Speaker BERGSTROM: Good afternoon. Welcome to the Wednesday, November 18th session of the Cape Cod Regional Government, Assembly of Delegates.

Is anyone recording this besides our normal recording? Okay. In that case, I will call the meeting to order.

We begin with a moment of silence to honor our troops who have died in service to our country and all those serving our country in the Armed Forces.

(Moment of silence.)

Speaker BERGSTROM: Thank you. We’ll now stand for the Pledge of Allegiance.

(Pledge of Allegiance.)

Speaker BERGSTROM: Before we go any further, I don’t know if you noticed in the paper that my predecessor, the Delegate from Yarmouth, Charlotte Striebel, lost her husband Vern over the last few days. I knew both Charlotte and Vern and some of us did and he was a great guy, and our condolences go out to Charlotte in her loss.

Anyway, so moving right along. We will now call the roll.

Roll Call (70.68%): Ronald Bergstrom (2.84% - Chatham), Ned Hitchcock (1.27% - Wellfleet), James Killion (9.58% - Sandwich), Marcia King (6.49% - Mashpee), Edward Lewis (4.55% - Brewster), Teresa Martin (2.30% - Eastham), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), John Ohman (6.58% - Dennis), Brian O’Malley (1.36% – Provincetown), Julia Taylor (14.61% - Falmouth), Linda Zuern (9.15% - Bourne).

Absent (29.32%): Christopher Kanaga (2.73% - Orleans), Patrick Princi (20.92% - Barnstable – arrived @ 4:15 p.m.), Edward McManus (5.67% - Harwich – arrived @ 4:20 p.m.).

Clerk O’CONNELL: Mr. Speaker, we have a quorum with 70.68 percent of the Delegates present; 29.32 percent absent.

Speaker BERGSTROM: Thank you. Now I’ll need a motion to approve today’s Calendar of Business.

Mr. LEWIS: So moved.

Deputy Speaker MCCUTCHEON: Second.

Speaker BERGSTROM: All those in favor? Opposed?

(Motion carried.)

Speaker BERGSTROM: Okay. You should have received the Journal of the November 4th meeting. Are there any corrections or additions to the Journal?

Mr. O’MALLEY: I move approval as distributed.

Ms. MCAULIFFE: Second.

Speaker BERGSTROM: Moved and seconded. All those in favor? Opposed?

(Motion carried.)
Communications from the Board of Regional Commissioners

Speaker BERGSTROM: Okay. Board of Regional Commissioners.
Commissioner FLYNN: I have an Ordinance.
Speaker BERGSTROM: Oh no, not an Ordinance.
Commissioner FLYNN: Good afternoon.
Speaker BERGSTROM: Yes.
Commissioner FLYNN: Sheila Lyons will not be here, so I will be reporting on some of the activities of the County Commissioners.

I was very glad, Ron, that you made mention of Charlotte’s husband. I, in fact, thought that the funeral services were yesterday but they’re actually next week, next Tuesday.

Charlotte -- I first met her, she was elected Selectmen for the first time the same year I was which was in 1993. So in those days, there was a Selectman from Mashpee, I can't even recall her name now, but she was one who thought that Selectmen should, from the various towns, ought to get together on a periodic basis and she set up meetings and most of them were held in Yarmouth. And so we all used to travel to Yarmouth once a month and that's how I got to know Charlotte very well back in the early 90s. So, anyway. We move on.

The other note of interest for you would be today we received the resignation of Bill Clark. He has finally decided to retire. After 38 years, he'll be retiring I think January 4. And you know he’ll be a huge loss to the County because he has done so much to provide regional services not only to our local governments but also to the local residents of the Cape and many towns.

There are so many, many programs that he has put forward in his capacity as the director of community resources. So we're really going to miss him, but he'll be here for about, what, three weeks or so? No, a month or more. And then he’s also offered his services if we should need them on a periodic basis after that.

And if you ever want to see a clear demonstration of succession planning, that is Bill Clark. He has already groomed people in his department if they are interested to move up – move up the line.

As you know, we have some very, very capable people there who have extraordinary knowledge and education and experience in the work that they do. And we are really blessed to have such a great department as the one that he operated. So he will definitely be missed.

Today, we had a presentation from Jack Meade, who is our Registrar of Deeds, and usually about this time of the year he gives us his projections as to where he thinks the deeds excise tax revenue might be. Although he didn't quite get into that today, that's usually the December meeting.

But he talked a little bit about it. He did mention that so far revenues are the same as they were last year, so there hasn’t been a decline. But then there has been a change in the federal laws regarding home sales, certain changes to how those -- he didn't go into any detail necessarily, or maybe Leo remembers more about it than I do, but it's certain standards, additional standards that the loaning entity has to meet, particularly the banks in terms of home sales. It doesn't totally affect us in any way. It won’t affect our revenues in any way. But, so far, we’re on track and next month he’ll give us another description.

We also had a request to transfer 350,000 from the Septic Loan Program Administration Fund to the Commercial Septic Loan Program Fund.

You may remember that the interest that we receive on septic loans which is money – it’s really state funds that we receive in order to be able to make loans to homeowners.
A few years back, George Heufelder, who manages that fund, determined that there were commercial businesses too that could benefit when their septic systems failed.

So, because it's consistent with state law, he was allowed to use some of the interest money that we received from the administration of the program not only for residents who need a loan to either improve or maintain or build new a septic system, but also certain commercial entities as well, and it's mostly mom-and-pop. It's not corporations; its mom-and-pop businesses and some have taken advantage of it. So he is continuing that program very successfully.

And the other item which you have is the Ordinance 15-number to be determined a supplemental appropriation to fund the Statutory Reserve Account into the FY16 General Fund in the amount of $51,000. But I think Bob Lawton is here and also Michael Brillhart can talk about that if you have any questions.

And the last thing I wanted to mention is you’re all aware that there is no funding, public funding for a Christmas party and that is coming up. So we're not rich but we do want to have a few refreshments. So we thought that we would continue the tradition of at least bringing people together and sending out invitations to invite you to light refreshments on December 16 at noon. So that will be our gathering to invite one and all a very happy holiday.

Speaker BERGSTROM: Thank you. Are there any questions for Commissioner Flynn? Yes, Ed.

Mr. LEWIS: Thank you. Just on that septic loan program, do the businesses as well as the individuals is there a way in which they know about this? How is this publicized or how do they find out about? How are they made aware of it so that people who have problems know where that they can get loans?

Commissioner CAKOUNES: All your communities, all your towns, all your Board of Health agents know about it. It's basically the gear-driven by a person’s income or ability to have the finances to upgrade the system. So, that's one way.

It’s certainly advertised. All your installers know about it. So, for instance, if I was to happen to have a problem and call an installer and they come over, they also can initiate the application, if you will. They don't have anything to do with it but it's just a way of getting the word out.

This is probably the best or one of the best programs that we run here at the County.

Mr. LEWIS: One just follow-up. This is not -- similar in Brewster we had a betterment program for private roads, so this is not anywhere near it because there is qualifications for this?

Commissioner CAKOUNES: Yes. It’s similar to that. I’m not going to say it’s identical to that because betterment programs -- this is a single site betterment if you will. The person, themselves, actually take the loan -- we give them a loan to put the system in and then we attach their home; we, meaning the County have an attachment on their home.

So even if their mortgage gets foreclosed, our attachment is equal in with, the way I always like to explain it, a water bill or municipal lien. So we get paid off even before the first mortgagee does. It’s a really, really safe place for us to be.

Mr. LEWIS: I don't mean it that way and I appreciate that. Because you mentioned qualifications for a road betterment; if 51 percent of the people on that road, a private road, vote to do it, then it’s done. There’s no qualifications as to income, everybody's involved.

This has an income qualification?

Commissioner CAKOUNES: To my knowledge, it does, yes. It has specifications,
criteria I’m going to use, as opposed to income verification. There’s criteria that’s specifically been laid out by state law that allows you to apply for this.

The question came up today in regards to, and I think Commissioner Flynn mentioned, that the addition that we just voted today to put some more money into or keep running the commercial aspect of this, the Commissioners actually at that time were able to put criteria forward on that preventing someone, you know, a big agency or superstore, whatever, restaurant to thinking that they’re going to get this low-interest loan. These loans basically are geared for people that can’t afford to do it. So there are criteria; yes.

Mr. LEWIS: Thank you.

Speaker BERGSTROM: Leo or Pat, this program has been -- it’s a good program, and I agree, it's been around for a while, but at some point what happened was that there was a modest interest rate on the loans and the interest rates now that are available through the banks have become even lower. In other words, you can get a let’s say line of credit or something for, I don’t know, 3 or 4 percent. Is the interest on these loans remain the same, does it remain consistent as the --

Commissioner CAKOUNES: The interest on these loans aren’t really the problem. One of the big things about it and having known people that have applied for this and have gotten this personally, some of these people would not be able to qualify under the standards of a bank, a traditional bank loan.

We do have some interesting items that may be coming forward in the near future because the money that we were getting from the state to fund this program we were getting at zero percent interest.

From what was told to us today by George, there’s probably a change that’s going to be coming down the road that the next group of money that we’ll be getting we’ll actually be paying an interest rate on that. So that is going to reflect on the interest rate that we’re able to charge people who we’re lending the money to.

