

## **CFAC Subcommittee Minutes January 11, 2010**

Meeting was called to order at 7:13 pm by Moderator Rob Sennott. Rob S. introduced members of subcommittee. Laura Cronin of Hyannis, Ralph Krau of Hyannis and Robert Ciolek of Hyannisport.

Rob S. described the charge of the subcommittee. They are to analysis the financial impact of a comprehensive water protection program and make a recommendation to town management and the town council as to how they think the funding of the program should be handled. The subcommittee is hear tonight to listen to ideas from the audience.

Rob S. read into the record a portion of a letter written by Andrew Gottlieb, Executive Director of the Cape Cod Water Protection Collaborative, to Congressman Delahunt describing the Town of Barnstable's needs.

Rob S. then said that the subcommittee was in the process of fact-finding. Peter Boyer, former town Administrator in Falmouth will be meeting with the subcommittee on Saturday January 16<sup>th</sup> at 1030 am in the School administration building.

Robert Ciolek gave an update on CFAC's progress. The subcommittee was created in august 2009 at the request from the Town council President. They were asked to recommend to the Town administration and Town council the best funding mechanism for a comprehensive Water Protection Program. They are currently in a fact-finding stage. They anticipate that a draft report will be available in about 2 months. They may have an additional public meeting and a meeting with the CAC to review the draft.

Rob Sennott said they may limit the speaking to 3 minute to provide everyone an opportunity to speak. He asked that any written testimony be mailed or emailed to CFAC. CFAC's email address is [cfac@town.barnstable.ma.us](mailto:cfac@town.barnstable.ma.us)

Tina Carey – Town should look at a toilet tax of \$50 per toilet. This would apply to business and residences. Easy to enforce using assessor records. Urinals count as toilets. The Cape Cod Mall is not on town sewer. The mall alone would raise \$12 to \$15 thousand per year for sewer pipes. People should have a choice to hook up to town sewer if they have a working Title V system. Everyone should be required to pay the toilet tax. Could raise \$2.5 million per year. This could be used to pay for borrowings. Business sector would carry the brunt of the tax. I would be happy to pay the toilet tax.

Robert Ciolek asked her if it was her recommendation to implement this state-wide or just the Town of Barnstable. Tina Carey said just the town as the state would take the money if it was state-wide.

Tina Carey said a plan would also give those who did not want to hook up an alternative. She doubts if that would happen as sewer would probably be cheaper.



Neil Tenger of Hyannis said we are really in a ditch with this. He had an older title V when he bought his property and replaced it. He was told by the Board of Health that sewer would never happen. Everyone in town should share the burden. He would not mind paying for other sin town if they had to hook up to a sewer.

Betina Brown of Hyannis said we should think out of the box. Take a test area and use composting toilets, no chemicals on lawns, etc. and see if the problem improves. Monitor it for a year. We could get grants for this. Grants are available for pilot programs.

Kate Gulliver of Hyannis said no sewers should be built until a financing plan is in place. Since it is a clean water issue the whole town should pay. She supports the toilet tax idea. Create a sewer reserve fund with the revenue. Loans should be paid back by everyone in town. A moratorium should be placed on construction. A general fund contribution should pay for the infrastructure and residents should have the option to hook up. Time limits could be placed on hook up requirements like 15 years.

Milton Burgland of Hyannis said we should maximize the long-term funding. Optimize debt financing. Merge the water and sewer operations of the town to create a district. Use the net assets of the current operations to obtain financing. According the town's comprehensive financial report the sewer fund has \$12.8 million in net assets and the water has \$1 million. After properly capitalizing the district a rate study should be performed. The town's financial advisors First Southwest Corp. can advise how to properly capitalize. Underwriters can be asked to evaluate structure. A combination of rates and expiring general fund debt could be used to create capacity. Expand users on the system to create more revenue. Keep the district's charter open to allow other town's to join.

Robert Ciolek asked him how the town would acquire the other water districts in town that are independent entities. Milton Burgland said he was only considering the town owned operations but it was his understanding that SRF funds could be used to acquire others.

Eric Schwab of Hyannis asked Laura Cronin what the committee was recommending for the people of Stewarts Creek. Laura said the committee was still in the fact finding stage. The committee is looking at financing options town-wide as well as Stewart's creek.

Robert Ciolek commented that whatever the funding method was going to be it may not apply to all parts of the town.

Eric Schwab said he conducted his own polls and that most people are willing to step forward but it will be close. There is no clear cut consensus. He says he thinks people would support a \$.75 to \$1.00 increase in the tax rate for this program but it has to be combined with other options. He thinks the toilet tax has merit. People can understand it. This is an emotional issue and people want to help but they don't necessarily want to pay more in taxes. The town is overrun by tourist. The local hospitality industry brought on



this problem. Revenue from tourist can come from Embarkation fee at ferries and airport. Raise it and put the money in a sewer fund. Use a blend of funding solutions. If the town won't halt construction then an immediate override should be placed on a ballot.

Al McIntyer of Centerville said we should create a Trust Fund by placing a surcharge on the real estate tax bills. The sewer expansion should be paid for on a pay as you go basis. Speakers have said they support taxes. If we don't do it the courts or legislators will. Contractors should be the same for digging ditches in the roads and up to the foundations of houses to save money. The costs could be tax deductible. In the town of Westwood everyone paid the same cost per foot.

Louise DeChecca of Hyannis likes the toilet tax idea. She asked in the bids come in lower on the Stewarts Creek project would the assessments be dropped. Robert Ciolek responded that the town could answer that question. She asked if the committee was given a timeline. Ralph Krau responded no and that the committee hoped to have a draft report available in the next couple of months.

Rob Anderson of Centerville asked what should be the state and federal involvement. If they mandate any of this shouldn't the funding come with it and is the committee looking at this? The state has a 40% tax credit but you need the Board of Health's letter or a letter from a judge saying your system is in failure in order to get the credit.

Robert Ciolek responded that they have looked at state and federal funding. The only state funding available is the SRF program. There are no identifiable state or federal grant programs. A few communities have found funding from obscure guidelines and earmarks.

Rob Anderson said we need to pair down the betterment fee and the tax credit must remain.

Sue Rask clarified the state tax credit issue. The board of Health would declare that a system has failed if a sewer were to go in so people could qualify for the credit. The board of Health is open to the idea of discussing with people time to hook into sewer.

Albert Barber of Barnstable Village said the tax credit does no one any good if they don't pay taxes.

Lindsay Counsell of Centerville said there are alternatives to sewerage. Natural attenuation could be used. This process is eligible for grants as well. The town should bring in a grant team to work on these types of projects. Rushy Marsh is an example project. Dredging projects could be another alternative.

Hid Welch said the town should look at a private utility. Market conditions will dictate project as opposed to government and the private utility becomes a taxpayer.



Jim Munafo of Hyannis recognized the timeliness factor due to the pressure of Stewarts Creek. He is reluctant to raise taxes but would support a ballot question and give the people the choice.

Bill Doherty, County Commissioner said a county wide tax cannot be used. They do not have the power to implement. We should look to creating a sub region to examine the issue.

Respectfully submitted,

Mark Milne