



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
Henry McClean
Tom Michael

Staff Liaison:

Mark Milne

Councilor Liaison:

Richard Barry
James Munafo Jr.

CFAC MEETING MINUTES

1.18.11

7:00 PM

Growth Management Conference Room

CFAC Members Present: Bill Brower, Robert Ciolek, Laura Cronin, Henry McClean

CFAC Members Absent: Stanley Hodkinson, Tom Michael, Ralph Krau

Councilors Present: None

Staff Present: Mark Milne - Finance Director

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 approve the minutes of 01.03.11.

Vote: Unanimous

3. Chairman, Staff & Councilor Comments

Bill Brower updated the committee that the CIP Sub-committee's had just completed a meeting with the Department heads for the Airport, DPW, and Schools to review questions regarding their FY12 CIP submissions. The sub-committee will now be moving forward to compile their report on and evaluation the FY12 CIP plan.

Bill also notified the committee an email has been forwarded to Town Council President Chirigotis inquiring about the Council Liaison assignment.

Mark Milne informed the committee that the Town's Comprehensive Annual Financial Report (CAFR) has been audited and returned. He will provide a .pdf copy to all members for their review. He noted this is for the fiscal year ending 2010.

4. Old Business

FY12 CIP

Bill B. reviewed that the CFAC report on the FY12 CIP Plan is due to the Town Manager by February 7th. He requested the sub-committee members forward their evaluations to him so he may compile the report.

Bill B. inquired with Mark M. about setting up a time to meet and discuss the report with the Town Manager. Mark M. will coordinate setting something up. It will likely be one to two weeks after the report is submitted.

Mark M. discussed that the Town is still contemplating a two year CIP Plan and requested the sub-committee submit evaluations based on both a one and a two year plan.

There was discussion of the pros and cons to a two year plan.

Mark M. reviewed that the Municipal Bond market was still under close review as some articles are indicating the bond market may be under duress.

Henry M. inquired about the DPW department's ability to absorb the additional work should a two year plan be adopted. Mark replied that the added work would call for a temporary additional project manager role to oversee some of the projects. He indicated the DPW department is planning on how to address the concerns related to a two year plan.

Bob C. asked about the timeframe for the debt. Mark indicated between 5 to 20 year terms. Bob inquired if there would be any advantage to paying down some debt versus additional construction.

Mark responded that he was not certain the Town had the authority to pre-pay bonds.

Mark referred the committee members to the cash flow samples provided within the CIP Plan. These samples outline the future cash availability and the need for additional funds in the long term to maintain a capital program.

FY12 Budget

Mark indicated the current focus is on the CIP plan and the Operating budget will move to the forefront next month.

Mark reviewed that the School Department has determined an initial budget that is two million below the anticipated Town appropriation amount. This is prior to taking into any offsetting funds from sources such as the Circuit Breaker funds, Transportation fees, School Choice, or Savings Account.

Laura inquired what the driving factor behind the increased costs was.

Mark replied that operating costs are flat, the health benefits were budgeted with a 10% increase, and the personnel costs are at the end of a three year contract.

Mark reviewed that the Town had received its County Pension Assessment. The County did adopt a 10 year increase in the years for the amortization schedule moving it from 2028 to 2038. The Town will also pay the assessment in one lump sum versus two payments resulting in a savings of approximately \$120,000.

Mark noted that money will be set aside in the budget to create a Health Insurance Trust Fund to start planning for the unfunded liability associated with retiree's health insurance.

Bob C. inquired if the Mark had access to the data behind the County's Pension Assessment.

Mark responded that yes he could provide them a copy of the report. He also noted that PERAC (Public Employee Retirement Administration Commission) regulates and monitors the program.

5. New Business

Bob C. had some questions about old business. He inquired about the status of the legislation filed to create a Sewer Trust Fund.

Mark replied the legislation had been submitted and passed by the Senate however, the House did not act. The legislation will be re-filed.

Bob C. also inquired about the ARRA funding and betterment rates.

Mark indicated that \$9M in loans had been authorized to borrow at 2%, \$3M in loans has been issued. Currently, he does not have the majority of eligible cost and other information.

Bob C. asked if the expectation is that the homeowner betterment will be net whatever is received in ARRA funding.

Mark responded yes but he does not have all the numbers as yet. The Stewart's Creek project is near completion and the data should be available in the next few months. Mark anticipates a final letter to homeowners by December of 2011 to be included in tax bills for 2013.

Bob C. also inquired if the Town would be seeking to extend betterments beyond the current 20 year term.

Mark replied that the Town would be waiting to make any such determination until after the CAC completes their report.

Questions were raised as to whether the Town could change the terms of betterment once it has been issued.

Mark M. will research.

Meeting adjourned at 7:53 p.m.

Next Meeting is scheduled for February 7, 2011.