



Town of Barnstable Town Council

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TOWN COUNCIL MEETING

AGENDA

December 2, 2010

7:00 PM

Councilors:

Frederick Chirigotis
President

James H. Crocker
Vice President

Richard G. Barry
Janice L. Barton
Ann B. Canedy
Debra S. Dagwan
Henry C. Farnham
Janet S. Joakim
J. Gregory Milne
James F. Munafo, Jr.
John T. Norman
Tom Rugo
James M. Tinsley

Administrator:
Donald M. Grissom

Administrative
Assistant:
Barbara A. Ford

- 1. ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. MOMENT OF SILENCE**
- 4. PUBLIC COMMENT (May be limited to 2 minutes)**
- 5. COUNCIL RESPONSE TO PUBLIC COMMENT**
 - **Dennis Galvam of NStar presentation - 345 KV line**
 - **Town Council Nomination of Officers**
- 6. ACT ON MINUTES**
- 7. COMMUNICATIONS FROM ELECTED OFFICIALS, BOARDS, COMMISSIONS, STAFF, CORRESPONDENCE, ANNOUNCEMENTS AND COMMITTEE REPORTS**
- 8. ORDERS OF THE DAY**
 - A. OLD BUSINESS**
 - B. NEW BUSINESS**
- 9. TOWN MANAGER COMMUNICATIONS**
- 10. ADJOURNMENT**

NEXT MEETING: December 16, 2010

A. OLD BUSINESS

2011-028	Acceptance of the provisions of MGL Chapter 188 §66 allowing an early retirement incentive (ERI) program for the Town of Barnstable (Second reading)	3 - 4
2011-030	Reappointments to a board/committee/commission (Second reading)	5
2011-031	Appointments to a board/committee/commission (Second reading)	6

B. NEW BUSINESS

2011-032	Acceptance of a \$1000 grant from the Arts Foundation of Cape Cod (May be acted upon)	7 - 8
2011-033	Allocation of tax levy FY11-tax factor (Public hearing) (Roll-call)	9 - 10
2011-034	Allocation of tax levy FY11-residential exemption (Public hearing) (Roll-call)	11 - 12
2011-035	Allocation of tax levy FY11-small commercial exemption (Public hearing) (Roll-call)	13 - 14
2011-036	Amend the Administrative Code: Administrative Policies & Procedures (First reading)	15 - 16
2011-037	Authorizing the town treasurer to issue refund (refinance) outstanding bonds (May be acted upon)	17 - 18
2011-038	Overdraft order for FY11 snow and ice removal (May be acted upon)	19 - 20

Minutes --November 18, 2010

Please Note: The list of matters, are those reasonably anticipated by the council president, which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law. It is possible that if it so votes, the Council may go into executive session.

The Council may also act on items in an order other than they appear on this agenda.

A. OLD BUSINESS (Second reading)

BARNSTABLE TOWN COUNCIL

ITEM# 2011-028

INTRO: 11/18/10, 12/02/10

2011-028 ACCEPTANCE OF THE PROVISIONS OF CH 188 §66, ALLOWING AN EARLY RETIREMENT INCENTIVE (ERI) PROGRAM FOR THE TOWN OF BARNSTABLE

RESOLVED: That the Town Council hereby accepts the provisions of Chapter 188, Section 66 of the Acts of 2010 authorizing the establishment and implementation of an early retirement incentive (ERI) program in accordance with the provisions therewith

SPONSOR: Town Manager John C. Klimm

DATE	ACTION TAKEN
_____	_____
_____	_____

- Read Item
- Rationale
- Council discussion

Move / vote

BARNSTABLE TOWN COUNCIL

ITEM# 2011-028
INTRO: 11/18/10, 12/02/10

SUMMARY

TO: Town Council
FROM: John C. Klimm, Town Manager
DATE: October 25, 2010
SUBJECT: Approval of Town of Barnstable Early Retirement Incentive (ERI) Plan

BACKGROUND: Chapter 188 of the Acts of 2010 known as “The Municipal Relief Act” was signed into law by Governor Patrick on July 27, 2010. Section 66 within the act allows for cities and towns to establish and implement an early retirement incentive program. The CEO of the municipality shall limit the total number of participating employees, with preference given to those with greater years of creditable service, and shall have the authority to determine which eligible employees may participate in order to avoid adverse impacts on municipal operations and services. Teachers and other school department employees that belong to the Mass Teachers Retirement System are not eligible for the program.

