

**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 - January 6, 2016

Speaker BERGSTROM: Good afternoon. Welcome to the Wednesday, January 6th meeting of the Cape Cod Regional Government, Assembly of Delegates.

I'll call this meeting to order. Is there anyone recording this meeting besides our regular recording. No. Okay.

In that case, I'll call the meeting to order, and we'll 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.)

Thank you.

We will now stand for the Pledge of Allegiance.

(Pledge of Allegiance.)

Speaker BERGSTROM: The Clerk will call the roll.

**Roll Call (86.93%): 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), Teresa Martin (2.30% - Eastham), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), Edward McManus (5.67% - Harwich), Brian O'Malley (1.36% – Provincetown), Patrick Princi (20.92% - Barnstable), Julia Taylor (14.61%- Falmouth), Linda Zuern (9.15% - Bourne).
Absent (13.07%): Marcia King (6.49% - Mashpee), John Ohman (6.58% - Dennis).**

Clerk O'CONNELL: Mr. Speaker, we have a quorum with 86.93 percent of the Delegates present; 13.0 percent absent.

Speaker BERGSTROM: Thank you.

We will not have a motion to approve today's Calendar of Business.

Deputy Speaker MCCUTCHEON: Move the Calendar of Business.

Ms. MCAULIFFE: Second.

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

(Motion carried.)

Speaker BERGSTROM: Okay. You should have received a copy of the Journal. Are there any additions or corrections to the Journal? Yes.

Mr. O'MALLEY: I have a correction.

Speaker BERGSTROM: Okay.

Mr. O'MALLEY: On page 15 at the very end of my comments last time, there is line that reads, "Where the scope of our work is less limited," and it should read, "Where the scope of our work is thus limited, democracy is compromised."

Thank you. Otherwise, approve -- I have no other amendments.

Speaker BERGSTROM: Okay.

Deputy Speaker MCCUTCHEON: Move approval --

Speaker BERGSTROM: Technically, I'm supposed to take a vote on that amendment.

All those in favor of that amendment? Aye. Opposed? Okay. Now we need a motion to approve that amended --

Deputy Speaker MCCUTCHEON: So moved.

Ms. MCAULIFFE: So moved.

Speaker BERGSTROM: All those in favor? Aye. Opposed? Okay. We got through that.

(Motion carried.)

Communications from the Board of Regional Commissioners

Speaker BERGSTROM: We now are hearing from the Board of Regional Commissioners, and I see the newly elected Chairman of the Commissioners here with all her friends.

I should say I got apologies from Commissioner Lyons. She said that you held everybody captive for many hours this afternoon, and that she had to attend to other business so she wasn't going to be here.

Commissioner FLYNN: Well, she did. That's true. Yes, that's true. I had the same -- but it wasn't really that many hours. It was really -- it ended before noon.

Speaker BERGSTROM: Oh.

Commissioner FLYNN: That we actually finished -- well, we were to take up the dredge today, but Wayne has a number of issues with the project that they're doing in Marshfield and in trying to get his submittals together which he didn't have. So we postponed his budget discussion to another date.

So I guess I could really simply say at the moment we are in the budget process. We're very, very grateful that for the past year we have had Bob Lawton with us to help our staff -- our exceptional staff, I might add, in taking a look at our financial situation and how we might address this coming year.

And then along comes Mary McIsaac which is even a better thing that happened to us this past year and we're so pleased to have her as our finance director. She has helped us enormously in taking a global look at the County, where we are now; how we can move through this particular year which has significant challenges to us for a variety of reasons. And I think she might want to explain some of those herself.

But I think we are embarking on a full discussion of the budget, not just from a very global perspective in terms of our revenues, our expenses. Some of the leases that we have, we're looking at leases of all of our County property, doing a review of the property, and we need to have those reviewed also by legal counsel. Some have expired or are expiring, others have not.

So we're taking a very, very broad look at the regional services that Barnstable County provides.

I think we also want to have more conversation with the towns as this year goes forward in seeing what activities or what services they provide now that they think would best maybe be provided on a regional basis and have some interaction with the communities and just kind of waiting to see what happens.

IT has done a great job in marketing themselves to the towns, and I think there's been a great response there.

So I think we can do more. It will help the County but in the end it will also help the

towns and the taxpayers.

So that's where we are at the moment.

Speaker BERGSTROM: Okay. Thank you. And I should congratulate you on your election to the Chair or condolences, however you want to look at it.

Commissioner FLYNN: It depends on your point of view.

Speaker BERGSTROM: Yes, it does.

Commissioner FLYNN: I'm very pleased though. I'm really looking forward to a very thorough year of County government.

Speaker BERGSTROM: Okay. Suzanne.

Ms. MCAULIFFE: Just a question or perhaps even a request. The Finance Committee is looking at the request from the Commissioners to change the wording on a \$250,000 design grant to a \$250,000 construction. And we did go over and look at some of the property over there.

So my question is do you have an overall plan for the complex that this fits under? And if you do have one, is there some possibility that it could be shared with the Assembly?

I know things are happening fast for you with the changing leases and wanting to increase revenues. It's just we don't have a framework or a context in which to put that change from design to construction.

Commissioner FLYNN: Well, last year we had a -- actually, it started the year before. I had had some conversations with people who live in West Barnstable who care very much about the county and the County Complex. And we know that the business owners here in West Barnstable relies a great deal on business from the County.

So we got together with them one day, I did and a few other people, and we talked about the County Complex and what it means, not only to government but also to the commercial aspect and the community aspect of West Barnstable.

The people who live in West Barnstable care a great deal about our property and about what happens here, and it's important to them. It's been here for, what, a couple hundred years or 300 years? It's been a very long time.

So they wanted to ensure that we were going to preserve the County. There had been conversations up north from the state, and there still are conversations ongoing about counties and where they are and what counties may or should be abolished. DCAM is looking at some of that.

So, anyways, so we put together a group from the community and a group from the County, Paul Niedzwiecki, Kristy Senatori from the Commission, and Michael, and a few others and we started working on taking a look at the County Complex.

And then that has been evolved into a group that Paul Niedzwiecki now is the project manager for, and he has -- Leo has been on that committee as well. Well, actually, he took my place when I had that miserable fall and that took me out of commission for a while.

Anyway, they have worked very hard and they're still working on this County Complex plan. We have nothing yet. We have not had a report from this committee I'd say in the last couple of months. So I think probably early this year we will see something.

So I can't tell you anymore than the fact that they are looking at everything. They're looking at the land, at the buildings, at the use, at the current use, what future uses there might be, what revenue sources we might have to be able to make any kind of improvements or changes.

So it's all on the table. And maybe we could ask Paul, as project manager or facilities manager, I forget exactly what that title was, we can ask him to come and give us an update about

where they are.

Ms. MCAULIFFE: I don't want you to think that we want to say in what some of the decisions are.

Commissioner FLYNN: No.

Ms. MCAULIFFE: It's just we need a framework for if you're going to take a specific portion of the old building and you want to put \$250,000 into trying to renovate that, how does that fit in with the plan?

So I'm not asking for that now. I just think we need that information because otherwise it feels to us a little piecemeal.

Commissioner FLYNN: Yes.

Ms. MCAULIFFE: And then if we give you 250 and then down the road, oh, it really was 500, which has happened, but I just think it would be easier if we had a broad, overall plan or idea of where the County was going.

Commissioner FLYNN: Well, I think -- and Steve is here too, but I think part of those funds -- they were called "construction" because they meet the criteria. If you call them design, then you're in a different kettle of fish. So it's called design -- construction and design. And the idea is that as we begin to work on any changes to the complex we are going to need to relocate people. And part of those funds were to be used to help in the relocation of offices at some point when we actually get to that stage. So that's really what it's for, most of it. But I think maybe Bob or Mary or even Steve could elaborate on that.

Speaker BERGSTROM: I don't want to get too far into this because you guys didn't discuss it today so it's outside of our authority.

Commissioner FLYNN: No, we didn't. Okay.

Ms. MCAULIFFE: It was just supposed to be a request but I'm sorry.

Speaker BERGSTROM: Yeah, according to the history of Barnstable County which was published in the late 1800s, was available online, Barnstable County was organized in 1685 and given this right here. I think where -- I looked that up to see how long we've been here.

Commissioner FLYNN: Over 300 years.

Speaker BERGSTROM: Yes. Well, we've got Doc first and then Ed.

Mr. O'MALLEY: I'm going to withdraw my questions to avoid stretching this out any further.

Speaker BERGSTROM: Okay. Always happy to do that. Yes, Ed.

Mr. LEWIS: Mine is more of a procedural question for the Commissioners and for Mary and also for you, Ron, as to exactly where the discussion begins regarding the budget and the revenue streams and the possibility as it relates to the deeds tax and increasing that as to whether or not that has to emanate from the Commissioners? Can it emanate from the Assembly? Does Mary get involved? Where does that come from so we can have that discussion?

Speaker BERGSTROM: Well I have it from -- the Commissioners are in touch with the Clerk. We expect to get this in the second meeting in February?

Clerk O'CONNELL: Yes.

Speaker BERGSTROM: The second meeting in February the budget -- this is all according to ordinance. We'll actually fish out the ordinance as to what the structure is.

Now, at any point these guys hold hearings on this, so -- and they're online and we can go to those, but when we officially get the budget is the second meeting in February. What date is that?

Clerk O'CONNELL: The 17th.

Mr. LEWIS: I understand that.

Speaker BERGSTROM: The 17th it will be presented to us. So that we won't actually have a discussion until the first meeting after that, which will be Wednesday, which will be a subcommittee meeting, and the subsequent Assembly meeting is when we can discuss it, you know.

Mr. LEWIS: That's the first time that any increases from a revenue stream can be discussed?

Speaker BERGSTROM: Well, the answer to that, and I'll let Mary Pat -- we can discuss it anytime we want, in other words, but I'm just saying this is what the obligation is.

Outside of that obligation, we could bring in the Registry of Deeds, for instance. We could bring in, you know, we could have a breakdown from Mary or Bob or anyone on the room that we have to increase the deeds tax if we wanted to. So I'm going to turn it over to Mary.

Yes.

Ms. TAYLOR: I was just going to say you can bring forth an ordinance any time.

Speaker BERGSTROM: Yes.

Ms. TAYLOR: I mean there's no problem with that. It might get more interest or more informed discussion if we knew what the preliminary thinking is on income and expenses. You could do it anytime.

Mr. LEWIS: All right. Thank you.

Speaker BERGSTROM: Ed.

Mr. MCMANUS: To follow up on the question Ed has and this is a question I've had since last budget year last year is that there has been really no complete discussion of what our revenue streams are; what the history over time of them have been; what the basis on which we -- they're assessed, and what ability they have to be changed.

And it's just not the deeds tax but there's a tax that towns pay, and there are a whole variety of other revenues that we received from fees at the Department of Health to leases and that should all be presented in some detail. I mean, you know --

Speaker BERGSTROM: You're in luck because if you look at the next item on our agenda, we have the people here that can answer those questions, I hope.

Commissioner FLYNN: Absolutely. That's what we're working on right now.

Speaker BERGSTROM: Ed Lewis.

Mr. LEWIS: Just the reason I brought that up in the first part, and I do appreciate what Julia has said, is that based on what I saw last year and based on what I know about the way budgets are prepared, the County Commissioners will present to us on February 17 or whatever that date is, the second meeting, a budget that they have prepared -- their budget.

If they don't put any revenue streams in that budget, then you have a budget that's been created without any new streams of revenue possibly, and it's whether or not at the very beginning you look at what Mr. McManus has stated and figure out exactly what possibilities you have. And then when you put your budget together, you know where you can go as against saying well, we'll go with last year's revenue plus the 2-1/2 percent that we're going to increase the towns and that's it. Then we'll just cut it to ribbon so that it matches and there's no discussion as to where there are other revenues that can come into play here. That was the reason for this --

Commissioner FLYNN: Mr. Chairman, if I could?

Speaker BERGSTROM: Go ahead.

Commissioner FLYNN: As part of our discussions with the department heads, and we began that today, that is the initial part of the discussion. What are your revenues? What are the sources of those revenues? How do they meet your needs? What other sources of revenue do you think that we could look at in your department? So that is very much a part of our discussion with every department head.

Mr. LEWIS: Okay.

Speaker BERGSTROM: Yes, Ed.

Mr. MCMANUS: I understand that, but what I've been asking for is sort of a report on revenues, separate and apart that discusses -- shows those revenues and not a part of each individual department's presentation because you can't put that together in an overall picture.

Commissioner FLYNN: If I may? Our first discussion began with Mary McIsaac, our Finance Director. And in that, she presented us a list of all the revenues that the County receives in one list and another list with all the expenses.

So that is available, and I think you should ask those questions of her. They're there. Is that what you wanted? I mean is that what you --

Mr. MCMANUS: That's what I've been asking for and to find out that it exists is somewhat upsetting.

Speaker BERGSTROM: All right. Jim.

Mr. KILLION: Thank you, Mr. Speaker. Good afternoon, Commissioner. Do you have any update on the current search for a County Administrator?

Commissioner FLYNN: I know the committee met yesterday but I have not received any report of the results of that discussion. I understood that there were a number of candidates. I think may 9; is that correct? I don't know. Maybe they --

Speaker BERGSTROM: We'll ask Julia. Julia.

Commissioner FLYNN: But we are ready to move on that matter as soon as we can, and we're not going to delay.

Mr. KILLION: So you don't have any interviews currently scheduled?

Ms. TAYLOR: I can answer this.

Speaker BERGSTROM: Yes, why don't you -- you were at the meeting, right?

Ms. TAYLOR: Yes. The screening committee did meet yesterday and interviewed some additional candidates. We still have two candidates from before, from the previous search that one of them is definitely still interested; it's a little unclear about the other. So we did vote to present X names to the Commissioners and that will happen on the 13th.

Commissioner FLYNN: Okay.

Ms. TAYLOR: Then that will be after the people that we've interviewed have been vetted and that's why I'm not being a little more full about exact numbers.

But anyway, the Collins Group will be doing some work this week and the final list will go to the Commissioners on Wednesday the 13th.

Speaker BERGSTROM: All right. So that's a week from today, the final list.

Commissioner FLYNN: Yes.

Ms. TAYLOR: Yes. So they will then have a list. I don't think there's any chance that the committee will vote not to present any names, I hope. That would be bad.

Speaker BERGSTROM: Well.

Ms. TAYLOR: So that's my expectation. However many candidates that we want to forward past screening and wish to have their names put forward, that's what we'll -- the

Commissioners will get on Wednesday.

Speaker BERGSTROM: Okay. Yes, Brian.

Mr. O'MALLEY: Thank you, Mr. Speaker. It was our understanding, I believe, that we were to hear a report from the committee on the Fire Training Academy by the end of December. Where does that stand? Can you correct that impression?

Commissioner FLYNN: I will just say I've been the Commissioners' liaison to the committee, but there are two committee members here that can respond to that.

Speaker BERGSTROM: Okay. Yes. Ed.

Mr. LEWIS: We're meeting tomorrow morning to finalize -- that report will be presented to the Commissioners on the 13th.

Speaker BERGSTROM: I should say at this point that I had a discussion with Administrator Brillhart, and he tells me that the log -- the record of who used the Academy is now available so we can see how it's used and by whom. I haven't accessed it yet but I know it's there. I'll see if I can get it distributed to the other members of the Assembly.

Anyway, well, thank you, very much.

Commissioner FLYNN: Thank you.

Mr. LEWIS: Good luck.

Commissioner FLYNN: Thank you. I'm counting on you.

Mr. LEWIS: I know.

Communications and Discussions with Mary McIsaac and Bob Lawton

Speaker BERGSTROM: Now we have the next item on our agenda is communications and discussions with Finance Director Mary McIsaac and Finance Assistant Bob Lawton regarding recent County budget history and trends.

I'm trying to keep this discussion on how we've gotten to this point rather than move forward into the next year's budget. I mean you can ask whatever you want but the whole idea is how did we get to where we are now? What's been the practices in the past? What's been the trends in the past? How do we put together the budget? Any recommendations of putting together the budget differently? So, with that.

Ms. MARY MCISAAC: Good evening, everyone -- good afternoon. I think it's still afternoon, actually. I'm going to have Bob -- is this on? There we go. I'm going to have Bob pass out -- we would probably just go over this briefly because it is not exactly part of what you said today, but it's our budget and actual revenues and expenditures from July to November -- through November.

December isn't completed and reviewed, so I would respectfully request that we could do that at one of the next subsequent meetings because December will be booked and you'll have a better look at half of the year.

So I'm going to let Bob pass these out. In the meantime, I would say overall, just to start the discussion before you get your papers, is that our revenues and our expenditures are close to the percentage of the year that passes by November 30. So we're at 42 percent of our revenues and we're at 44 percent of our expenditures.

And so I'll, respectfully, wait a couple of minutes until everybody gets a sheet so that you can see what I'm talking about. Just a few talking points on that, and while Bob passes those out, Merry Christmas, Ed, because I have actual revenues for you from 2009 through 2015, and

we will be passing that out as well.

Mr. MCMANUS: Thank you.

Ms. MARY MCISAAC: And we'd like to talk to you about some of the history here, particularly of revenues and apart -- and the structure of the budget here and how the history has affected our ability to balance the budget and has forced us into certain decisions that we've made along the way for budgeting and what that means for our future.

So I think that Bob's about done so we'll just wait a minute.

Speaker BERGSTROM: He's revising it.

Ms. MARY MCISAAC: He's revising it.

Speaker BERGSTROM: Well how long have you been on board now, Mary, a couple months?

Ms. MARY MCISAAC: End of September.

Speaker BERGSTROM: End of September.

Ms. MARY MCISAAC: Yes, sir.

Speaker BERGSTROM: Right into the fray, huh?

Ms. MARY MCISAAC: Yes, jumping right in. So I think everybody has one. So we want to just quickly look at revenue. I would restate that, you know, we're 41.667 percent of the year. And so if you look at the yellow bar, which is subtotals, we're at 42.01 percent.

I would speak to some of the revenues that you could look at that we are showing 50 percent for a County tax and our Environmental tax.

And Intergovernmental Funding, which is the next section, you see for Court House Rental you're seeing 429,742, that's a quarterly payment. The state did pay us in December the second quarter. So our actual revenue through six months will be 50 percent.

Grant Contracts, you know, the percentages seem low but the timing of the contracts and the form of the contract impacts when we get the revenue because some of our grants, our entitlement grants, where we receive the money upfront and we're allowed to expend it, you know, within the framework of our application. Other grants are reimbursable so we've been making expenditures and then we need to request reimbursement. So any of those things can delay the receipt of the funds, but I'm expecting through six months we should see some boost in those percentages.

Under Departmental Revenues, most of the revenues are performing pretty well. Our Resource & Development, that's a timing issue on that. And then further down I would point out two things that are underperforming, you know, just to give you some explanation of where we are. Interest Income is severely underperforming at this point, well below the expectation that we should have for the funds that we have available to invest.

Two of the things that we've done since I came is we have looked at an investment policy that we have had in the past. That's driven all of the County's money into one bank to invest, which has resulted in abominable rate return for us.

So we have amended that in the short-term to remove the name of the bank from the policy and we are opening up accounts in several banks, more than several actually, in order to open money markets, invest in CDs. All of that is happening in January with the thought that by sometime in February all of the County's funds will be out of that particular bank and into banks where they'll perform for us.

So I'm expecting that we should see through the end of the year a dramatic increase in that number and that percentage.

Joint Initiative Revenues really come from certain specialized projects that are handled through the Cape Cod Commission and some of them, towns, are paying for and some of them we're not seeing the revenues for them.

So they're strictly underperforming, and it has to do with the nature of the project and the agreement that was made about whether towns are being given these services or towns aren't being expected to pay for them. So we're going to have to take a hard look at that because we can't project a revenue like this and not have some measure of success in its actual form.

Below, you'll see subtotals which these are administrative numbers, Treasury Balances which refers to Reserves, a transferring from the General Fund, the Environmental Protection Fund, Reserve Fund transfer and Revenues resulting from Bond Issues.

So, I'm calling those administrative things. They're not really departmental and they don't really come to us from a service or a grant or anything that we can measure in terms of performance. These just are what they are administratively from the framework of the budget that was voted.

So that's the revenue picture. I don't know if --

Speaker BERGSTROM: I have a quick question for you and then we'll open it up.

Ms. MARY MCISAAC: Yes. Yes.

Speaker BERGSTROM: I'm looking at the interest income --

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: And the budgeted revenue is \$164,000; where do they come up with that number? If the bank's been underperforming, how did they estimate that we would get 166,000 when we only got possibly 16 if we continue -- I know the rates have been low but where did the number come from?

Ms. MARY MCISAAC: Yes

Speaker BERGSTROM: You don't know.

Mr. BOB LAWTON: Last year, when I got here, most of these were done so we just mirrored what was presented. And we thought it was an unrealistic figure but we had nothing else to go on. I had nothing else to go on. So we --

Speaker BERGSTROM: Could you do me a favor and, at some point, give us the accounts that are interest-bearing accounts and how much they predict -- in other words, get a breakdown, not now, but at some point. How much money do we have in interest bearing accounts and what do they produce in revenue? And what can we anticipate in dollar figures if we have, for instance, it in a different account?

Ms. MARY MCISAAC: Sure. By way of explanation about the singular bank that's been historically used, there's a compensating balance.

Speaker BERGSTROM: Is it Madoff? Is this Bernie Madoff?

Ms. MARY MCISAAC: Something like that. There's a Compensating Balance Agreement with the bank, which means that we don't pay by paying out by check or cash or, you know, however you would call it, a debit to our account for the services that they charge us for.

And in this particular Compensating Balance Agreement, there are charges for just about everything. Charges for making deposits, charges for clearing checks, charges for scanning checks that they don't even see because they're stored at the department level for 30 days and then they're destroyed.

But every single transaction that you can think of has a charge associated with it in this Compensating Balance Agreement. So if we had \$25 million as an average daily balance and an

average collected balance, what the bank does is they take an amount of money that they consider to be adequate to cover the cost of those charges from that total and when they remove all their charges and a right-off-the-top, first of all, 10 percent administrative something or other, then they give us interest income on the balance at the rate of .19 percent. So that's where you get your number.

Speaker BERGSTROM: All right. There was a discussion about these balances last year.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: And a lot of it sort of inactive balance. In the words, it sat there. The money that you actually wrote checks on and took revenues on is only a small percentage of the amount --

Ms. MARY MCISAAC: Sure. Well, you know, when the money is sitting in the same bank and it's all subject to this Compensating Balance Agreement, and some of it technically is not but the rates of the bank are so underperforming in comparison to their peers that you're not getting anything for your money.

Speaker BERGSTROM: You've covered your salary already in just that one -- yes, Ed.

Ms. MARY MCISAAC: We have greater goals than that.

Mr. MCMANUS: Do you know the name of the bank?

Ms. MARY MCISAAC: The bank that's in our investment policy as our bank is TD Bank.

Speaker BERGSTROM: Ed and then Deborah.

Mr. LEWIS: On the Joint Initiatives, are those individual contracts on individual projects with the towns?

Ms. MARY MCISAAC: They are agreements with the towns for various projects. E-permitting is under that. What else is under that? Map -- the flyover mapping was under that.

Mr. LEWIS: Did they have, for one of a better term, a contract but it could be an agreement where the towns have agreed to pay X amount of dollars for the service that is being provided. And there's a specific time when those payments will be made and they're not paid within this certain time period but over --

Mr. BOB LAWTON: I know with the flyover and the planometrics there are agreements because I've seen them in another -- wearing a different hat. Those two I know there are physical documents; yes.

Speaker BERGSTROM: Deborah.

Deputy Speaker MCCUTCHEON: I understood that this Compensating Balance Agreement covers all of the money that's handled by Barnstable County; is that right?

Ms. MARY MCISAAC: It covers a significant material amount of it. I would say probably over 90 percent.

Deputy Speaker MCCUTCHEON: Okay. So if --

Ms. MARY MCISAAC: There are other funds that are escrow funds that are not subject to the Compensating Balance Agreement but you don't get their interest either. Those are special accounts that earn their own interest.

Deputy Speaker MCCUTCHEON: Well my question is how come we've got all our eggs in one very poor basket here and why don't we put it in a different --

Ms. MARY MCISAAC: That's what we're doing.

Deputy Speaker MCCUTCHEON: Oh, okay.

Speaker BERGSTROM: Doc.

Mr. O'MALLEY: Thank you. I noticed three lines -- the three lines that are substantially the most underperforming, sort of the under 20 percent look, to me, all to be town services, those being the County Dredge, the Sanitarian Services, and Fire Training.

Are we seeing a pattern here that we're not being reimbursed for the services from towns?

Ms. MARY MCISAAC: Well, with respect to the dredge, and I just talked to Wayne last night about this because we talk from time to time when he's not on his dredge, but he's out there and this year he had a number of contracts for dredge services. However, a couple of the big contracts, the permitting didn't come through on time from the DEP. And so they've lost their window of time because they're almost done being able to dredge.

So the permitting didn't come through in time. The towns couldn't do the projects so Wayne, you know, Wayne can't do the job and bill for it. There will be a possibility of it next year but it's not here for this year because he's essentially done.

Mr. O'MALLEY: Okay. I see there's a particular -- the services were not done, they couldn't be done, so that makes sense to me.

Ms. MARY MCISAAC: Right.

Mr. O'MALLEY: How about on the other two lines; are we just not being paid?

Ms. MARY MCISAAC: Fire Training -- my understanding is Fire Training has not given us the 175 historically. And you said Fire Training and what was your other?

Mr. O'MALLEY: The Sanitarian.

Ms. MARY MCISAAC: I'm sorry. Sanitarian Services; I think that's just a revenue flow but I can double-check with George. I'm meeting with him tomorrow.

Mr. O'MALLEY: Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Ed.

Mr. MCMANUS: I had a sort of similar question to what Doc asked but just an elaboration on one of the areas, the dredge.

Ms. MARY MCISAAC: Yes.

Mr. MCMANUS: We didn't do the project. Did we then not incur the expense?

Ms. MARY MCISAAC: Well, we would not have incurred the expense of physically operating the dredge, but we always have our fixed costs whether the dredge is in house or out doing a job. So, you know, in the Dredge Enterprise Fund itself, we'll have to take a measure of where that sits at the six-month mark because you want your enterprise to come out at the end of the year as a positive result because when you have an enterprise and it underperforms, the entity has to cover the loss.

Speaker BERGSTROM: You know, so much of this runs through my head. I'm familiar with the dredging because I live in a town where they have to dredge just --

Ms. MARY MCISAAC: All the time.

Speaker BERGSTROM: But the fact is is that if the -- and I know this is probably out of your bailiwick, but the permitting delay is, obviously, because the towns didn't get their act together. The suggestion has been made that together with the dredge we also have in-house permitting because we can't afford to schedule a dredge operation only to find out at the last minute that it's not ready because another -- there's competition for these dredge and the narrow window.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: I'm sure we'll have the dredge people in and we'll discuss --

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: And that's also a lot of town -- fortunately, Chatham has an in-house permitting expert, a guy who used to work for the Army Corps. I don't know if every town does.

Ms. MARY MCISAAC: Not likely.

Speaker BERGSTROM: Not likely. That seems to me an obvious County, you know, thing that we can do that in.

Ms. MARY MCISAAC: Helpful, sure.

Mr. MCMANUS: I keep on having odd things come up. But I know in Harwich we did a 10-year permit that --

Ms. MARY MCISAAC: It covered it all.

Mr. MCMANUS: -- covered it all.

Ms. MARY MCISAAC: Right.

Mr. MCMANUS: It was a little bit complicated to do the first time but it was well worth it.

Speaker BERGSTROM: Right down Main Street.

Mr. MCMANUS: As for some of the other ones, something like Building Rentals, it's showing ahead of where we should be at 57 percent. Is there some seasonality to that revenue flow, i.e. the summer months or is that just --

Ms. JOANNE NELSON: I think that's just the way we're paid.

Mr. MCMANUS: Just the way you're paid.

Ms. MARY MCISAAC: Oh, okay. So the month in revenue that drives the percentage up is for rental of the DA's office.

Mr. MCMANUS: Okay.

Ms. MARY MCISAAC: So that would be -- and it's not really significant and material to the whole, you know, it's nice to look at 57 percent but it's, you know, 57 percent of 20,000.

Mr. MCMANUS: And with this Sanitarian Services I know some towns look to sanitarian services when they've --

Mr. LEWIS: Be careful how you say that; sanitarium.

Mr. MCMANUS: The spring licensing and seasonal, they tend to look to bring on as much resources as possible. Do the revenues vary in the health department in cases like that?

Ms. MARY MCISAAC: Well, I would suggest that's probably a fair assumption.

Mr. MCMANUS: Yes.

Ms. MARY MCISAAC: But my history isn't -- I don't have the history yet to tell you a firm answer to that.

Mr. MCMANUS: Okay. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: All right. We've covered this -- yes, Jim.

Mr. KILLION: Thank you, Mr. Speaker. I was able to look up some documentation from the prior year. And for FY14, we had interest projected from 1/14 to 6/14 \$4,980. I'm just wondering how in two years we went from an income of about 10,000 to a projected of 100 and 450. I'd like to know how we got there.

Ms. MARY MCISAAC: Well, I think you'd have to talk to the people that did the budgeting for that.

Mr. KILLION: Okay.

Ms. MARY MCISAAC: That's not something that I could rationalize to you, honestly.

Mr. KILLION: Thank you.

Ms. MARY MCISAAC: You're welcome.

Mr. BOB LAWTON: And my only -- since I did most of last year's, the prior finance director made that assumption; I simply followed through on it.

Mr. KILLION: Okay. Thank you.

Mr. BOB LAWTON: But now it's going to be corrected.

Speaker BERGSTROM: You can ask questions later under Revenues, but do you want to move on to -- we have another section.

Ms. MARY MCISAAC: We have another section which is the flip side of your budget which is the expenditures and we'll be brief because we'll get to the heart of the matter for you.

And we have some expenditures -- well, first of all, overall we're at 44.8 percent which is a little bit over the five-month mark, but I would point you to the right-hand column, and most of the way down you see two at 100 percent. The second of which is Public Safety and that payment out was 1.3 million approximately. And what that represents is the portion of our Barnstable County Assessment that we pay on July 1 because we get a discount for paying it right up front.

So you're always going to see these percentages a little overinflated because of these July 1 payments. Our entire Barnstable County assessment payment is quite high. We pay Meyer at the beginning of the year for all of our property and casualty insurance and all our other insurance needs.

And so if you travel further down from the 100 percent, you find yourself at the 82.9 percent and that's where the Meyer payment resides. So the increased amount over what we should expect and want to see is a direct result of those things.

Also, I'd like to add that as we move forward into this budget year and we understand that we have structural issues, we're going to be reaching out to the departments and asking them to limit their spending to what's necessary for the rest of the year. Because if we can return money to our treasury from not expending as much as we've appropriated, that will help us in the end.

Speaker BERGSTROM: Yes, you know, I know that I'm way late in bringing this up, but I don't know how the Sheriff's retirement account was negotiated by the County because let's say the sheriff had a thousand employees and we had a thousand, that's an exaggeration; all right?

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: The day that we split we were responsible for 2,000 retirees whereas they were not responsible for any retirees. And the people who contributed that next day were only responsible for their own future retirement.

Ms. MARY MCISAAC: Right.

Speaker BERGSTROM: You know, to this day, I have absolutely no idea how we could saddled with --

Ms. MARY MCISAAC: Heartburn over that.

Speaker BERGSTROM: -- close to \$1.3 million in paying for employees that are no longer under our auspices.

Ms. MARY MCISAAC: Sure. This doesn't represent active employees though. I have to clarify that.

Speaker BERGSTROM: Right.

Ms. MARY MCISAAC: On the date that the Sheriff's Department became part of the state, we already had Sheriff's Department employees who were retired and collecting a retirement.

Speaker BERGSTROM: But the --

Ms. MARY MCISAAC: This is our assessment for those people.

Speaker BERGSTROM: But the Sheriff's employees --

Ms. MARY MCISAAC: The Sheriff's employees --

Speaker BERGSTROM: -- the day before they were split were paying for that maintenance. In other words, the Sheriff's employees and the County employees were both paying for -- both contributing toward the employees.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: And now, they're not contributing anymore but we're contributing to everybody -- our employees plus theirs.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: So there's a --

Ms. MARY MCISAAC: Well, our retirees plus their historic retirees, yes.

Speaker BERGSTROM: Our retirees. So I mean there's nothing we could do about it but to be saddled with -- when somebody -- I'd had to be the guy that negotiated that deal. But anyway --

Ms. MARY MCISAAC: Well eventually that number will decline for us, eventually.

Eventually the number will decline. Well, you know, I'm not sure of the date that the hospital closed --

Speaker BERGSTROM: Yes.

Ms. MARY MCISAAC: -- but our assessment for hospital is about \$7,000. So I mean eventually but it's the nature of the --

Speaker BERGSTROM: Nature of the beast.

Ms. MARY MCISAAC: -- beast, yes. Sorry to say.

Speaker BERGSTROM: Yes, Linda.

Ms. ZUERN: Thank you, Mr. Speaker.

Under Fringe Benefits, could you just tell me what's all included in that?

Ms. MARY MCISAAC: Where are we?

Ms. ZUERN: The 900.

Ms. MARY MCISAAC: Sure. Our fringe benefits are our health insurance, our dental insurance, life insurance, and what else do we have in there? We're looking up the detail right now.

Ms. JOANNE NELSON: Workers' comp premiums.

Ms. ZUERN: And would travel expenses be?

Ms. MARY MCISAAC: No. Miscellaneous and contingent -- I mean fringe benefits would not include travel. Fringe benefits would only include the benefits directly related to our employment of people. So full-time people, it would be their insurance. All the population, it would be unemployment and workers' comp and those things.

Ms. ZUERN: The life insurance, who gets the life insurance or is it just certain

employees or is that open to anyone?

Ms. MARY MCISAAC: Full-time employees are eligible for the group benefits and life insurance is one of them.

Ms. ZUERN: Okay. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Well --

Ms. MARY MCISAAC: Moving on?

Speaker BERGSTROM: Moving right along.

Ms. MARY MCISAAC: Yes. All right. I think, you know, part of what I think is important to bring forward today is really a conversation about the structural deficits that we have and the structural issues that we have with our budget.

And what I'd like to talk to you a little bit about is historically what I have seen has gotten us to where we are today and some of the information was in my office when I got there.

And part of it was a tax analysis that was prepared by Mark Zielinski.

And in the analysis, and I think it's important to hear this, he analyzed the impact of not voting 2-1/2 percent over a number of years. And per his record, from 1999 through 2008, the county tax assessed to the towns never changed by a dollar. So every single year from 1999 through 2008 that 2 percent -- 2-1/2 percent was not applied to the amount that the towns were paying.

So for all of those years, the towns were billed a total of \$2,563,000. And the impact of that is that it escalates and it proportionately grows because you've left 2-1/2 percent on the table and then the next year when you do that it compounds itself.

So the calculation gives us information to suggest that we've left -- we really have lost out on over \$8 million by not increasing by 2-1/2 percent in all of those years and one of the years in the recent past. That is uncharted here but that's the projection.

Speaker BERGSTROM: That's the total amount we've lost.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: What is the difference between now between what we get in that revenue and what we would have been getting if we increased it 2 percent; do you have that figure?

Ms. MARY MCISAAC: I do. I will say that 2-1/2 percent increase means \$75,000 to us. So that's the grand total of our increase, and I have some other numbers to show you.

I don't have for '16 but what I had for '15 was the actual number was 3,046,865. With that incremental 2-1/2 percent it would have been \$3,805,115.

So it's incrementally added up to a sum of money that's quite large.

Mr. LEWIS: We blame you, Julia, because you were already there.

Ms. TAYLOR: I always voted it down. It's not my fault. There was a big fight.

Ms. MARY MCISAAC: You know I think it's impactful to hear the number.

Mr. LEWIS: I'm only teasing.

Ms. MARY MCISAAC: I think it's impactful to hear the number because I think we need to understand why we are where we are today.

Speaker BERGSTROM: Yes, that's why --

Ms. MARY MCISAAC: And on the revenue side of things, you know, when it's been crippled by that kind of a thing, which I'm not saying was a fight or was not a fight; I wasn't here to hear that.

Ms. TAYLOR: It was.

Ms. MARY MCISAAC: But I'm sure it probably was. But the fact of the matter is that every time we did it, it hurt more. It was more painful each time. And so I do also understand that the environment in which these decisions were made was an environment where management assured, I'm sure, the Commissioners and the Assembly that there were plenty of funds to do that.

Ms. TAYLOR: No.

Ms. MARY MCISAAC: Perhaps not.

Speaker BERGSTROM: The argument -- I know I'm saying too much already -- the argument was made very simply is that, yes, indeed, we had a surplus. However, the effect of not taking the 2-1/2 percent in years would ultimately affect the bottom line.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: And I went out to the towns who didn't want to pay the 2-1/2 percent and said, "Well anybody who doesn't take the 2-1/2 percent in their budget presented to the town, we won't charge them," and I didn't have any takers and they all --

Ms. TAYLOR: And I think we should point out that the Commissioners and the Administrator always wanted us to include that money. It was a vote by the Assembly, not by me, not by Ron, but by others. And the Commissioners always tried to make the case that you need to take this money.

Ms. MARY MCISAAC: Sure. Sure.

Speaker BERGSTROM: Did you have a question, Deborah?

Speaker MCCUTCHEON: Yes, I do have a question. Do you have these figures to show us what the impact would have been if Prop 2-1/2 had not passed?

Ms. MARY MCISAAC: Oh, that would be a huge calculation.

Deputy Speaker MCCUTCHEON: Right. And isn't it true that under Prop 2-1/2 you two are aware of the fact that we're not required to take that 2-1/2 percent.

Ms. MARY MCISAAC: Right. There's no requirement.

Deputy Speaker MCCUTCHEON: It's a limitation, not an entitlement.

Speaker BERGSTROM: Which brings up the question, I mean, a town has the option of doing an override but we don't have that option.

Ms. MARY MCISAAC: Well, we don't have those options and Bob has another sheet to pass out that I'd like you to take a look at. And we're going to try to run through this quickly because there's a couple other points I'd like to make and I don't want to belabor this.

Speaker BERGSTROM: This is important discussion so, yes, Ed.

Mr. LEWIS: I'm not sure that I understand Deborah's comment that Prop 2-1/2 says you can increase up to 2-1/2 if that's what -- but --

Ms. MCAULIFFE: You don't have to.

Ms. MARY MCISAAC: Right.

Mr. LEWIS: -- you don't have to but the towns don't have to, as I understand it, if you assess the towns an increase of up to 2-1/2 percent, that fee assessment, the towns don't have the opportunity to say, no, I'm not going to pay it.

Deputy Speaker MCCUTCHEON: And the towns would have to vote on it.

Mr. LEWIS: No, not a county assessment. They're part of a county. The county increased it 2-1/2. The towns pay that. They pay their assessment. It's if we go about 2-1/2 percent that then the towns have to have a vote. Otherwise, it's just part of your normal assessment just like any other assessment. You don't vote every town meeting whether we want to pay the county or not. You're part of the county. It is part of the legislature. You adopted it and

that's that.

It's not something -- so if this board -- if this body said, "We're not going to assess them 2-1/2, that's fine." But if you do, they've got to pay it. That's not -- it's not selected. It's not Chatham will not pay it; Brewster can or anything like that.

Ms. TAYLOR: He was joking.

Speaker BERGSTROM: Yes, Jim.

Mr. KILLION: Thank you, Mr. Speaker. So what is the actual number, the larger revenue number we'd be collecting now if we had, in fact, chosen to increase the assessment every year of 2-1/2 percent?

Ms. MARY MCISAAC: A larger number for fiscal '15 was \$3,805,115.

Mr. KILLION: Say that again, please.

Ms. MARY MCISAAC: \$3,805,115.

Mr. KILLION: So that would be the increase amount we would be collecting?

Ms. TAYLOR: No. Total.

Ms. MARY MCISAAC: No.

Mr. KILLION: All right. Tell me the increase.

Ms. MARY MCISAAC: The increase between what we are and what we would've gotten is \$758,250.

Mr. KILLION: That's what I was looking for. Thank you.

Ms. MARY MCISAAC: Sorry if I misunderstood your question.

Speaker BERGSTROM: Well why don't we move along and we can get finished with your presentation.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: And then if we have any other questions.

Ms. MARY MCISAAC: So moving on, what you were just handed was a sheet that Bob put together and he got as much information as he could in short order. But we wanted to frame the amount that we get as an increase in the perspective of what towns can get.

So, as you're aware, towns have the 2-1/2 percent increase that's allowed by law and they also have new growth.

So for the towns that are listed, you can see the amount of money that that means to them as an increase to support their budget and their increased operating cost from year to year.

The top number, Barnstable, you know, I mean Barnstable is so much bigger than any of the other towns on the Cape, but they have the ability to collect \$3.7 million more in revenue to support their budget increases from year to year because that's their 2-1/2 percent plus their new growth.

A town that's smaller, for instance Harwich, their 2-1/2 plus their new growth is 1.3 million. So there's a huge difference between the automatic and not so automatic when you're considering new growth because that's subject to a lot of things.

But those are the kinds of increases that towns are afforded from year to year to help support their increases in their budgets. And our 2-1/2 percent that is the only thing that we can assess to the towns increases by 76,000 this year.

So there's a huge difference when you have level revenues for almost all of the rest of it.

It really shows that the impact of not having much of an increase is really crippling when you think about double digit health insurance costs and huge increases in personnel costs and retirement assessments and just your general operating costs.

You know, from year to year, you can cut your budget and shave your budget and do the best you can but at the end of the day those increases and not likely to only be \$76,000 on a \$30 million budget.

Speaker BERGSTROM: Ed.

Mr. MCMANUS: What's the basis that the assessment is made?

Ms. MARY MCISAAC: The basis of this particular assessment, it has to do -- there's a whole definition about the equalized value and it came to a number and now the number can only be increased by 2-1/2 percent.

Mr. MCMANUS: And that was --

Ms. MARY MCISAAC: And that's defined by law.

Mr. MCMANUS: And that was apportioned on a set amount for each town?

Ms. MARY MCISAAC: The apportion to each town is a calculation in the statute.

Speaker BERGSTROM: Yes.

Mr. MCMANUS: Is that a formula? Can that be --

Ms. MARY MCISAAC: That can't be tweaked.

Mr. MCMANUS: No, no. Can we see how that --

Ms. MARY MCISAAC: We can make Harwich pay more.

Mr. MCMANUS: No, no.

Ms. MARY MCISAAC: I think we should double Harwich's -- no.

Speaker BERGSTROM: It's a combination of population and the total valuation of the property. Somehow somebody out there can figure it out.

Ms. MARY MCISAAC: Right.

Speaker BERGSTROM: Like Chatham get hits because everybody's building \$10 million houses.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: Yes.

Mr. MCMANUS: Bob, do you understand what I'm asking for?

Mr. BOB LAWTON: See, the state does the calculation for individual towns and then sends it to the county and then the Commissioners just vote it and it's sent out. So the calculation is done by the Department of Revenue.

Mr. MCMANUS: Okay.

Mr. BOB LAWTON: But we can give you the last assessments and show you the percentages which were voting.

Mr. MCMANUS: Well if you could do it for like three years; is that possible?

Mr. BOB LAWTON: Sure.

Mr. MCMANUS: Okay.

Speaker BERGSTROM: Ed.

Mr. LEWIS: Based on what was just said by Bob and by Ron, I make the assumption, and tell me if I'm wrong, that the assessments to the towns have no relationship to the assessment to the percentage of votes on the Assembly?

Ms. MARY MCISAAC: No.

Mr. BOB LAWTON: I believe that is correct.

Ms. TAYLOR: Property valuations.

Mr. LEWIS: I understand but -- I understand that it's two separate things.

Mr. BOB LAWTON: They're two separate things.

Mr. LEWIS: But it also if however it works out it relates to how much a town is paying as against how much clout the town has on the Assembly.

As an example, if Barnstable is 20 percent and because Chatham has more bigger homes, Barnstable and, obviously, based on what they can collect here, about 3 million, which is Falmouth and Barnstable have the largest, but yet because Chatham may have more richer homes and second homeowners that they pay a higher percentage than what they get here then there's an inequity there.

Ms. TAYLOR: Mr. Speaker.

Mr. LEWIS: Just on my opinion.

Speaker BERGSTROM: It may not be true but that's -- Julia, enlighten us.

Ms. TAYLOR: Well Massachusetts has two senators and so does tiny Rhode Island and so does New York. New York contributes much more in revenue and the population determines how many representatives they have in the House, and then we have this rule about two in the Senate.

We have never since -- well, for over well over a hundred years, property ownership and tax payments have not determined voting.

Mr. LEWIS: I understand that.

Ms. TAYLOR: So I mean to call this unfair --

Mr. LEWIS: I understand that though but it's going in the reverse here because in this place where we live is, from a property value, which has a tremendous effect on that which we get in Chapter 78 also, the property value here, unlike most other parts of the country, is severely affected by second homeowners as it is -- as against other parts of the country. And, therefore, this part of the country and on Cape Cod, we get severely damaged in Chapter 78 because of this property value.

Ms. TAYLOR: That is not related to this.

Speaker BERGSTROM: You know, I don't want to go too far down this discussion because otherwise Suzanne's going to jump in and she's been dealing with this for 10 years.

Ms. MCAULIFFE: No, 26 years.

Speaker BERGSTROM: Twenty-six years. We can't change the formula anyway so.

Ms. MCAULIFFE: Right. I'm just going to make a general comment.

Speaker BERGSTROM: Okay.

Ms. MCAULIFFE: The state likes to use EQV, Equalized Property Values.

Mr. LEWIS: Right.

Ms. MCAULIFFE: Because that gets money from people that they potentially see as money. That's their equity. It doesn't make any difference that it's second property owners or its high property values. So it's just the way the state is comfortable doing formulas, EQV. It's not fair to the Cape in many ways but it's what they use.

Speaker BERGSTROM: Why don't we use concentrate on the things that we can affect. Ed, did you have something --

Mr. MCMANUS: A brief statement. My interest in finding out is I just want to understand how the assessment happens, you know.

Mr. BOB LAWTON: Right.

Mr. MCMANUS: So if it's something we want to look at proposing a change to, at least we have an understanding of how it works.

Mr. BOB LAWTON: Right.

Speaker BERGSTROM: Okay. So, where are we?

Ms. MARY MCISAAC: So the other historic component to the structural issue that we're facing is between the years of 1999 and 2005 the County actually distributed money to the towns. And people on the Assembly who have served for a number of years I'm sure remember that. But that money came from the County's reserves and the total of all those distributions to the towns was 3.776 million dollars.

So severely structurally damaged the county's reserves and I don't see that we've recovered from that since 2005. So that's another place where we are.

And the other issue that we're grappling with and right now we're analyzing in terms of trying to make a fair assessment of what our actual revenues can be projected to be, we're looking at the revenues that we received from the towns in the forms of their assessment and our other revenues and what portion of those revenues are actually driven back to the towns in a similar fashion than this but may be called grants and may be called partnerships, and may be called initiatives or whatever the name is. But we're finding, you know, that we are delivering back to the towns a substantial amount of funds in assistance and not just providing county services.

So I think in this year that we're in and this tremendous struggle that we're having to balance this budget, those kinds of deliveries will have to stop because we can't -- we honestly can't take the money from the member towns that they're expecting services for and give it back to them because once we give it back, we don't have it to provide the services that are our core services and what we're needing to provide.

Speaker BERGSTROM: One of the reasons I had, and I know I'm saying a lot today, but one of the reasons I brought you in is because there seems to be an underlying current that the County -- the Commissioners and the Assembly have been somehow irresponsible in our spending habits. You know usually, and a lot of us work for the towns, and they said, "Oh, the towns are spending too much," and in truth the reason that we -- the reason we find ourselves in the situation we're in is not because we've been spending a lot. It's simply we haven't been collecting the revenues that we were entitled to collect and also we've been giving, in good years, we've been giving away money to the towns that we could have used as a rainy day fund as the state does.

Ms. MARY MCISAAC: Right.

Speaker BERGSTROM: So the idea that somehow there's been a deterioration in our position because we're somehow irresponsible with the funds, well, how many of the towns would come to us and say, "You haven't taxed us enough," you know?

Ms. MARY MCISAAC: Right.

Speaker BERGSTROM: You made a mistake.

Ms. MARY MCISAAC: Or we're going to give you that money back.

Speaker BERGSTROM: We're going to give you the money back so, I mean, once again, I don't want to get too far into this.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: But I just want to counter the public that some people putting forth the public perception that we've been somehow fiscally irresponsible.

Ms. MARY MCISAAC: Not at all.

Speaker BERGSTROM: It's not the truth at all so.

Ms. MARY MCISAAC: Not at all.

Speaker BERGSTROM: Yes, Suzanne.

Ms. MCAULIFFE: And I think Mark Zielinski, the former finance director, had his way of creatively handling these shortfalls, and it might've been -- had put us in this hole because he was trying to keep the county afloat and there were structural deficits.

Ms. MARY MCISAAC: Right.

Ms. MCAULIFFE: And there was a lot of confusion over what was going on at least from where I sit at this table with the previous budget. And so I'm very happy to see going forward that a page has been turned and everything's out in the open now and we're not putting anybody in the position of having to move money around to cover a fee just because there's a deficit.

So I think it takes so much to say, okay, we're not going to do this or we're going to do that and here's where the buck stops. Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Mary, are you prepared or Bob prepared to discuss the difference in how capital expenditures were handled as opposed to, for instance, in the towns, there's four or five selectmen here; obviously, we had a capital budget that was contributing to an indifferent. And I know that Mark had a different series of accounting and there was a suggestion that we were locked into that because we're a county and that we had to do it that way.

But I mean in a previous budget, we showed up with a, let's say, a \$2 million expense on the dredge; okay. It showed up as \$2 million dollars in revenue which we technically, theoretically, we were going to borrow it, okay, that showed up in the operating budget.

Ms. MARY MCISAAC: Right.

Speaker BERGSTROM: And it went downhill from there. Are we now separating the borrowing?

Ms. MARY MCISAAC: Sure. Bob and I have had numerous discussions on the capital plan. And, historically, the county had budgeted all of its capital items in the department's operating budgets. So in the document itself for the budget, you would see all these capital items in the operating budgets and then on the revenue side of it you would see the use of bond proceeds as the funding source.

Technically we haven't bonded since 1996. We haven't had a bond rating since 2007.

We have no continuing disclosure requirements but we have had each and every year capital spending and capital spending based on the approvals of loan authorizations.

So, now, we're at the point where we have millions of dollars of what's called temporary deficits from the spending that was allowed through these authorizations that we have to cover through bond issues.

Speaker BERGSTROM: Can we do that? Can we go back and cover with capital -- with bonds money that we've already expended?

Ms. MARY MCISAAC: Well that's the natural process for it. In your town, you would have a loan authorization --

Speaker BERGSTROM: Right.

Ms. MARY MCISAAC: -- to buy a piece of heavy equipment and say it was \$500,000.

You would have the permission by the vote that the funding source was a loan authorization to go out and purchase that piece of heavy equipment. You would purchase it and then after the purchase was complete, the next bond issue that came to the table for your town that Alex put together would include that.

And when the bonds were sold and Alex received into the treasury the proceeds of the

bond issue, you would have repaid yourself for paying for that heavy equipment in advance.

Speaker BERGSTROM: And the original 500,000 would have come out of the budget which would simply -- the budget that would normally be spent on operating expenses. In other words, you have this money banging around that --

Ms. MARY MCISAAC: Well, when you have a loan authorization, you have the permission to spend. It's really like a credit line. So you can go out and make that purchase.

Really, the purchase isn't taken from revenues per se. The purchase is strictly a purchase. You're buying an asset and cash goes out the door. That really isn't affecting, in accounting terms, a revenue.

What happens is you have no revenue source for that cash out the door. You can provide it in temporary fashion by issuing a bond anticipation note, which almost all communities do.

Speaker BERGSTROM: Right.

Ms. MARY MCISAAC: But that bond anticipation note is only a temporary funding source to cover that deficit spending. You have to roll that bond anticipation note over, pay it down to use it as your funding mechanism, or you have that bond and when it matures you pay for it with the proceeds of the bond sale that you recently had.

Speaker BERGSTROM: Bob and I served on the Regional Transit Authority; we know all about bond anticipation notes.

Ms. MARY MCISAAC: Sure. I'm sure you do.

Speaker BERGSTROM: What I'm trying to get at is that if you put in a large capital -- it's one thing 500,000, maybe you have it lying around, but if you put in a large capital expense, you want to repair the building or something, it costs around a million dollars --

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: -- how can you cover that without -- where's it going to come from?

Ms. MCAULIFFE: Where are you getting the money?

Speaker BERGSTROM: Yes.

Ms. MARY MCISAAC: Well, you didn't have the funding source unless you had a bond sale. You could've had the cash in your treasury to advance pay for it but what you've done in effect is you lent yourself the money.

Speaker BERGSTROM: Okay.

Ms. MARY MCISAAC: So what the bond sale does is it pays you back. So we lent ourselves a material some of money and now we need to pay ourselves back.

Speaker BERGSTROM: How much?

Ms. MCAULIFFE: Seven?

Ms. MARY MCISAAC: Over seven.

Ms. MCAULIFFE: Over 7 million.

Ms. MARY MCISAAC: Over \$7 million.

Speaker BERGSTROM: And what is the current interest rate available? It's got to be low.

Ms. MARY MCISAAC: I just asked for that from Jim Eldridge and I hadn't heard from him today. But we haven't had a bond sale.

Speaker BERGSTROM: Yes.

Ms. MARY MCISAAC: So, you know, I haven't been in the market for it. It's pretty low. I mean we've gotten bands for like .1 percent .15 percent in my recent history and bonds have been at 3 percent.

Mr. LEWIS: We have bands at under one.

Ms. MARY MCISAAC: Yes, isn't it crazy? I love it.

Speaker BERGSTROM: I'm done. I've dominated you. Ed will give you some grief here.

Ms. MARY MCISAAC: Thanks, Ed.

Mr. MCMANUS: For the 7 million whatever, we've issued bond anticipation notes or have we've basically taken down --

Ms. MARY MCISAAC: There have been no issues.

Ms. TAYLOR: No issues.

Ms. MARY MCISAAC: There have been no issues.

Mr. MCMANUS: From County reserves. So if we --

Ms. MARY MCISAAC: It is out of county reserves if we book the deficits.

Mr. MCMANUS: Yes.

Ms. MARY MCISAAC: The deficits are on the record as deficits. They stay there as -- and they're on our financial statements and the notes to financial statements as temporary deficits.

Mr. MCMANUS: So we sell the --

Ms. MARY MCISAAC: If we have a bond sale.

Mr. MCMANUS: -- if we have a bond sale, the revenue that comes in will --

Ms. MARY MCISAAC: The proceeds of the sale will clear the deficits.

Mr. MCMANUS: And the cash we're showing in our reserves for these; no?

Mr. BOB LAWTON: No.

Ms. MARY MCISAAC: No. It's not a question of reserve when you have loan authorizations.

Mr. MCMANUS: Okay.

Ms. MARY MCISAAC: And you have advanced spending and bond sales. It's not a question of reserves. We can have a conversation about that further. Sure. Happy to do that.

Mr. MCMANUS: Yes.

Speaker BERGSTROM: Ed.

Mr. LEWIS: Just a quick question. When I look at Courthouse Rental, were we talking the same buildings all the way through?

Ms. MARY MCISAAC: Yes. The buildings haven't changed but over time the percentages could have changed if the trial court was allowed to use more square footage of the building.

Mr. LEWIS: So we're getting less now than we got in fiscal '09 and '10?

Ms. MARY MCISAAC: Do I have that on me?

Mr. LEWIS: That's a pretty good deal will.

Ms. MARY MCISAAC: Well, or, in '09 and '10 there might have been a calculation where the price of the square footage was higher. I mean I'm doubting that over time they have had more space and now have less.

Mr. LEWIS: That's what I'm doubting also.

Ms. MARY MCISAAC: I think if we drilled down into the history of those numbers we would find the calculation was different.

Mr. LEWIS: So they have a better deal today than they did then.

Ms. MARY MCISAAC: It looks that way.

Speaker BERGSTROM: Maybe Mike can help us out here.

Administrator BRILLHART: Let me address that one.

Ms. MARY MCISAAC: Sure.

Administrator BRILLHART: Good afternoon; Michael Brillhart. Each year there's a schedule that's prepared of costs for our facilities department that's presented to the state as part of the annual analysis on what they will owe us in. The state is always a fiscal year behind.

In certain years the county will do capital improvements on buildings and those costs are also included within that schedule. So that as an example maybe 7-8 years ago, the county may have undertaken a major capital project and that capital project was it included as part of the schedule?

Over the last few years, the county didn't undertake those capital projects and so we couldn't bill the state. That's why there's a difference in the revenue and expenditure.

Speaker BERGSTROM: Thank you. So, do we have more here?

Ms. MARY MCISAAC: Well, it's actually a plausible explanation. The truth be told and so I'm glad he came forward and gave you that.

Speaker BERGSTROM: The only other question I have for you, and we've already discussed --

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: -- in assuming that you're essentially going to bond for previous commitments; I don't know if we're going to do that or not. But going forward, are we going to treat capital expenditures differently than we have in the past?

Ms. MARY MCISAAC: Absolutely.

Speaker BERGSTROM: Okay.

Mr. BOB LAWTON: And I guess just to follow up on that, you started that last year when we separated all of the bonding into a separate ordinance which we will continue to do so that completely segregated from the operating budget, which is what we need to do.

Speaker BERGSTROM: We'd separate it but we haven't actually gone out.

Mr. BOB LAWTON: Well, we have. We went on a bond anticipation note for only those items which were going to be done during this fiscal year. The others are held. So the rule we established last year was you may not spend anything unless the bond anticipation note has been issued. You cannot spend if there's nothing backing it up.

Speaker BERGSTROM: Now are you going to bundle the bond anticipation notes or are you going to go separately for each expenditure or?

Ms. MARY MCISAAC: Do you mean the bond anticipation note or do you mean the bond sale itself?

Speaker BERGSTROM: The bond -- what I mean is when you go up to the bond -- in other words, you may have a bond anticipation notes for different things or do you just --

Mr. BOB LAWTON: Right, different things.

Ms. MARY MCISAAC: Always for different things.

Mr. BOB LAWTON: Bundled.

Speaker BERGSTROM: And then when you go for the bond itself, are you going to also separate them?

Ms. MARY MCISAAC: Bond sales almost always have numerous authorizations of

spending bundles, yes.

Speaker BERGSTROM: Okay. And you say they are bundled or they're not?

Mr. BOB LAWTON: They will be.

Ms. MARY MCISAAC: They will be.

Speaker BERGSTROM: So you go out for one note to cover several projects?

Mr. BOB LAWTON: Yes.

Ms. MARY MCISAAC: Well, yes. Well it would be one bond sale but it will be numerous bonds.

Speaker BERGSTROM: Okay.

Ms. MARY MCISAAC: There's numerous bonds when you have a sale and they come due over 10, 20, 25 years, not anything more than that nowadays. That's usually --

Speaker BERGSTROM: Suzanne.

Ms. MCAULIFFE: I believe the Charter states that the Assembly is supposed to get a capital report and plan 30 days before the budget. I believe that's the -- it's in the language of the Charter. So that's been something that we've talked about over the last few years. We've done separate capital and we've had to follow the exact language of the Charter.

Ms. MARY MCISAAC: Okay.

Ms. MCAULIFFE: So you may want to just check that.

Ms. MARY MCISAAC: Sure. Sure. Thanks so much. Yes, we will.

Speaker BERGSTROM: So the clock is ticking.

Ms. MARY MCISAAC: Yes.

Speaker BERGSTROM: Well, have you got more for us? No, you're done?

Mr. BOB LAWTON: Yes, we're done.

Ms. MARY MCISAAC: Well, I think it's important -- I thank you for the opportunity and I want you to know that I think it's important to come forward to give you the facts of the matter. So that way when we move into the budget and we have to make difficult decisions that you understand where they're coming from, that you understand that we are restructuring, that we are -- someone referred to turning the Queen Mary around.

Speaker BERGSTROM: And not hitting a rock.

Ms. MARY MCISAAC: No. Wayne is hitting those in Marshfield. But it's going to take time and someone asked me yesterday in a meeting how long I thought it would take, and I said I thought it was a five-year plan. And I'm thinking that, you know, that might be conservative but it might be close to the truth of the matter that it's going to take a lot of work and we're going to have to make a lot of really difficult decisions. But we're here to make them because the County is here to stay. We provide valuable services to our communities. And the mission is to be able to continue to do that.

Speaker BERGSTROM: Well, I have to say I've been here nine years and this is probably the most cogent and understandable explanation of the budget process to this point that I have heard in those nine years.

Ed Lewis.

Mr. LEWIS: Going back to something I said about 45 minutes ago, but more importantly, from Mary's point of view to address my original comments as it relates to the revenue that comes from the deeds tax and whether what your thoughts may be as far as increasing it by a dime or 20 cents.

Ms. MARY MCISAAC: Well, I think that our first shot at looking at where we really

are and how far we are out of balance, you know, its millions of dollars. Last year we balanced the budget with \$2.2 million of reserves. They are not there. Our costs have increased. We're looking at all kinds of things in order to cut our costs.

One of the things we just mentioned about delivering money back to the towns, we won't be able to do that. We're also looking at options for our health insurance. You know the percentage that we contribute is generous. That might change. We might have to eliminate some of the more expensive plans. That's just on the insurance side of it.

We're working diligently with our actuary about a concern that I had about last year's assessment for our sheriffs and they've gone back to their paperwork to provide a better explanation to me because there could be some adjustment there.

And so we have some large hurdles. I don't know how far back we can go scaling back our expenditures in order to be able to still provide core services to our communities and services that we have promised them.

So on the expenditure side, we can get as far as we can get but we might not be able to raise our revenue without some assistance from a requested increase in deeds.

We're looking at the lab fees that we have. The schedule has not been increased in years. And so we're asking people like the health director to increase his fees to look at the structure and look at what the market is in the area for where there's counterparts and what their fees are for the same services, and we're asking him to come to us with some proposal of increasing his fees that we'll bring forward. And we're asking other people to do the same thing.

So we're looking where we can. Obviously, this isn't a great market to get a ton of money from investment income but we're going to get everything we can and that will be a structured program to do that.

Speaker BERGSTROM: One of the things that I -- we talked about this in relation to the Fire Training Academy but it's also true in relation to the dredge is what are the services available on the private market cost compared to the services that we provide. In other words, if we provide dredging let's say for a certain sum and that sum is half of what would normally be spent on the private market, well there's room there. You know, are the towns going to say, "No, we're not going to pay a 10 percent increase. We're going to pay" -- I mean they're not doing this out of spite but we have to consider raising revenues. Same thing with the Fire Training Academy; what is their expense of sending people to Stowe as compared to what they would spend sending them here.

Ms. MARY MCISAAC: Sure.

Speaker BERGSTROM: So, you know, I'm hoping that --

Ms. MARY MCISAAC: We have to look at all the lines.

Speaker BERGSTROM: Everything, yes.

Ms. MARY MCISAAC: Yes, we do.

Speaker BERGSTROM: Ed and then Jim.

Mr. MCMANUS: I guess my last point or question is that as I raised the issue about how mechanics of the county tax assessment could provide the corollary mechanics of how the Registry of Deeds tax works and the Environmental Protection tax, what the legislative authorization --

Ms. MARY MCISAAC: Privilege on that -- sure.

Mr. MCMANUS: -- is and that sort of thing.

Ms. MARY MCISAAC: Certainly.

Speaker BERGSTROM: Jim.

Mr. KILLION: Thank you, Mr. Speaker. You had mentioned a couple of cost reduction proposals like the insurance.

Ms. MARY MCISAAC: Sure.

Mr. KILLION: Have these been brought to the Commissioner's attention? Do these have possibility of becoming part of their budget?

Ms. MARY MCISAAC: There have been discussions about what kinds of ways or options there are to reduce health insurance costs. Just FYI, we asked our departments to calculate a 10 percent increase for health insurance. Two weeks ago, Bob was at a managers meeting where Chris Clark said that we should be using 12 percent. Then I heard Falmouth was budgeting 6.5 percent from Pat Flynn.

So I called the treasurer of Cape Cod Municipal Health Group and I said, "What's the real deal here? You know, we've got another steering committee coming up, you know, in the next few days and I really need to get an idea about whether we're 10 or we're 15 or what we are." And he said, "It could be as high as 15 percent increase in our health insurance costs."

That's hundreds of thousands of dollars for our budget and it's a deal breaker really. I mean where we're already structurally out of whack and that kind of an increase in health insurance is not something we can afford without trying to find a way to minimize that cost.

Mr. KILLION: So the factors for the FY17 budget, all of these reduction measures are on the table?

Ms. MARY MCISAAC: All of these discussions are on the table, yes.

Mr. KILLION: Thank you.

Ms. MARY MCISAAC: You're welcome.

Speaker BERGSTROM: Well, you know, once again, I really appreciate this.

Obviously, if we're going to get the budget on the 17th, today is, what, the 6th, so we're not talking about a long period of time.

Ms. MARY MCISAAC: No.

Speaker BERGSTROM: And I have a lot of confidence in our current staff and Mike and you and Bob. So, hopefully, we'll get through this.

Ms. MARY MCISAAC: Yes. Oh, we'll get through it. We'll get through it for sure.

Speaker BERGSTROM: Thank you, very much.

Ms. MARY MCISAAC: Thank you, very much for your time. I appreciate it.

Mr. LEWIS: Thank you, very much.

Speaker BERGSTROM: Okay. Do we have any communications from Public Officials?

Any communications from Members of the Public? Hearing none.

Assembly Convenes

Committee Reports

Speaker BERGSTROM: The Assembly will now convene, and we will get committee reports, Finance report and minutes on Proposed 15 -- who's the vice-chair?

Clerk O'CONNELL: Julia.

Speaker BERGSTROM: Julia, the vice-chair. Madam Vice Chair. Julia.

Ms. TAYLOR: I'm sorry.

Speaker BERGSTROM: Are you prepared to give the Finance Committee report? John is not here. He's in some warm climate.

Ms. TAYLOR: Good point. Yes. Okay. There was a public hearing on the -- we're not voting this? This is a report on the public hearing.

Ms. MCAULIFFE: Right.

Ms. TAYLOR: Okay. There was a public hearing and we needed to have a supplemental appropriation and it would have to come from the statutory reserves. When Mr. Zielinski left the county, there was money owed and the eventual amount turned out to be \$51,000. And so that's what needs to be --

Speaker BERGSTROM: We had 39,946 on this.

Ms. TAYLOR: I'm on the wrong one.

Clerk O'CONNELL: Yes, I think you -- . Look at the one for Proposed Ordinance 15-13.

Ms. TAYLOR: Oh, we're talking about the new vehicle?

Clerk O'CONNELL: Yes.

Ms. TAYLOR: Sorry. Okay. This is part of -- this is for the 39,946 and that is part of the standard new program that we adopted a couple of years ago where we pay for things out of the Vehicle Replacement Stabilization Fund.

Speaker BERGSTROM: Okay. So it's a routine replace --

Ms. TAYLOR: Routine, yes. Sorry.

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

Proposed Ordinance 15-13:

To add to the County's operating budget for Fiscal Year 2016, as enacted in Ordinance No. 15-02, by making supplemental appropriations for the Fiscal Year two-thousand and sixteen.

Section 1.

Based on a revised estimate of income of Barnstable County for the current fiscal year, made as of September 30, 2015, the sum set forth in section one, for the purpose set forth therein and subject to the conditions set forth in sections four through twelve of Barnstable County Ordinance 15-02, are hereby appropriated from the Vehicle Replacement Stabilization Fund as a supplemental appropriation for Barnstable County for the fiscal year ending June thirtieth, two thousand and sixteen. Said funds shall be derived from the Vehicle Replacement Stabilization Fund for FY2016.

<u>Budget #</u>	<u>Sub-Program</u>	<u>Group</u>	<u>\$ Amount</u>
0012045	Facilities- New Vehicle	5	39,946
<u>TOTAL SUPPLEMENTAL APPROPRIATION</u>			<u>\$ 39,946</u>

Ms. TAYLOR: So I would move that amount.

Ms. MCAULIFFE: Second.

Speaker BERGSTROM: With a second, any questions on this? Yes, Jim.

Mr. KILLION: Thank you, Mr. Speaker. Could you just give us some detail on what

vehicle -- are we replacing one? Is there one that has failed? Worn out?

Ms. MCAULIFFE: It's the sanding truck that they use to sand and plow the parking lot.

Ms. TAYLOR: Which barely worked last year.

Ms. MCAULIFFE: Right. And they needed to be able to plow the parking lot this year.

Ms. TAYLOR: They were hand-carrying it through last season.

Ms. MCAULIFFE: And they not only plow here; they do plow, I think, Children's Cove and other facilities too. But it was a sanding/plow truck.

Mr. KILLION: So we're replacing a vehicle that's on its last leg?

Ms. TAYLOR: Yes.

Ms. MCAULIFFE: Beyond its last leg.

Ms. TAYLOR: Beyond.

Ms. MCAULIFFE: Which they will go to surplus and get maybe a few thousand dollars for. But it's not worth doing the \$5,000 at this point.

Speaker BERGSTROM: Okay. Yes, Ed.

Mr. LEWIS: Can I make the assumption that that truck is already purchased because it's January and we're just --

Ms. MCAULIFFE: No.

Mr. LEWIS: So it's not. This year you're going to use the old truck?

Speaker BERGSTROM: No.

Mr. STEVE TEBO: Mr. Speaker, if you don't mind?

Speaker BERGSTROM: Well, I'd have to suspend the rules so why don't we just --

Mr. STEVE TEBO: Never mind.

Ms. MCAULIFFE: Move to suspend the rules.

Speaker BERGSTROM: Why don't you just nod your head.

Mr. LEWIS: Yes.

Mr. STEVE TEBO: Yes. We need it today.

Mr. LEWIS: How do you get it that quick?

Ms. MCAULIFFE: We vote the money; he goes and buys it.

Mr. LEWIS: Those things are available?

Speaker BERGSTROM: Do we understand that?

Ms. MCAULIFFE: So there's a motion on the table.

Speaker BERGSTROM: There's a motion on the table. If there's no further discussion, all those in favor?

This is an expenditure. Do we have to --

Clerk O'CONNELL: Yes, we've got to have a roll call.

Speaker BERGSTROM: We have to have a roll call. Sorry about that. I'm moving right along here.

Ms. MCAULIFFE: It's moved and seconded and it's on the floor.

Clerk O'CONNELL: It's moved and seconded.

Speaker BERGSTROM: Right. It's on the floor so we need a vote.

Ms. MCAULIFFE: No. I thought we just voted.

Deputy Speaker MCCUTCHEON: We have to have a roll call vote.

Ms. MCAULIFFE: Oh.

Speaker BERGSTROM: Its funds so we've got to have a roll call.

Roll Call Vote on Proposed Ordinance 15-13:

Voting “YES” (84.20%): Ronald Bergstrom (2.84% - Chatham), Ned Hitchcock (1.27%- Wellfleet), James Killion (9.58% - Sandwich), Edward Lewis (4.55% -Brewster), Teresa Martin (2.30% - Eastham), Suzanne McAuliffe (11.02% - Yarmouth), Deborah McCutcheon (0.93% - Truro), Edward McManus (5.67% - Harwich), Brian O’Malley (1.36% – Provincetown), Patrick Princi (20.92% - Barnstable), Julia Taylor (14.61%- Falmouth), Linda Zuern (9.15% - Bourne).

Absent (15.80%): Christopher Kanaga (2.73% - Orleans), Marcia King (6.49% - Mashpee), John Ohman (6.58% - Dennis).

Clerk O’CONNELL: Mr. Speaker, Proposed Ordinance 15–13 passes with 84.20 percent of the Delegates voting yes; 15.80 are absent, **now known as Ordinance 16–01.**

Speaker BERGSTROM: Okay. I voted for this because by spending \$40,000 on this new truck, I can guarantee that it's not going to snow.

Mr. LEWIS: Don't you wish.

Report from the Clerk

Speaker BERGSTROM: Do we have a report from the Clerk?

Clerk O’CONNELL: Yes, we sure do. A couple of items. Today, I met with Mary and Bob to review the Assembly’s budget for FY17. No surprises there. Only changes anticipated for insurances and the items that Mary had reviewed with you earlier.

Also, I spoke with Mary and Bob regarding the County's need now to go out and solicit accounting services. The three-year contract that we have is up and now they need to look at contract eventually for FY -- typically its three years, '16, '17, and '18.

Typically what happens is a committee is put together that looks at the proposals that come in and then a recommendation is made to the Assembly because it is the Assembly that makes that decision.

In a year prior, I think I sat on the committee and John Ohman. Mr. Ohman is not here. I have not had an opportunity to speak to him yet about it, but I will let him know that this is coming up. It’s coming quickly. Probably this month or next month they will be soliciting proposals. And I’m going to suggest to Mr. Ohman that, you know, he’d want to consider possibly if anyone on finance or maybe someone else at the Assembly of Delegate level that may want to serve on the committee for this purpose.

So, just kind of stay tuned for that.

Speaker BERGSTROM: We’ll deal with that next meeting.

Clerk O’CONNELL: Also, I suggest that everyone check their folders before you leave.

The other thing I want to let you know that the next Assembly meeting which is the 20th of January, there will be a public hearing on Proposed Ordinance 15–14, which is the 250,000 that was looked at last time but we need to have that happen again because no result came of that particular meeting on the proposed ordinance.

And in conjunction with that, I would like to remind the chairs I’ve asked for some consideration with regards to when you schedule committee meetings and public hearings. It's getting increasingly difficult to have more than one of these before an Assembly meeting. You

start at three; you finish up within 45 minutes; that's one.

And we're coming into budget season so some consideration is going to have to be made to possibly have committee meetings and maybe public hearings on days other than when the Assembly meeting days. Most importantly, when meetings end, be cognizant of a fact that there's a transition that has to happen. There are things that I need to do and be on the lookout for when we go from especially a committee meeting to an Assembly meeting.

And with that, I'd like to ask that maybe you give some consideration to trying to wrap up your meeting 10 minutes in advance. That doesn't give me a whole heck of a lot of time but it's greatly appreciated so that things don't get lost in the shuffle and things get set up and handled the way that they should.

And that's it.

Ms. TAYLOR: Do we have a time for next -- the 20th meeting?

Clerk O'CONNELL: No. I haven't spoken to John yet, but I'm going to presume that it's based on the nature -- the subject matter, it's probably going to be at 3 o'clock.

Speaker BERGSTROM: Okay.

Clerk O'CONNELL: That's it.

Other Business

Speaker BERGSTROM: Okay. The next thing is do we have any other business to be brought before -- yes, Pat.

Mr. PRINCI: I just wanted to let the Assembly know next week I'll be filing a Home Rule Act relative to changes in the County Charter --

Speaker BERGSTROM: You mean next week or next meeting?

Mr. PRINCI: I'd like to file it electronically with the Clerk by next week. I was hoping to file it today. It's been taking a lot of time.

But it's an Act relative to changes to the County Charter as it relates to the governance of our county. So I'm hoping that we can have some discussion on this, some public hearings, and move forward with some possible changes to submit to the Commissioners and then the Legislature and then, hopefully, the voters next November.

That's all.

Speaker BERGSTROM: Yes, I will have to check to see whether -- there may be language in the Charter that has to be presented at a meeting. But it doesn't matter because we're probably not going to schedule it for the next meeting anyway. So you'll have an opportunity to present it.

Brian, did you have something? And then Ed.

Mr. O'MALLEY: Thank you, Mr. Speaker. Yes, I also intend to -- I am filing today a Proposed Ordinance that also will bring about a change to the County Charter. This will be the Barnstable County Bill of Rights. Part of the Home Rule Charter Preamble.

And just briefly let me give a background for what this is. This is a Proposed Ordinance

--

Speaker BERGSTROM: You can tell us what it is but you can't argue for it.

Mr. O'MALLEY: I won't argue for it. I'll tell you what it is. That it has a fairly long genesis. It was first incubated over two years ago when a group of -- a diverse group of Cape Codders came together for a long weekend and attended a democracy school.

At democracy school, what we learned about is, well, an issue that has happened over and over again across the United States where municipalities/ counties/towns have found themselves unable to do anything with existing zoning in the face of a very determined corporate efforts to do such things as factory farming, extraction of oil and water, and the likes of that.

In our case what brought this group together was concerns about NSTAR's use of herbicides on its rights of way. After a long weekend and very intensive study, a lot of history of the law of how the law has changed to favor the corporations over the rights of individuals, this group kept working and over a six-month period of time drafted what we considered to be a document that will -- by being incorporated into the Charter by delineating the rights referenced in the Charter.

I should point out that as our Charter now exists, it uses the language, "We the people of Barnstable County in order to gain for ourselves and for our communities all of the rights, powers, privileges, duties, and obligations, which can be derived from a regional government."

And I will say that nowhere, again, in the Charter does the word "rights" ever appear. They are never defined.

And so what the effort was here was to define what we think are a series of very fundamental rights that will allow ourselves -- allow us to protect ourselves.

Speaker BERGSTROM: Doc, I'm giving you a lot of leeway here, but its normal procedure is to file the Ordinance, and then I promise I'll give you all the time in the world to flush it out and explain it.

Mr. O'MALLEY: Then I'll leave it with that. Thank you, Mr. Speaker.

Speaker BERGSTROM: All right. Is there any other business to be brought before the Assembly? Yes, Ed. Sorry, Ed. I recognized you earlier.

Mr. MCMANUS: I just had a question on the Clerk's report.

Speaker BERGSTROM: Yes.

Mr. MCMANUS: And you said that there's a three-year contract for accounting or is it for auditing?

Clerk O'CONNELL: It's the auditing services.

Mr. MCMANUS: Okay. Yes.

Clerk O'CONNELL: Auditing.

Speaker BERGSTROM: There's only one other item on the agenda.

Ms. MCAULIFFE: There's another --

Speaker BERGSTROM: Oh, another question.

Mr. KILLION: Yes, thank you, Mr. Speaker. I'd like to have a brief discussion at the next meeting regarding committees. We talked a little bit about committees. And Janice had sent me a couple of resolutions, I believe, that were filed some time ago regarding the use of alternates within the committee structure.

And I think you can read that resolution and kind of interpret it a couple of ways. So I think we should have that discussion. My belief has always been as a longtime member of the local zoning board that alternates can be used in votes to fill any vacancy that's not there.

The way it's sort of been interpreted lately is if as long as there are three members, the alternates can't participate. And I think we should encourage full participation when we can.

So I'd like to have that discussion if we need to change anything, the Resolution, I will certainly file that.

Speaker BERGSTROM: I also, in following up on something that Ed Lewis brought up,

is that we may want to have a discussion on increasing -- in other words, on the increasing revenues even before we get the budget and decide whether there's a taste in this body to increase revenues. Because we have done it within the framework of the budget process, you know, to raise revenues and stuff. But I mean it's a very good point that the Commissioners and this body should determine as early as possible what money is on the table to cover the budget; do you know what I mean?

So maybe I'll schedule that for an earlier meeting before the 17th and we'll talk about that. There's the only thing I can do right now.

Ed, did you want --

Mr. MCMANUS: Well, one last comment raised by Mr. Killion's comments about committees/subcommittees. I was in the audience listening to the energy -- Telecommunications and Energy subcommittee and as I understand it, the requirements of the Open Meeting Laws and the agendas that you have to provide, as we provide for in our meetings, a public comment period.

All subcommittees need to also have a public comment period. They don't have to -- the public don't have to be allowed to participate during the meeting but there has to be a section where --

Speaker BERGSTROM: I think you're wrong on that.

Mr. MCMANUS: No, I've sat in --

Speaker BERGSTROM: Well, that's a legal issue. My understanding is that you're not required to have public comment.

Ms. MCAULIFFE: No. Even here, It's the chair's discretion unless it's a hearing.

Speaker BERGSTROM: And believe me, I've been sorely tempted.

Ms. MCAULIFFE: Yes.

Speaker BERGSTROM: But I'll find out the answer for you. It's a legal -- I'll find out.

Ms. MCAULIFFE: Yes, I was going to say let's put that on the agenda because I think people think because you're meeting in public that they can just speak and that's --

Speaker BERGSTROM: Anyway, I'm looking for one more motion from you guys.

Ms. MCAULIFFE: Move to adjourn.

Ms. MARTIN: Second.

Speaker BERGSTROM: All those in favor?

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:

- Unapproved 12-16-15 Journal of Proceedings
- Presentation handouts (4 pages) from Finance Director

- Finance Report on Proposed Ordinance 15-13
- Proposed Ordinance 15-13
- Proposed Resolution submitted by Delegate O'Malley (16-01)