So this project may -- I’m not going to say it’s going to out price itself, but there may be some little changes coming down the road. But the important thing is the qualifications.

We don’t use the criteria that the bank would use as far as qualifying people.

Speaker BERGSTROM: Well, it’s important. I agree; it's a good program. Along with Ed, I wonder if enough people know about it but I guess they do.

Commissioner CAKOUNES: I think a lot of people know about it.

Speaker BERGSTROM: And if I understand it --

Commissioner CAKOUNES: Yes.

Speaker BERGSTROM: Sounds good.

Commissioner CAKOUNES: If I may, Mr. Speaker?

Speaker BERGSTROM: Yes.

Commissioner CAKOUNES: There was a couple items that I just wanted to touch on. We officially did approve the Ordinance 15-09, which you approved at your last meeting. So we did that final approval on that. That was the rescinding unissued capital bond
funding of the 399, so that's gone on its way. It’s a done deal.

The second thing that we discussed in quite length today was the changing of – perspective changing of the $250,000 that has been allocated in our FY16 budget under a bond issue for design aspect and, to my belief, and construction for immediate needs here on the County complex.

We had a very nice discussion with our Finance Director and our County Administrator to actually look at the number, 250,000 and allocate at least 230, if not more, to construction because we have found through the building needs assessment that we really need to move forward with immediate needs.

So by construction, the biggest expenditure of that money will be up at the jail renovating some of those areas that we have not -- are not being presently used.

And then, also, there was some discussion and we instructed our Finance Director and County Administrator to look at also getting another hundred thousand dollars to move over to allocate from a special Reserve Fund that we had set aside some time ago to also supplement the design aspect of the total complex redesign. Because as you all know, Paul Niedzwiecki now is our facilities manager, and he has been in discussion with the state about some preliminary moves that we’re going to have to do within the near future. You know, I’m talking 5 to 8 years out.

So we, as a County, and as good landlords and good stewards of this property, we have to allocate a little bit more money to that. So that discussion was had today. There was a motion made but it was deemed that it was unnecessary. But the way we left the meeting is that our Finance Director and our County Administrator are going to come back with two Proposed Ordinances. Hopefully, you’ll get them right after we vote them in, and they will be allocated to, again, the disbursement of those funds that we have appropriated in the FY16 budget.

That's all I have.

Speaker BERGSTROM: All right. Any questions? Yes --
Commissioner FLYNN: Just one other item on the Christmas party --
Speaker BERGSTROM: Yes.
Commissioner FLYNN: -- since we don’t have funding, I just wanted to mention that the staff and the Commissioners --
Commissioner CAKOUNES: That's the first I’ve heard of it so am I welcome? Am I invited because this is the first I’ve heard of this.
Commissioner FLYNN: Of course. No, but you’re also going to have to come up with something. No, so we’re all going to contribute to it in some way.
Commissioner CAKOUNES: That’s why you’re keeping me in the dark.
Commissioner FLYNN: Whether it’s, you know, in goods or --
Commissioner CAKOUNES: I’ll bring cranberries.
Commissioner FLYNN: -- or whether it’s in cash, whatever you might like to do. This is very small. I mean it’s not a big deal like it used to be, but we do want to have something.

And if you’re interested in contributing anything, you can let Michael Brillhart know.

Speaker BERGSTROM: Well, I think if we’re going to have someone dress up like Santa Claus, I have a good candidate.

Commissioner CAKOUNES: Me, look at that. Are you kidding me?
Speaker BERGSTROM: Let that beard grow a little more --
Commissioner CAKOUNES: Could pass for Santa now.
Ms. TAYLOR: We’ve got a pretty good beard over here too.
Commissioner CAKOUNES: There you go.
Speaker BERGSTROM: Leo, how far are we away from actually having an engineering and architectural firm look at some preliminary plans or do we have anybody who is contracted to do a needs assessment or to go any further on this?
Commissioner CAKOUNES: Not yet but we are very close to that, that’s why we need these funds appropriated because there have been estimates in the vicinity of about 130,000 to do a complete assessment and some sketches, if you will for lack of a better explanation and legal term.
And because we’ve come to kind of an agreement about moving and doing the work that has to be done immediately, if not yesterday, that can lower that request a little bit. So this is why, you know, I think all this stuff that we’re talking about spending this money on that I specifically was talking about, I would be very, very happy if it all happened before June.
Speaker BERGSTROM: Okay.
Commissioner CAKOUNES: But that's me personally and I'm pushing. I'm pushing.
Speaker BERGSTROM: Lightning speed.
Commissioner CAKOUNES: I’m pushing, believe me, especially for the first part of it. I think it’s absolutely necessary we need to move forward but that’s me personally.
Speaker BERGSTROM: Jim.
Mr. KILLION: Yes, thank you, Mr. Speaker. Good afternoon, Commissioners Flynn and Cakounes. Do you have any updates regarding the filtration system, the cleanup, if you will, of the contamination from the Fire Training Academy? I’ve read a few articles in the paper but I’d like to know if you’re taking a look at what expenses we might be looking in FY17?
Commissioner FLYNN: I would say we’re not quite there yet to make that recommendation, but the Fire Training Academy Assessment Committee, which you may or may not know about, Chief Joe Maruca from West Barnstable is the Chair and Ed McManus and Ed Lewis, I think, --
Mr. LEWIS: And Teresa.
Commissioner FLYNN: Oh, Teresa Martin; she was there the other day. And also Tom Cambareri was there and he gave his presentation that I think what you have already had and we’ve had. Have you had Tom's presentation yet on the site?
Well, anyway, you probably should. But what we’re looking at is -- and the committee will be making its recommendation in terms of what they believe the future options for that site are. And that we expect to have the 1st of January, our first meeting in January. And I think we’ll have something much more specific to report at that time because the committee has been working, what, for almost the last year on the assessment.
And that whole purpose of the Fire Training Academy Assessment Committee was to look at what the towns, what the chiefs in the various towns need in terms of training and how much of that training could be done at the site, and how much is done somewhere else.
I mean we all know that new recruits, new firefighters pretty much all go to Stow for their basic, really basic training. But for the everyday training that they need, the ongoing periodic training, many of the towns use the Fire Training Academy but some don't.
And the other option the committee was looking at was rather than having any training there on that site because we’re still -- Tom is giving us these, Tom Cambareri, the very detailed information on this site.
And from an environmental perspective, which is separate from the Fire Training, is the Fire Training Assessment Committee might be looking at the possibility of a mobile training unit rather than having people go to the site be able to in some way affect some of the training needs with the use of a mobile unit. And we’ve also learned that's around the country. Other fire departments are using those and have used them and they’ve been able to obtain federal funds to purchase these units.

So we're taking a very hard look at the site, whether it can continue to be used for that purpose, and whether it is or isn’t what our environmental issues are, what our risks are, and what as a County we need to do about it. And we should have something more specific by early January.

Mr. KILLION: So do we currently have County personnel studying the environmental impacts or do we have outside consultants?

Commissioner FLYNN: Right now, Tom Cambareri has been doing the tests and he briefs the committee on a regular basis and briefs the Commissioners.

What we are looking at now is, from a legal perspective, what are our environmental risks on that property legally in terms of the present and the future. And so we have looked at hiring a special counsel who’s experienced in environmental risk management to be able to take a look at the site where some of the testing has demonstrated and what we as a County need to do in response to that. What we should do and, perhaps, what we should not do on the site.

So we are definitely working very diligently on that process and attempting to come to a conclusion as soon as possible.

Mr. KILLION: So is part of this ongoing process a way to, perhaps, how we’re going to fund any ongoing work that's going to be done?

Commissioner FLYNN: That -- yes, and because that would be part of the budget if, in fact, we had to do that.

Mr. KILLION: Okay. Thank you.

Speaker BERGSTROM: Doc.

Mr. O’MALLEY: Thank you, Commissioner Flynn. I wanted to just correct from my perspective is a little bit of a misunderstanding. Certainly on the Outer Cape where the fire departments are largely call firefighters, in my conversations with the chiefs out there, they depend very heavily on the FTA. And the prospect of sending people who work for a living off to Stow for extended periods of time just is not feasible. So for us certainly, it's a very critical facility.

Commissioner FLYNN: We are very well aware of that and it's very important because we know that the towns on the lower Cape utilize the training far more than the Upper Cape.

And we've also met with the fire marshal, Steve Coan, the state fire marshal. And the state fire marshal is legally responsible for all the training for firefighters in the state. And he has met with the Fire Training Assessment Group, and he has told us that we have really missed the boat in the sense that we should be asking our legislators to fund the services that we provide there on earmarks because that's what the Springfield -- well, of course, Springfield you remember was practically bankrupt. So the state really needed to bailout Springfield to start with.

But included in that bailout was, I think, like $10 million to their Fire Training Academy and we know that. So we know we’re not going to get anywhere near 10 million. But our chiefs, our local chiefs here have met with the state delegation and have
communicated to them what the training needs are on the Cape and how they can best be met. And they’ve also asked our state delegation if they would earmark some state funds to help with this facility.

If it stays there, if it goes somewhere else that’s also still part of the process, but at least to get some state funding for what we need.

Mr. O’MALLEY: Thank you.

Speaker BERGSTROM: Yes, John, did you have something that you wanted to say?

Mr. OHMAN: Thank you, Mr. Speaker. Yeah, continuing on with the Fire Training Academy. I’m very intrigued by the fact that you’re thinking about a mobile unit because that takes a lot of the futurist risk out of the site.

But what about the burn building; has that been taken off the table or is that just part of the discussion that’s in limbo?

Commissioner FLYNN: It is part of the discussion, and we know that there are issues with the burn building. We’re just looking at the whole -- well, Ed’s on the committee; I know you want to say something too because he’s on the committee.

Commissioner CAKOUNES: Could I just say something to that? Mr. Speaker, we’re here as the County Commissioners, okay. This has gone beyond our County Commissioners’ report. We have not -- we, the County Commissioners, have not discussed this. This is the first I’ve not only heard of the Christmas party, but it's the first I’ve heard of a mobile unit.

And I think that if you want to ask a question in regards to what the committee’s doing that maybe you should put it on your agenda and have members of the committee update you on what they’re thinking because I haven’t heard any of this. This is all new to me.

Speaker BERGSTROM: Well, I agree with you, Leo. Underneath this agenda item, Communications of the Board of Regional Commissioners is often tempting to get into things that we’re not originally planned.

So, unless somebody has something really profound to say on this -- Ed.

Mr. MCMANUS: Just I guess part of my response to --

Commissioner CAKOUNES: Doctor O’Malley.

Mr. MCMANUS: No --

Commissioner CAKOUNES: Jim Killion.

Mr. MCMANUS: Jim Killion -- on funding issues, it’s true that Springfield got a large earmark. But it turns out Worcester, Plymouth County, Norfolk County, Boston, Franklin County, they all have over the years gotten earmarks in the budget. And the earmarks don’t come from state funds; they come from the insurance pool.

So its funds that are a portion of everybody's fire insurance goes into and that's how they’ve got it portioned out.

Speaker BERGSTROM: Okay. Teresa.

Ms. MARTIN: I just want to share the timetable.

Speaker BERGSTROM: What’s that?

Ms. MARTIN: I don’t want a discussion about it; I just want to share the timetable of the committee. It’s been meeting regularly. The next meeting is with the Director of Finance. There’s probably three more meetings before the end of December. A report is in the process of being drafted. And by the end of the year there will be a report, an analysis, and a recommendation. So that's the timetable and that’s the more appropriate time to address it. It’s just not lingering in conversation; it’s moving forward.

Speaker BERGSTROM: All right.
Commissioner FLYNN: Mr. Chairman, I just wanted to say that the questions that the members ask often times are works in progress. And sometimes some of us, like Leo may be involved in a committee or two; I may be involved because I’m the liaison to the Fire Training County Assessment Committee. So I think sometimes the questions you ask, these are works in progress. I’m just responding to the questions. I don’t think that’s inappropriate necessarily because I think -- and you’re all representative of your own towns and you wonder what the County is doing and where we are on this project.

So it's sort of an update. And maybe those updates don't necessarily get on the agenda of the Commissioners and maybe they should. That those of us who do represent the Commission on -- or the Commissioners on various committees provide these updates.

So I like the questions and I’m very glad you asked them because I think the more informed we are with what happens in Barnstable County, the better everybody is.

Speaker BERGSTROM: You know, to be honest with you, I know I've said this before, and I've had this discussion with previous Assemblies. You can ask all the questions you want, but once you start saying, “Well, I think you should do this,” then you go beyond simply the information that you’re giving us to a general discussion of an item that's not on the agenda.

So, I don't have any problems with the questions as long as everybody else has patience to listen to it. But you have to be -- with the new laws and Open Meeting Laws and so on, we have to be conscious of our limitations, unfortunately. Maybe I’m a little conservative but what are you going to do.

Anyway, moving right along.

Communications from Finance Director Mary McIsaac and Bob Lawton

Speaker BERGSTROM: We now have communications from intern finance -- he’s continuing to be interim, getting more interim all the time. His interim-ness is being extended.

Commissioner CAKOUNES: Actually, he’s not the interim finance director anymore.

Asst. Finance Director LAWTON: Assistant.

Commissioner CAKOUNES: No more interim; you can drop that.

Speaker BERGSTROM: And the Finance Director Mary McIsaac regarding the fiscal 17 -- fiscal year ’16 budget versus actual revenues, so on and so forth.

FINANCE DIRECTOR MARY MCISAAC: Thank you.

Speaker BERGSTROM: So welcome aboard.

FINANCE DIRECTOR MARY MCISAAC: Thank you. Good evening, everyone. I think it's on. There we go. Everybody knows Bob Lawton, no longer interim. And to my left, your right, is Joanne Nelson who’s the County accountant. And she's here tonight in case there’s more thorough questions than I’ve certainly have been able to dig into in my short time here so far. So feel free to ask Joanne if you have further questions than what we go over in our notes today.

Before you are the budgeted revenues, and this is a schedule prepared by Joanne regularly. And the format of the schedule I’d like to explain. It basically lists all of the revenues that are on your revenue side of your approved budget for fiscal ’16. So that includes revenues that are transfers in of available funds. It also includes a line for the dredge service which really isn’t a County government operating fund revenue because the dredge, as you
know, is an Enterprise Fund which operates and is accounted for as a business-type activity.

So that's there just because the schedule provides you a look that's similar to what you saw during the budget deliberations and this is the whole revenue side of it.

To get into where we are today, for the first quarter of fiscal '16, which was July through September, if you look at the yellow line most of the way down the sheet and far to the right, the percentage collected is 17.21, which you would want to see 25 percent given all things being equal. But I call your attention to the top two lines which are two major assessments, the County Tax Assessment and the Cape Cod Environmental Protection Tax. Those large sums of money are collected by us biannually, and we did receive half of that money on November 1.

So the percentage is a little skewed because of the timing of our receipt of certain revenues and because of things like having the dredge inside of it.

Also, I'd like to call your attention to under Intergovernmental Funding, our Court House Rental looks like there's zero revenue but we, in fact, received the first quarter on October 1 into the bank and that was a $429,000 742 (sic) number.

All in all, if we look at our revenues for the first quarter at 17.21 percent compared to the same exact structure last year, last year was 18.19 percent for the same period, although it did include the Court House Rental which brings the percentage almost up to the exact same number.

So what I would state to you today is for all of our revenues we're at the same place today for the first quarter that we were last year for the first quarter of last year. Some of the numbers have changed slightly but most of the numbers are the same.

And I would call your further attention to things like the Children's Cove Child Advocacy Center because that has a 3.22 percent collection result after the first quarter; however, that $8,063 of revenue is almost exactly to the dollar of the same as it was last year.

And the result of that or the cause of that is that they have a much larger grant that doesn't hit us in the form of revenue until later in the year. So, the same thing happened last year and it will continue to happen that way because of the timing of their grants.

And we've spoken about dredge. The Registry of Deeds line it's interesting to note is a much smaller number, and by the amount of $775,000 from the previous year's estimate and that was because of yours and the administration’s deliberation about that number being too high and not achievable.

So in last year's budget, that budget number was actually reduced by 775,000. The actual revenues are very, very close for the first quarter. Jack Meade reported the same to the County Commissioners at their meeting this afternoon.

Other notes; I would call your attention to Interest Income which sits at 3.06 percent, which, in my mind, is underperforming as well. Same number as last year, dollar-wise, for the first quarter of the prior year and the first quarter of this year. But those are the kinds of things that we're looking at diligently.

We are examining all of the banking opportunities that we have, and we have an investment strategy ready to implement after the first of the year which we think will drive that number up significantly for us in terms of actuals.

And we're also looking at the expense side because a lot of banking expenses that we have actually been paying for are services that our banks will provide to us for free. For instance, we paid, last year, $2,000 for check stock and for the checks that we use to do our payroll work and our warrant work. And there are several banks that have bid to us and all of
them will provide that check stock to us for free.

And there really isn't a compromise in terms of the interest rates that they give us. You know, their rates are their rates, but these are things that they provide to us at no cost. So, you know, we’ll be changing banks and that money will not be spent by us next year for the check stock.

So at the same time that we’re trying to boot up the revenues as much as we can in this economy and this enduring recession that we’ve had in terms of that. We’re also looking at the expenditure side and looking at banks that will give us services and products for free that we've been paying for, ultimately, in the past.

Are there any questions?

Speaker BERGSTROM: Yes, Suzanne first.

Ms. MCAULIFFE: Yes, just on the IT services.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Ms. MCAULIFFE: Last year at our budget discussions, there was a request for additional personnel and quite a hefty estimate for revenue. I'm happy to see that revenues are ahead of the 25 percent which, hopefully, as IT starts to gear up and get more business it will, in fact, come to fruition that they will, in fact, see their limits.

Is that the way this is going to probably play out for you? Do you think that this is just the beginning?

FINANCE DIRECTOR MARY MCISAAC: Well, I think that it is the beginning from discussions that I’ve had since I’ve been here with Bill Traverse, who’s the IT Director. He is moving forward with preparing proposals. He has got interest from communities that need services that he is capable of supplying to them and that's his mission to draw more business, to have the manpower to fulfill his contracts and to generate more income for the County; yes.

Ms. MCAULIFFE: Thank you.

FINANCE DIRECTOR MARY MCISAAC: You’re welcome.