The legislation requires the Town to submit a plan to the Public Employee Retirement Administration Commission (PERAC) for their approval. After PERAC’s approval the next step requires the approval of the Town Council. If the Town Council approves the plan it must be published to employees within one month thereafter. Interested employees then have two months to decide to participate. The Town Manager then has one month to decide which applicants shall be allowed to participate. The participating employees then have two months to retire from the notification of acceptance.

ANALYSIS: As we begin to develop the budget for fiscal year 2012, it is a likely event that staff reductions will have to be made in order to develop a balanced budget that does not rely on using reserves to pay for recurring operating costs. An alternative to employee layoffs and incurring the costs associated with those terminations is to reduce the workforce through attrition. While this program by itself may not allow the town to avoid layoffs it could mitigate any that are necessary.

The Town Manager had submitted a draft plan to the PERAC and has received their approval. The Barnstable Plan would allow up to 15 employees that have at least 20 years of creditable service retire with an additional 3 years added to their age, years of service, or a combination of both. Employees will be selected based upon seniority in classification and the operational needs of the organization. The operational needs will be determined in consultation with Department Managers.

FISCAL IMPACT: The legislation limits the filling of positions which have been vacated by employees to an amount that cannot exceed the following percentage of the total annual salary of all participants in the program; 30% in fiscal year 2011; 45% in fiscal year 2012 and 60% in fiscal year 2013. In addition, all employees who participate in the program shall forgo the right to accrued sick and vacation time and the amount that would have been paid to the retiree must be paid to the county retirement system to reduce the additional pension liability resulting from this program, which is amortized over a 10 year period.

The net savings to the Town from this program will be the annual salary and benefits paid to the retiring employee less the additional pension liability and cost incurred if any of the positions are replaced subject to the limitations mentioned in the preceding paragraph.

TOWN MANAGER RECOMMENDATION: The Town Manager recommends approval of this plan by the Town Council

STAFF ASSISTANCE: William E. Cole, Human Resources Director
Mark A. Milne, Finance Director

A. OLD BUSINESS (Second Reading)

BARNSTABLE TOWN COUNCIL

ITEM# 2011-030
INTRO: 11/18/10, 12/02/10

2011-030 REAPPOINTMENTS TO A BOARD/COMMITTEE/COMMISSION

RESOLVED, that the Town reappoint the following individuals to a multiple-member board/committee/commission:

STEAMSHIP AUTHORITY PORT COUNCIL

Robert R. Jones, 65 Pinewood Road, Hyannis, representing the Town of Barnstable to a term expiring 12/31/2012

PLANNING BOARD

David P. Munsell, 3528 Main Street, Barnstable, as a member to a term expiring 06/30/2013

ZONING BOARD OF APPEALS

William H. Newton, 101 Curlew Way, Cotuit as a member to a term expiring 06/30/2013

SPONSOR: Appointments Committee

DATE	ACTION TAKEN
_____	_____
_____	_____

- ___ Read item
- ___ Council discussion
- ___ Move/vote

A. OLD BUSINESS (Second Reading)

BARNSTABLE TOWN COUNCIL

ITEM# 2011-031
INTRO: 11/18/10, 12/02/10

2011-031 APPOINTMENTS TO A BOARD/COMMITTEE/COMMISSION

RESOLVED, that the Town appoint the following individuals to a multiple-member board/committee/commission:

PLANNING BOARD

Cheryl A. Bartlett, 230 Gosnold Street, #10A, Hyannis, as a member to a term expiring 06/30/2012

