

**CAPE COD REGIONAL GOVERNMENT - ASSEMBLY OF DELEGATES
CHAMBER OF THE ASSEMBLY OF DELEGATES
FIRST DISTRICT COURTHOUSE
ROUTE 6A, BARNSTABLE, MA 02630**

APPROVED Journal of Proceedings - February 17, 2016

Speaker BERGSTROM: Good afternoon. Welcome to the February 17th session of the Cape Cod Regional Government, Assembly of Delegates.

I'd like to call this meeting to order. Is there anyone who is recording this besides our normal recording artist? No.

Okay. In that case, we will 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 will now stand for the Pledge of Allegiance.

(Pledge of Allegiance.)

Speaker BERGSTROM: The Clerk will call the roll.

Roll Call (70.29%): Ronald Bergstrom (2.84% - Chatham), Ned Hitchcock (1.27%- Wellfleet), Christopher Kanaga (2.73% - Orleans), James Killion (9.58% - Sandwich), Edward Lewis (4.55% -Brewster), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), Edward McManus (5.67% - Harwich), John Ohman (6.58% - Dennis), Brian O'Malley (1.36% - Provincetown), Julia Taylor (14.61%- Falmouth), Linda Zuern (9.15% - Bourne). Absent (29.71%): Marcia King (6.49% - Mashpee), Teresa Martin (2.30% - Eastham), Patrick Princi (20.92% - Barnstable).

Clerk O'CONNELL: Mr. Speaker, we have a quorum with 70.29 percent of the Delegates present; 29.71 percent absent.

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

Deputy Speaker MCCUTCHEON: So moved.

Mr. HITCHCOCK: Second.

Speaker BERGSTROM: Also, you should have received a copy of the Journal of February 3. Are there any additions or corrections to the Journal?

Ms. MCAULIFFE: Do you want to vote the calendar?

Mr. O'MALLEY: Move approval as distributed.

Mr. LEWIS: Second.

Ms. MCAULIFFE: We didn't vote the calendar. We just did the motion.

Speaker BERGSTROM: Oh, okay.

Ms. MCAULIFFE: Sorry.

Speaker BERGSTROM: I need to do that. Do we have approval of the calendar of business? All those in favor, "Aye."

(Motion carried.)

Speaker BERGSTROM: We've already had the motion and the second on the journal, so all those in favor? Aye.

(Motion carried.)

Communications from the Board of Regional Commissioners

Speaker BERGSTROM: Now we have communications from the Board of Regional Commissioners and presentation by Administrator, Mr. Brillhart, and Finance Director Mary McIsaac, and Finance Assistant Robert Lawton.

Leo told me he wasn't going to be here so we know --

Commissioner FLYNN: Yes, he wasn't able to be here this afternoon.

Speaker BERGSTROM: Okay.

Commissioner FLYNN: So today we're here to talk about the budget or at least to present the budget to you. I wanted to say on behalf of the County that a great deal of time and thought has been put into this budget. Probably as a Commissioner, this is probably the most time that I think we have ever put in for several reasons.

One is we have the Interim County Administrator, and, secondly, we have Mary McIsaac the Finance Director, and this is her budget in a sense. But I want to say that everybody owns this budget.

The department heads, I can't tell you how grateful and thankful I am and how much I appreciate all the work that they put into this budget. Each one of them were asked to make reductions and they did. And some were asked to even come back and make more and they did.

And they were so cooperative and so much a part of this that it was just a great experience to work with them on this knowing that we had -- we had to really cut the budget a great deal and they were tremendously cooperative.

So I really have to thank them and thank Mary who just went above board. Believe me, I'm not sure that she had a days' rest in all these weeks. And Bob, who we're so grateful to have him here and helping us as time goes along.

So, like I said, this budget belongs to everyone. And the basic premise as part of the budget is the increase in the deeds excise tax. This budget does represent that 36-cent increase which translates to \$1.1 million and that is included in the entire budget.

We, as the Commissioners, have not as of yet prepared an ordinance, but I was just casually speaking with the Speaker and I think we can probably work out whether the Commissioners do it or the Assembly does it. However it happens or however it can happen that we can proceed with that.

So, I want to present you with a letter which is those of you who have been here before, I usually would recognize it. It's pretty much a narrative outline of the budget and what some of the cuts are.

The second document is an ordinance and it is the proposed appropriations for the next fiscal year.

The third document is another ordinance and this is the capital plan. And then there's another document that is the Capital Improvement Plan for 2017.

Mr. LEWIS: We have all of those, right?

Mr. ROBERT LAWTON: Yes.

Commissioner FLYNN: Those are the originals -- so I mean I have the originals. So that's the end of my remarks.

Speaker BERGSTROM: Okay. I guess I'll recognize Bob and Mary and Michael if they want to come up to the desk and give us a brief outline of the budget.

Ms. MARY MCISAAC: Good afternoon, everyone. We're here today to present you with the Fiscal '17 Proposed Budget. What you have before you is a binder and a blue report folder and just an overall picture of both of the documents that are in front of you.

The blue folder is the capital plan document, which is the capital plan for the next five years including '17. And accompanying that and behind that is a description of all of the projects that we brought forward for approval for the fiscal '17 year. The departments have described the budget in detail and in some cases have been able to provide you with pictures to demonstrate the need of the capital items that we have brought forward to you today.

Also inside of the report cover is a copy of the ordinance that was signed today by the Board of County Commissioners. So that's the capital plan.

And when you move to the binder, what the binder contains is the transmittal letter, that I'll call it, that came from the County Commissioners, a copy of the ordinance.

And then we move right into the departmental budgets. The departmental budgets are separated by colored paper so that you can clearly see the separation. And we can give you an index of them but you can easily run through the binder by number and you can utilize this binder during your reviews that will be held with the department heads and as you ponder the budget for the year.

The total proposed expenditures for this year are \$27.7 million. Upwards of \$2 million were cut from departmental requests in the original form for fiscal '17.

The methodology for cutting, for your information, was we really looked at the historical data for all of the departments for all of their line items, and we used a set of criteria that spoke to the history, that spoke to the spending, and also looked at the need in the accounts as was historically borne out by what the departments had done in the past.

New initiatives were not accepted this year for this budget year because we needed to balance the budget and we did not consider new initiatives. We're also not considering new hires and, therefore, not also considering conversions of part-time positions to full-time because that would increase the budgets of the relative departments and also trigger benefits and retirement.

And so for those reasons and for the reason that we can't afford that kind of thing, those things were not considered this year.

So looking at the revenues realistically, we have a conservative estimate of \$27.7 million in revenues and we exacted cuts to balance the budget, and that's what is presented to you today.

Speaker BERGSTROM: Thank you. So I take it from what the chairman said and what you say that people who approach the doors of Barnstable

County on July 1 will find that they are open.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: That you can actually go in, and that Barnstable County will be open for business.

Ms. MARY MCISAAC: Yes, sir.

Speaker BERGSTROM: It may come as a surprise to some people who recently commented on this. But I appreciate the work that you've done and the Commissioners have done and all the department heads. And I'll turn this over to the - - I know the ink is not yet dried here, but I'm sure we have some general questions from Delegates. We'll start with Suzanne.

Ms. MCAULIFFE: More of a comment. I really appreciate the succinctness of the budget and not that the goals and all the language that we had in past budgets for the department kind of background and framework weren't important, but it did give the impression of a very thick document and a cumbersome document to work with.

So this is nice in that it is just the numbers and then we can have discussions about how this fits in with other things, County goals, other goals, but I really appreciate that.

And the other thing I really appreciate is in your capital, the summary for each -- the one page summary for each project with pictures. I think that really is a very good way to demonstrate the needs and also to bring those of us who are very concrete up to speed. And I think that this is a very good first step. I appreciate it.

Ms. MARY MCISAAC: Thank you. Thank you.

Speaker BERGSTROM: Okay. Ed.

Mr. MCMANUS: In the documents that you've given us, is there a detail of your revenue estimates?

Ms. MARY MCISAAC: There is not a detail of the revenue estimates from our department because we were asked to deliver the appropriation budget to you.

Mr. MCMANUS: Okay.

Ms. MARY MCISAAC: The revenues are estimated to balance the budget, and I think that we certainly can provide our proposed revenues for your reference.

Mr. MCMANUS: Thank you.

Ms. MARY MCISAAC: And if you wanted to have any, you know, to have any discussion on that about the revenues are projected and are conservative -- certainly conservative estimates, and we balanced the budget based on our estimates of our revenues.

Mr. MCMANUS: Okay.

Speaker BERGSTROM: Yes, Brian.

Ms. MARY MCISAAC: So we can electronically send that to Janice.

Mr. MCMANUS: Sure.

Ms. MARY MCISAAC: And she can send it out to you.

Mr. O'MALLEY: Thank you, Mr. Speaker. As I recall last year's budget, and I don't have it with me, we balanced -- it was a higher number; it was 28 and change. We balanced it with some reserves. How are we comparing revenues this year with the revenues we had last year?

Ms. MARY MCISAAC: Some of the revenues have been reduced; a couple of items have been increased. But all in all, the revenues are pretty -- are really stable and have been for some time. We don't see any spikes in grants. We haven't seen any volatility in the Registry of Deeds revenue. You know, we've had a pretty stable outcome in terms of a certain number for the last several years.

Mr. O'MALLEY: Good. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Jim.

Mr. KILLION: Thank you, Mr. Speaker. You did mention some cuts that you made to the budget. Can you go into some detail of what those cuts were?

Ms. MARY MCISAAC: Sure. Like I said before, we didn't entertain new initiative requests. I know particularly the IT Department asked for new initiatives to convert part-time people to full-time and to add additional staff. And I believe the total cost of that particular one request was \$478,000.

Mr. KILLION: So are these just cuts to increases or were they actual cuts to the budgets?

Ms. MARY MCISAAC: They were cuts to increases as well as cuts to the budgets and that was our historical perspective. We went into every line item and we examined it. We examined the historical outcomes of the year for '14, '15, and '16 and we looked at, in some cases, a high number because it appeared to be indicative of a true cost. We looked at three-year averages and we looked at current levels of activity.

Mr. KILLION: Has there been proposals made to eliminate any programs and to cut spending?

Ms. MARY MCISAAC: We did not eliminate programs this year.

Mr. KILLION: Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Yes, Ed Lewis.

Mr. LEWIS: Thank you. Good afternoon.

Ms. MARY MCISAAC: Good afternoon.

Mr. LEWIS: One of the things that in budgets over the years that I've done whether it was with the town of Brewster or now with the school district, we've gotten a breakout by department of salaries; not one number but by individuals. And in last year's budget, some budgets had it and some budgets didn't have it. I wonder if that can be provided.

Ms. MARY MCISAAC: We're in the process of reviewing those and as soon as we finish verifying the numbers on the actual sheets from the departments, we'll send a set over for each of you.

Mr. LEWIS: And that could include what that individual earned last year and what they're going to earn this year so we can look at what the increases are in comparison?

Ms. MARY MCISAAC: The personnel schedules --

Mr. BOB LAWTON: I don't think it has that.

Ms. MARY MCISAAC: -- don't have last year's numbers on them. But we can give you some information with respect to steps and liens and you can see what the position made. But we wouldn't be able to tell you that position this year which is held by possibly someone with a year of experience or maybe someone that's

been there for four years. Do you know what I mean? It would be hard to input all that data to give it to you for next week for sure.

Mr. LEWIS: Usually, you have a year-end report which shows everything, right, which shows every individual -- I know the towns do it, the schools do it. You said the County doesn't do that? We don't get like a year-end report with each individual?

Ms. MARY MCISAAC: Do we have that?

Mr. BOB LAWTON: Not in the Treasurer's Report.

Ms. MARY MCISAAC: We do not have that in the Treasurer's Report.

Mr. LEWIS: That seems odd that you don't have the kind of information so you can see where, you know, where you structured -- and if someone retires how much you can save by hiring someone new and to hire at a different rate.

Ms. MARY MCISAAC: Right.

Mr. LEWIS: I mean that kind of information would seem to be, to me at least, to be important to looking at budgets going forward.

Ms. MARY MCISAAC: Sure. Sure.

Mr. LEWIS: And the personnel costs are the largest individual section

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Ms. MARY MCISAAC: They are.

Mr. LEWIS: -- of any budget.

Ms. MARY MCISAAC: They are.

Mr. LEWIS: That I would like to see as much as whatever you can give me I would like to see that.

Ms. MARY MCISAAC: We can change the schedules to input numbers for you, certainly.

Mr. LEWIS: Thank you.

Ms. MARY MCISAAC: You're welcome.

Mr. LEWIS: Other than that, I thank you for this. It's a lot thinner and easier to work with. And I echo Suzanne's remarks on that. But I would like to see the personnel information. Thanks.

Ms. MARY MCISAAC: Certainly.

Speaker BERGSTROM: Chris.

Mr. KANAGA: Yes, just real quick. Would it be possible for that revenue detail from the budget to come with the last three years for the same line items?

Ms. MARY MCISAAC: Certainly. We handed out at a previous meeting --

Mr. KANAGA: Right.

Ms. MARY MCISAAC: -- five years of revenues.

Mr. KANAGA: Okay.

Ms. MARY MCISAAC: But we can add the projection that schedule and send you over all of it.

Mr. KANAGA: That would be fantastic. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: John.

Mr. OHMAN: Thanks for your hard work, Mary, and everyone else,

Bob.

Ms. MARY MCISAAC: You're welcome.

Mr. OHMAN: There are a couple of surprises that may happen and the big one is that the Assembly does not approve the 36 cents; that's big. There are also a couple of house bills rolling through at their own pace at the House that would limit the income that the Registry of Deeds could get from copying. They want to bring it down --

Ms. MARY MCISAAC: Yes. We're aware of that.

Mr. OHMAN: Have you any contingencies built into this budget if either of those two things happens?

Ms. MARY MCISAAC: Well, there are some contingencies that we could exact if we became aware of the certainty of a loss of revenue at the Deeds which is not -- we're not aware of it and we understand that it's not likely to happen this year and we can work towards that.

If the deeds tax does not pass the requested increase, I would suspect they'll be layoffs because we have really gone into the departments and exacted cuts to balance the budget, but I would suggest that I don't think there's a lot left in the regular departmental budgets. So cuts would have to involve personnel I would suspect.

Speaker BERGSTROM: Yes, Linda.

Ms. ZUERN: The 36 cents, is that per thousand?

Ms. MARY MCISAAC: 36 is per thousand, yes; 18 is per 500.

Ms. ZUERN: Okay. So if we didn't get that, that was 1.1 million that that was bringing in. So if we didn't get that, we'd have to cut another 1.1 --

Ms. MARY MCISAAC: We would cut another 1.1 million; yes, ma'am.

Ms. ZUERN: Okay. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Suzanne.

Ms. MCAULIFFE: Have you gone into any of the contracts in terms of step increases or cost of living or even changes in reimbursement for health insurance or is that such a long-term big deal thing that it can't be executed this year?

Ms. MARY MCISAAC: Well, a lot of those health insurance options are longer term. We do have two unions to negotiate with. The employees -- the budgets were prepared with no cost-of-living increases for them. However, they were allowed step increases if they were due to have the step increases. And the merit payments to certain employees were not eliminated. But that's a small number in total but that wouldn't have a great deal of effect on the budget. So that's a lesser consideration than other things such as eliminating a PPO plan or eliminating health insurance for elected officials. Those are much larger numbers and they have much greater impact if there's some change to that.

Ms. MCAULIFFE: What's the reimbursement for the County -- for each employee's health plan? Is it --

Ms. MARY MCISAAC: The split is 75/25. So the County pays 75 percent of insurance -- the insurances.

Ms. MCAULIFFE: Which is very, very high. So I'm just thinking that that is a big money taker in going forward.

Ms. MARY MCISAAC: It is. It is. Yes.

Ms. MCAULIFFE: I know that that would have to be negotiated.

Ms. MARY MCISAAC: Right.

Ms. MCAULIFFE: Perhaps a lower reimbursement for people to keep their jobs and keep their plans might be considered as well.

Ms. MARY MCISAAC: All of those, I would suggest that, all of those considerations when we deliberate the budget because some were more complex than one might originally think, you know, the elected officials insurance would likely require legislation. Eliminating PPOs has the caveat that we can't eliminate PPOs for retirees. That's something that we would have to carry and we would have to -- we wouldn't negotiate but we'd have to determine perhaps a different percentage for that. And all of those processes were lengthier than our deadline.

So that I would suggest to you that for '17 this is what we've presented, and all of those issues are on the table for discussion during the year because we will be acting on some of those things in the next year.

Ms. MCAULIFFE: And the cost of living you were able to exact on union employees as well as nonunion?

Ms. MARY MCISAAC: No budget received a cost-of-living, and I believe the language in the contracts is specific that to say that the COLA -- that employees would get a COLA if the -- rather other County employees get a COLA.

Ms. MCAULIFFE: Okay. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Yes, Julia.

Ms. TAYLOR: Okay. Can I just sum up and see if I'm on the right track?

Ms. MARY MCISAAC: Certainly.

Ms. TAYLOR: Because now I've heard everybody's questions and what you've said. So on the revenue side, most revenue is relatively stable, that's the prediction from the --

Ms. MARY MCISAAC: Yes, ma'am.

Ms. TAYLOR: -- compared to the last few years but the budget included is a 1.1 increase in the deeds tax on the revenue side?

Ms. MARY MCISAAC: Yes, it does.

Ms. TAYLOR: From the expense side, two million was cut from departmental requests. There are no new initiatives or new hires, no movement from part-time to full-time. We did not eliminate programs. And there are no cost-of-living increases in the budget.

Ms. MARY MCISAAC: That's true. Yes.

Ms. TAYLOR: And layoffs will take place without -- in your guess without a deeds tax increase?

Ms. MARY MCISAAC: There will likely be -- I would say that that's likely true because the budget is overly burdened by personnel costs.

Ms. TAYLOR: Right.

Ms. MARY MCISAAC: You know, we're a service agency.

Ms. TAYLOR: Okay. So if I -- I have to make a little report on TV next week, so these would be fair to say?

Ms. MARY MCISAAC: Yes, ma'am.

Ms. TAYLOR: Thank you.

Speaker BERGSTROM: Okay. I'd just like to say that I had preliminary meetings with John, the Chairman of the Finance Committee, with Mary and Michael, and Bob, and the Chairman of the Commissioners where we discussed various options knowing we were going into a deficit, a potential deficit. And there were some dire choices, you know. I mean we were talking about seriously impacting healthcare. We talked about eliminating or seriously hampering some of the initiatives, the Wastewater Collaborative.

And now I'm getting a budget that says that you've tightened your belt enough and with the increase in revenues, if it's voted, it would be, basically, the core function of the County government will continue and that we're not going to have to fall back on anything, any really, in other words, change in what we're doing. Is that pretty much what I'm getting out of this?

Ms. MARY MCISAAC: You would get that out of this but I would continue that thought to tell you that this is year one.

Speaker BERGSTROM: Okay.

Ms. MARY MCISAAC: Of a number of years.

Speaker BERGSTROM: I can only deal with one this year. Please.

Ms. MARY MCISAAC: This is year one. And this year we have mathematically balanced the budget by looking at the history. I mean there's certainly been analysis and there's certainly been rules applied to budget line items in order to exact all of the cuts. There were some pretty deep cuts made in order to balance the budget this year.

But next year, we know that our personnel costs will increase exponentially. We have no idea where health care will go. So the options next year will be different. We will have cut a lot of money out of the budgets this year, and, essentially, budgets were level-funded or reduced. Some department's lines were carried back to their '14 budget number. And we were able to justify that based on our criteria. But when you shave that much back and you continue to grow and you continue to serve, those cuts cannot be sustained.

Speaker BERGSTROM: Yes.

Ms. MARY MCISAAC: So in the next year, the challenge will be different. And then the next year we will be looking at the issue of our debt service and a number of other large items.

Speaker BERGSTROM: Yeah, well I guess -- I guess the problem that we had, and I don't think a lot of people understand it, is that towns can increase their levy by 2-1/2 percent each year, which is their total levy, which is where they get the majority of their revenue. Whereas, we get only a small portion of our revenue from the amount that we can actually increase by 2-1/2 percent. A lot of it comes from the Registry of Deeds which, basically, is we don't know what's coming out of that.

So I assume we've included the 2-1/2 percent increase in this budget to the portion paid by the towns?

Ms. MARY MCISAAC: Yes, we have and that's \$75,000 in total.

Speaker BERGSTROM: It's not much. But, well, I don't know; is there anything else from the Assembly? Yes. We'll go with Doc and then Ed.

Mr. O'MALLEY: Thank you, Mr. Speaker. It's my understanding that we're carrying a pretty substantial underfunded postemployment benefits liability. Are we addressing that in any way? Where are we with that?

Ms. MARY MCISAAC: Well, we know it exists and we've had it quantified for us as many of your fellow Assembly members have probably heard from their own towns; we do not have a plan today. We know we need to fund it, but funding it takes carving out a revenue stream. It takes finding a new revenue stream. It takes some innovative approach, and I would suspect the latter will be what will happen with us. We'll be looking at some innovative approach in order to address the OPEB liability which we need to do.

Mr. O'MALLEY: Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Ed.

Mr. LEWIS: Yes. This is more not only for you and Mr. Brillhart but also for the Commissioners, the two -- Mary Pat and Sheila that are here. We go through this and like any budget discussion, it sort of then comes up next January or next December and we really don't spend the next six months looking at where we can prepare for the next budget year, exactly what you talked about.

So I'm concerned to a certain degree being a County government as to whether or not we had the opportunity to begin to look at each department and find out what that department does for the 15 towns that we supposedly as a County serve and the benefits that they provide and looking at that and say if there are departments that really don't provide the kind of benefit that other department's provide, then maybe that, from a County standpoint, maybe we have to either phase that out so that we can provide more of a benefit in the areas that do a lot of good.

Ms. MARY MCISAAC: Those are the priorities, yes.

Mr. LEWIS: And I wondered if that discussion has begun, that priority of by department because if you look at -- all the difference, some of them provide a real service to the towns; some don't. They may provide a service to an individual small section but overall, you know, and I think that the Commissioners and at some point the Assembly needs to take that up, that discussion, so that when we get to the next budget year and you talk about year two or year three of these kind of plans we have a better handle on where we're going so that we don't run into this every time because we're going to run into it no matter what. But we have to find a way to streamline what we do.

Ms. MARY MCISAAC: We do.

Mr. LEWIS: Otherwise, it's not sustainable.

Ms. MARY MCISAAC: We'll be looking at all of that.

Mr. LEWIS: And the last question I have is we get a certain amount of rent. We have leases with the state. I don't know when the last lease -- I don't -- we don't get a copy of the lease. I don't have a copy of that, not the lease itself, but when the lease is -- whether there was an increase this year, whether there was no increase, whether there was something in the lease that allowed us to increase the rent on a year by year basis or every two years or when the leases are up. Because my -- I don't know what that is but --

Ms. MARY MCISAAC: Well, the structure of the lease that we have with the trial courts, for instance, is a lease whereby they reimburse us the cost of maintaining the buildings and the cost of personnel that are in the buildings and, actually, the cost of capital improvements and those are reimbursed to us all based on the percentage of occupancy of the trial courts in each of the buildings where they

have personnel.

Mr. LEWIS: They don't pay rent?

Ms. MARY MCISAAC: Well, it's called rent but there is a dollar a square foot --

Ms. JOANNE NELSON: Yes, that's right.

Ms. MARY MCISAAC: -- a dollar a square foot which is part of actually rental. But the great bulk of the monies that come to us are for reimbursements for costs.

Mr. LEWIS: We get reimbursed for costs, we're not getting rent. We're just getting the money that we spent and getting repaid for it.

Ms. MARY MCISAAC: Yes.

Mr. LEWIS: But we're not getting rent. We have this big complex here which we rent buildings to the state and we don't get paid for that by -- just like if you rent a building, you pay for it?

Ms. MARY MCISAAC: We get paid by how the law is written about the trial courts reimbursing where they are tenants in buildings.

Mr. LEWIS: So this is a Massachusetts General --

Ms. MARY MCISAAC: This is legislated; yes. It's a law.

Mr. LEWIS: So Beacon Hill says, "Well pay you to repair the building but we're not going to pay you for rent"?

Speaker BERGSTROM: Julie.

Ms. JOANNE NELSON: No, they will pay us for whatever expenditures that we have.

Mr. LEWIS: But that's not rent.

Ms. JOANNE NELSON: Well --

Ms. MARY MCISAAC: It is rent.

Ms. JOANNE NELSON: Well, I mean you can say it's rent but --

Mr. LEWIS: If I own a condominium or if I rent a condominium, I pay rent. When the roof has to be redone, then I get assessed for the roof.

Ms. MARY MCISAAC: Right.

Ms. JOANNE NELSON: But they pay us a certain percentage for each building for the expenditures that we pay.

Administrator BRILLHART: It's called a Shared Costs Agreement. They reimburse us for costs that we have, but I understand what you're saying. It's not a true rent agreement.

Ms. MARY MCISAAC: It's not an income figure.

Ms. JOANNE NELSON: It's not a flat rate, no.

Mr. LEWIS: So if we move out of this office as an example, this section here and go up to the other jail, we don't make any extra money on that?

Ms. JOANNE NELSON: Yes, we do.

Ms. MARY MCISAAC: Yes, we do.

Mr. LEWIS: They'll just pay us to fix it up for their use.

Ms. MARY MCISAAC: Well, when they take over this space -- if they take over this space how the plan moves forward, the percentage of occupancy in these building increases. So our reimbursement increases and our payments for capital improvements increase because they are occupying a greater percentage of the building than they were before they moved into here.

Mr. LEWIS: But they only reimburse us if we spend money; hence the term “reimburse.”

Ms. MARY MCISAAC: Yes.

Administrator BRILLHART: Yes. That’s correct.

Mr. LEWIS: They have a good deal.

Speaker BERGSTROM: All right. Why don’t we move on. Julia, I think you were waiting.

Ms. TAYLOR: Okay. I mean I think I have gotten enough of an impression from Paul Niedzwiecki’s report in the past that it is very much to our financial advantage for them to have more space. So whether we call it rent or this reimbursement situation, it is definitely the more they use, we definitely get more money, and our costs are relatively, for this building, not counting changes, they are fixed costs so we get an increase.

But, other than that, I did want to go back to your first point about the more of an ongoing discussion and it’s certainly been quite a few years since I also felt that we -- I never hear of -- it may be taking place but I never hear about it from the Commissioners or from the Assembly about any serious discussion of priorities, or changing priorities, of existing needs, future needs. We don’t have -- this is basically, as Mary said, this is a historical budget. That’s what it’s based on; history. I’m a history teacher. I’m not opposed to that, but I’ll take it on fairly good faith that we’ve had experts looking at the details of the spending and that there isn’t lots of waste and inefficiency. I’m going to assume that.

I certainly am not going to be able to identify any, and I don’t think there’s any fraud. So all the usual suspects: waste, inefficiency, and fraud, I don’t see that as any kind of problem or ever has been a real problem -- well -- at the County. I just thought of something. But it’s not -- certainly not fraud.

But what is missing is a serious discussion of are we doing -- there’s a limit to our revenues, we know that, and are we choosing the best programs for our 25 to \$30 million. I’m not saying we aren’t but I’m not convinced that that discussion has happened and I do think that it should.

Speaker BERGSTROM: Yeah, Ed McManus and then we’ll go to Deborah.

Mr. MCMANUS: Listening to the discussion over the use of space by the state courts and how we get reimbursed for it, I think, from what I’ve gathered, and I’m going to throw this out and you can tell me if I have the right idea, is we have all these buildings here on the campus and we’re paying to heat them and repair them no matter who’s in them. I think you have to upkeep the buildings and do whatever necessary improvements.

And if we’re using 50 percent of the building and the state is using 50 percent, they’re picking up 50 percent of the costs and we’re picking up 50 percent of the costs. We shift space allocation so they’re now picking up 60 percent of the space and we’re picking up 40 percent, they will pick up 60 percent of the cost. The cost hasn’t gone up, but the impact on the County budget will be reduced because the state is picking up a greater percentage of that.

There’s no sense of retained earnings or profit in the agreement but it’s just by shifting space to them and being more economical on how we use space, we shift more of the costs of maintaining the buildings, which we’re going to have to

maintain anyway.

Speaker BERGSTROM: Let me ask a question. Is this going to affect this year's budget, the state reimbursement?

Ms. MARY MCISAAC: No.

Speaker BERGSTROM: Okay. So, basically, we might get back to this year's budget.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: And that's another subject that's not really on the agenda. So we'll go with Deborah and then Linda and then Jim.

Deputy Speaker MCCUTCHEON: Thank you, Mr. Speaker. I'd like to have some information about the rental income from a different perspective. And I understand there are some tenants in County-owned property, CLC and CVEC. There's been a lot of rumors about who's paying what and how much and when. Do they have the same kind of lease that the County -- that the courthouse has that they pay only for what we expend?

Ms. MARY MCISAAC: Those agreements are being examined. I can truthfully say we do have agreements with them and they do reimburse us for administrative costs. And CLC pays us rent and administrative costs, and they also pay for IT services.

Deputy Speaker MCCUTCHEON: And that is going to be detailed in the income detail that you promised to provide?

Ms. MARY MCISAAC: Yes. We can give you that.

Deputy Speaker MCCUTCHEON: Is there any -- is that only for this fiscal year? Is there any going back for prior periods?

Ms. MARY MCISAAC: I'm not aware that there's any negotiate for retroactive payments.

Deputy Speaker MCCUTCHEON: Of any kind?

Ms. MARY MCISAAC: Of any kind with Cape Light Compact or CVEC.

Deputy Speaker MCCUTCHEON: I see. And is there -- have you been informed or are you aware of any plan for CVEC to leave the premises?

Ms. MARY MCISAAC: I'm hearing that they're leaving to go to an office building in Yarmouth. I don't know when. I'm hearing that's the plan. I've not been told when that will occur.

Deputy Speaker MCCUTCHEON: Okay. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: I went for Linda and then Jim.

Ms. ZUERN: I just want to get back to the priorities because I totally agree with Julia. And I think there are some areas where we can actually look at programs and say is this what the County should really be servicing? Could the money come in from other ways, either grants or charity or donations? Are we taking on things that aren't really county government because they're just good programs and like them?

Ms. MARY MCISAAC: Yes.

Ms. ZUERN: And some of the services that we provide, whether the fees that we're charging are actually paying enough for those services. So I'm very much interested in looking at the priorities.

Speaker BERGSTROM: First of all, Mary Pat, do you have something for discussion right now?

Commissioner FLYNN: Yes, I do. What I want to say is that a week from Monday, February 29, our new County Administrator will be here. His first day is February 29. And I might add that that is the day that Michael Brillhart will be leaving us. And I thanked him a million times for having been here and keeping us on a straight path.

But what I wanted to say is that where the Commissioners haven't actually discussed this in great detail but we will when he arrives, but one of the first things we're going to work on is strategic goals and also revenue, ways in which we can increase the revenue from the County.

We're going to have -- he will be meeting with the town managers and talking with town managers in all the different towns to find out what it is they want. What do you really want from County government? How can we support you? What services are you doing now that you would really like to have the County perform? And whatever they may be -- so to begin to build those relationships, stronger relationships with the town and find out what services that will work on a regional basis and that we can provide and that they want.

And then at the same time, we're going to be looking at other ways in which we can increase the revenue. That is the first charge to the new County Administrator is to work on those issues.

Speaker BERGSTROM: Thank you. Jim.

Mr. KILLION: Thank you, Mr. Speaker. This budget appears to have a call that we haven't had in the past and that is -- looks like the finance director recommendations. Is that what that column is?

Ms. JOANNE NELSON: It was a budget level for finance, yes.

Mr. KILLION: So for the most part, I've just scanned it, there seemed to be an agreement with the Commissioners' recommendations, although I have found a few that don't -- that aren't the same. So can you give us what your criteria are and how it might differ from the Commissioners in terms of how you arrived at those figures?

Ms. MARY MCISAAC: The differences between Finance and the Commissioners?

Mr. KILLION: That's correct.

Ms. MARY MCISAAC: Sure. I can list -- we can go through and list you those. There's only several, I would say -- I would suspect. We did make an amendment to -- we made a net amendment to Joint Initiatives. I'm not sure what you're looking at that's different.

Mr. KILLION: And, again, I wasn't planning on going into the detail.

Ms. MARY MCISAAC: Sure.

Mr. KILLION: I'm speaking to you as a general opinion of how -- what your criteria was that might have been different from the Commissioners?

Ms. MARY MCISAAC: Well, we listened -- the Commissioners listened to the departments, and I think that there was only one change which was to joint -- which was to Water Protection Collaborative --

Commissioner LYONS: And they moved with you?

Ms. MARY MCISAAC: Yes, they did, actually. For the most part, we

should have the same numbers.

Mr. KILLION: This particular one I'm looking at, Joint Initiatives, there's a difference of about a hundred and something-thousand.

Ms. MARY MCISAAC: Well, Joint Initiatives was \$150,000 difference, and the reason for that was it was presented to the Commissioners with that number isolated as its own number. And the reason for that was there was \$150,000 left in a loan that was authorized for a project of the Joint Initiatives and I allowed it to be released. So we reduced the Joint Initiatives budget but that sum of money because it was already voted.

So the Joint Initiatives budget was amended downward because that 150 was funded from something else.

Mr. KILLION: So these recommendations in the column for the Finance Director you made to the Commissioners and then they adopted them?

Ms. MARY MCISAAC: Yes, they did.

Mr. KILLION: All right. Thank you.

Speaker BERGSTROM: Julia -- rather Sheila, did you have something short to add to this?

Commissioner LYONS: You know, I just want to follow up, again, on Julie and Linda's comments and also on Ed's. I think, you know, I agree. We have come with the same -- with the same functions, the same departments, and the same thing every year. And if there's a shortfall or if there's an increase what can we do a little better that might be different. And those we're aware of things like the shared Joint Initiatives, Water Quality, we helped advance these initiatives across the Cape which are a benefit to all of the towns.

And the more we went through that over the last several years you could start to see where the County really does have a positive impact on the region itself on the big issues that transcends the boundaries of towns which was the purpose of the reconstitution of this County.

And I think now we're coming up -- we're bumping up over 28 years of existence. We're going into what 1989 so we're looking at almost 30. I think it's time and I do think it's worth a conversation, a joint maybe a retreat that is facilitated about government with the Assembly, with the Commissioners, and now we have a manager.

You know, we're presented with this budget and we're looking at programs and every one of them are worthy and all of them have good benefit but is it what we do as a County? What is our mission and where can we put the best -- most of our resources to have the biggest bang for the buck?

So when we were presented this budget, I said, you know, again, we're in this position of judging what stays/what goes just like you are without a lot of knowledge of what is going to be the overall impact to those other than maybe somebody's salary. You know, it seems that we're always putting the onus on either we're not giving a COLA; we're giving a COLA; we're holding back insurance; we're not holding. It's always on the employee as opposed to really taking a hard look at what we do and some things we just can't do.

You know that 30 years in Yarmouth, sometimes you've got to let go of programs or you've taken them on for a grant; you never let them go and you're still paying employees that came along with that grant.

So I do think it's time for a total assessment of programs and to really

look at where are the priorities and where are those things that are nice things that we do but they're not necessarily part of our mission.

And I would like to be able to feel -- and I had this conversation, I said, you know, nobody's really crazy about this budget, but it gets us through this year. And we have had a lack of management at the helm and now we are finally going to have someone come in who is going to be that person who is separate from a treasurer, who is coming in with experience and a vision of government from his own experiences.

So I do think that this is a year that I just ask that we all sort of be adults together, put aside all of the things that I think we've all felt on different levels. And, you know, maybe there's been different angst on either side but it's because we're all feeling certain similarities that we can't identify.

And I would like to propose that in this year we do have that type of retreat and really have that conversation. Not just a strategic plan from the Commissioners but a real thoughtful conversation about what are we and what are we going to be in the next 25 years to benefit this region. Because the regions' needs are changing; coastal erosion is becoming ever so much -- the part of the conversation that has to follow everything we do as far as infrastructure, programs, housing, jobs, village revitalization, all of those things do have a component of our environment and how are we best going to meet those economic engines, those living conditions, and protect the environment. So I think it's time that we do look at what it is we do. It's hard. We've been doing the same thing and it's hard to change. But if we're going to give -- pass this on to future generations, I would like to see it.

So I agree with all of these observations. I'm not sure we're the ones in the position to do it right now. We need a manager who has really filtered through these things with departments and helped them see what's working and what's not. And this is going to be -- next year's budget will be a totally different experience, I'm assuming than what we've had in the last -- since I've been here.

Speaker BERGSTROM: Sheila, I'd like to get back to --

Commissioner LYONS: I just -- this is a time for a conversation.

Speaker BERGSTROM: I know.

Commissioner LYONS: And it's the only time we do, Ron. So I'm just trying to -- to have that minute, so I thank you.

Speaker BERGSTROM: Well, you did very well. I was getting to you, yes.

Commissioner LYONS: Well, thank you.

Ms. TAYLOR: Very briefly, there was something -- a reference to having a new manager and that could be real exciting. But there was an interesting comment made by one of the candidates for the position who later withdrew and so it wasn't -- it's not relevant exactly. But it gave me kind of a jolt because he said that the population -- and he was a knowledgeable person, so I would trust this figure reasonably well. He said that the population of Cape Cod is about the same as Worcester. And that the cost of government if you add up not the County, forget the County, but if you add up towns on Cape Cod, it comes to more than twice the cost of government in Worcester. And I'm just not sure that we're providing twice the level of service. It's sort of like comparing American medicine costs twice as much as it does in France. There's something wrong with that situation.

So that if a manager could talk to the towns -- I mean the future -- there's money to be saved.

Speaker BERGSTROM: All right. Did I see somebody over here? Yes, Suzanne.

Ms. MCAULIFFE: Yes. I had a comment about the strategic plan, but first I wanted to address your point, Julia.

The reason we have twice the cost is our population doubles in the summer and Worcester's does not. And one of the -- probably the bane of every town's existence is you have to have roads and fire and police that supports the doubled population.

So if you look at towns of our size on the Cape, our costs are very, very high compared to any other towns of comparable sizes in the Commonwealth. But the trouble is we have to provide for 40 to 60 percent empty second homes. We have to provide for twice the population.

The Cape Cod Hospital emergency room is the busiest emergency room in the state and that is over Boston in the summer. So it's a little simplistic to compare us to Worcester that does not have the fluctuation or the second home situation.

Ms. TAYLOR: But, fortunately, those people don't go to the schools.

Ms. MCAULIFFE: But the schools aren't the only costs.

Ms. TAYLOR: Yes.

Ms. MCAULIFFE: Believe me, fire, police, and roads are very costly as well.

Commissioner LYONS: Yes.

Ms. MCAULIFFE: I just wanted to make a comment on the strategic plan. I know that Ridley & Associates did the strategic plan for the Commissioners and it was accepted in December 2013.

And as you're going forward, there's a lot in here that you haven't been able to attend to because you have had -- you've been just sort of treading water with administration and so on.

So I think going forward, even just following what you already have in place and pulling out things because the evaluation of this plan is annual budget preparation should be organized around strategic priority areas using a program budget format. So we have a strategic plan; we just need to do it.

Commissioner LYONS: Right.

Speaker BERGSTROM: Okay. Did I see another hand up somewhere? I'd like to say that -- when talking about, you know, the purpose -- we're talking about -- obviously, when I've done budgets in Chatham, for instance, the first thing they do is they decide what we want to do, you know, what is our role? So they come in and they say, "This is what we have to do."

So the take by some of the Delegates as to looking into the role of County government is a good one. But in the Charter it speaks to this. In the preamble of the Charter, it says exactly why we're here. And it says, "To establish for ourselves and for our communities the means and the structure to deal with regional issues which transcend the existing boundaries in municipal governments." And it goes on to say that we do these things because we can find economies of scale for the towns and stuff.

Now here's an example. If I was going to put up solar panels on the

dump in Chatham, which is already there, I would go to town meeting and I would say, “Look, this is going to cost us half a million dollars. But over the course of 20 years, it’s going to more than pay for itself.” And the town meeting would then have the power to authorize that expenditure.

So we have expenditures in our budget which save a lot of money for the towns but we don’t have the ability to charge more for those expenditures. So if somebody came to us now and said, “Look, the County spends another half-a-million dollars, we can save the communities around the Cape \$10 million.” We wouldn’t have the ability to spend that 500,000, even though it would be a bargain for everybody.

So according to what Ed says and I think Julie and Linda are on the same page is we have to examine in some of these areas where we are receiving money by grants and so on and we are subsidizing services then to save the towns money, we have to constantly reexamine our services to see if they’re actually performing a function that they -- and it could be that they are. And it could be that for every dollar we cut, ultimately it would cost the communities around the Cape \$10. I mean I’m just throwing these numbers out. But I mean it’s something to look at.

You know, I have a list here of committee hearings. We’re going to move along in a good pace. The Commissioners and you have put the budget on the table. There it is. You know, if we want to alter it or change it, we have to make motions to do that.

And in the Charter also, I don’t have the exact language in front of us, the powers of the Assembly to alter or abolish any branch of County government, so if we thought there was something wrong, we don’t have to wait until next year’s budget. We could do that. We’ve never done it before and I don’t anticipate that we would do it. But I’m just saying that because it’s easy for us to pass responsibility onto you. But we also share some of the responsibility on how the government -- the County is organized and how it functions.

So I think this is good news. I mean I really do and for all the dire predictions that we got that we were going to have to close up shop. So how long are you going to be with us, Bob?

Mr. BOB LAWTON: It’s up to my boss.

Speaker BERGSTROM: Oh, I don’t know. It’s an open-ended commitment now?

Mr. BOB LAWTON: No. No. It’s probably at the end of your review.

Speaker BERGSTROM: We know Michael probably already bought his ticket -- his airline ticket already.

Mr. BOB LAWTON: A little bit longer.

Speaker BERGSTROM: This might be our last chance to thank you, Mike, for your service. Thank you.

Speaker BERGSTROM: Anyway, so, are we done?

Ms. MARY MCISAAC: Thank you, very much.

Mr. ROBERT LAWTON: Thank you.

Speaker BERGSTROM: Communications from members of the Public? Hearing none.

Assembly Convenes

Proposed Resolution 16-02: To approve certain budget transfers for fiscal year 2016 in accordance with Barnstable County Ordinance 15-02.

NOW, THEREFORE,

BE IT HEREBY RESOLVED that the Barnstable County Assembly of Delegates Proclaims: The following transfer between budget groups one, four and nine for fiscal year 2016 is approved:

For the Resource Development Department:

Decrease

\$ 5,478.00 Match to Grants Resource Development account 0011104 5498

Increase

\$ 5,400.00 Salary Match Pathways Internship Grant Account 0011101 5101 0205

\$ 78.00 Medicare Match Pathways Internship Grant Account 0011109 5984 0205

Speaker BERGSTROM: The Assembly will now convene. We'll start with Proposed Resolution 16-02, Resource Development Office \$5,478 budget group transfer. Do you have that? Did you look at that, John, at all?

Mr. OHMAN: Thank you, Mr. Speaker. No, we did not look at it but I did a little research if you would like me to -- it's fairly simplistic -- fairly simple budget transfer intra-departmental budget transfer. They hired an intern and the total cost including Medicare is going to be \$5,478 and it will switch from another account that I have here somewhere.

It was switch from a grant, a resource development grant, account number was 00111045498 and increased to a salary match and did a Medicare match into another category. Pretty pro forma.

Speaker BERGSTROM: Do you want to --

Mr. OHMAN: And that being said, I would recommend -- I would like to recommend that we pass this Proposed Resolution 16-02 as written.

Speaker BERGSTROM: I need a second.

Mr. MCMANUS: Second.

Speaker BERGSTROM: Okay. Moved and seconded. Do we have any further questions on this? Yes, Brian.

Mr. O'MALLEY: First of all, I would have to comment that this memo that was circulated for us to prepare for this was really inadequate. It's confusing as all get out.

As I read it, what's going on here is that we've got a \$1,500 grant, and I'm going on the first line of the text here, and a \$5,478 RDO matching funds. Does that mean this is an increased expenditure coming out of the RDO to match the grant? Is this a line increase? What's the source of those funds?

Speaker BERGSTROM: I have no idea.

Mr. ROBERT LAWTON: Ron, I can try to answer that.

Speaker BERGSTROM: Yes. We'll have to suspend the rules.

Ms. MCAULIFFE: Move to suspend the rules.

Mr. MCMANUS: Second.

Speaker BERGSTROM: All those in favor? Aye.

(Motion passed.)

Speaker BERGSTROM: All right. Bob, explain it.

Mr. ROBERT LAWTON: It's our understanding from RDO that they had this money in their account already appropriated. They received a grant for an intern and now it's only a half a year so they're using existing funds to match that. There are no new funds involved. They already exist but she needs to move it from one line to another in order to make the match.

So there are no increases that we're aware of. Sorry about the English in translation --

Mr. O'MALLEY: But in response to that then this has the feel to me of they were appropriated but unused funds that are now being used for a purpose.

Mr. BOB LAWTON: No.

Mr. O'MALLEY: Is this not an increase?

Mr. ROBERT LAWTON: It is not. It is -- the purpose was in the budget they had a line item for grant matches that was voted. And so now -- so it's in a one category A, let's say. So now the grant comes in; what's the match that's needed? Is it 10,000 or in this case it's 5,478. So it must move from this line to another line to make the match work.

Mr. O'MALLEY: All right.

Mr. ROBERT LAWTON: Totally --

Mr. O'MALLEY: This was pre-allocated for great matches?

Mr. ROBERT LAWTON: Yes, sir. Yes, sir.

Mr. O'MALLEY: Thank you, very much.

Speaker BERGSTROM: So we have a motion on the floor that involves money, so we'll take a vote.

Roll Call Vote on Proposed resolution 16-02:

Voting "YES" (70.29%): Ronald Bergstrom (2.84% - Chatham), Ned Hitchcock (1.27% - Wellfleet), Christopher Kanaga (2.73% - Orleans), James Killion (9.58% - Sandwich), Edward Lewis (4.55% - Brewster), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), Edward McManus (5.67% - Harwich), John Ohman (6.58% - Dennis), Brian O'Malley (1.36% - Provincetown), Julia Taylor (14.61% - Falmouth), Linda Zuern (9.15% - Bourne).
Absent (29.71%): Marcia King (6.49% - Mashpee), Teresa Martin (2.30% - Eastham), Patrick Princi (20.92% - Barnstable).

Clerk O'CONNELL: Mr. Speaker, Proposed Resolution 16-02 passes with 70.29 percent of the Delegates voting yes; 29.71 percent absent, now known as Resolution 16-02.

Report from the Clerk

Speaker BERGSTROM: Thank you. The next item is the report from the Clerk.

Clerk O'CONNELL: Just briefly, I've been taking some notes and you should see emails, follow-ups regarding information that you've requested today from finance.

In addition to that, I have received a couple of requests today for a list of committee assignments. That is available online but I will probably send an email out to everyone tomorrow just to refresh so everyone remembers which group they need to report to in the upcoming 4 to 6 weeks.

And that's it for today.

Other Business

Speaker BERGSTROM: Okay. So going to other business, we'll start with the preliminary discussion regarding the potential deeds tax increase.

I threw this on here because I think it's something that we have to deal with sooner rather than later, otherwise, we're not going to be able to deal with the rest of the budget. So does anybody have any comments, preliminary comments on that? You're all quiet. Ed, you're totally against it.

Mr. LEWIS: Excuse me; I couldn't hear you? I'm old so I don't hear everything all the time even with hearing aids.

Obviously, based on conversations that I've had before, I'm very much in favor of this. It's my understanding we haven't done this in seven years. It's also my understanding based on a report that I had that -- I'll find it at some later point, this this increase -- people sell homes for a specific purpose, and it's not like when someone's moving from someplace off-Cape and they decide they want to move to the Cape and they come to the Cape and they look around and they find out that they -- what the type of real estate they like is more expensive than they can afford so they don't move to the Cape. But when they go to Florida and they find out that it's the same situation, so they may stay where they are.

When people are selling their homes, it's not that kind of a situation. They're selling their home because, A, they want to move somewhere -- with the type of population that we have on the lower-Cape as an example. In many instances, people my age category and older are moving closer to families or one spouse passes away or something, they're moving into facilities and they have to sell their home.

People sell homes because they need to sell homes or they want to sell homes. And having an -- and if there's an extra 150 or an extra \$200 or \$250 that comes out of that sale that goes to a deeds tax, that's not going to prevent anybody from selling their home. It just isn't. There's no way.

It's similar to when a couple of years ago when it came around that we could increase, in the towns, we could increase the meals tax by three-quarters of 1 percent and people were all up in arms. They said, "Well people won't go out to dinner anymore." That's 75 cents on a hundred dollar bill. And people all went out to dinner and it's been a windfall for a lot of different towns, extra money that's come in.

So, from my standpoint, increasing the deeds tax by 36 cents per thousand since we haven't had any increase over seven years, to me, it's a no-brainer. And I'm not in the position of saying, "Okay. I want people to lose their jobs" because the real estate market is going to come in and feel that this is going to have some deteriorative effect on the entire real estate market; I don't think that's true. That's the idea that the sky is falling and the sky's not going to fall because of this.

And I firmly believe that this is the right thing to do. It's the only way we can increase any revenue that we have. And I think from my point of view it's the

prudent way to run a County government, to run any government is where you can increase revenue without affecting the great, great majority, in fact, almost all of the majority of the inhabitants of this place we live.

And to echo a little bit of what Suzanne said before, depending upon the town, the further east you go out, the larger percentage of second homeowners that we have on Cape Cod and we build and we -- everything we do is based on what happens with second homeowners. It comes to police stations, DPW, roads, all of these different things, fire stations, it's all hiring. Everything is based on two months a year and so I don't have a problem at all with increasing this tax by 36 cents a thousand.

Speaker BERGSTROM: Yes, Brian.

Mr. O'MALLEY: I would concur with the Delegate from Brewster. And he made reference to the outer-Cape and it is certainly the case that we are in that part of the world a region of very high cost, frequently turned over investment properties.

And it seems to me that this very small increase is basically part of the cost of doing business. The banks are going to charge all kinds of fees and recording fees. There's all sorts of fees associated with every transaction like this, and I think we have very, very few options for increasing our revenue stream here without letting -- without the impact of letting people go. I'm all for it.

Speaker BERGSTROM: Yes, Linda.

Ms. ZUERN: Does anyone know what the tax is right now per thousand? So this would be adding 36 cents to whatever we have now.

Mr. LEWIS: \$6.84.

Ms. TAYLOR: Some goes to the state.

Mr. LEWIS: According to this, it's \$6.84.

Ms. ZUERN: So we'd add 36 cents to that 6.84.

Mr. MCMANUS: \$6.12 and it goes to 6.48.

Ms. MCAULIFFE: 6.12 goes to 6.48.

Ms. ZUERN: Okay. I'm not necessarily against it, but my reasoning is not the same just because we can tax somebody doesn't mean that we should. I'm from the other end, let's keep the taxes as low as possible and not put on another tax just because we're able to do that.

Speaker BERGSTROM: Yes, Deborah.

Deputy Speaker MCCUTCHEON: Thank you. I'd like to kind of point out that if we get this 36 cents and it's not like you can come back next year for another 36 cents and the year after that for 25 or the year after that for 40. This 36 cents, as I understand it, approaching if not at the limit.

Speaker BERGSTROM: Close.

Mr. MCMANUS: Approaching.

Deputy Speaker MCCUTCHEON: So it bothers me less that it's sought for this year than that I haven't heard a real rational explanation of how we're going to go forward with the kind of budget problem that seems to exist. I mean this budget they say has been cut to the bone, no increased services, and no increases of any kind.

Now next year we don't get 36 cents. We may have a problem here that we need to deal with now rather than later. And I don't necessarily oppose the 36

cents but what are we going to do next year? Are we kicking this can down the road?

Speaker BERGSTROM: Just to make -- I'll recognize Ed but, obviously, whatever revenue we get from the increase on the deeds tax will recur each year. So in other words, if it represents 1.1 million, we're going to get that 1.1 million every year from now on.

So it's definitely -- it's more than just, you know, hopefully we're not going to spend it but I see where you're coming from. The 1.1 barely makes us flush. But, Ed, did you have something to add?

Mr. MCMANUS: There are a number of things that are coming towards the County in the next year or two that will affect our revenues. One is the ongoing discussions with space allocation with the courts. It doesn't actually increase any amount of money but it reallocates who's paying for it. And, presumably, the County will be paying less of the maintenance, upkeep, and capital costs of maintaining the campus.

As we all know, our IT department is increasing the number of contracts that they're having with towns. The more of that they do, the more they can spread their overhead costs, which is, again, a reduction in costs that the County itself has to bear.

We are in the process of lobbying our legislative delegation to attempt to see if an earmark in the state budget to help us support the Fire Training Academy, which would then bring new revenue into the County.

And there is, I think, room for discussion as we go through a strategic plan and look at what we're going to be doing for towns, looking at how we have our fee structure for those services we provide. And also to look at the whole structure of the county tax that was set in the late 90s, I believe, and, unfortunately, was not increased year by year and completely left out any benefit to the County from increased growth that the towns received the benefit from. The County has received no benefit from that.

So there are a number of things that we can look into over the coming year that will help continue to float the services and the activities and the future plans of the County.

Speaker BERGSTROM: Okay. We have an opinion from County Counsel that the increase in the deeds tax is included in the budget presentation in the budget that the Commissioners have presented to us. That being said, if we pass the budget, we pass the increase. This is from County Counsel.

In the past, we've had separate hearings on it. I was hoping to have a hearing on it -- a separate hearing, not necessarily a public hearing but, obviously, unless we understand whether this 1.2 million is on the table or not, we can't really have a decent discussion about the rest of the budget. So I was going to have a separate discussion on it or a public hearing on it at our next meeting. The Commissioners say they're going to propose an ordinance, so it may push it off until the second meeting in March.

But I just put this on the agenda because I want you to know that until we approve or disapprove the increase in deeds tax -- at this point, if we were to not agree, without holding a public hearing, even if we do hold a public hearing, in order to not approve the increase, we would have to pull it out of the budget. In other words, somebody would have to make a motion to pull it out because it's in there now. I just

want you to understand it because it took me a while to understand what the protocol was. Now I think I understand. We'll see. Jim.

Mr. KILLION: Just so I understand you correctly, we're going to be doing both then. We're going to be both voting on a budget that has this increase and voting on an ordinance separately; is that what you're saying?

Speaker BERGSTROM: Well, the thing is, that was -- we don't have to have -- we do not have to have a separate vote on the increase. We have in the past had that vote. It doesn't have to be binding. You can vote now. You know, I could look around this room and say, okay, we've got 66 percent to increase the deeds tax and we'll know further on down the line when that -- or to not increase it. I don't know; I'm just guessing.

So, yes, no, I haven't -- I guess it really depends on whether you want to have a separate vote on it. The benefit of the separate vote is that if we get a vote and we do increase the deeds tax or if we don't, we can then have the further discussion on the budget and we'll know where we stand for revenues.

Mr. KILLION: But did you just say that the Commissioners --

Speaker BERGSTROM: A, the Commissioners intend, if I'm correct, to give us an ordinance to increase the deeds tax.

Mr. KILLION: Because I would prefer it that way. I think it's important to have that discussion and have it early.

Speaker BERGSTROM: Yes.

Mr. KILLION: Because if it doesn't pass, then we're going to have to, obviously, dig back into this budget and find out how we're going to pay --

Speaker BERGSTROM: But even if we do not pass that ordinance, we would still have to go and actively take it out of the budget.

Mr. KILLION: Correct. Thank you.

Speaker BERGSTROM: This is the way of having them propose it instead of us. See, that's how it works. Linda.

Ms. ZUERN: I'd just like to know if that was a unanimous decision by the Commissioners to increase that.

Speaker BERGSTROM: I do not believe it was. I know that the budget was not approved unanimously by the Commissioners. There was a descending vote.

Ms. ZUERN: And the 36 percent -- I mean the 36 cent increase was not unanimous?

Speaker BERGSTROM: That I don't know. I don't know. They would know. We'll ask -- you can ask Mary Pat when the meeting's over and she'll tell you.

Ms. ZUERN: Okay. Thank you.

Speaker BERGSTROM: All right. Now --

Ms. TAYLOR: Mr. Speaker, one --

Speaker BERGSTROM: Yes, Julie.

Ms. TAYLOR: Unfortunately, I am not going to be here in March. I will talk to Janice about being able to call in. But just in case anyone had any doubt about how I would vote on this -- anyone in doubt?

Ms. MCAULIFFE: No.

Ms. TAYLOR: Okay.

Speaker BERGSTROM: All right. I'm going to go to other business

but before I do, I understand there's going to be a coupe ordinances submitted today. Normally speaking, the best case would be to quietly slip the ordinance to the Clerk and we talk about it next term. But some people have given a little intro to it so if they propose the ordinance, they can tell us what it is, all right, but they can't advocate for it. So that's my new rule; okay?

Mr. LEWIS: Say that again, please.

Speaker BERGSTROM: What's that?

Mr. LEWIS: Would you say that again, please.

Speaker BERGSTROM: I'm saying that I'm going to allow -- when somebody submits an ordinance, I'm going to allow comment to explain what it is, okay, right now.

Mr. LEWIS: Oh.

Speaker BERGSTROM: All right. But I'm not going to allow them to promote it.

Ms. MCAULIFFE: No discussions.

Speaker BERGSTROM: No discussion on it; okay?

Ms. MCAULIFFE: So just sit and listen.

Speaker BERGSTROM: What's that?

There's a petition, yes. So, is there any other business to be brought before the Assembly? Jim.

Mr. KILLION: Thank you, Mr. Speaker. I will be submitting an ordinance today and this one is relative to something many of you may be familiar with with Ordinance 07-03 which actually created a reconciliation committee for the budget process. And according to County Counsel, that ordinance was only good for that one year. So I've essentially re-written that virtually in its entirety making it a permanent part of the Charter so that as we go through the budget process it gives us a little more leeway, gives us a little more direction in terms of finalizing the budget and being able to have a process. It allows us to work with the County Commissioners through a reconciliation process.

Thank you.

Speaker BERGSTROM: Thank you. Okay. Any other business to be brought before -- yes, Deborah.

Deputy Speaker MCCUTCHEON: Mr. Speaker, I am submitting a, I guess it's an ordinance?

Clerk O'CONNELL: A petition.

Speaker BERGSTROM: A petition.

Deputy Speaker MCCUTCHEON: A petition today to reform County government. I've read the petition that was submitted while I was not here, and I think it is -- this widely misses the mark. I think if you look at the various fiascoes that have stumbled through County government in the last several years, what you see is a trail of woe from the Fire Academy to CLC that can be squarely laid at the door of a real failure of leadership in the County Commissioners and a real concealing of information from the public and from the Assembly.

Under the proposal that I submit, I'm submitting today the Board of Commissioners would be eliminated. Under the revised Charter, this is one of the suggestions that were made in 1985 when the legislature granted Home Rule rights to the County of Barnstable to enact a Charter.

Under this revised Charter, governance powers would rest in the Assembly and it would continue to be one Delegate from each town with proportionate voting. There would be a Chief Executive Officer and a Chief Financial Officer/County Treasurer that would be under the Assembly's direct supervision and control.

There is a provision in there for a majority vote on most issues but a supermajority requiring 51 percent and eight towns represented on more significant votes.

Another -- this proposal does one significant thing that we think is extremely important to the cities and towns on Cape Cod and the people who live here. We've just had a discussion about how the deeds tax proposal will impact Barnstable County, and what we see as the biggest impact is on the outer-Cape where there are higher property values in general and more second homes.

What we see in the proposal to -- that's on the table before mine to reform County government is complete elimination of representation for towns on the outer-Cape. Provincetown, Truro, Wellfleet, Eastham, Orleans, into Brewster, into Chatham would all be a part of one district represented by one person.

There's a gorilla in the room that proposed the other -- made the other proposal that's the town of Barnstable. No matter how you cut it, Barnstable will always have representation at the table. Essentially, Barnstable has no skin in this game but the towns on the outer-Cape do. And the one thing that is the most important to people in terms their participation in public government is that they have a place at the table and a voice and a vote that will be heard on the issues that are important to them.

The impact of the decisions made at the County level falls most heavily on the smallest towns. We should not be removed from our place at the table and our right to be heard.

That's the basis of this ordinance.

Speaker BERGSTROM: All right. Thank you.

Deputy Speaker MCCUTCHEON: And I think I already gave her one.

Speaker BERGSTROM: Okay. All right.

Ms. MCAULIFFE: That was symbolic.

Deputy Speaker MCCUTCHEON: That was symbolic handing it in.

Speaker BERGSTROM: All right. Thank you. We will hear these probably -- the schedule is now with the deeds tax being pushed to the second week in -- the second meeting in March, it could be difficult and we're going to hear Dr. O'Malley's petition on the first meeting.

So I'll have to get together with the Clerk. We'll look at the timeframe for submission to the -- if any submission to the Secretary of the Commonwealth and to the legislature and vote -- we'll try to fit this into our already busy schedule. But that gives you a heads up of what we're faced with and you have the petition from Patrick. So, anyway.

Ms. MCAULIFFE: Move to adjourn.

Speaker BERGSTROM: I was just going to say is there any other business --

Ms. MCAULIFFE: I'm sorry.

Mr. MCMANUS: Second.

Speaker BERGSTROM: Hearing none. Move to adjourn. Yes, second? We got a second.

Mr. MCMANUS: Yes.

Speaker BERGSTROM: Okay. All those in favor? Aye.

Whereupon, it was moved, seconded, and voted to adjourn the Assembly of Delegates at 5:20 p.m.

Respectfully submitted by:

**Janice O’Connell, Clerk
Assembly of Delegates**

List of materials used at the meeting

- Unapproved 2-3-16 Journal of Proceedings
- Budget Cover Letter 2-17-16 from Commissioners
- Proposed Ordinance 16-02 (Operating Budget FY17) submitted by Commissioners
- Proposed Ordinance 16-03 (Proposed Capital Budget FY17) submitted by Commissioners
- 2017 – 2021 Capital Improvement Plan
- Memo on Proposed Resolution 16-02 Pathways Internship
- Proposed Resolution 16-02
- Proposed Ordinance 16-04 (Budget Timeline) submitted by Delegate Killion
- Proposed Amendment to County Charter submitted by Delegate McCutcheon