Speaker BERGSTROM: Yes, Ed, and then Doc.

Mr. LEWIS: A couple of questions. Thank you for your presentation.

FINANCE DIRECTOR MARY MCISAAC: Certainly.

Mr. LEWIS: When it comes to the tax revenue, the County tax revenue and the Registry of Deeds tax, do you have any recommendations or would you be making any recommendations as to how we can increase these revenues?

We, I think, correct me if I'm wrong, have the ability to increase the tax assessment to the towns by 2-1/2 percent.

FINANCE DIRECTOR MARY MCISAAC: That's true.

Mr. LEWIS: And I’m led to believe, although I don’t know this for a fact, we hadn't done that in the past couple years.

Mr. OHMAN: One year.

Ms. JOANNE NELSON: One year.

Mr. LEWIS: How long?

Ms. JOANNE NELSON: One year.

Mr. LEWIS: One year.

FINANCE DIRECTOR MARY MCISAAC: There was one year but there is in the history of the County a number of years where the tax was not increased.

Mr. LEWIS: Is that -- would there be a recommendation to increase it by 2-1/2 percent so that we could bring in more revenues from the towns in that respect? And, also -- I’ll ask it
all at once --

FINANCE DIRECTOR MARY MCISAAC: Sure.

Mr. LEWIS: On the Registry of Deeds, I’m also led to believe that there’s room for us to increase the amount of money we get from Registry of Deeds, which would, you know, give us more money and more streams of revenue which could help us because we can’t just continue to cut.

FINANCE DIRECTOR MARY MCISAAC: Well, you’re absolutely right, but at the same time that we’re looking at revenue opportunities which I would absolutely confirm that we would request that the 2-1/2 percent increase be provided to us in the coming years.

And communities, not for nothing, they would never dream of not utilizing the 2-1/2 percent that they have at their disposal every year in order to cover their costs and continue to operate in a balanced budget situation.

With respect to the Registry of Deeds tax, there is room. There is a pretty good amount of room from my understanding, and that’s certainly something that we need to look at in the future because we haven’t done any of that since 2008, I think was the last time. Was it 2009?

Commissioner FLYNN: 2009.

FINANCE DIRECTOR MARY MCISAAC: 2009 was the last time that was looked at for an increase. So 2-1/2 percent means about $70,000 to us in a $30 million budget that’s escalating for the costs that are driving up from year to year to year to provide all the services we provide Cape-wide, that doesn't really do a lot for us.

So we’re looking at those revenue situations and the trends and our own history as a County at the same time that we are going to look at all of our programs and services because we have to really look at them closely and decide, you know, what services are not performing for us. What services were vital maybe a decade ago but are not being utilized by the communities any longer because they’re no longer viable.

And there’s a lot of reasons why things are good 10 years later -- things are no longer necessary because there’s not just a permanent need for them. So we’re examining all the programs to decide, you know, really what becomes prioritized as our needs today in the current economy where we’re functioning.

So, I expect there to be some trimming of what our programs and services are based on the evaluation of each one of them standing on their own. And that should drive some help with us balancing the budget, I’m assuming, in fiscal ’17. But it's the measure of things, you know, looking at the revenues at the same time as you're carefully building your expenditure side of your budget because it has to be viable and it has to be sustainable.

Speaker BERGSTROM: All right. You just want to follow up on that, Ed?

Mr. LEWIS: Yes. I would agree with that last statement. I think at the same time while you're doing all of that, I think we have to look at places where we can bring in more dollars, more revenue.

FINANCE DIRECTOR MARY MCISAAC: Absolutely.

Mr. LEWIS: Because my gut feeling says you can only cut so much, and you can get more revenue without it having an effect on the total business of the County.

FINANCE DIRECTOR MARY MCISAAC: Right.

Mr. LEWIS: I think that would be a good opportunity.

FINANCE DIRECTOR MARY MCISAAC: Absolutely.

Speaker BERGSTROM: Yes, just let me jump in here for a minute; I’ve just got a quick question and then I’ll get to Doc.
I know you had -- one of the curious things is that we estimate our revenue from the Registry of Deeds each year and it seems to come out pretty flat, and nothing else in my life does not -- does that.

FINANCE DIRECTOR MARY MCISAAC: I’ve seen that.
Speaker BERGSTROM: Everything else is more expensive.
FINANCE DIRECTOR MARY MCISAAC: Sure.
Speaker BERGSTROM: I mean if somebody goes and buys a house in Chatham 10 years ago for $200,000 and they go to the Registry of Deeds and they pay a fee.
FINANCE DIRECTOR MARY MCISAAC: Right.
Speaker BERGSTROM: Now they’re saying the house goes for 500,000.
FINANCE DIRECTOR MARY MCISAAC: Sure.
Speaker BERGSTROM: They still pay the same fee? In other words, those fees have not been increased? Is there a reason?
It’s per thousand?
Asst. Finance Director LAWTON: Right.
Speaker BERGSTROM: So the fees do increase as time goes on. Mike’s going to tell us what the story is here. I’m just curious as to why the revenue remains flat?
Administrator BRILLHART: Mr. Speaker/Delegates, good afternoon; Michael Brillhart. I can address that a little bit. There’s two taxes that’s collected by the Registry, the Deed’s Excise and the Business Tax.
The Business Tax percentage, that number has stayed the same since I believe ’93/’94. It hasn’t changed. It’s been about the same. And it’s very low. I think it’s in the – well, I forget the percentage.
On the Deed’s Excise Tax, the collection by the Registry is $6.12 per thousand assessed valuation of that transfer of deed. Of the 6.12, 2.70 -- $2.70 goes to the County; $3.52 goes to the state.
The allowance says the County collect no more statutorily than what the state collects.
So, the max would be $3.52. That number was increased back in ’09. The business tax has been around for 10 or more years. So it's been a while.
Speaker BERGSTROM: So the fact that the house prices have become obviously more expensive is offset by less activity? I mean I’m trying to get an understanding as to why. If house prices double, you would think our revenue would double because it’s based on a percentage of -- am I missing something here?
Ms. TAYLOR: Only in Chatham.
FINANCE DIRECTOR MARY MCISAAC: Well, actually, I can speak to that from my experience as comptroller in Barnstable and all of my background in municipals.
What we have had in this recession is the assessing departments of the individual towns have actually lowered the assessed valuations year after year. So those evaluations -- that sort of total assessed valuation, equalized valuation has actually just leveled off and has been increasing.
And perhaps in Chatham that's not the case, but in most communities on the Cape, you’ll find that the assessed valuation actually leveled off. And in Barnstable, Jeff Rudziak, who’s the Deputy Assessor in Barnstable, in fact for a number of years, cut the assessed valuation by upwards of 10 percent.
So when your valuation is being cut and probably people have seen this in their own neighborhoods where a house was worth 500,000 and then it was worth 300, and a lot of
people bought houses when it was really high and have lost their homes because the value has decreased so much that there mortgage exceeded the value of their home. So --

Speaker BERGSTROM: So maybe I get a different view from Chatham where they basically lower the assessments on the very, very high end and they tuck it to the rest of us, like they do.

FINANCE DIRECTOR MARY MCISAAC: That would be a question for Chatham.

Speaker BERGSTROM: Okay. Doc, did you have a question?

Mr. O’MALLEY: Yes, on a slightly different subject. You touched transiently on our investment strategy.

FINANCE DIRECTOR MARY MCISAAC: True.

Mr. O’MALLEY: I’m wondering where is that driven? Who controls the vote? How is it invested in terms of return, and in terms of what we’re investing in; what our money is supporting? There’s two issues there.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Mr. O’MALLEY: Who makes those decisions?

FINANCE DIRECTOR MARY MCISAAC: Well, first of all, all of our investments as all of our activity is guided by Mass. General Law. The County government has specific statutes that deal with what are allowable investment vehicles and what are allowable banking institutions.

And there is an internal investment policy which is being updated by me currently, and that policy will be followed by the finance department for investment strategies within the law and within best practices of banking and investing.

Speaker BERGSTROM: Marcia.

Mr. O’MALLEY: Thank you.

FINANCE DIRECTOR MARY MCISAAC: You’re welcome.

Ms. KING: Thank you, Mr. Speaker. I just want to address a little bit on the tax issue just to tell. And we have increased the 2-1/2, and we’ve been doing that every year from the County Commissioners, except for that one year, 2009, which we didn’t do.

Asst. Finance Director LAWTON: Yes, you did.

Ms. KING: We did it this year. It just a grant.

FINANCE DIRECTOR MARY MCISAAC: Yes.

Ms. KING: I think we did. But also on the transfer tax, a couple of things. As you said, Barnstable charges $6.12 per thousand. Every other county in Massachusetts charges $4.56. We’re the highest in the state.

So you think that there’s no big deal if you raise that; it’s a big deal. And let me tell you I was here when we raised that and this place, and I think John will add -- and Julia, this place was packed with real estate agents and homeowners who were trying to sell because they’re the ones that pay it.