ZONING BOARD OF APPEALS

Scott M. Harvey, 47 Lewis Pond Road, Cotuit, as an associate member to a term expiring 06/30/2012

Alex M. Rodolakis, 83 Blantyre Avenue, Centerville, as a member to a term expiring 06/30/2012

SPONSOR: Appointments Committee

DATE	ACTION TAKEN
_____	_____
_____	_____

- ___ Read item
- ___ Council discussion
- ___ Move/vote

B. NEW BUSINESS (May be acted upon)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-032
INTRO: 12/02/10**

2011-032 ACCEPTANCE OF \$1000 GRANT FROM THE ARTS FOUNDATION OF CAPE COD

RESOLVED, that the Town Council hereby accept a grant award in the amount of \$1,000.00 from the Arts Foundation of Cape Cod to market and promote the Harbor your Arts Program

SPONSOR: Town Manager John C. Klimm

DATE	ACTION TAKEN
_____	_____
_____	_____

- Read Item
- Rationale
- Council discussion

Move / vote

BARNSTABLE TOWN COUNCIL

ITEM# 2011-032
INTRO: 12/02/10

SUMMARY

TO: Town Council
FROM: Jo Anne Buntich Miller, Director, Growth Management
DATE: November 15, 2010

The Growth Management Department has been awarded a \$1,000 grant from the Arts Foundation of Cape Cod. These funds will be used to market and promote the Harbor your Arts Program, a Growth Management economic development initiative, using social media, radio, print ads, brochures and web video. These funds also leverage other grant funds awarded to the Harbor Your Arts (HyA) Program. No matching funds are required for this award.

STAFF ASSISTANCE: Melissa Hersh, Arts and Culture Coordinator
GMD Economic Development Program

B. NEW BUSINESS (Public hearing) (Roll-call)

BARNSTABLE TOWN COUNCIL

ITEM# 2011-033
INTRO: 12/02/10

2011-033 ALLOCATION OF TAX LEVY FY11 – TAX FACTOR

RESOLVED, that the Town Council hereby votes to classify the Town of Barnstable under the Classification Act at a Factor of 1 (one) for the fiscal year 2011.

SPONSOR: Board of Assessors

DATE

ACTION TAKEN

- ___ Read item
- ___ Rationale
- ___ Council discussion
- ___ Move/vote

BARNSTABLE TOWN COUNCIL

SUMMARY

ITEM# 2011-033
INTRO: 12/02/10

TO: Town Council
FROM: Town of Barnstable Board of Assessors
DATE: December 2, 2010
SUBJECT: Allocation of Tax Levy FY011 – Tax Factor

BACKGROUND: According to Massachusetts General Law, Chapter 40, Section 56, of the Acts of 1982 and Chapter 79 of the Acts of 1983, the Town Council is annually charged with determining the Allocation of Local Property Taxes by the adoption of a Residential Factor; a Residential Exemption; and/or the adoption of a Small Business Exemption. These tax levy-shifting tools will not change the overall amount of money that will be raised through property taxes; rather they allow the town to shift portions of the tax levy between classes of property and/or between property owners within certain property classes. The residential factor commonly referred to as the “Split Tax Rate” allows the Town Council to create separate tax rates; one for residential property owners and a separate one for commercial, industrial and personal property owners, (CIP owners). Under a residential “Factor of 1”, all property owners would pay taxes at the same rate per \$1,000 of valuation. The single tax rate for FY2011 is \$7.28. The maximum permissible shift would increase the CIP tax rate by 150%, a CIP factor of 1.5. If the maximum 1.5 shift is adopted by the Council, the corresponding rate for the residential class would be \$6.80, while the CIP rate would move to \$10.93. This means if the maximum shift is adopted that the average residential property owner would pay 6.6 percent less in taxes and all CIP property owners would pay 150 percent more in taxes. Since 2007, the Town Council’s policy has been to select a Residential Factor of “1”. Please see tax factor information handouts provided prior to the meeting.

