



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chairman:

Bill Brower

Members:

Robert Ciolek
Laura Cronin
Stanley Hodkinson
Ralph Krau
Tom Michael

Staff Liaison:

Mark Milne

Councilor Liaison:

Richard Barry
James Munafo Jr.

CFAC MEETING MINUTES

5.17.10

7:00 PM

Growth Management Conference Room

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

CFAC Members Absent: None

Councilors Present: James Munafo Jr.

Staff Present: Mark Milne - Finance Director, Deb Childs - Finance/Budget Analyst, Mark Ells - Director of DPW, Ruth Weil - Town Attorney, Dan Wood - Information Services, Tom Geiler - Regulatory Services, Lynne Poyant - Community Services, Roland Breault - Airport, Ann Spillane & Deputy Chief Tamash - Police

1. Call to Order

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

2. Act on Minutes

Motion made and accepted to postpone voting on minutes from 05.03.10 until the next scheduled meeting to make time for department presentations.

Vote: Unanimous

3. Chairman, Staff & Councilor Comments

Bill B. welcomed the various department heads and thanked them for attending. He requested that each give a brief overview of their departments proposed budget, highlighting any issues or concerns, and noting differences from last year's budget.

4. Old Business

None

5. New Business

DPW - Mark Ells

Mark E. reviewed that the budget for DPW Services is level funded based on last years budget.

- Forty projects funded.
- Previously grant funded grounds projects have created increased operating costs for which they are requesting funding to support.
- An Administrative position is being moved from the General Fund to the Water Supply Enterprise Fund.
- There has been some increase in gas prices.
- Continue to maintain the infrastructure with funds available
- Main concern is a non public feature - Private Roads. They have experienced an increase in calls and the conditions being reported have increase in the degree of deterioration.
- Sewering plans is also a big capital issue at the moment.

Bob C. inquired about the private roads complaints and what process was in place for abutters to work with the town to have the town help.

Mark responded that the main issue is money. Many taxpayers think they can wait for the town to step in and pay for repairs. There are legal constraints on how the Town can spend money on private roads. They are limited to Emergency situations or when the Fire or Police determine it to be unsafe. They do sweep and clean the road when they can and support plowing the private roads.

Ralph K. inquired how did we get to this point?

Mark E. responded that the roads were never accepted by the Town.

Ralph K. asked how did the various boards allow builders to build without accepting the roads? How allow sub standard roads?

Mark E. could not answer for the boards. He noted that well built roads with no maintenance for 15-30 years will end their useful life.

Bob C. inquired about the Solid Waste Divisions use of \$268K in savings to mitigate debt service? Why are they using savings?

Mark E. responded to prevent fees from being raised this year under the current economic conditions. The savings has two purposes - capital improvements and fee mitigation. Currently, there are no capital plans in the near future.

Bob C. questioned given the trend in using savings how long does Mark estimate reserves will last?

Mark E. replied not too many years.

Bob C. questioned if they don't risk a huge increase in future years?

Mark E. replied yes that is a risk.

Bob C. had the same questions for the Sewer fees?

Mark E. responded that the rate study done in 2004 indicated that as they move forward with the capital plans and add customers with a proposed 4.5 % annual rate increase they should be able to cover costs.

Bob C. asked if snow removal funds where used for anything else?

Mark E. replied no, they are very careful in using those funds and always check with the Finance Director if there is any question.

Laura C. inquired about the additional cost built into the streetscape portion of some roads projects. How does the additional cost fit in with the appropriated funds?

Mark E. responded that Ch. 90 or other funds are used for that enhanced part of the project.

Bill B. inquired if there is any revenue for recycling?

Mark E. indicated it varies based on the pricing of things such as the metals market. Generally there has been an average \$200K deficit.

Mark M. offered to get the committee some specific numbers related to recycling.

Legal - Ruth Weil

Ruth W. informed the committee that the Legal Department is level funded and represents 1/3 of 1% of the total budget. Reductions of 11% have been made to meet the level funding. Ruth indicated that the department is doing more and more with less. Issues related to huge infrastructure challenges will be tremendous. Projects that result in road takings, easements etc. Ruth noted that the recent acquisition of the water company has raised many issues. The legal department has also been involved with the Wind Farm litigation and Airport.

Bob C. inquire about reimbursement for legal funds from the Enterprise accounts such as the Airport.