Number 2; the other issue is one of the reasons it’s been flat also is when a house is taken in foreclosure and it’s owned by say Freddie Mac or Fannie Mae, when it’s transferred – when someone buys it, they don’t pay the transfer tax. Most people don’t know this. So this was a big fight that happened that counties all over the United States suffered this because when a house is transferred that is owned by “the federal government” because of Fannie and Freddie, they are exempt from the transfer tax. And I believe a lot of houses probably, if you ask the Registrar of Deeds in this County, were transferred that way. And so that had a material impact on not just our budget but across the country.
And, unfortunately, when there was a hue and cry, people in Washington were like we have to get the bags and we have to get out of the recession and they let that go. So just an FYI on that.

But I would caution you, you think it’s easy to raise that transfer tax, we’re already almost $2 ahead of everybody else. People will not buy second homes here. They will not come here. And the real estate market in the County will completely dry up and it will be devastating.

So I would never support that. It was a hard fight back in 2009. We did it because people were doing it, but it would be a hard fight again this time. Thank you.

Speaker BERGSTROM: Yes, Ed.

Mr. LEWIS: With all due respect, Marcia, that’s kind of a scare tactic that if you raise it 30 or 40 cents the entire Cape Cod real estate market would fall apart. I have a great deal of doubt in that, and I understand that the real estate -- the realtors and the real estate business would fight that. I get that. They fight a lot of different things. Like any organization, they’re very self-centered in their work as an organization.

But I think we have to look at that. And everything that I read since this tax is based on not assessed value, it’s based on the sale of the -- the transfer of the property; am I correct? Not based on the assessed value of that property; it’s based on what they sell the property for.

Ms. JOANNE NELSON: The sale price.

Mr. LEWIS: The sale price. And everything I read at least in on the Lower Cape, I’ll say from Harwich east, all the way out to Provincetown is whether the number of houses are being sold, I can’t speak to. But the value of that which is being sold has increased quite substantially over the past five years since the recession hit.

And I think it’s something that we need to look at because we need to find other revenue streams. I don’t mind -- I know you said you would fight against it; that’s fine, but I would be very much in favor of it.

Speaker BERGSTROM: All right. We’re going to leave the debate over tax policy to the other 15 people who are arguing about it right now on TV, so they’ll have a better understanding than I do.

But we’ll go with Ed.

Mr. MCMANUS: I want to thank you for bringing the numerical data on revenues to us. But what I would still like though is a description of the revenue sources, how they’re calculated, what the rules are around them. I mean you have two sources at the Registry of Deeds as a source that there’s got to be different rules on how those are enacted, what the limits are. I think we need to know all that data, and that is probably true for a number of the other categories too. Okay.

FINANCE DIRECTOR MARY MCISAAC: Certainly, we can provide that.

Speaker BERGSTROM: Suzanne.

Ms. MCAULIFFE: Just a brief -- I recall that we did refuse to raise the 2-1/2 percent one year; I don’t think it was this budget. I think it was the budget before, and I think it was in response to the appearance in the budget that there was plenty of money, that there were things that we didn’t necessarily need the revenue for. It was a 70-some-odd-thousand-dollar cut.

So it wasn’t this past budget but the budget before. It was a decision made by the Assembly. And I think, in retrospect, now that we know what’s really going on with the finances which we did not know at the time, I think that it is something that we need to
consider that we do to cover our expenses because we had the false impression that because we didn't have the information that there were funds in the County. It was part of an agreement, and I think you had, Delegate McCutcheon, had put something forward as part of the cuts and that was part of it.

Speaker BERGSTROM: Okay. You know, just to follow-up on what Marcia says, you know, I’ve followed some of the real estate transactions in the newspapers and they’re very, very circuitous and confusing. A certain mortgage is being foreclosed on that was by a certain bank which was sent by assignment to another bank which is being managed by some, you know, a mortgage something out of Maryland.

So I’m just wondering, you know, if they cough up a few bucks to the Registry every time they make these transfers or whether they’re trying to duck them. You know, it's not – because this discussion -- we’re trying to get a handle on how you guys calculate revenues, so that when we do look at the budget, we do look at potential increases, you know, with 2-1/2 and so on, we know within reason what number we’re working with.

Do you have any kind of a -- how can I say it -- an over/under estimate? In other words, when you pinpoint a revenue number, do you have in the back of your head say well we may run a few thousand, you know, a few hundred thousand higher or lower and any contingencies for that? Are we by guess and by God here or what?

FINANCE DIRECTOR MARY MCISAAC: Well, I think that over/under is not really a philosophy but it's a methodology for people who have history. And I think that over time as you work through one budget year after another budget year you get a very real sense of the line that can hurt you and the line that can help you and those are the lines you really watch carefully.

You know, other revenue lines or other revenue items are steady and true always. They're predictable. You can depend on them and it's going to happen.

For instance, some of these grants; the grants that are listed here are grants that we have grant agreements for. We have every expectation because of the grant agreement in place that those monies are coming to us. They might come in the first quarter, maybe they’ll come in the fourth, but they’re going to be there. We’re going to nail those.

But we have other services that we estimate revenue which could be from really services or sales or fees, you know, that can be affected by any number of things. Sometimes the things that affect them are not things that can be known to you or that you’re aware of.

So, you know, that's how you operate during the year and that’s how you watch over it. There certainly is an over/under because you do over time get a sense for what really can hurt you and what can help you.

Speaker BERGSTROM: Yes.

You know, you think I would get a handle on this after doing this for as long as I have, but one of the chief confusions I think in my mind and a lot of the minds of the Delegates were the various pots of reserve money.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: I mean I know we’re always moving into statutory reserves and so on.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: So the answer, for instance in the state legislature to the contingencies of looking at a budget shortfall would be to have a rainy day fund.

FINANCE DIRECTOR MARY MCISAAC: Right.
Speaker BERGSTROM: In other words, you build up statutory reserve in the case.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: Now do we now have a statutory reserve that's available to cover these losses or are they basically just --

FINANCE DIRECTOR MARY MCISAAC: Well, inside of an approved budget document and your services are being performed and you're continuing in your operations during the year, what you look at is your expenditure side at the same time. I wouldn't automatically look to a rainy day fund to solve the problem of an underachieving revenue line.

What I would look at is, you know, what departments are really not spending their money? Where are they not spending it and why? And there are times, you know, in communities you’ll have your finance director or your town accountant send out not really an email blast but really at a department manager’s meeting say, “Look, we’re really tight. Don't spend any money on anything you don't absolutely have to have until the end of this year unless you hear otherwise from me.” And those are tactics that you use to overcome those revenue shortfalls.

Speaker BERGSTROM: Yes.

FINANCE DIRECTOR MARY MCISAAC: You know, because people sometimes, you know, they budget in good faith and something happens, the program doesn't happen so they didn't really need the money that they requested during the budget year because we all know we’re budgeting with only six months really into the year before the year that we’re budgeting for, and that presents its own difficulties.

But I would say we’d look at the expenditure side to help us overcome the shortfalls of revenue rather than go into a rainy day fund. We want to keep that.

Speaker BERGSTROM: Well, I know what but that’s sort of a policy decision.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: And what I’m trying to get at is that we, if indeed, we do -- I mean who knows we could lose revenue from the Registry of Deeds or something could happen and we spend more money --

FINANCE DIRECTOR MARY MCISAAC: Sure. Sure.

Speaker BERGSTROM: -- towns that we have dipped into what we call “Statutory Reserves.”

FINANCE DIRECTOR MARY MCISAAC: Yes.

Speaker BERGSTROM: And we’ve also -- the question has been how much money -- what is an adequate statutory reserve assuming that we have one that's designated for that purpose? Because a long time ago, a few years ago, these reserves were also encumbered or they were cut off the table.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: I’m assuming at this point now we have X number of dollars. If we shortfall by a hundred thousand, we can transfer that and it would be -- I don’t want to ramble on --

FINANCE DIRECTOR MARY MCISAAC: Sure.

Speaker BERGSTROM: -- it behooves this Assembly to ensure that that fund is adequate for whatever contingencies that arise.

Deborah, did you have something to say?

Deputy Speaker MCCUTCHEON: Yes, I did. I just had a comment and question.

All those transfers that you were talking about, those are just filing fees at the Registry.
They’re not transferring deeds. They’re just passing your servicing of your mortgage around and around and around to make money off of it.

My question to you is this. Since I’ve been on the Assembly, there’s been a lot of talk about this horse that we can continually keep here, it’s called Cape Light Compact. And they’re a tenant here and they use IT services, and there’s a lot of consumption of our goods and resources that happens to them.

But I don’t see anything on this revenue that says here’s a department that is contributing something. Is that not here or?

FINANCE DIRECTOR MARY MCISAAC: Let me let Joanne speak to that. She’s in the numbers every day of Cape Light Compact.

Deputy Speaker MCCUTCHEON: Fine. Go ahead.

Ms. JOANNE NELSON: So for FY15, Cape Light Compact did pay the general fund about 24,000 for IT services. We have to meet with CLC and IT to see what the fee for FY16 is going to be. And they did pay rent for when they were in the Superior Court through -- I think it was September, mid-September.

Deputy Speaker MCCUTCHEON: Well, rather than be -- well, I’ll just be ignorant about it, have they moved?

Ms. JOANNE NELSON: Yes.

Deputy Speaker MCCUTCHEON: Where did they move to?

Ms. JOANNE NELSON: To the Innovation Room building.

Deputy Speaker MCCUTCHEON: Do we own that too?

Ms. JOANNE NELSON: Yes.

