

*emailed to delegates
3-1-16*

Finance Director / Treasurer
3195 Main Street
Barnstable, MA 02630

County Commissioners
FY17 Budget Hearing
March 2, 2016

The FY17 County Commissioners budget is inclusive of the operating costs for the County Commissioners, the operating costs of the Human Rights commission and an appropriation for the Arts Foundation. The budget for the Human Rights Commission was moved in FY16 from the Human Services Department to the County Commissioners. It is important to note that the "Commissioners" budget has evolved over the last five years to include the salary and benefits for the County Administrator position which was separated from the Finance Director position in 2013. The need for a clear separation of duties and responsibilities between the Administrator and the Finance Director drove this decision. The County Administrator is also the designated Personnel Director. Other personnel changes have occurred with the creation of a Human Resources Coordinator position which is a part-time and a direct report to the County Administrator. This position will provide critically needed consistent application of Federal & State employment rules throughout the County. A complete and exhaustive review and update of the personnel manual which began in FY16 will continue into FY17.

The FY17 request is \$4,938 less than the FY16 adopted budget. Though personnel costs which include but are not limited to wages and benefits have increased cuts were exacted which resulted in the slight decrease.

The schedule of the Finance cuts is attached detailing the rationale behind the actual line cut. I call to your attention an article that appeared in the Department of Revenue's City and Town publication years ago. The FOCUS article was titled "Municipal Expenditures: Proper Public Purposes. In light of the recent spending cuts which continues into the FY17 process it may prove helpful to read this article.

FINANCE CUTS	DEPT REQUEST	FINANCE DIRECTOR	Inc. (Dec.)	NOTE
Telephones - Cty Comm	6,000.00	4,500.00	(1,500.00)	IT performed a phone system upgrade. Using slightly higher than two years' historical.
Prof & Tech Svce	45,000.00	30,000.00	(15,000.00)	Removing MMA study cost from FY15(44,350.)
Education of non-employees	1,000.00	-	1,000.00	The cut still left a generous approp. For the new CA
In-State travel - Cty Comm	15,000.00	9,000.00	(6,000.00)	Education of mediator - Hire qualified mediators
In-State travel - HRC	700.00	250.00	(450.00)	Cut to reflect \$3,000 per Commissioner
Advertising	2,500.00	1,000.00	(1,500.00)	Cut to cover FY15 total of \$229.38
Contractual - HRC	4,250.00	2,000.00	(2,250.00)	Cut to cover high of \$949.06 in FY15
Food supplies	-	700.00	700.00	Previous budgets included Elinita stipends. Other charges were for translator. Cut to cover high of \$1,812.50 in FY15.
Food supplies - HRC	5,000.00	750.00	(4,250.00)	Budget entered to cover appropriate serving of refreshments. See DOR publication
Postage	2,000.00	1,500.00	(500.00)	Cut to cover appropriate serving of refreshments. See DOR publication. Donations are common for such activities.
Postage - HRC	735.00	500.00	(235.00)	Cut to cover FY14 actual plus additional for USPS inc.
Office supp./materials - CC	3,500.00	2,500.00	(1,000.00)	Cut to cover FY15 high of \$505.17
Supplies - HRC	1,250.00	550.00	(700.00)	Cut to cover two year average of \$2,494.41.
Association dues - CC	3,000.00	2,500.00	(500.00)	No expenditures in FY16 so far. Cut to cover FY15 high of \$525.24
Misc rentals - CC	6,000.00	5,000.00	(1,000.00)	Cut to cover three -year average of \$2,270.
Rentals - HRC	800.00	400.00	(400.00)	Cut to FY15 budget
				The County has the Harborview Room - free rental

**BARNSTABLE COUNTY
FISCAL YEAR 2017 BUDGET**

[County Commissioners Office]

PERSONNEL SCHEDULES

SALARIES / WAGES

POSITION	Part-time/Full-time	Grade / Step	SALARY
Commissioner	FT		14,179
Commissioner	FT		14,179
Commissioner	FT		14,179
County Administrator	FT		150,630
Administrative Assistant II	FT	OC-4	41,580
Human Resources Coordinator	PT	SPT4-2	49,240
Human Rights Coordinator	PT	SPT3-1	28,107
Subtotal -Salaries/Wages			312,094

FRINGE BENEFITS

Health Insurance			55,588
Retirement			54,590
Medicare			4,526
Subtotal - Fringes			114,704
<u>Grand Total FY2017 Request</u>			426,798

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Finance Director / Treasurer
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Unfunded Liabilities
FY17 Budget Hearing
March 2, 2016

Barnstable County's Finance Department is addressing the unfunded liabilities, including but not limited to, Retirement, Other Post-Employment Benefits and Capital Projects deficits in FY2017 and future years.

The Barnstable County Retirement Association of which the County is a member unit has adopted a funding schedule to fully fund the retirement liability by the year 2036. The Segal Company has been employed by the Retirement Board to provide the actuarial services required to calculate the liability for all member units. The report includes disclosure information required by the Government Accounting Standards Board (GASB) Statements No.25, 27, 67, and 68. The most recent Actuarial Valuation and Review was as of January 1, 2014. The County's funding schedule is inclusive of Early Retirement Incentives in the years 2002, 2003, and 2010 as well as the liability for Retired County Sheriff's employees who were retired as of January 1, 2010 and a small residual amount (\$7,722 in the FY16 fiscal year for Retired County Hospital employees). The County expects, at this time, to fund in accordance with the funding schedule as presented. The funding schedule may be amended as a result of the next Actuarial Valuation and Review to be dated January 1, 2016.

