



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)
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CFAC Committee:

Chair:

Laura Cronin

Members:

Robert Ciolek
Cynthia Crossman
Ralph Krau
Gregory Plunkett
Lillian Woo
John Schoenherr
Joseph Mladinich

Staff Liaison:

Mark Milne

Councilor Liaison:

John T. Norman

MEETING MINUTES

03.28.16

7:00 PM

Growth Management Conference Room

CFAC Members Present: Laura Cronin, Lillian Woo, Ralph Krau, John Schoenherr, Joseph Mladinich, Cynthia Crossman, and Gregory Plunkett

CFAC Members Absent: Robert Ciolek

Councilors Present: None

Staff Present: Mark Milne, Director of Finance, Nathan Empey, Finance/Budget Analyst

1. Call to Order

Laura Cronin called the CFAC meeting to order at 7:00 PM in the Growth Management Conference Room of Town Hall.

2. Act on Minutes

The following minutes were approved by unanimous vote:

03.14.2016

3. New Business

Mark M. reviewed the Bond Rating Report by Standard & Poor', which reaffirmed the existing 'AAA' long-term rating and stable outlook on the town's outstanding general obligation debt. Several positive factors contributed to the long-term rating and stable outlook such as, town's market value grew by 3.5% over the past year to \$13.1 billion, building permits hits a five-year high in 2015 with an estimated value of \$185.3 million, Barnstable's strong management, strong policies, and conservative budgets based on 10 years of historical information and economic factors. Barnstable has a 98% property tax collection rate, and rapid amortization of debt, with 82% of debt to be retired in 10 years. However, there is concern with a large pension and other postemployment benefit (OPEB) obligation that is comparable to all municipalities. The town has created a trust fund to accumulate assets to provide for its OPEB obligations, and is required to fully fund the unfunded pension liabilities on financial statements by 2037.

Mark M. discussed current market fundamentals, which are driving debt market rates higher. That is, compared to twenty years ago when rates were between 5-6% for bond issuance. There is talk at the Federal level that the favorable tax treatment for tax-exempt municipal bonds could be eliminated as one of many tax reforms in order to finance current and future federal deficits. This will have serious consequences to municipalities needing to issue bonds because tax-exempt debt is usually cheaper and more appealing to investors. Laura C. asked if this would cause some instability because of tax-exempt changes. Mark M. replied that it has the potential to significantly increase the cost of the Town's capital program especially projects financed with a bond issue.

Gregory P. commented that next year's Financial Overview report should include Standard & Poor's current report.

Mark M. reviewed the Google Analytics software that monitors the user activity for the Town of Barnstable's Open Budget website. All data reviewed is for the period Feb 26-Mar 27. The data focuses on several areas: sessions, pages views, new users, users, avg. session time, and bounce rate. Sessions is a period of time someone is actually using the website. Pageviews is the number of pages viewed, which March 17th showed the highest date. The analytics showed that 47% of new users occurred during this period. There were 118 unique page views from within the U.S., which 71 of those were from Massachusetts. Laura C. commented the data collected from this software could provide an opportunity for research papers. Mark M. replied Socrata could use this data as a reference for developing websites. The bounce rate reflects the number of users going to the website, then immediately leaving. The bounce rate for Barnstable's website was 18%, and that 72% are staying and looking. The average person reviews 11 pages and spends 5.5 minutes. Many of the recent users monitoring the website may be associated with the recent School Budget hearings. Much of the users seem to review the website on Monday, which coincides with the budget data refreshing every Sunday. The overall average time spent on the website since inception is 4.16 minutes, with a 42% bounce rate and 58% staying overall.

Mark M. offered the CFAC members an opportunity to provide any suggestions to monitor this information. Cynthia asked if there was anywhere on the open budget website to provide comments or suggestions from users. Mark M. replied not currently, but maybe in the next Socrata open budget release.

John S. asked how much is this being used internally vs externally? Mark M. commented that some departments are utilizing the website at meetings over Munis internal accounting software. This website can also be used with smartphones during offsite locations. Mark will check with IT to see if there is a way to monitor internal vs. external traffic.

Lillian W. commented the more departments use the open budget website, the greater reliance on it. Mark M. commented we have done some advertising to help promote the website. This includes requesting staff to include within their personal emails as signatures.

Ralph K. asked if other communities have adopted this open budget initiative? Mark M. replied Boston and Cambridge are customers of Socrata, and 15 towns are using Tyler Technologies.

Laura C. asked is it possible to include the Fire Departments (FD) on the Open Budget website? Mark M. replied this would be up to the FD; we do not have their budgets. The FD's would have to contract for an open budget initiative themselves.

Laura C. commented it is a good promotional opportunity to use Open Budget during Town Council hearings. Mark M. replied IT is planning to upgrade all the presentation equipment in the Town Council hearing room, so that it is a more technology user-friendly environment.