Deputy Speaker MCCUTCHEON: Do they pay rent for that?

Finance Asst. LAWTON: Yes.

Deputy Speaker MCCUTCHEON: Is there a lease or any kind of agreement?

FINANCE DIRECTOR MARY MCISAAC: Yes, there is.

Deputy Speaker MCCUTCHEON: And what about administrative services, like your services?

Ms. JOANNE NELSON: Yes, they started paying in FY15.

Deputy Speaker MCCUTCHEON: So that's kind of a department. They’ve got space and they’ve got computers and they’ve got administrative stuff and they’ve got -- so how come they’re not like added up and totaled up here so we can see them?

Ms. JOANNE NELSON: We can separate that out if that would be helpful.

Deputy Speaker MCCUTCHEON: Well, where are the other ones? Are they tucked in here with somebody else? I mean are they part of the courthouse rental or? I'm just trying to understand, you know, if they're here, where are they? If they’re not here -- I mean we’re sitting here talking about (Inaudible) the revenue and I’ve got a candidate that I have been looking for a long time for paying some revenue here.

FINANCE DIRECTOR MARY MCISAAC: So while Joanne looks over her spreadsheets, I would comment on that and say that usually when we have a tenant like that when they’re paying for the cost of Joanne’s services or they’re paying for printing or they’re paying for any other kind of service, we’ve already paid Joanne out of the budget line in Finance, and what they’re doing is reimbursing.

So what ends up happening is the expense side of the finance budget is decreased because part of her expense has now been covered by Cape Light Compact. Now that there’s -- and there’s a new agreement so.
Deputy Speaker MCCUTCHEON: Well but that's true when there aren't new dollars coming in, but, presumably, they're bringing dollars to the table that should be reflecting in our -- I mean they're not just moving our dollars around.

Asst. Finance Director LAWTON: Right.

Deputy Speaker MCCUTCHEON: There should be money coming in from them that is entering our coffers as receipts.

FINANCE DIRECTOR MARY MCISAAC: Right. Well, it is a receipt but it's accounted for as a reimbursement, which is a reduction of an expenditure rather than on the revenue side. It's a matter of presentation but its how the County has -- it's how the County finance department has accounted for these things over time. This is their methodology. And we can certainly discuss that and examine that, but that's the practice that's been in place.

Deputy Speaker MCCUTCHEON: Well, I'm not sure I understand exactly what the difference is. The courthouse, I mean the Superior Court, for example, pays money for its rental.

FINANCE DIRECTOR MARY MCISAAC: They do.

Deputy Speaker MCCUTCHEON: And they’re bringing their money in and paying it here.

FINANCE DIRECTOR MARY MCISAAC: Yes.

Deputy Speaker MCCUTCHEON: And Cape Light Compact is making its own money, apparently a lot of it off of my electric bill, and they’re not paying here. We’re not counting it?

FINANCE DIRECTOR MARY MCISAAC: We are counting it, but it's historically been accounted for differently. You see the line for court -- you see the line clearly for “Courthouse Rental,” but with respect to the agreement that’s been newly formed with CLC, that money isn’t coming in on this side because it wasn’t projected as a revenue, and it's accounted for by reducing the expenditure by the allocation of indirect costs.

Deputy Speaker MCCUTCHEON: Well, I think indirect costs often means not real money.

FINANCE DIRECTOR MARY MCISAAC: Well, it's a real expense and someone reimburses it with real money, so I think that in my mind it would be.

Deputy Speaker MCCUTCHEON: Let me just encourage you this.

FINANCE DIRECTOR MARY MCISAAC: Sure.

Deputy Speaker MCCUTCHEON: You’re sort of a new broom in this department.

FINANCE DIRECTOR MARY MCISAAC: I am.

Deputy Speaker MCCUTCHEON: I would suggest that there are some practices there that I at least find very troubling. And if they’re bringing money to the table, I’d like to know how much it is and where it's going.

FINANCE DIRECTOR MARY MCISAAC: You’d like to clearly see that.

Deputy Speaker MCCUTCHEON: I would.

FINANCE DIRECTOR MARY MCISAAC: Absolutely.

Deputy Speaker MCCUTCHEON: I would. I would kind of like you to show us their money.

FINANCE DIRECTOR MARY MCISAAC: Certainly. We can do that.

Speaker BERGSTROM: Ed, did you have a comment?

Mr. LEWIS: Yes, just one comment. I don’t want to beat a dead horse. But if we increase the tax that we collected by .20 cents on a $500,000 home, that would be a hundred
bucks. On a million dollar home, that would be 200 bucks. And I doubt if someone was willing to pay 500,000 or one million dollars for a home would say, “Nope, a hundred dollars, I’m not paying it.”

Ms. KING: They don’t pay it.
Mr. LEWIS: Somebody pays it.
Ms. KING: The seller pays. The seller pays it, not a buyer.
Mr. LEWIS: And I doubt that they’re going to pay a $500,000 -- they’re going to sell a $500,000 house because what will happen anyway is when they go in and have an inspection, someone’s going to say that screw needs to be fixed and they’ll spend a hundred dollars doing that. So I don’t think that’s going to be a problem.

Speaker BERGSTROM: If there’s any more questions on projected revenues? So we can assume that you’re going to use similar projections to the two thousand -- to the current budget, you’re going to take that new similar projections as you’re building your budget for the 2017?

FINANCE DIRECTOR MARY MCISAAC: We will.
Speaker BERGSTROM: Within reason, I assume.
FINANCE DIRECTOR MARY MCISAAC: Yes.
Speaker BERGSTROM: And Mr. Meade in his presentation seemed to think that the revenues would be relatively consistent as far as he can project?
FINANCE DIRECTOR MARY MCISAAC: I think as far as he can project. And today when he reported to the Commissioners, he made the remark that when they looked at last year compared to this year, there was a difference of four deeds in number.

Speaker BERGSTROM: He's quite a Svengali then.
FINANCE DIRECTOR MARY MCISAAC: I think he is.
Speaker BERGSTROM: Yes.
Ms. MCAULIFFE: I’m sorry to belabor this. So the revenues on this sheet are then money over and above what comes in is put for reducing the expense side?
FINANCE DIRECTOR MARY MCISAAC: The revenues on this sheet are the budgeted revenues in the adopted budget for fiscal ’16.

Ms. MCAULIFFE: Okay. But for ’17 if you have adopted revenues -- I’m confused because you’re saying that, for instance, Cape Light Compact is using their money to reduce -- to reduce expenses.
FINANCE DIRECTOR MARY MCISAAC: Right.
Ms. MCAULIFFE: They are paying rent. They are paying for administrative services. They are incurring expenses. And I’m assuming benefits and everything. So I guess I’m glad you agreed to separate that out, but by saying that their money comes in is really just attributed to expenses particularly like you said in the courthouse rental that it doesn't show up because it pays for something so it doesn't show up.

It makes no sense then. To me, it would say that this whole revenue projection is money that comes in that isn’t used to pay out -- to reduce the expense out of budget.
FINANCE DIRECTOR MARY MCISAAC: Well, these are predicted revenues.
Ms. MCAULIFFE: Okay.
FINANCE DIRECTOR MARY MCISAAC: The CLC -- that agreement has just been reached. There was no projection of a revenue stream from CLC when this budget was presented to you last year. There was no agreement for that. So now the revenue is starting to come in but it's accounted for as a reduction of our cost in the areas where we have charged
them.

Ms. MCAULIFFE: Yes, I think you're right on the rentals but there were agreements in terms of personnel that predated last year in terms of our administrative expenses.

Finance Asst. LAWTON: Right.

Speaker BERGSTROM: Yes.

Ms. MCAULIFFE: Enough. I'm sorry.

Speaker BERGSTROM: Try not to belabor this.

FINANCE DIRECTOR MARY MCISAAC: Thanks so much. Appreciate it. No, that’s okay.

Speaker BERGSTROM: Yes.

Deputy Speaker MCCUTCHEON: I just have one follow-up question. When she said benefits --

Finance Asst. LAWTON: Because I think the employees are not ours; right?

Ms. JOANNE NELSON: All of the benefits for the Cape Light Compact personnel come out of their Energy Efficiency Fund or the CLC Operating Fund.

Finance Asst. LAWTON: Directly.

Deputy Speaker MCCUTCHEON: And that comes through our books.

Ms. JOANNE NELSON: Through the books.

Deputy Speaker MCCUTCHEON: And they’re part of the Barnstable County health insurance and pension and everything?

Ms. JOANNE NELSON: Yes.

Deputy Speaker MCCUTCHEON: And there’s doesn’t show up here either.

Ms. JOANNE NELSON: Correct, because it's not in the county budget.

Finance Asst. LAWTON: Yes, they’re separate.

Deputy Speaker MCCUTCHEON: I understand it. We clearly have -- we’ll be visiting this issue some more. Thank you.

FINANCE DIRECTOR MARY MCISAAC: You’re welcome.

Speaker BERGSTROM: Well, thank you. I appreciate that.

Mr. LEWIS: Thank you, very much.

FINANCE DIRECTOR MARY MCISAAC: You’re welcome. Thank you.

Speaker BERGSTROM: So now we have to wait for the Commissioners to cough up their budget and then we’ll go beat that to death.