Mark Milne indicated that they use a direct bill basis now based on previous advice from the Auditors.

Bob C. inquired if the legal dept has given any consideration to ways of creating revenues for the Town ex. Litigating property damage to the Town ?

Ruth W. responded they have had some experience with affordable housing and offering their services to of Towns. They are always looking for opportunities to increase revenue.

IT - Dan Wood

Dan W. reviewed there is no change in the budget.

The main issues the department faces are software maintenance and cost increases. The last two years the department has absorbed the cost but will need to request funding soon.

The department supports the whole Town as well as some support to the Schools as needed.

They have an in-house developer and web developer.

Ralph K. inquired if they lease or own equipment?

Dan W. replied they own, since they roll over the services every 5 years it is less costly in the long run.

Bob C. what is the largest cost?

Dan W. answered the PC and printers about 55K a year.

Mark M. indicated the original cost for MUNIS was about \$120K.

Bill B. inquired where we stand on applications?

Dan W. replied we have a mixture of Windows XP and Windows 7.0. Right now we are using Office 2000. There is a new Microsoft suite for 2010 available at a cost of \$135K.

Bill B. inquire if we would use only Microsoft?

Dan W. responded no but that Microsoft is very entrenched in office and may be difficult to move to another product such as Open Office.

Regulatory Services - Tom Geiler

Tom G. reviewed that Barnstable has benefited from servicing other towns with their Weights & Measures program. This has allowed the to move funds from the General Fund to the Weights & Measures revolving fund.

Implementing a non criminal citation process has saved money.

Tom noted it is tough times and hard to predict what may come through the door for the service piece, Building permits, health inspections, etc.

The urbanization of Hyannis has created housing problems related to the conditions of housing and code violations.

Tom G. has concerns with replacing people. Losing experience and not being able to replace due to salary and health cost constraints.

Regulatory has been working with IT over the last several years on plans to implement septic system tracking on the web to facilitate self service.

Bob C. inquired if they have considered requesting donations from folks taking advantage of health clinics (i.e. flu shots) ?

Tom replied no. Most fees charged reflect cost of service.

Laura C. inquired about the Bismore Park Operation and how much income it has created?

Tom G. estimated last year \$175K.

Ralph K. inquired about extra staff for 2010?

Tom G. indicated they planned to have 9 kids in uniforms work the parking areas to facilitate the process for folks.

Police - Deputy Chief Craig Tamash , Ann Spillane

Ann S. reviewed that the proposed budget is level funded.

There is a decrease in the health insurance line due to employee changes in plans.

Decrease in longevity due to retirements.

Capital budget increase for the purchase of police cruisers.

Challenges the department faces will be fuel costs which are increasing from \$2.06 to \$2.60 a gallon in FY11. Ann did note that fuel consumption is down due to new patrol pattern routes and better makes of vehicles.

Bill B. inquired about enterprise fund reimbursements?

Mark M. indicated similar to the legal dept. the police dept. direct bills.

Bob C. inquired about the number of officers on light duty?

Deputy Chief Tamash indicated they have 4 officers out with 1 on light duty. He mentioned most doctors do not want officers to return until ready for full duty.

Laura C. asked about the cost of Overtime and the impact of lost grant funds? How will this effect the level of service.

Deputy Chief Tamash replied that they do have several grants still, such as the 911 system. They budget OT by department and monitor closely.

Bob C. inquire about the availability of confiscating funds?

Deputy Chief Tamash indicated the they due receive funds but there is not way to accurately predict. There are limits as to how they can spend those funds and they are not designed to supplant funding.

Airport - Roland "Bud" Breault

Bud B. reviewed that Jet Fuel Sales have significantly decreased.

Personnel - no COLA , reduced a PT position and eliminated a vacant position.

Service Priority Packages requested for Overtime funding and small capital projects - vehicles and work on a small building roof.

Bob C. inquired about the debt service obligation of \$1.7 M related to the Airport redesign. What is in place to insure the Town will not have to pay?

Bud B. reviewed that a customer facility charge has been put in place and to date generated 120K in revenue. A passenger fee is to be implemented , currently targeting Labor Day. As long as embankments average the same volume this should support the obligation. Bud noted they also have \$8 Million in reserve and hold the possibility of selling property outside the fence. There are 120 acres outside the fence that could be sold.

Bob C. inquired if there was anything in writing?

