



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chairman:

John Curtis, Chair

Members:

Bill Brower
Robert Ciolek
Laura Cronin
Stanley Hodkinson
Ralph Krau
Tom Michael
Jim Sproul

Staff Liaison:

Mark Milne

Councilor Liaison:

Richard Barry

CFAC MEETING MINUTES

5.18.09

7:00 PM

Growth Management Conference Room

CFAC Members Present: Bill Brower, Robert Ciolek, Laura Cronin, John Curtis, Stanley Hodkinson, Tom Michael, Ralph Krau

CFAC Members Absent: Jim Sproul

Councilors Present: James Munafo Jr.

Staff Present: Mark Milne - Finance Director, Deb Childs - Finance/Budget Analyst

1. Call to Order

Upon a quorum duly present, John Curtis called the CFAC meeting to order at 7:00 PM in the Growth Management Conference Room.

2. Act on Minutes

Motion made and seconded to accept minutes of 05.04.09.

Vote: Unanimous

3. Chairman, Staff & Councilor Comments

John C. welcomed James Munafo Jr. to the meeting. Jim confirmed that he has been appointed as a liaison to the committee.

Jim had some questions that he would like to direct to Mark M. as to concerns he has with the operations of the two golf courses and upcoming payments for the land and anticipated deficits at the end of this Fiscal Year. He would like to know what the future expectations or plans are for the courses?

Mark M. responded that the golf courses represent one Enterprise Fund but are accounted for individually and each has a balance sheet and income statement available. They are accounted for as one entity to the Department of Revenue.

Tom M. inquired about the administrative costs that are charged to the Enterprise Funds by the Town. He thought this may be an area in need of review.

Mark M. referred to page 99 in the FY10 Proposed Operating Budget Book. This page outlined the various charges for by department.

Bob C. stated we should review to insure the Town is not undercharging or not charging for particular services.

Ralph K. would like to see what makes up the charges.

Mark M. review several examples and stated each charge has supporting documentation on how the amount was calculated.

John C. inquired if the golf courses are allowed to generate a profit.

Mark M. responded yes and those funds can be used for capital improvements.

Bob C. commented two things should be reviewed: 1. The Enterprise Funds must be self supporting and 2. Town reimbursement expenses are legitimate.

Tom M. expressed concern with amounts when comparing the Airport to the Golf Course.

Laura C. inquired if there is a balance to the charge.

Mark M. referred to the Town Council budget as an example where the offset is reflecting as revenue.

Bob C. inquired if the Unfunded Pension Liability is included? With the budget cuts now he feels it is important to see as much legitimate revenue moved into the general fund as possible.

Mark M. reviewed that the FAA did a recent review of the Airport charges and determined that the methodology used by the Town was in compliance and proper. They did recommend that the Legal costs be billed directly on an hourly basis which has been implemented for the Airport.

4. Old Business

School FY10 Budget-

Bill B. inquired where we stand with the budget funds.

Mark M. responded that the Senate has submitted a budget with much less than the House or Governor's budget. He does not think we will have a definitive figure until July. He indicated a hybrid of the House and Senate amounts were utilized to set the proposed budget. The plan is to come back to the council and implement additional budget cuts should they have less funding in the final budget in July.

Bill B. asked if the Superintendents budget had in fact been built without anticipated stimulus funds.

Mark M. responded yes, that the budget was built without the stimulus funds. The stimulus could possibly be utilized to fill any gaps if the Chapter 70 aid is lowered further.

Jim M. inquired about the contingencies in place for any additional one time costs that could occur. He noted the school plans to use \$950k of the current \$1.4 M savings for the one time anticipated unemployment costs due to the upcoming layoffs.

Mark M. indicated they would have the options of making additional budget cuts likely in the form of layoffs or requesting a supplemental appropriation from the Town Council.

Laura inquired who monitors if any surplus is expended correctly? What is the incentive to save the surplus?

Mark responded that the picture for FY11 does not look good and should be an incentive for the departments to bank any surplus funds toward to the following fiscal year. He noted that the finance divisions role is to provide support and information but it is not to direct the departments on how or where to expend their funds.

Tom M. stated having the savings funds versus returning funds to the General Fund is incentive as well. He recalled in the past the funds being returned to the General Fund prodded departments to expend the funds.

Bob C. noted that the Senate budget strongly urges Cities and Towns to use 2011 stimulus funds to fill in the gap the decrease in Chapter 70 funds will create. He thought this would create a bigger hole in funding.

Bob C. would like to review the past 5 years expenditures for OOD Sped Students. What is the growth and is there any opportunity to reduce costs?

Tom M. believes the Superintendents currently review that carefully.

Ralph K. suggests the schools have an annual or timely reassessment of students to insure the correct school is being recommended and the services is not being abused (i.e. higher cost school being chosen when same services available at a lower cost school).

John C. inquired if there is any review of the medical costs associated with the SPED students and is there any opportunity for Federal reimbursement.

Mark M. commented there is some Medicaid reimbursement and quarterly reports are filed. He estimated it was approximately \$1M.

Ralph K. stated his main concern is any unforeseen issue. How will the school department handle the cost?

Mark M. responded that is the purpose of operating reserve to be set aside for one time costs.

Bob C. inquired if any decrease in aid was shared proportionally with the school in the same manner the revenue is shared on a 60/40 split.

Mark M. indicated yes.

FY10 Proposed Operating Budget -

Mark Milne provided copies of a presentation summarizing the FY10 Proposed Operating Budget. He provided an overview of the presentation to the committee.

CFAC needs to provide a report to Town Council by June 4th. A Sub- committee was developed and a meeting TBD the week of 5/29/09.

Jim M. questioned if the Finance Director anticipated any changes to the Town's AAA bond rating. He also inquired about the willingness of the School Department to review the 60/40 revenue sharing agreement.

Mark M. does not anticipate the Bond rating being effected. He cannot answer for the School Department.

Bob C. commented that the savings are marginal between the AA and AAA rating.

5. Discussions - None

Next meeting is scheduled for Monday June 1st, 2009 in the Growth Management conference room.

Meeting adjourned at 8:45 PM.