Ralph K. asked what's involved to provide a training session on how to use the website? Laura C. suggested taking one of the CFAC meetings between now and the operating budget hearing for a training session.

Ralph K. reviewed the drafted Capital Improvements Plan Report created by the four-member subcommittee: Robert Ciolek, Cynthia Crossman, Greg Plunkett, and Ralph Krau.

Comments & Corrections

- On Page 3
 - o Enterprise Fund recommended projects was corrected from 10 to 15
 - o General Fund recommended projects was corrected from 7 to 19
 - o The percentage of requested projects that failed to make the cut was changed from 87% to 74%
 - o Laura C. noted for clarity and consistency to get rid of the decimals places and replace them with "million"
 - o Joseph M. suggested maybe providing the numbers in a chart
- Cynthia C. commented on whether to include the matrix criteria within the report considering it is already in the capital improvements plan (CIP) booklet.
- On Page 5
 - o Ralph K. noted the Private Road Repair on page 6 in the CIP booklet referenced a different priority number than page 72 of the Town Manager's recommended projects. The subcommittee used the priority 4 reference to match the Town Manager's recommended list.
- Private Road Repairs
 - o Bob C. has a strong opinion against current private road repair policies that do not assess betterments.

“By continuing to permit some property owners to avoid an assessment for private road repair the Town is creating two classes of private roads: those homeowners unlucky enough to pay for private road repairs through betterment assessments and those homeowners fortunate to live on private roads who escape the assessment. And, it is unpersuasive to argue that the new law limits the number of roads subject to the assessment escape provision, as there are scores of private roads which connect one public road with another. The more that homeowners discover that they live on such roads the greater the demand will be for avoiding the assessment.”

- Concern over the Sewer Construction and Private Ways Maintenance and Improvements Fund being used for private roads because billions are potentially needed to fund the 208 Plan.
 - Laura C. noted the position taken regarding private road repairs within the report is consistent with CFAC’s opinion
 - John S. commented there are two issues; we haven’t been consistent with private road repairs. Some citizens are being assessed betterments, while others aren’t. Secondly, private roads that are used extensively by the public would be unfairly assessed betterments.
 - Laura C. there is a lack of policy, so maybe take a private road and making it a public road.
 - Mark M. noted they didn’t use the Sewer Construction and Private Ways Maintenance and Improvements Fund last year for the private road repair project. John S. commented that this is a third issue regarding inconsistency to private road repairs.
 - Mark M. noted the request private road repairs projects are predominantly used by non-abutters. These private roads could potentially be taken public; however, the costs could be \$10,000 to \$100,000 in additional costs, and thus, Public Works maybe keeping them private to possibly avoid additional cost.
 - Mark M. the current legislation as drafted leaves it wide open, and allows these projects to access the Sewer Construction and Private Ways Maintenance and Improvements Fund . From this, maybe there needs to be more restrictions, and that Town Council could reevaluate the fund’s uses.
 - Laura C. we don’t have a private road policy, if we continue doing this, we will start to have two classes. John S. we should reevaluate the private roads so that there is consistency.
 - Mark M. if private roads become a safety issues, Department of Public Works has \$90,000 available in their budget for emergency repairs.
 - Ralph K. the current private roads repair project for Flint and Willow Street fall into some category. These roads are going to be used for Solid Waste sticker holders and school bus transportation. Laura C. commented that these roads should be established as public roads. Cynthia C. it should also be made official.
 - Mark M. suggested we could tighten up the criteria for private road projects not being assessed betterments such as, traffic counts and abutters vs none abutters.
- On Page 6
- Ralph K. commented on DPW’s plan/design septic project, and that, we don’t know if our facility can handle additional business from the Orleans plant closer.

- Mark M. mentioned Yarmouth and Barnstable could be the only septic facilities on Cape after the closure, and that haulers may have to go elsewhere.
- Mark M. noted this septic project request is for outer years. John S. suggested we might want to consider this project in an earlier year. Mark M. commented consider maybe building a new facility instead of fixing the current one.
- Mark M. noted the Hyannis facility current handles roughly 12 million gallons of septagev a year.

CFAC voted unanimously for the subcommittee to meet and finalize the CIP Report on April 1st.

Mark M. noted Town Council would conduct its first town hearing of the CIP projects April 7th, which the School Department will go first, Information Technolgy, then Growth Management, Regulatory Services, and Airport.

4. Other matters not reasonably anticipated by the chair

5. Discussion of topics for the next meeting

The next meeting is April 11, 2016, and topics of discussion will include the \$5.2 million in unpaid property taxes, and the town's current pilot program. Mark M. commented that Barnstable Housing Authority and state own lands are the only contributors to the pilot program. Lillian W. commented that CFAC is going to receive a formal invitation by the Water Resource Advisory Committee.

6. Adjournment

List of documents handed out

1. 03.14.16 Draft Minutes
2. Standard & Poor's Bond Rating Report
3. Google Analytics Tracking handout