Okay. Communications from Public Officials?

Communications from any Members of the Public? Hearing none.

Assembly Convenes

Speaker BERGSTROM: The Assembly will now convene, and we’ll have a committee report. Finance Committee. John.

Finance Report: Proposed Ordinance 15-10

Mr. OHMAN: Thank you, Mr. Speaker. I’d like to do the minutes from Ordinance 15–10 from November 4, 2015.

Ms. MCAULIFFE: Move the minutes.
Mr. OHMAN: The minutes have been moved as presented.
Deputy Speaker MCCUTCHEON: Second.
Mr. OHMAN: There is a second. Is there a discussion? All those in favor?
Ms. MCAULIFFE: Aye.
Deputy Speaker MCCUTCHEON: Aye.
Mr. OHMAN: Thank you.
(Minutes passed.)

Assembly Vote

Proposed Ordinance 15-10:
To authorize an amendment in Section 13, subsection (b) of adopted Ordinance 13-03 and Ordinance 14-01:
Barnstable County hereby ordains:
The following bond term limit authorized in Section 13, subsection (b) of Ordinance 13-03 is hereby amended as follows:

For the purpose set forth in section 12(a), the County Treasurer, with the approval of the County Commissioners, may borrow from time to time, on the credit of the County, such sums as may be necessary but not exceeding in the aggregate, three million, six hundred ninety one thousand, four hundred dollars, and may issue bonds or notes of the County therefore, which shall bear on their face the words, Barnstable County Facilities and Equipment Loan, County Ordinance of 2014. Each authorized issue shall constitute a separate loan, and such loans shall be payable in accordance with the limits outlined in the Massachusetts General Laws.

The following bond term limit authorized in Section 13, subsection (b) of Ordinance 14-01 is hereby amended as follows:

For the purpose set forth in section 12(a), the County Treasurer, with the approval of the County Commissioners, may borrow from time to time, on the credit of the County, such sums as may be necessary but not exceeding in the aggregate, two million, eight hundred fifty one thousand, eight hundred dollars, and may issue bonds or notes of the County therefore, which shall bear on their face the words, Barnstable County Facilities and Equipment Loan, County Ordinance of 2015. Each authorized issue shall constitute a separate loan, and such loans shall be payable in accordance with the limits outlined in the Massachusetts General Laws.

Speaker BERGSTROM: Now the Assembly will take a vote on Proposed Ordinance 15–10, bond term limits. Do you have any explanation for us on this, John?

Mr. OHMAN: I can do my best, actually. It’s pretty pro forma stuff for Ordinance 15-10. They picked out two specific bond limit authorizations from Section 13, subsection (b) of Ordinance 13-3, and then Section 13, subsection (b) out of Ordinance 14-01, I believe.

What has happened is the Assembly in the past has limited the term -- the year terms of certain bonding issues inappropriately. And when bond counsel reviewed it, they basically asked us to clean this up and redo it. I think you might have this. I hope you all got this from Locke and Lord. They want us to follow what the state law allows. In other words, they want us to allow more leeway or longer terms available to bonding issues for the County. And they presented all of those in a very long form.
And what this Ordinance would do is allow us to change those bond limits to follow what the state law would like us to do.

Speaker BERGSTROM: Would you like a motion to put that on the floor?

Mr. OHMAN: And, therefore, I would like to move Ordinance 15–10 as presented.

Deputy Speaker MCCUTCHEON: Second.

Speaker BERGSTROM: It’s been moved and seconded. Brian, do you have an amendment to this?

Mr. O’MALLEY: I have a proposed amendment. It’s essentially a technical amendment. There are two references to Ordinance 14-01, and, in fact, that is Ordinance 14-02. Included in the materials is a copy of 14-02 and that paragraph is clearly the one we’re talking about. So this is simply just a minor correction.

Speaker BERGSTROM: Okay.

Mr. O’MALLEY: There are two references in the Ordinance and both should read 14-02 rather than 14-01.

Mr. LEWIS: Second.

Speaker BERGSTROM: Okay. The amendment is moved and seconded. We’ll take a quick vote on the amendment. Do you need a vote? No, we need a voice vote.

Speaker BERGSTROM: I don't think we need a voice vote. We’ll take a voice vote on the amendment. All those in favor? Opposed?

(Motion passed.)

Speaker BERGSTROM: Okay. Now we’ll get back to the motion on the floor which is the amended Ordinance 15–10. Is there any further discussion?

Yes, Ed.

Mr. MCMANUS: I have a question. The operative sentence that’s being added is that the loan shall be payable in accordance with the limits outlined in Massachusetts General Laws.

And if you go to the Massachusetts General Laws, it has the schedule of what the terms are for a whole variety of different -- it has the schedule of terms for a whole variety of different expenditures.

However, I do know that in 2010 there was a special law passed which was not considered a general law. It was the Acts of 2010, Chapter 188, and it was an act relative to municipal relief in which it specifically in that act called for a couple of different terms on specific areas, some of which would be the types of things this County spends money on.

And then it also called for the Division of Local Services to do a study and develop guidelines of asset useful life schedules and maximum borrowing terms, which they did and it became effective in 2013.

And my question is with the language we have in here, are we limited only to those terms of payback that are in this specific section of Massachusetts General Law or would it encompass the Special Acts in the regulations by the Department of Revenue?

And if we need to suspend the rules to get an answer --

Speaker BERGSTROM: I think we’re going to have to suspend the rules to get the answer because it sounds like Bob Lawton's the only one, so I need a motion to suspend the rules.

Deputy Speaker MCCUTCHEON: So moved.

Mr. OHMAN: So moved.
Speaker BERGSTROM: All those in favor? Opposed? Bob, you’re on.

Finance Asst. LAWTON: Thanks. My understanding is that the Locke and Lords, who was the bond counsel, has given the opinion that they would follow either the regulations or the law. And when we asked that the Ordinance be reviewed by our bond counsel, she indicated that this language would be acceptable.

Mr. MCMANUS: Okay. And it would include the material in the Special Acts and the --

Finance Asst. LAWTON: Since it’s a Special Act, I believe her opinion was, although I don’t have it in writing in front of me, that that would apply, whatever the latest law was or guidance or official requirements for bonding, that would apply and that’s what she, in this case, would certify to us as she has in the material provided to the Finance Committee.

Mr. MCMANUS: To be clear on that, would it be possible to add to that line where it goes, “The outline in Massachusetts General Laws Special Acts and authorized regulations adopted by the Department of Revenue.”

Finance Asst. LAWTON: I certainly would not object to it. I don't know the rules on how you -- I assume you could just amend that.

Speaker BERGSTROM: Well, he could make a motion to change it, but I’m not going to vote for it.

Ms. MCAULIFFE: I have a question.

Speaker BERGSTROM: Yes, Suzanne.

Ms. MCAULIFFE: Is this language from bond counsel?

Finance Asst. LAWTON: She had originally looked at this, yes.

Ms. MCAULIFFE: Yes, and I think I’m hesitant to change the language or change language that bond counsel has already seen.

Finance Asst. LAWTON: We could also adopt this and then if there is a change if she has a change of heart or if this is a new regulation, we could certainly come back and ask you to amend this, which I don't think would be a problem.

Mr. MCMANUS: I guess as I understand it in your letter of opinions, she doesn't expressly address the issue, and I know it’s been in many towns as they go through this process, it's been a confusion. And I would rather adopt an Ordinance that it makes it specifically clear rather than leaving it in the cloud.

I'm quite willing to make a motion for an amendment or leave it at the request that Mr. Lawton raise the issue with the counsel to get a clear opinion on the matter.

Ms. MCAULIFFE: Are you looking for this language because you have bonding coming up fairly soon this fall?

Finance Asst. LAWTON: It would probably -- now we did the bond anticipation note, which is the first one in quite a while.

Ms. MCAULIFFE: Right.

Finance Asst. LAWTON: And then there will be some additional bonding. So --

Ms. MCAULIFFE: It would help if you had --

Finance Asst. LAWTON: I guess if we had this, then we could amend it and we could certainly ask the specific question. I don't believe there are any items, although I don't know this for sure, any items within the bond anticipation note, which we have issued or two be issued, which would be adversely affected by any regulation that the Department of Revenue would put forward. I think we would be within the parameters.

Speaker BERGSTROM: Deborah.
Deputy Speaker MCCUTCHEON: I’d like to suggest perhaps that the amendment be withdrawn and we ask for an opinion because I think that kind of language can be used to narrow the interpretation rather than broaden it. And I would rather see it looked at by the attorney who’s going to have to defend it.

Speaker BERGSTROM: Yes, Ed.

Mr. MCMANUS: One, I haven’t made an amendment, so there's nothing to withdraw yet. But in all cases if you read through what was adopted by the Special Act and the division of local services, it’s actually an expansion of the time limits in all cases that it effects on payback period, which has the -- for the County that if you bonded in one of those areas, it would reduce the annual cost and make it make certain items of endeavor more affordable on a year-to-year basis.

Speaker BERGSTROM: Anyways, is there any other comment on this? Well, in that case, we will take a vote on the motion on the floor, which is the approval of -- the amended Ordinance --

Ms. MCAULIFFE: It’s not amended.

Speaker BERGSTROM: It was amended.

Ms. MCAULIFFE: Oh, okay. I'm sorry. I’m sorry.