Board of Assessors recommends a tax factor of 1.

B. NEW BUSINESS (Public hearing) (Roll-call)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-034
INTRO: 12/02/10**

2011-034 ALLOCATION OF TAX LEVY FY11 – RESIDENTIAL EXEMPTION

RESOLVED, that the Town Council hereby votes to adopt a Residential Exemption percentage of 20% for fiscal year 2011.

SPONSOR: Board of Assessors

DATE	ACTION TAKEN
_____	_____
_____	_____

- ___ Read item
- ___ Rationale
- ___ Council discussion
- ___ Move/vote

BARNSTABLE TOWN COUNCIL

SUMMARY

ITEM# 2011-034
INTRO: 12/02/10

TO: Town Council
FROM: Town of Barnstable Board of Assessors
DATE: December 2, 2010
SUBJECT: Allocation of Tax Levy FY11 – Residential Exemption

BACKGROUND: According to Massachusetts General Law, Chapter 40, Section 56, of the Acts of 1982 and Chapter 79 of the Acts of 1983, the Town Council is annually charged with determining the Allocation of Local Property Taxes by the adoption of a Residential Factor; a Residential Exemption; and/or the adoption of a Small Business Exemption. These tax levy-shifting tools will not change the overall amount of money that will be raised through property taxes; rather they allow the town to shift portions of the tax levy between classes of property and/or between property owners within certain property classes. The Town Council can choose to adopt a “residential exemption”. The maximum exemption allowed is 20% of the average assessed value of all Class One (or Residential) parcels. This exemption would be applied to residential parcels, which are the principal residence of the taxpayer. Principal residence is a taxpayer’s domicile, that is, their fixed place of habitation, permanent home, and legal residence, as used for federal and state income tax purposes. This option shifts property taxes between residential taxpayers only and does not affect the CIP class of taxpayers. If the full 20% exemption amount is adopted, residential taxpayers whose principal residence is in the Town of Barnstable will receive a tax reduction as long as their property assessment is approximately less than \$952,000. The tax savings these property owners realize will be shifted to all non-resident property owners and residential property owners whose assessments are greater than approximately \$952,000. At the 10% level of exemption, the “break-even” valuation is \$930,000. Under this option, property tax savings are greater as the assessed value of the property declines. See the tax factor informational handouts provided prior to the meeting for analysis. The town council has voted to adopt a 20% residential exemption for the past 5 fiscal years.

Board of Assessors recommends that the residential exemption not be adopted.

B. NEW BUSINESS (Public hearing) (Roll-call)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-035
INTRO: 12/02/10**

2011-035 ALLOCATION OF TAX LEVY FY11 – SMALL COMMERCIAL EXEMPTION

RESOLVED, that the Town Council hereby votes not to adopt a Small Commercial Exemption for fiscal year 2011.

SPONSOR: Board of Assessors

DATE	ACTION TAKEN
_____	_____
_____	_____

- ___ Read item
- ___ Rationale
- ___ Council discussion
- ___ Move/vote

BARNSTABLE TOWN COUNCIL

SUMMARY

ITEM# 2011-035
INTRO: 12/02/10

TO: Town Council
FROM: Town of Barnstable Board of Assessors
DATE: December 2, 2010
SUBJECT: Allocation of Tax Levy FY11 – Small Commercial Exemption

BACKGROUND: According to Massachusetts General Law, Chapter 40, Section 56, of the Acts of 1982 and Chapter 79 of the Acts of 1983, the Town Council is annually charged with determining the allocation of local property taxes by the adoption of a Residential Factor; a Residential Exemption; and/or the adoption of a Small Business Exemption. These tax levy-shifting tools will not change the overall amount of money that will be raised through property taxes; rather they allow the town to shift portions of the tax levy between classes of property and/or between property owners within certain property classes.

The Town Council has the option of granting up to a 10% exemption to the owner of commercial property which is occupied by qualified small businesses. This option shifts property taxes between commercial and industrial property owners only. It does not impact residential or personal property taxpayers. Qualifying property must be commercial, assessed under \$1,000,000 and be totally occupied by businesses with less than 10 employees. In the prior 4 fiscal years, the Town council voted not to adopt the small business exemption.

Board of Assessors recommends that the small commercial exemption not be adopted.

B. NEW BUSINESS (First reading)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-036
INTRO: 12/02/10**

2011-036 AMEND ADMINISTRATIVE CODE-ADMINISTRATIVE POLICIES & PROCEDURES

ORDERED:

The Town Council does hereby amend Section 241-56D (3) of the Administrative Code of the Town of Barnstable as follows:

By striking out in the first sentence therein the term “4.25%” and substituting in its place the term “3.00%”.

So that as revised Section 241-56D (3) shall now read:

(3) Debt refinancing. An advance refunding of outstanding debt shall only be considered when present value savings of at least 3.00% of the principal amount of the refunded bonds are produced, unless: (a) a debt restructuring is necessary or (b) bond covenant revisions are necessary in order to facilitate the ability to provide services or to issue additional debt. An analysis shall be conducted when necessary to determine whether debt financing, cash purchase, or leasing is the most cost effective method of financing for the Town.

SPONSOR: John C. Klimm, Town Manager

DATE	ACTION TAKEN
_____	_____
_____	_____

- ___ Read Item
- ___ Rationale
- ___ Council discussion
- ___ Move / vote

BARNSTABLE TOWN COUNCIL

ITEM# 2011-036
INTRO: 12/02/10

SUMMARY

TO: Town Council
FROM: John C. Klimm, Town Manager
DATE: November 22, 2010

- A 4.25% threshold, while it's not necessarily outdated, may be too ambitious given the fact that the rates on the Town's bonds that can be refunded are already at historically low rates.
- The higher threshold is more reflective of when rates were higher and there was more opportunity to wait for rates to lower. Current rates are not expected to further decrease appreciably, and if anything, are expected to rise.
- It's possible for the Town to wait and hope rates either stay low or even decrease in the next couple of years, and if that were the case, the 4.25% threshold might be met but by that time the savings might be reduced because the Town would have meanwhile continued to pay off our debt at the higher rates.
- In the current market, 3% is the minimum and general standard for local issuers.

Even if the present value is lowered, we would still consider a number of other factors before doing a refunding, including the present value savings threshold. Other factors include the savings versus the cost of effecting the refunding, and the so-called "negative arbitrage", if any, of the issue. Negative arbitrage represents the amount of savings that could be achieved if the investments of the escrow fund set up to effect the refunding could earn the yield permitted under federal tax law for the issue. So, investment rates, the direction of interest rates, the time to the call date, the issuance of other new money debt and the possibility for consolidation, are all additional considerations that factor into a decision whether or not to do a refunding.

TOWN MANAGER RECOMMENDATION: The Town Manager recommends favorable action.

STAFF ASSISTANCE: Debra Blanchette, Town Treasurer

B. NEW BUSINESS (May be acted upon)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-037
INTRO: 12/02/10**

2011-037 AUTHORIZATION TO REFUND GENERAL OBLIGATION BONDS

ORDERED: That in order to reduce interest costs, the Treasurer, with the approval of the Town Manager, is authorized to issue refunding bonds, at one time or from time to time, pursuant to Chapter 44, Section 21A of the General Laws, or pursuant to any other enabling authority, to refund all or any portion of the Town's general obligation bonds outstanding as of the date of the final passage of the Order, and that the proceeds of any refunding bonds issued pursuant to this Order shall be used to pay the principal, redemption premium and interest on the bonds of the Town to be refunded, and costs of issuance of the refunding bonds; and that the Treasurer is authorized to execute such documents as may be necessary or desirable to carry out this transaction, including one or more refunding trust agreements with a bank or trust company.

