



# The Town of Barnstable

Comprehensive Financial Advisory Committee (CFAC)  
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**CFAC Committee:**

**Chair:**

Lillian Woo

**Members:**

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

**Staff Liaison:**

Mark Milne  
Nathan Empey

**Councilor Liaison:**

Paula Schnepf

## CFAC Report

### Comprehensive Wastewater Management Plan (CWMP)

### Financial Management Plan

Approved February 8, 2021

## INTRODUCTION

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In accordance with the Town of Barnstable Charter, Part VI, Section 6-2 and Chapter 241-18 of the Administrative Code, the Comprehensive Financial Advisory Committee (CFAC) submits its review, comments, and recommendations for CWMP Financial Management Plan and proposed amendment to Chapter 184 Sewers and Water of the General Ordinances with a new Article II “Sewer Assessments”.

CFAC's advisory responsibilities do not include evaluation or recommendations of fiscal policy. Fiscal policy is the responsibility of the Town Council and Town Administration. Fiscal policy is directly governed by the Town Council. However, based on the positive response to CFAC's Fiscal Policy Reevaluation for FY 2022 submitted in July 2020 to Town Council and Town Administration, CFAC has been asked to review and comment on the fiscal policy considerations for CWMP. CFAC appreciates the opportunity to review and comment on the proposed CWMP Financial Management Plan and the sewer assessment ordinance drafts.

## CFAC REVIEW AND COMMENTS

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### **Decision Point- General Fund Contribution**

Since the fall of 2020 CFAC has discussed three possible options: 1) municipal stabilization funding through a property tax override, 2) debt exclusion override, and 3) fund CWMP from the existing tax levy by reducing the existing operating and capital budgets. Options 1) and 2) would require 2/3 Town Council approval before it could be presented for a referendum vote by property owners. In its Financial Policy Review for FY 2022 submitted to Town Council and the Town Manager in October 2020, CFAC supported funding that and it will provide property owners confidence that these funds will be appropriated solely for CWMP.

CFAC position: At its January 11, 2021, meeting CFAC reconfirmed its position and unanimously supported the use of the debt exclusion override to fund CWMP.

CFAC believes that referendum approval by the 17,000 non sewerer properties in this first phase of the project will be a very big challenge.

### **Decision Point- Sewer Assessment**

CFAC's discussion of the sewer assessment involved the central issues of tax policy: fairness and equitability. Discussion issues included: ability to pay, benefit received, clarity, impact on both the property owner and the Town's General Fund, and the maximum sewer assessment that would be equitable, transparent, and fair.

CFAC position: CFAC supports a sewer assessment of \$17,000 per property owner.

### **Decision Point-Interest Rate to Apply on Sewer Assessments**

CFAC position: CFAC unanimously supports a sewer assessment annual fixed interest rate no greater than two percent (2%) above the borrowing costs the Town incurs on the loan.

### **Decision Point- Will the Town Include a Connection Program?**

CFAC position: CFAC supports Town management of the hook-up program, using the construction contractor, and including “one-stop” connection and regulated closure of septic systems.

### **Decision Point- Will a Systems Development Charge be Implemented?**

CFAC discussion: Even though the proposed fee of \$1,600 would offset a portion of the infrastructure costs, the systems development charge- as a standalone fee- can be absorbed by the General Fund and would not detract from or be confused with the bigger sewer assessment charge when it is imposed.

CFAC position: Eliminate the proposed systems development charge.

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### **CONCLUSION**

CFAC appreciate the opportunity to provide Town Administration and Town Council with its independent assessment of the CWMP Financial Management Plan and Sewer Ordinance.

CFAC hopes that its comments and positions will be helpful when Town Council makes its fiscal decisions. We extend our willingness to help in this process whenever Town Administration and Town Council feel it would be beneficial.

Town Finance Director Mark Milne and Finance/Budget Analyst Nathan Empey always provide the complete information; experience, insights, and assistance that CFAC needs to fulfill its responsibilities. CFAC extends its appreciation to them.