Speaker BERGSTROM: By the Delegate from Provincetown.

**Roll Call Vote on Proposed Ordinance 15-10:**

Voting “YES” (91.60%): Ronald Bergstrom (2.84% - Chatham), Ned Hitchcock (1.27% - Wellfleet), James Killion (9.58% - Sandwich), Marcia King (6.49% - Mashpee), Edward Lewis (4.55% - Brewster), Teresa Martin (2.30% - Eastham), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), John Ohman (6.58% - Dennis), Brian O’Malley (1.36% – Provincetown), Patrick Princi (20.92% - Barnstable), Julia Taylor (14.61% - Falmouth), Linda Zuern (9.15% - Bourne).

Voting “PRESENT” (5.67%): Edward McManus (5.67% - Harwich).

Absent (2.73%): Christopher Kanaga (2.73% - Orleans).

Clerk O’CONNELL: Mr. Speaker, Proposed Ordinance 15-10 as amended passes with 91.60 percent of the Delegates voting yes; 5.67 percent voting present, and 2.73 percent absent, now known as Ordinance 15–10.

**Report from the Clerk**

Speaker BERGSTROM: Okay. Thank you. Next on our agenda is a report from the Clerk.

Clerk O’CONNELL: Good evening. Thank you. A few items, just a reminder about the holiday gathering that the Assembly has; I’m still collecting for that event and that’s now only two meetings away.

I just also want to call your attention to the fact that we have replaced the bulletin board outside of the Assembly’s hall. The Commissioners had one that they had decommissioned, and it certainly is a nice addition to what we had out there and it locks, so that’s also good.

And I want to call your attention to the fact that I forwarded to everyone the budget packet that I received from the finance office. And I am working on the Assembly budget, which is a small budget, not terribly complicated to do. I expect that I will be able to submit it
on time.

But I want to call your attention to the fact that the Commissioners have already established a timeframe on which they’re going to deal with their budget. And I know that I’ve listened to some discussion from Delegates regarding weighing in on or listening to what departments are presenting so that the Delegates are hearing the same presentation that the Commissioners get. And one can do that by either attending those meetings, which I think are basically all being held on Wednesdays in January or following it on YouTube if you can’t attend at that point in time. But keeping in mind that you attend the meeting as an individual but not for deliberation purposes representing the Assembly or a committee of the Assembly.

The problem that this will present from me, your Clerk, in scheduling how your committees are going to deal with this is -- I know that you all know you have ordinances and laws that guide you in terms of how you have to review the budget. And there’s a timeframe set up by ordinance.

So unless there is an ordinance to change or amend the one that's in existence, you're going to get the budget in the middle of February. You're going to basically have the month of March to look at it. Finance is required -- and these are things that say shall, not may; Finance is going to have to look at it with the chairs in April, and you will be tasked with voting on the budget no later than the first meeting in May.

So keeping that in mind, I think as Suzanne mentioned last year, it is somewhat of a Rubik’s Cube to try and figure out and get everyone scheduled in because people have lives.

They have other commitments. Delegates do and so do department heads.

So before I go any further with scheduling department heads to come in and meet with committees, I need to hear from Delegates and you need to let me know if you have any potential conflicts with Wednesdays starting with the end of February and I say going right through the month of April. So that when I'm setting up committee meetings with department heads, I can keep that in mind.

Department heads can be somewhat flexible. They’re paid staff. They’re here every day. Unless they’re on vacation or there’s some other issue or problem, we should be able to work it all out.

So the sooner you can let me know that, the sooner I can get going scheduling those meetings unless I hear otherwise or I’m directed to do differently based on any ordinance that you might submit that changes that.

Speaker BERGSTROM: Why don’t we move on to number 15 because this covers exactly what you're talking about, unless you have something else under report from the Clerk.

Clerk O’CONNELL: That’s it.

Other Business

Speaker BERGSTROM: Okay. So we’ll move on to 15, Proposed FY17 budget review schedule. This is going to be a recurrent item on the agenda because now we’re getting information from the Commissioners on their budget schedule which I hope you would have received.

I had a brainstorm, which I very rarely have, the other day, and I don't know how the Commissioners deal with the budget. They usually provide -- they present us with the final budget. We then take it. We divide it into various departments and so on.

But I'm just curious if the Commissioners are willing to vote various parts of the
budget, in other words they hear from let’s say the Health Department or they hear from the Extension Service in their meetings, and the Extension Service gives them a budget and they say yes or not. And that goes on to the budget on their ongoing discussions.

If they did that, then we, the Assembly, would get a heads up on that particular part of the budget and we could assign a committee to review it even before the entire budget is presented to us.

So I don’t know if they have a habit of doing that or whether they just kind of --- whether they’re taking votes at all until they absolutely have to. What’s the story there?

Commissioner CAKOUNES: Are you suspending the rules?

Speaker BERGSTROM: We could do that if you want to, but I’ll just open it up to the Delegates because we want to make this a clean a process as possible. Jim? Who do we go there? Ed?

Ms. MCAULIFFE: Ed.

Speaker BERGSTROM: Ed.

Mr. LEWIS: The only problem that I see with that is sometimes when we’ve done budgets with towns and you do budgets with departments and you give a yay or a nay, but you give a yay, and then you come towards the end of the budget period and you find out that you need to cut X or --

So what happens is then you go back to those individual budgets and since it’s not published and you may have to cut it to a certain point, you may have to relook at it. So that’s the only problem that I foresee with doing --- they’re not going to give a yay to any budget until they’ve seen the total package because they may have to change things with individuals. So I suspect that that would not work.

Speaker BERGSTROM: Yes, Suzanne.

Ms. MCAULIFFE: Well, unless we treated it as just getting information on what the proposed budget is without it being, you know, without having to attend all the meetings or -- I mean it could be that you could do some more understanding that it is intended to propose, start the budget just to give people a little bit more discussion time with the understanding that things may change.

Speaker BERGSTROM: You’ve got to understand that the proposed -- I’m trying to prevent this whole back up that we have toward the end of the year. What happens is is that, you know, a suggestion has been made that we bring department heads in while the budget is being constructed, but that really is sort of a conflict with the Commissioners because essentially it’s their -- we can’t tell the departments what to ask for. They work for the Commissioners and they’re going to present what they think is necessary to them.

But once they have done that, once they’ve presented their case to the Commissioners and the Commissioners have approved it or so on, then that conflict goes away because then we could look at it and say well here’s -- the Commissioners have approved X number of dollars for this department and what do we think, which is what we’re going to do anyway. So I’m just trying to make it as easy as possible for everybody. Is everybody sleeping here? This whole row is --

Clerk O’CONNELL: Can I just add one comment?

Speaker BERGSTROM: Yes.

Clerk O’CONNELL: I think there’s a lot of validity to what Suzanne just said. When I look at the ordinances, the laws, which are the things that I have to deal with in terms of
making sure the ship is going down the river the correct way, I need to look at the fact that it states when the budget is delivered to you that's when your committees get to review it.

Now based on what Suzanne indicated, there's nothing wrong with a committee getting together based on discussions with a department -- a department head may be having with the Commissioners about what they’re looking for in their budget.

But not to be misconstrued to think that that is the budget because it's not until it's officially delivered.

Speaker BERGSTROM: All right.
Deputy Speaker MCCUTCHEON: It’s worth considering. That’s my two cents.
Speaker BERGSTROM: Okay. We’ll move on. There’s only one other item left on the agenda. Item 16.
Ms. KING: Move to adjourn.
Speaker BERGSTROM: Oh, wait a minute. Okay. Ed.
Mr. LEWIS: Just for the Assembly's thoughts, we had the Cape Cod Selectmen and Councilor’s Association breakfast this past Friday and it dealt with opiates and mental health and things like that. And Beth Albert represented her area and she did a really special job. She did a really great job. She was well prepared. She made a great presentation. She answered almost every question. I think she did the County proud by what she did.

And for those who are interested, December 11 which is the next meeting of the Selectmen and Councilors, we’re going to be discussing homelessness. And if you have the time, because you’re all part of that association, the County pays for three people to come and if more people come, that's fine.

The issues will come up and it’s an issue that I think affects all of the Delegates in the County because it affects the towns in which the Delegates represent.

So if you get a chance, it's going to be held at the Daniel Webster Inn. When you get the invitation if you come back and you get the notice and say you’re attending. It's a good thing for Delegates to attend if they can. I know it's a long drive for people on the Lower Cape but some of these topics are -- Ed McManus is putting it together, the whole homelessness presentation. So I think it's a good thing if you can attend.

Ms. MCAULIFFE: Move to adjourn.
Ms. MARTIN: Second.
Speaker BERGSTROM: All those in favor? Opposed?
Whereupon, it was moved, seconded, and voted to adjourn the Assembly of Delegates at 5:35 p.m.

Respectfully submitted by:

Janice O’Connell, Clerk
Assembly of Delegates

List of materials used at meeting:

- 11-4-15 Journal of Proceedings
- Proposed Ordinance 15-12
- Finance Department Revenues Sheet 1st Quarter FY16
- Finance Report on Proposed Ordinance 15-10
- Memo from Robert Lawton re: Proposed Ordinance 15-10 dated 9/16/15
- Proposed Ordinance 15-10