



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

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CFAC Committee:

Chair:

Lillian Woo

Members:

Vice Chair, Ralph Krau
Clerk, Hector Guenther
John Schoenherr
Melanie Powers
Tracey Brochu
Wendy Solomon
Chuck McKenzie
Adam Carter

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

5.24.21

6:00 PM

Zoom Meeting : <https://zoom.us/j/94394894672>

Meeting ID: 943 9489 4672

Roll Call:

Lillian W. called the CFAC Zoom meeting to order at 6:00 PM. Hector G. called the roll call.

- CFAC Members Present: Lillian Woo, Adam Carter, Hector Guenther, Melanie Powers, Tracey Brochu, Wendy Solomon, and Chuck McKenzie
- CFAC Members Absent: John Schoenherr and Ralph Krau
- Councilors Present: Paul Neary and Gordon Starr
- Staff Present: Mark Milne; Finance Director, Nathan Empey; Finance/Budget Analyst
- Other Present: None

Act on Minutes:

The following minutes were approved by unanimous vote:

05.10.2021

Public Comments:

None

Correspondence:

Mark M. noted given that the Governor is lifting the public health emergency requirements effective June 15th, the committee can begin meeting in person. Our June 14th meeting will be the last meeting conducted via Zoom, so we'll be back in person June 28th. Mark M. noted we'll be back to meeting in the Planning & Development conference room. Mark M. noted the Town Manager does have authority to authorize remote participation, but in order to do so it would have to be for the entire town. Mark M. noted that even if the remote option was made available, it would still require a quorum of the committee to be physically present as well as the Chair to be physically present, and that anyone seeking remote participation has to have a legitimate reason not being able to attend in person.

Old Business:

None

New Business:

The Operating Budget subcommittee has prepared their final draft to be submitted to the Town Manager and Town Council.

Comments & Takeaways

Lillian W. noted there are some changes to the figures in the document on page 2 under projected revenues. Proposed FY 2022 Operating Budget which includes the General Fund, we'll put in parenthesis (\$182,529,832) and Enterprise Fund (\$30,489,747). On line two, the projected budgeted will be \$213,019,578 for all appropriated funds. On line three, change the increase over the FY 2021 budget to \$3,719,801, and a 1.78% increase. Lillian W. noted the other change under Enterprise Funds; we'll add a note that these figures include a one-time reimbursement back to the General Fund.

Hector G. noted it was an excellent report, but noted on page 3 it references Vineyard Wind making a significant contribution. Hector G. asked do we have any way of putting a range for possible contributions to new tax revenues? Mark M. noted they are just beginning this project, so we don't know the exact value of the infrastructure, however, we do have a host community agreement that will provide the town up to \$1.5 million a year in a combination of property taxes and host community payments. Mark M. noted for example, if the value of the infrastructure provides a \$1 million in property tax revenue, then the host agreement would be \$500,000. Mark M. noted the host community agreement will total \$16 million over the life of the agreement. Hector G. asked can we add a sentence that references this arrangement? Melanie P. also agreed adding this context would be helpful. Mark M. noted he could reference what is in the Vineyard Wind host agreement in the report. Lillian W. summarized the two things to be added will be the new growth tax revenues that would range \$1 million to \$500,000, and add a sentence that talks about the host fee.

Committee voted to add this language to the document: Yes Chuck, Lillian, Wendy, Tracey, Melanie, Adam, and Hector.

Lillian W. noted on page 4 the education 48% is going to be broken out 41% local education and 7% transfers.

Tracey B. noted second paragraph under summary were it says "surprise 2020 global pandemic" I don't think we want to call it a surprise. Melanie P. noted we could just say "global COVID-19". Hector G. noted we could just remove the years all together.

Hector G. noted in the final paragraph that references CFAC's continued support of priority ranking of expenditures, what are we trying to say "in perpetuity"? Chuck M. responded that is a direct reference out of a prior report, if we supported something in a prior year, we would continue to support it. Chuck M. recommended getting rid of the comma after "FY 2022" and "recovery", and adding parentheses in the sentence from "due" to "recovery". Chuck M. noted the 2022 rationale is pandemic driven, and the perpetuity is not.

Lillian W. noted under enrollment, we need to add the word "it" before "actually" on line four. Melanie P. noted we should take out the word "while".

Hector G. noted on page 10 that refers to the CARES Act grant, I suggest we put in the amount for the reader. Hector G. asked how much is the grant and is it a multiyear grant? Mark M. responded yes, it was \$17.9 million and available until year 2024.

Hector G. asked does the transfer tax that people pay in the town of Barnstable go to Barnstable County? Lillian W. noted we do not have the same transfer tax as they do in Nantucket and Martha's Vineyard. Mark M. noted there is a tax associated with the Community Preservation Fund, and this transfer tax goes to the state, and then gets redistributed by a predetermined formula. Mark M. noted places such as Nantucket and Martha's Vineyard have special legislation approved to create additional property transfer taxes to fund specific purposes. Lillian W. noted she thinks the special legislation is for open space. Hector G. supports the idea of this new transfer tax in Barnstable. Lillian W. noted the municipal water investment infrastructure fund is also a possibility as it already has been passed by state statute, and if the town council and the voters approve it, we can have a surcharge up to 3% on each parcel of taxable real-estate. Lillian W. noted this would be for water, wastewater, and storm water. Hector G. noted in the second sentence, you can delete "price of a home sale price", you don't need the second price.

Lillian W. wanted to thank the whole committee for all their suggestions.

Committee voted to approve the CFAC Operating Budget Report for FY 2022: Yes Melanie, Chuck, Lillian, Adam, Wendy, Tracey, and Hector.

Mark M. noted for the next meeting on June 14th CFAC can prepare its annual Financial Overview Report.

Matters not reasonably anticipated by the chair:

Lillian W. noted at the Town Council meeting last Thursday, the sewer assessment was discussed and they voted to decrease the assessment from \$17,000 to \$10,000. Lillian W. noted there are also other amendments. Hector G. noted that is a significant change and asked what the thinking behind it was? Paul N. responded that there has been a lot of push back in his' precinct, which there are a lot of folks on a fixed budget. Paul N. noted he is hoping to show an effort to try and find a creative way to save some money in the budget in order to really fund this plan. Paul N. noted as we move into the middle part of the capital plan, there is going to be a tremendous amount of capital cost to keep this thing going. Paul N. noted we can try and ear mark a fixed amount to help pay for the sewer, as the initial amount by these residents is really only a fraction of what it is going to take to fund this plan. Paul N. noted if you look at the debt exclusion amounts, it basically just comes down to only 5% of the total project cost. Paul N. noted if we could just look at all areas in the town budget, so that we can start earmarking additional funding for this plan. Paul N. noted he also hopes money will come from the federal or state to help fund this plan. Paul N. noted as we work down this path there will be some funding that we can rely on. Paul N. noted his' fear is for the residents who can't afford this. Paul N. noted there was a lot of discussion about the benefits, but felt it was tied into the higher sewer assessment. Paul N. noted the connection cost is something that you can't put a number on, and those costs are going to vary greatly. Paul N. noted our hope is that we have a \$200 million budget, and that there has to be some monies that we could manage or postpone or do some things a little bit better to come up with some kind of solution. Tracey B. noted she thought the lower sewer assessment level was \$13,000 and not sure where the \$10,000 came from? Paul N. noted there has been a

lot of push back on what a Title 5 system would cost, but we can't put those systems in. Paul N. noted there is a lot of value with the newer roads, but not aware of the higher or lower numbers. Hector G. noted the committee looked at a presentation from Mark M. in January, and that there was a range of sewer assessments. Lillian W. noted there was a council meeting for \$13,000 as a midway point, but it was voted down. Lillian W. noted the committee is going to look for plugs such as possible new sources of revenue. Lillian W. noted the municipal water investment fund allows the town to establish a special revenue fund for the maintenance and investment of municipal water, wastewater, and storm water. Lillian W. noted we can assess up to 3%, and maybe the Town Council and administration would like to discuss it. Paul N. noted he has a property on Martha's Vineyard, and they assess every real-estate transaction 2% to buy open space. Paul N. noted that would have to be voted on by the legislature. Gordon S. noted he hoped at some point we could come up with some safety net for those who are going to be stressed by this plan. Tracey B. noted the cost of the plan overtime is going to rise. Mark M. noted the ordinance council looked at does allow for the assessment to be adjusted for inflationary cost, but it needs the approval of Town Council. Mark M. noted there are safety nets in place currently for residents with a failed septic system; we are offering assessment costs to be amortized over 30 years for residents, or ten years longer than installing a septic system. Mark M. noted we also allow certain qualifying homeowners to defer the assessment until they transfer the property. Mark M. noted thirdly, there is a circuit breaker state tax credit available for qualifying tax payers up to 40% of the cost of connection. Mark M. noted there are some safety nets for this very expensive program.

Adjournment:

Meeting adjourned

List of documents handed out

1. 05.10.21 draft minutes
2. CFAC Operating Budget Report draft for FY 2022