



The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)

367 Main Street, Village of Hyannis, MA 02601

v. 508.862.4654 • f. 508.862.4717
www.town.barnstable.ma.us
Email: cfac@town.barnstable.ma.us

CFAC Committee:

Chair:

Lillian Woo

Members:

Vice Chair, Hector Guenther
Clerk, Chuck McKenzie
John Schoenherr
Melanie Powers
Tracey Brochu
Wendy Solomon
Ronald Fone

Staff Liaison:

Mark Milne
Nathan Empey

Councilor Liaison:

Paula Schnepf

MEETING MINUTES

01.24.22

6:00 PM

Zoom Meeting : <https://zoom.us/j/97393564080>

Meeting ID: 973 9356 4080

Roll Call:

Chair Lillian W. called the CFAC Zoom meeting to order at 6:00 PM. Clerk Chuck M. called the roll.

- CFAC Members Present: Lillian Woo, Melanie Powers, Ronald Fone, Hector Guenther, John Schoenherr, and Chuck McKenzie
- CFAC Members Absent: Wendy Solomon and Tracey Brochu
- Councilors Present: None
- Staff Present: Mark Milne; Finance Director, Nathan Empey; Finance/Budget Analyst, Katie Servis, Cape Cod Gateway Airport Director
- Other Present: None

Act on Minutes:

The following minutes were approved by unanimous vote:

01.10.2022

Public Comments:

None

Correspondence:

Vice Councilor Paula S. noted we're in the beginning of the budgetary season, which regulatory agreements are coming before the council for approval. From this, there would also be some significant changes to the downtown zoning. Vice Councilor Paula S. noted these may not have an immediate financial impact, but they will probably provide some future new growth dollars. Vice Councilor Paula S. noted we are also continuing discussions on the Comprehensive Wastewater Management activity, which the CWMP financial situation is dynamic and our sense of urgency for finding additional financing may be pushed off for a little bit of time. Vice Councilor Paula S. noted we anticipate a full council meeting sometime in March regarding our status of the CWMP. Vice Chair Lillian W. responded these discussions would include the council's previous discussions on how to finance the CWMP. Vice Councilor Paula S. responded that is correct.

Staff Report:

Director Mark M. noted the town charter requires our financial statements be audited every year, which the audit was completed by the end of December and the Annual Comprehensive Financial Report has been issued. Director Mark M. noted we received an unqualified opinion on the financial statements, which indicates the town's financial statements fairly state the town's financial condition. Director Mark M. noted a few highlights include: cash and investments balance increased \$57 to \$69 million, receivables and other assets decreased \$17 to \$13 million as we had a very good year on tax collections, total General Fund balance increased from \$50 to \$56 million, outstanding debt increased by almost \$12 million, more than half of the bonds issued were from Massachusetts Clean Water Trust financing, and we also spent \$30 million on capital assets. Director Mark M. noted our Other Post-Employment Benefits went down from \$190 to \$132 million because of changes to the actuarial calculations by increasing the discount rate in the assumptions, which OPEB is mainly health insurance for employees. Clerk Chuck M. asked how often does the discount rate funding decisions change compared to capital markets? Director Mark M. responded funding decisions is part of it.

New Business:

Airport Director Katie S. presented the Cape Cod Gateway Airport FY2023 capital projects with the committee. Director Katie S. noted Town Council appoints the seven-member airport commission, which every airport in the state of Massachusetts has a commission. Director Katie S. noted the airport commission appoints the airport director. Director Katie S. noted a recent MassDot Aeronautic Economic Impact Analysis was conducted, which determined the regional economic output due to the Cape Cod Gateway Airport is in excess of \$157 million. Director Katie S. noted the airport has been able to leverage over \$76 million in grant funding to implement a number of capital projects. Director Katie S. noted the airport participates in Federal Aviation Administration (FAA) sponsored programs, which is tied to how many passengers we serve on an annual basis. Director Katie S. noted the cost share is usually 95% (Federal and State) and 5% local share; however, the aeronautics safety and maintenance program through the State is 80% and 20% local share. Director Katie S. noted the FAA allows the airport to carryover unused grants funds for three years.

Director Katie S. noted the airport FY2023 capital program totals \$2.7 million and it is anticipated that \$1.4 million of the cost will be funded through Federal and State grants. The five-year capital plan between FY2023 through FY2027 totals \$57 million, which \$50 million is anticipated to be covered through Federal and State grants. Director Katie S. noted aside from the usual capital grants received annually, the airport is a recipient of \$21 million in grants from the Coronavirus Aid, Relief, & Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA), American Rescue Plan Act (ARPA), and Bipartisan Infrastructure Law. As of FY2021, the airport certified cash reserves were \$6.2 million, and with the help of these grants, reserves continue to grow.

Director Katie S. noted the first capital project request is for \$978,000 to replace the Aircraft Rescue and Firefighting vehicle. Parts for this vehicle are no longer being manufactured. The airport staff is first responders to emergencies at the airport before the fire department, which makes this vehicle replacement a high priority project for us. It is anticipated that 95% of the project will be funded through Federal and State grants and 5% from local share.

The next project request is for PFAS monitoring for \$105,000. Director Katie S. noted that in the event of an airport burning accident, we can't just use water, and that we need to use a chemical agent that smothers the fire. FAA regulations currently require the use of Aqueous Film-Forming Foams (ARFF). Director Katie S. noted ARFF chemicals are great for fighting a fire; however, it also includes chemicals that pollute drinking water. Director Katie S. noted the airport has been working with the Massachusetts Department of Environmental Protection Agency (DEP) and Town Manager to look for mitigation for our PFAS impacted areas. Director Katie S. noted the CIP does include several years funding for this effort, however, we are unable to get FAA and State funding for PFAS projects. This project includes soil testing and mitigation. Director Katie S. noted that 2 acres have currently been identified as areas with PFAS contamination. Director Katie S. noted we used to test the ARFF equipment by spraying the chemical on the ground, however, going forward the only time we will spray foam is if an aircraft requires it. Director Katie S. noted the airport hasn't had to spray foam since 2016. In addition, the airport has permanently capped the know PFAS contaminated areas so that rainwater can no longer get into that soil.

Director Katie S. noted that last project request is for \$1,200,000 to replace the Mo Gas and Diesel Fuel Tanks. It's a above ground concrete fuel tank and is getting old. We are also going to connect an emergency generator to this tank. Fuel is the airport's number one source of revenue, so we want to make sure we can still provide fuel when there is a power outage. FAA will cover 80% of the project cost and 20% local share.

Melanie P. asked does the payroll figure presented include the tenants at the airport? Director Katie S. responded it does include the tenants. Melanie P. asked is there a public communication budget for the PFAS mitigation at the airport? Director Katie S. responded there is, which we have just hired a media relation person at the airport. Director Katie S. noted we have been working with the town and DEP, and with a consultant to ensure that the right information is going out to the community. Director Katie S. noted we also have a lot of information that is posted on DEP's website, which we started reporting on the soils in 2016. Vice Chair Hector G. asked what are the terms of spending the CARES Act grant? Director Katie S. responded it is a reimbursable program related to COVID and allows the airport to take out normal operating cost. Director Katie S. noted this is why the airport is able to build up its reserves, for example, jet fuel purchases are a reimbursable item. Vice Chair Hector G. asked is there a deadline to use these funds? Director Katie S. responded there is a four-year deadline. Director Katie S. noted the airport would use all of the \$17 million CARES Act grant funds well before the expiration date. Vice Chair Hector G. noted this CARES Act grant is a real plus for the airport. Director Katie S. responded it has been and that many things happened at the airport during COVID as we experienced 90% of airline traffic plummeted. John S. asked is the runway extension project being mandated or is it to open up new opportunities? Director Katie S. responded that project has been in the airport master plan since 1991, and that we have a lot of air traffic that use the airport under reduced passenger and fuel load capacity because of the size of our runways. The runway extension was advanced in this new airport master plan, but it has to go through an environmental process and meeting all of our requirements from a federal standpoint. Director Katie S. noted this runway extension is hoping to accommodate existing and future fleets. Chair Lillian W. asked under the American Rescue Plan Act, do you have the same flexibility as the CARES Act. Director Katie S. responded we do, but under the ARPA it has been earmarked for concessions as we have certain tenants under a minimum annual guarantee agreement. These tenants based on lease agreements have a minimum annual guarantee, but during COVID, their numbers dropped considerably. The Federal Government recognized that, so they allow for some concession relief. Chair Lillian W. noted that the airport has seen an increase in fuel sales, but doesn't the country have a fuel shortage? Director Katie S. noted we did experience a fuel shortage, but only because of the availability of drivers to get the fuel to the airport.

Chair Lillian W. noted CFAC is very interested in what is happening at the Cape Plaza. Director Katie S. noted WS Development has provided an overview, and that their biggest concern is to make sure that they have an anchor store,

because it would really draw in the remainder of the retail into that area. Director Katie S. noted WS Development is working with the Planning & Development to work on the permits that are needed to renovate the space, which will be done in phases. Director Katie S. noted you'll see a lot of movement within the next twelve months. Clerk Chuck M. asked since the fuel is the number one revenue source, is it profitable? Director Katie S. responded it is profitable and that we are trying to make it more profitable. Our number two revenue source is land leases. Director Katie S. noted we just modified our fuel rates to provide more flexibility in what we charge for jet fuel sales. Clerk Chuck M. asked does the airport target a split between general and commercial aviation? Director Katie S. noted we'll make more money off our aviation, however, we have an airport that does not provide what the community needs. Director Katie S. noted if the community could fly out from our airport rather than go to Boston or Providence, then we would be an ideal regional airport to provide that opportunity. Director Katie S. noted we are working with a marketing group to entice those airlines to come to our airport. Vice Chair Hector G. asked what percentage is prop airplanes compared to jet? Director Katie S. responded about 80% jet.

Old Business:

None

Matters not reasonably anticipated by the chair:

None

Adjournment:

Meeting adjourned

List of documents handed out

1. 01.10.22 draft minutes
2. FY23 CIP CFAC Cape Cod Gateway Airport Presentation