

RECEIVED *SM*
2019 OCT 23 PM 12:00
DENNIS TOWN CLERK

PRESENT: Chairman Plath, Members Prall, Crowell, McDowell, Murphy

BOS: Chairman Chris Flanagan, Members Terrio, McMahon, Mezzadri, Lambton

STAFF: Finance Director Gibbs, Town Administrator Liz Sullivan

ABSENT: Members Stone, Baroni

Chairman Plath opened the workshop at 5:21pm.

FINANCIAL WORKSHOP

- ESTIMATED FREE CASH CALCULATION

Ms. Gibbs shared that this is very estimated at this time since it has not gone to the Department of Revenue to be certified. MaryAnne reviewed her calculations for how she arrived at her Free Cash. She anticipated there will be \$4,034,864.15. Chairman Plath confirmed that for the last few years the Town has set aside \$1million so really there would be \$3,034,864.15 in Free Cash available.

- REVENUE BUDGET VS ACTUAL BUDGET – FY2019

Ms. Gibbs passed out corrections. This was an overview of the actual's vs budgeted revenue. This is a snap shot of the revenue.

She had also listed out the transfers out to the Harbor Dredge Fund, Barrier Beach Fund, Golf, and Transfer Station.

Mr. Terrio asked what fees were included under line 5 "Fees – Others"? Ms. Gibbs explained it is all our fees like harbor, transfer station, licensing etc.

Mr. Flanagan asked if it was pretty typical for Real Estate and Personal Property taxes to come in under budget. Ms. Gibbs explained that it was and that usually we have about 98% of the taxes collected. She does send a demand so that there are collections from that.

Mr. McDowell asked if the \$376,457, 70 that was transferred into the Transfer Station fund was part of the \$5.3 million dollars being spent at the transfer station. Ms. Gibbs explained that is money from the revenue of the increase in the transfer station sticker fee that is transferred into their capital improvement fund and will be used to pay their debt for the Transfer Station redesign.

Mr. Plath asked why the actual for the Miscellaneous Recurring at \$672,000 was so different from the budgeted 2019 at \$145,00. Ms. Gibbs explained this came from 111F payments from Police and Fire and \$182,000 from the Cape Cod Municipal Health Group overage. That overage is coming to Town Meeting to be voted to be transferred to Other Post-Employment Benefits fund.

Mr. Plath also asked about the beach's revenue budget. In 2019 \$1.5 million was budgeted but we took in \$1.8 million. For FY20 \$1.8 million was budget and he was concerned that was aggressive. Ms. Gibbs explained we are very conservative in our budgets and she had done a 3-year average and thought could accommodate the \$1.8 million. Mr. Plath was concerned that 5 weekends of rain would make the \$1.8million hard to reach. Ms. McMahon felt you would know that early in the fiscal year and be able to adjust that. Mr. Terrio also pointed out that the if the proposed plover plan implemented they won't generate such a loss. Mr. Plath confirmed that the budgeted revenue is close to the actuals from FY19. Ms. Gibbs though this was being conservative. Ms. McMahon asked why the Golf revenue was budgeted lower. Ms. Gibbs explained this was hard to estimate but she conferred with the Golf Director and they seem to be trending down so they decided to budget it lower.

- BALANCES IN SPECIAL FUNDS

Mr. Plath shared the balances in the special funds. Ms. Gibbs had hand out with some corrected numbers. Ms. McMahon when we anticipated using the money from the Firefighter Stabilization fund. Ms. Gibbs explained in FY2023 we would stop receiving the grant reimbursement and that would be when we would need to pay the salaries of the firefighters that had been hired. There would be about \$900,000 in that account at that time.

- REVENUE REPORT-JULY & AUGUST-COMPARISON FY19-FY20

Ms. Gibbs explained that Chairman Plath had asked for a revenue report for the first 2 months of FY19 vs FY20 to see difference. FY2020 is up in many areas. The penalties and interest are down but demands have not gone out yet. There are about 8-10 going out in October. Ms. McMahon asked if we were current on tax takings. Ms. Gibbs explained we are taking FY17 & 18 and starting to putting a couple into land court. Ms. McMahon would like to see list. Mr. Mezzadri asked if the new hotel motel tax inclusive of new Air BB tax was included in this. Ms. Gibbs explained we won't see that until November but she had a link that showed what had been collected in those taxes.

Mr. Plath asked at what point do you write off the taxes like the 2001 Personal Property tax or the 2002 Motor Vehicle tax. Ms. Gibbs explained you had to get permission from the Department of Revenue and there had to be enough money in the overlay account to abate them. They are planning on taking the old personal property, motor vehicle tax and boat tax. If we deem them uncollectable they can still be collected and the money from that goes to the general fund.

Ms. Gibbs pointed out that Golf was up and Beach was up. Mr. Terrio asked if the Beach concessions are out to bid. Mr. Sullivan noted that all 3 concessions are out to bid this year. Mr. Prall not that the harbor new system that was in effect for these first 2 months looked like it was working out ok. The Selectmen shared that it was very successful and there would be an article at Town Meeting to acquire permanent kiosks. Mr. Murphy noted that the harbor parking lot became beach parking lot and that was the one down side because boaters were having hard time finding a parking space. Mr. Mezzadri shared that Harbormaster was looking into alternatives to handle situations like that.

Mr. Plath noted that the transfer station daily fee taken in was \$23,000 but nothing the ear before. Ms. Gibbs explained this was a new fee which also explained why they were down on the recycle fee. Mr. Plath summarized that they were on par with the previous year.

- REVERSION REPORT

Ms. Gibbs explained this was all the turn backs from all the departments and contributes to Free Cash. The end of year turn back was \$1,785, 160.98 and this went into. Ms. McMahon asked what percent of the budget the turn back was because she was looking to see if there were a pattern on the turn back. If it was random there was no issue but if there was a pattern there might be a budget issue. Mr. Murphy wanted to be careful with cutting department budgets because of turn backs. He was afraid that would make them spend the money unnecessarily so the budget isn't cut. Ms. Gibbs also explained it was important to have Free Cash to utilize.

- D/Y SETTLEMENT AGREEMENT

Ms. Gibbs explained the she included the DY settlement agreement just has a reference.

- D/Y ESTIMATES 5 YR ROLLING AVERAGE VS FOUNDATION ENROLLMENT

Next was the estimates for the 5-year rolling average. First was the foundation enrollment done by school but several assumptions were made such as revenue from state or student population.

- D/Y ESTIMATED ENROLLMENT-5 YR ROLLING AVERAGE
- D/Y ESTIMATED ENROLMENT FOUNDATION ONLY

Ms. Gibbs confirmed and clarified some numbers and percentages for Mr. McDowell, Mr. Terrio and Mr. Plath.

- D/Y ESTIMATES DEBT SCHEDULES-NEW MIDDLE SCHOOL

Ms. Gibbs shared that Ms. Woodbury, Mr. Jenks and Dennis and Yarmouth administration will be meeting to decide together on how they will borrow for the new school such as whether they will borrow for 25 years or 30 years. The new middle school project is \$117,000,000. The school building assistance has given us \$44,000,000 which left \$73,000,000. Dennis' portion was 35% agreed to in the settlement or \$25,550,000 and Yarmouth's share was 65% or \$47,450,000. Mr. Jenks had sent some new figures today. Mr. Plath thought maybe there should be discussion to give guidance to administration on how they felt about the debt schedules. There was a difference of \$4.2million over 25 year's v 30 years. Ms. McMahon felt that 25 years you are looking at having to do maintenance and she would rather have the \$4.2 million. Mr. Prall reminded everyone that they were also paying for Cape Tech, the COA. Mr. Terrio pointed out that there was also potentially a Fire Station as well as Wastewater to pay for. Mr. Murphy pointed out it was a 2-3 cent difference on tax rate. Mr., Prall asked what we had done on school bonding typically. Ms. Gibbs shared that typically we have borrowed for 25 years. For Cape Tech all towns were asked and they chose 25 years. Mr. Murphy pointed out the interest rate was lower for 25 years.

- CURRENT AND FUTURE DEBT

Ms. Gibbs explained there were a lot of projects going on at the same time. On Oct 11th she was permanently borrowing for each of these projects. The Golf Highlands renovations were non-exempt debt that would be transferred from the Capital Improvement fund. The Mayflower bath house was the same. She was also borrowing for the Transfer station for 15 years and that will come out of the Solid Waste Capital Improvement fund. The 4-8 middle school was shown for informational purposes and it was exempt debt. She also showed the Fire Station because it was on the horizon. The principal and interest for Cape Tech was exempt debt not on the tax rate. The COA was also not on tax rate yet. The permanent bonding for Gold, Sesuit Dredging, Mayflower and Senior Center will be done in October. There will be forty-four cents per thousand coming on the tax rate.

Mr., Terrio confirmed that if there was any change or delay to the school project it would change these numbers and that was correct. Ms. Gibbs reviewed the new debt schedule. Ms. Sullivan shared that the next 4 years would be very challenging for budgeting purposes. Mr. Prall thought this was challenging as these numbers don't include wastewater. Mr. Plath asked how tight the budget really was. Ms. Sullivan explained they were fully depleting the excess levy. She was preparing her budget message and her recommendation was level fund, level service and a potential reduction in larger department. 75% of the budget is contractual obligations. Mr. Plath thought this was helpful information for the boards. Ms. Sullivan shared they would need to start looking at creative revenue generators such as focusing on parking since that is revenue untapped. Ms. Gibbs is great at being conservative but a 1% variation in budget can be the difference between excess levy and cuts. Mr. McDowell felt that people needed to vote no on capital projects at Town Meeting such as throwing away school buildings.

Mr. Plath felt it was important for the Town Administrator to keep both boards advised. He thought we should take a lesson from the small storm this summer but it can be devastating to revenues if beaches or the golf courses are closed for any length of time.

Ms. Sullivan shared that wastewater cost recovery subgroup met a few weeks ago. There was a presentation made about 1.5 year ago to take measures to mitigate some of the cost off the tax rate. There had been discussion about lowering the CPA but the match from state is high. Because we have a 3% surcharge for CPA we get second round of money. It doesn't seem to be wise financial move to cut the percentage. It could be up to \$600,000 that we would no longer eligible for if we lower the percentage of CPA. Ms. Sullivan shared that this Fall Town meeting there were articles for consideration to amend the local room tax for 4-6%, adopting the wastewater infrastructure investment fund which would be a 3% surcharge on the tax bill in addition to the 3% CPA fee. After that some of the cost would be on tax payers. The articles would have no funding attached this year. The wastewater would be borrowed in phases. The articles would be before board on 24th. Mr. Terrio hoped to join forces with Harwich and Yarmouth to save money. Ms. Sullivan shared that Harwich has started borrowing but at 100% on the tax rate. The Community Impact fee could fund other projects but the recommendation was to dedicate it to Wastewater. Mr. Murphy asked if any of this was going to be betterments. Ms. Sullivan explained

that right now that was not the recommendation from the group. Mr. Mezzadri explained that the homeowner would pay to hook up and the monthly service bill. Ms. Sullivan shared that the cost recovery plan can change at any point. Mr. Plath thought that betterments were worth a discussion with cost recovery subgroup. Ms. Sullivan reminded the Board that there was a DHY meeting on Thursday at Harwich community center at 6pm.

- COMMUNITY PRESERVATION ACT

Ms. Gibbs shared that CPC has debt they are responsible for. This has changed since they voted on their articles for this Fall Town meeting after she prepared the book. She explained they were permanently borrowing the Holl and Bush properties and they will be included with our borrowing in Oct 11th to give them better rate.

Ms. Gibbs review a snap shot of their year end balances and noted the balance needed to be approved by the Department of Revenue.

- DISCUSSION ON ARTICLE: STRAIGHT-LINE WIND DAMAGES FROM TORNADO

Ms. Sullivan explained that Chief DiMatteo and DPW Director David Johansen had submitted all the cost totaling \$262,509 in damages from the storm. They were looking for direction from the boards. There would probably be a deficit and they wanted to be sure both boards had all of the information. Mr. Plath suggested seeing if the departments could absorb some of this in their budget and in the worst-case scenario they could do transfer from free cash in the spring. Ms. McMahon cautioned that departments might cut services to absorb these costs. He would like to see a breakdown of the \$192,000 in service from DPW. Ms. Sullivan offered to provide that and reminded the Boards that these were preliminary numbers and they may change.

- DISCUSSION ON TOWN BUILDINGS

Mr. Plath suggested that there should be a committee to look at the use of Wixon School. Ms. McMahon stated that they needed to take care of Carleton Hall, West Dennis Graded Schoolhouse, Jericho, and the Manse. They needed to prioritize the upkeep of municipal buildings. Dennis Public Library needs to be painted, etc. Unless we want to keep replacing buildings we need to figure out how to maintain them. She wanted to consider a professional evaluation. Mr. Plath suggested starting with department heads since they know their "Home" the best and maybe they needed to boost the budget to get these things done now before they start becoming a problem.

II. ADJOURN TO APPROVE MINUTES

The Board of Selectmen adjourned at 7:18pm and Mr. Plath called the meeting to order for the purpose of approving minutes

3/20/2018

The budget amount for the harbor was blank and needed to be amended.

Dennis Finance Committee
Tuesday, September 17, 2019 @ 5pm
Prue Conference Room, Town Hall
685 Route 134, S. Dennis, MA 02660
Page 6 of 7

Motion:

Mr. Crowell made a motion to approve the minutes with the amendment; Mr. Plath seconded. The Committee voted 3-0-1 (Murphy).

3/27/2018

The Snow and ice supplements were blank and needed to be amended.

Mr. Plath made a motion to approve the minutes with the amendment; Mr. McDowell seconded. The Committee voted 3-0-1 (Murphy).

3/29/2018

Mr. Plath made a motion to approve the minutes; Mr. Murphy seconded. The Committee voted 4-0-0.

4/3/218

Mr. Plath made a motion to approve the minutes; Mr. Murphy seconded. The Committee voted 3-0-1 (Prall).

4/11/2018

Mr. Murphy made a motion to approve the minutes; Mr. Crowell seconded. The Committee voted 4-0-0.

4/17/2018

Mr. Murphy made a motion to approve the minutes; Mr. McDowell seconded. The Committee voted 3-0-1 (Plath).

8/28/2018 Executive Session

Mr. Crowell made a motion to approve the Executive Session minutes but not release them yet; Mr. Murphy seconded. The Committee voted 3-0-1 (Plath)

9/11/2018

Mr. Plath made a motion to approve the minutes; Mr. Murphy seconded. The Committee voted 4-0-0.

9/25/2018

Mr. Prall noted that it was not the 80th birthday and that needed to be amended

Mr. Plath made a motion to approve the minutes with the amendment; Mr. Murphy seconded. The Committee voted 4-0-0.

1/08/2019

Mr. Plath made a motion to approve the minutes; Mr. Murphy seconded. The Committee voted 4-0-0.

Dennis Finance Committee
Tuesday, September 17, 2019 @ 5pm
Prue Conference Room, Town Hall
685 Route 134, S. Dennis, MA 02660
Page 7 of 7

1/29/2019

Mr. Plath made a motion to approve the minutes; Mr. Murphy seconded. The Committee voted 3-0-1 (Prall).

3/12/2019

Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Plath made a motion to approve the minutes with the amendment; Mr. Crowell seconded. The Committee voted 2-0-2 (McDowell, Murphy).

4/03/2019

Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Plath made a motion to approve the minutes with the amendment; Mr. McDowell seconded. The Committee voted 3-0-1 (Murphy).

5 7 19

Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Murphy made a motion to approve the minutes with the amendment; Mr. Crowell seconded. The Committee voted 4-0-0.

6/25/2019

Mr. Prall noted that his name needed to be change from Mr. Praul to Mr. Prall. Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Plath made a motion to approve the minutes with the amendment; Mr. Crowell seconded. The Committee voted 4-0-0.

7/02/2019

Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Murphy made a motion to approve the minutes with the amendment; Mr. Plath seconded. The Committee voted 4-0-0.

7/29/2019

Mr. Murphy noted that his name needed to be amended from Mr. Lester to Mr. Murphy
Mr. Murphy made a motion to approve the minutes with the amendment; Mr. Crowell seconded. The Committee voted 4-0-0.

Adjourn

The Committee voted to adjourn at 7:29pm.