Bud B. replied a letter from the Airport Commission was forwarded to the Town Manager.

Tom M. inquired about the Kmart plaza?

Bud B. responded it is currently leased until 2024.

Bill B. inquire about the airport volume?

Bud B. answered that the traffic is down approx. 30%.

Tom M. inquired about freights?

Bud B. indicated the concession is 3 % of the value of the freight but noted there is a constant battle about what is defined as “freight”.

Ralph K . inquired about the expansion.

Bud B. replied there is a hearing on Thursday concerning the access road. They are trying to make modifications to meet with the Cape Commissions DRI plan. Concerns are related to the median on Rte 132. where changes could eliminate a left hand turn for some businesses which could lead to the potential for lawsuits. There is planned groundbreaking for July and work to start in August.

Finance - Mark Milne

Mark noted the budget is down approx. \$84 K mainly due to the extra elections that were budgeted for in FY10. A part time help is being eliminated in the Town Collectors office.

Challenges the department faces include additional reporting and audit requirements, specifically as related to using ARRA funds. Succession planning and retaining the tacit knowledge of employees.

Bob C. inquired about the abatement request volumes?

Mark M. replied that both the numbers and amounts were both up but the majority had been processed and there was approx. \$35K remaining in the budget. Mark noted there is the potential for a hit with any decisions on appeal for which he does not have a number.

Community Services - Lynne Poyant

Lynn P. noted many of the areas of concern are out of their direct control.

Slip fees due to Barnstable Bulkhead project.

4 Transient slips were provided to Commercial fisherman for use.

FY11 will be the first full year of operation for the HYCC. They are trying to concentrate on insuring the facility is utilized to it’s maximum for the months of May, June , July and August. They have a Dry Floor for 3 months that may allow for some decrease in utility costs and create new revenue options for different events.

Senior Services - Aging population creating demands for the outreach workers.

Youth Services - Still working with only a Part Time position which they hope to move to a Full Time one.

Sandy Neck - Issues and concerns with the Piping Plover nests and the impact on beach use and revenue generation.

Laura C. inquired about the revenues at HYCC.

Mark M. referred her to p. 180 of the budget book.

Bob C. inquire about the estimated time until the HYCC will be self supporting?

Lynne P. responded year 17 or 18.

Bob C. inquired about the \$9.5M balance for the Golf Course and how much was free cash?

Mark M. replied only \$4k and the rest is fixed assets. He noted there was a surplus generated but it was utilized to repay the General Fund for construction costs.

Bill B. inquired about some of the numbers as related to Recreation on p. 179 and p. 172 of the budget book.

Mark M. explained that they are only reporting direct costs not indirect cost which accounts for the difference.

General Budget Questions

Bill B. expressed concern in regards to unemployment costs. The budget is down but costs could increase if there are changes to the Operating Budget revenues.

Ralph K. mentioned the two options currently being forwarded to Town Council by the Sewer Funding sub- committee for review. One deals with the hotel / motel tax and an override request. The second suggests a \$950K reduction in the Operating Budget over the next 20 years. Ralph K. wonders if CFAC wants to support either?

Bill B. noted that if the reduction in operating budget were taken would 60% come from the schools?

Bob C. is glad the council is acting but is concerned that either could result in legal action. He feels there are two tests 1. Is it a comprehensive plan to deal with the issue? 2. Is the community making a financial commitment?

Tom M. inquired about putting topic on next agenda.

Bill B. reviewed that the prior agreed upon letter from CFAC to the Town Council sub-committee was not delivered. Bob C. and Bill B. attended the Town Council sub-committee meeting and felt they were going in the right direction and the timing was not right.

Bob C. expressed concern about the numbers the Town Council sub-committee were using in their review.

Tom M. expressed concern that if the CFAC committee has a position they need to present them in a concise manner as constructive criticism during the process rather than after. He feels that would be more professionally responsible about CFAC' role. After the fact would not be the right time.

Mark M. inquired about the CFAC report on the Operating Budget.

Bob C. volunteered to put it together. He also inquired if the committee should re-engage in the Sewer issue?

Laura C. has concerns on the public's perception of CFAC's role in the process and responded yes.

Move made and seconded to have a meeting on Tuesday June 1st.

Vote: Unanimous

6. Discussions

None

Meeting adjourned at 9:40 p.m.

Next meeting is scheduled for Tuesday, June 1st at 7 p.m.