SPONSOR: Town Manager John C. Klimm

BARNSTABLE TOWN COUNCIL

SUMMARY

ITEM# 2011-037
INTRO: 12/02/2010

TO: Town Council
FROM: John C. Klimm, Town Manager
DATE: November 22, 2010
SUBJECT: Refunding General Obligation Bonds

BACKGROUND: As a general matter in the bond market, blocks or lots of bonds maturing in the early years are charged lower rates of interest at the time of sale while those maturing in the later years are charged a higher rate of interest at the time of sale. As economic conditions change, so do interest rates. The Treasury is always alert to opportunities to refund (refinance) outstanding bonds to achieve future interest savings.

ANALYSIS: Authorization of this item will position the Town to act quickly to changing economic conditions that may result in interest savings on the Town's outstanding general obligations bonds. As with any other borrowing authorization, this refunding authorization will not be effective until 30 days after its final passage. The Town is actively researching this opportunity and will initiate a refunding if the market conditions warrant such action.

FISCAL IMPACT: Impact will be favorable to future annual debt service. The issuance costs associated with any refunding will be factored into projected savings and are paid for from a premium charged to the buyer of these refunded bonds at the time of sale.

TOWN MANAGER RECOMMENDATION: The Town Manager recommends favorable action.

STAFF ASSISTANCE: Debra Blanchette, Town Treasurer

B. NEW BUSINESS (May be acted upon)

BARNSTABLE TOWN COUNCIL

**ITEM# 2011-038
INTRO: 12/02/10**

2011-038 FY11 SNOW AND ICE REMOVAL OVERDRAFT ORDER

ORDERED: That pursuant to Chapter 44, Section 31D MGL, which provides for the ability of the Town to incur liability and make expenditures for any fiscal year in excess of appropriation for snow and ice removal; the Town Council approves expenditures in excess of available appropriation for snow and ice removal for fiscal year 2011, subject to further approval action by the Town Manager

SPONSOR: Town Manager John C. Klimm

DATE	ACTION TAKEN
_____	_____
_____	_____

- Read Item
- Rationale
- Council discussion
- Move / vote

BARNSTABLE TOWN COUNCIL

ITEM# 2011-038
INTRO: 12/02/10

SUMMARY

TO: Town Council
FROM: John C. Klimm, Town Manager
THROUGH: Mark S. Ells, Director
DATE: December 2, 2010
SUBJECT: Snow and Ice Overdraft

BACKGROUND: It is customary to approve an overdraft authorization to ensure that snow and ice operations are not interrupted or suspended when the amount contained in the regular appropriation for this purpose is expended. For FY 2011, the Town appropriated \$600,000 for this purpose.

ANALYSIS: Chapter 44, Section 31D, MGL provides in part that “any city or town may incur liability and make expenditures in excess of available appropriations for snow and ice removal provided that such expenditures are approved by the city manager and the city council in a city having a city manager....; provided, however, that the appropriation for such purposes in said fiscal year equaled or exceeded the appropriation for said purposes in the prior fiscal year. Expenditures made under authority of this section shall be certified to the Board of Assessors and included in the next annual tax rate.”

FISCAL IMPACT: The Town annually appropriates \$600,000 for said purpose. In FY2010 the total expended was \$1,209,486.

Expenditures for preceding years were as follows:

FY09	\$1,224,585.00
FY08	\$ 750,528.53
FY07	\$ 322,683.99
FY06	\$ 668,803.13
FY05	\$1,933,038.52
FY04	\$ 684,228.35
FY03	\$ 835,604.02
FY02	\$ 196,711.06
FY01	\$ 209,189.48
FY00	\$ 344,584.00
FY99	\$ 656,097.22
FY98	\$ 108,226.00
FY97	\$ 380,145.00
FY96	\$1,130,160.00
FY95	\$ 139,362.00
FY94	\$ 801,485.00

TOWN MANAGER RECOMMENDATION: The Town Manager requests favorable action.

STAFF ASSISTANCE: Mark S. Ells, Director, Department of Public Works