Other Post-Employment benefits (OPEB) are also measured by an Actuarial Valuation and Review conducted through the Barnstable County Retirement Association on behalf of the member units. The latest valuation and review was conducted as of June 30, 2014 and presented in accordance with the Governmental Accounting Standards Board (GASB) Statements No.43 and No. 45.

The OPEB valuation is an estimate of future uncertain obligations of post-retirement health plans. This is an estimated forecast. As such it is not a precise budget tool. The actual cost of the plan is determined by the benefits and expenses paid.

The forecast is updated bi-annually with the next Actuarial Valuation and Review to be dated June 30, 2016.

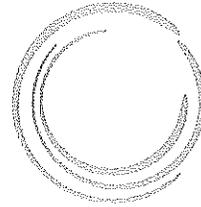
Barnstable County's financial statements include Capital Projects funds which are utilized to track the budgets and spending for capital projects. The County has over some years approved capital projects for which "advance spending" has occurred. The term "advance spending" is a municipal term which describes the spending for a project or purchase for which the funding source has been approved to be borrowing by the entity's treasurer. The borrowing may occur after the project is substantially complete or the purchase has been made. As of June 30, 2015, the County has not issued bonds since 1996. The County is developing a plan to fund advance spending which totals \$8,095,278.

A Bond Anticipation Note (BAN) is the amount of \$2,289,100 was issued in June of 2015. At maturity in June 2016 the BAN will be rolled over into a new BAN which will mature in June ~~2016~~ 2017. This BAN will be rolled into the bond sale slated for 2017.

The bond sale is expected to be a tax-exempt issue funding all net capital spending which is no more than three (3) years old. The remaining capital spending will be recovered from available funds and/or appropriation.

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CAPE COD
COMMISSION

(508) 362-3828 • Fax (508) 362-3136 • www.capecodcommission.org

Date: January 20, 2016
To: Barnstable County Commissioners
From: Paul Niedzwiecki, Executive Director
Re: FY17 Joint Initiatives Budget Priorities

As requested, I am providing below my priority list for the Joint Initiatives funded projects in the FY17 budget proposal. As you know, the Commission works in coordination with its Strategic Information Office's (SIO) Governance Committee, which is comprised of Town Managers from all 15 Cape Cod towns. Commission staff will be convening the Governance Committee in early February to discuss these projects and gauge the committee's priorities. Additional information may be provided to you after this meeting.

As you may recall, the Cape Cod Commission, through its SIO and with the Commonwealth's District Local Technical Assistance Program, provides technical assistance and grants to towns to promote development of shared solutions through technology and digital enhancements. The County Commissioners, recognizing that with diminishing local resources the County could and should fulfill a critical need to pursue efficiencies offered through technology advancements, asked the Commission to lead the County's efforts with this initiative.

- 1) Regional Wide Area Network (RWAN): Funding is requested in FY17 to continue the delivery of high speed internet access to the participating towns, currently 13. The RWAN takes advantage of the \$40m federal and state grant funded Open Cape fiber network and is the foundation of all technology services, enhancements and efficiencies the County delivers. The Commission and IT department collaborated with and on behalf of the towns to secure delivery and maintenance of this regional network through CapeNet in partnership with Open Cape. The initial commitment to this service was for three years (FY17 is the third year) with two optional one to two year renewal periods. It is anticipated that future local revenue may be expected as towns convert existing contracts for service to this county solution, taking advantage of the power of joint procurement. Budget requested - \$200,000 (contractual)
- 2) ePermitting: The region's digital permit, license and inspection program, hosted by Accela, Inc., is currently utilized in the towns of Yarmouth, Chatham, Harwich and Provincetown. As Accela has recently purchased GeoTMS, a legacy program utilized by several towns in the region, these towns of Orleans, Dennis, Sandwich and Mashpee are considering conversion to the Accela platform. Staff will work to incorporate these towns into the region's best practices. Substantial software updates were made available to participating towns to increase speed, efficiency and ease of use for constituents. In fiscal year 2017, staff expects to assist one or two additional towns with implementation of the ePermitting solution. Staff also continues to develop record types for towns and provides participating towns with Tier 2 support, a higher level technical support, saving the towns tens of thousands of dollars in consultant fees. Budget request - \$163,101 (\$115,851 personnel/fringe, \$25,000 contractual, \$11,000 education/travel, \$11,250 licensing)
- 3) Unified Communications: The Commission, IT department and Governance Committee explored the

possibilities of establishing a regional municipal unified communications system (or UC system). For participating towns, the project will merge phone and data networks by leveraging existing infrastructure to provide telephone services, integrated voicemail and email, video conferencing, instant messaging, and mobility. In addition to modernizing and enhancing the towns' outdated equipment, participating towns will see reduced operations and maintenance costs. