



# The Town of Barnstable

## Comprehensive Financial Advisory Committee (CFAC)

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### CFAC Committee:

#### Chair:

Lillian Woo

#### Members:

Vice Chair, Hector Guenther  
Clerk, Chuck McKenzie  
Jacky Johnson  
Neil Kleinfeld  
Chris Lauzon  
Wendy Solomon

#### Staff Liaison:

Mark Milne

#### Councilor Liaison:

Paula Schnepf

### MEETING MINUTES

## Comprehensive Financial Advisory Committee – Operating Budget Sub-Committee Meeting

04.19.2023

6:00 PM

**Zoom Meeting:** <https://townofbarnstable-us.zoom.us/j/87639126108>

**Meeting ID:** 876 3912 6108

- CFAC Members Present: Lillian Woo, Jacky Johnson, Chris Lauzon, Neil Kleinfeld, Hector Guenther and Chuck McKenzie
- CFAC Members Absent: Wendy Solomon,
- Councilors Present: Betty Ludtke and Kris Clark
- Staff Present: Director of Finance, Mark Milne
- Other Present: None

#### Act on minutes:

No minutes to approve at this time.

#### Public Comment

None

## First Draft of Committee's FY 2024 Operating Budget Report - Welcome and purpose of review provided by Chuck.

### Introduction and Methodology:

- Updates for FY24 completed.
- Links will be updated by Mark.
- Revenue: Numbers provided by Mark and updated and once the report is completed should match the remainder of the document.

### General Fund:

- New data entered for FY24; table updated to reflect the five (5) year fiscal outlook. Mark will review the percentages and numbers; once the budget is completed, they can be incorporated into this document. A change in accounting is being made for Intra fund transfers.
- Clarification: Property taxes generated from Kmart Plaza revenue go into the General Fund; the lease payments go to the Airport Enterprise Fund.
- 5<sup>th</sup> line in the 4<sup>th</sup> paragraph should be Prop. 2 ½
- Vineyard Wind has just been billed for their FY23 payment that is due under the host community agreement; that payment is due Mid-June.
- Page two (2) under Methodology needs to have irrelevant sentences removed and the remainder re-worded.
- Clarification: Foundation aid is a category of aid under the Chapter 70 aid State aid for education formula. When the foundation budget goes up more than what your local contribution requirement is they fill the gap with what is called foundation aid.

### Expenditures:

- Minor grammatical editing
- Transposition of numbers in the first paragraph.
- Keeping the reference to COVID should remain in this segment.
- Discussion about inflation inclusion and COVID references may require re-wording to sync with the concept of changes.
- Clarification: Showing the amortization of the debt from sale of bonds; with hundreds of outstanding loans the schedule is large and is included in the back of the budget document. It is also within the Capital Improvement Plan (CIP), it can be removed from this section.

### School Department

- Following Mark's recommendation to provide more detail on both Chapter 70 aid and the Student Opportunity Act, the summary speaks of the importance of both of those pieces and contains pertinent information and would be appreciated by readers. Neil requests for both Mark and School to review this content.
- More than half the increase is due to salaries and cost of living, imbedded inflation according to contracts. Additional increases are attributed to English Language Learners (ELL) as well.
- The biggest drive for the increase was the reduction in the contribution to the foundation budget that the town needs to make. Mark explains how and where those formula calculations and changes come from.
- Language around Chapter 70 will be worked on, suggest starting with 'The Chapter 70 aid does not cover all of the school budget because...'
- Page nine (9) table needs to have the numbers updated / corrected / verified. The amount of federal grants and state aid for school nutrition is not insignificant.
- Special Education (SPED) receives additional funding from the state.
- Barnstable also has an internally developed Crossroads program for students with specialized services and keeping them out of a residential placement program.
- The chart data identifies the additional costs per student for those who are either Economically Disadvantaged, ELL's, or SPED.

- Cost deficiencies reviewed including active solicitation of grants.
- The school will be working with a demographic consultant who will be used for future forecasting.
- The fastest growing source of funds is state aid. Neil asks what CFAC can do to help the Town Council, the Town, and the School to ensure that stays high.
- Moving this chart to the General Fund section as well as starting the language around state aid will set the stage for the data that follows.
- Members are asked to think about and share ideas on how CFAC can best advise the town. Mark speaks to the susceptibility of economic downturns.

#### DPW

\*\* Jacky excuses herself from the meeting.

- Language summarizes the operating budget, after CFAC meets with DPW additional information will be implemented into this section.

#### CWMP

- Once updated information is ready it will be implemented into this section.
- CWMP's funding sources come from non-user rates and will be folded into the Water Pollution Control Sewer Enterprise Fund (SEP).

#### Police:

- As many updates as possible have been completed, further data will be further updated after CFAC meets with Police.
- School Resource Officers will likely be added language.
- The inclusion of a chart will follow the formatting of the rest of the document and provide a quick glance of the costs.

#### Enterprise Funds

- Minor grammatical editing
- The newest data has been incorporated.
- Airport funding has seen large changes because of the Cares Act grant, and jet fuel costs. Each Enterprise Fund has a built-in charge back for services provided by non-Airport staff, and that goes back to the General Fund. Allocations also include pension funding and insurance. The lease payments from the properties in Kmart Plaza have seen a huge increase because of the latest renegotiated leases. The Property taxes associated with this site go to the General Fund.
- Enterprise Fund law prohibits funds going to the General Fund that are unassociated with that operation.
- Sandy Neck Enterprise Fund is still paying debt service on the capital project for the bath house. Unless federal or state grant funds can be obtained for the future major project of relocating the gatehouse and main access road it is possible fee increases will be seen.

#### Fixed Costs

- These costs are taken out of the General Fund before the net revenue is used for municipal and school budgets. Showing the source of funding for fixed costs would be more beneficial for readers unfamiliar with the process. Mark will provide a table with that information.

#### Looking Ahead

- Mark has confirmed the CWMP resources have remained constant.
- Property tax override portion will be replaced with language as to why this is no longer applicable. Chuck will draft language for Mark to verify and approve.

Discussion: Water and the budget:

Sewers, water supply, clean drinking water, and the CWMP is such a huge part of the budget. The Town's plan is to submit these projects to the State Revolving Loan Fund for financing them at low interest rates and possible subsidies, but the cost will be reflected in future user rate charge increases that will have to be implemented. This doesn't include the forever chemical treatments yet. CFAC may want to research and raise the issue of clean water coming in and going out as an important issue.

Chuck will go through implement the changes and formatting, also anticipating the additional changes after the department presentations in the next few CFAC meetings.

The next regular CFAC meeting is scheduled for April 24th.

Agenda: Discussion on FY 2024 Police Department Budget

Discussion on FY 2024 Public Works Department Budgets – General Fund and Enterprise Funds

After the April 24th meeting, Chris will adjust his draft and submit it to Chuck; Mark will provide all the requested updates.

The next Subcommittee meeting will be on May 1<sup>st</sup> so the latest information can be incorporated.

The final document will be distributed before the next full CFAC meeting on May 8<sup>th</sup>.

The final document will need to be ready by May 15<sup>th</sup>.

Meeting adjourned at 7:42pm

Respectfully submitted.

Theresa M. Santos



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Operating Budget Sut

Attachment: