any doors be replaced? Director Michael L. responded yes, and that in the first year our main priority is going to be the Barnstable Community Innovation School, which this project should cover all exterior doors and windows in that building.

Director Michael L. next is Emergency Generator replacement or installation project and that operating and maintenance costs will be about \$2,000 per year. These generators will provide heat and emergency lighting. Barnstable Intermediate School has a generator, but it failed during the fall hurricane. Melanie P. asked what do you mean by remoteness? Director Michael L. responded remoteness from the main grid, and that we have locations that are more remote than others are. Clerk Chuck M. also noted that the power company priorities location when getting the power back on.

Director Michael L. noted the tennis court replacement project is a \$1.6 million project request to replace nine existing tennis courts with new ones. Director Michael L. noted the existing courts are over twenty years old. There is no operating and maintenance cost associated with this project as we already have a maintenance crew. Director Michael L. noted two out of the nine existing courts are not playable because they are unsafe. Clerk Chuck M. asked are all these hard court? Director Michael L. responded they are all asphalt. Director Michael L. noted we had made some repairs to the existing courts, but with our freeze thaw cycle it is terrible for any asphalt because it causes cracking, so the new tennis courts are going to be post tension design. Chair Lillian W. asked are you going to replace all nine tennis courts at once? Director Michael L. responded yes.

Director Michael L. noted the next project request is for the vehicle lift and fuel pump. The existing pump has become outdated and increasingly hard to find replacement parts. This project request will come with a better fuel tracking system.

Director Michael L. noted the next project request is for the campus wide pavement and sidewalk repair, which some locations have large cracks and have led to several incidents.

Director Michael L. noted the campus wide mechanical upgrades for burners, boilers, and pump systems. Much of the system is thirty-years old or older so they require replacement and upgrades.

Director Michael L. noted the flooring replacement and upgrades includes this year's request as well as three more years. There is no operating and maintenance cost as this project request is replacing worn tile and carpet.

Director Michael L. noted the electricity utility transformer upgrades is to replace the remainder of our schools. Both locations still electrically service are underground volt, but should be removed and replaced with an aboveground transformer.

Ronal F. asked does the town ever go back historically to see how accurate the original estimates are? Director Mark M. responded yes, but if there is a remaining balance from the capital project, it is reallocated to other projects. Director Mark M. noted with the increased cost, we have had to go back to Town Council for supplemental appropriations and increase the capital budget. Director Mark M. noted with the impact on construction cost due to COVID in terms of inflation, project budgets that have exceeded estimates would require a supplemental appropriation. Ronal F. asked do we question if some departments are prone to under forecasting? Director Mark M. responded that most of projects are prepared by Department of Public Works, so they prepare the cost estimates. Director Mark M. noted the airport and school provide their own cost estimates. Clerk Chuck M. asked how does the actual inflation story affect the town's finances now as opposed to a fear of inflation? Director Mark M. noted the biggest impact has to do with this capital plan, and what we are seeing on our recent bids have been coming in 10% and 20% higher. Director Mark M. noted on the operating side, the way inflation affects us is through our collective bargaining contract and in the long-term puts a lot of pressure on bargaining. Director Mark M. noted we are anticipating a significant increase in fuel cost, but we usually purchase it through a two-year contract. Chair Lillian W. asked if the Federal Reserve increases interest rates, how would that affect our debt service? Director Mark M. responded we anticipated the bids for our bonds to come higher as a result; typically, the interest rates will track the 10-year treasury bills. Director Mark M. noted we moved the bond issue up to March 1st to try and get a better interest rate. Vice Chair Hector G. asked how long has the town been self-insuring health insurance, how much does the town save by self-insuring? Director Mark M. noted the Cape Cod Municipal Health Insurance Group is the second largest purchasing pool for health insurance in the Commonwealth of Massachusetts. Director Mark M. noted analysis was done to see what the cost would be if we went on our own, but this option is very risky. Director Mark M. noted you do not benefit from spreading the risk and sharing the cost.

Old Business:

None

Matters not reasonably anticipated by the chair:

None

Adjournment:

Meeting adjourned

List of documents handed out

1. 01.24.22 draft minutes

2. FY23 CIP Barnstable Public Schools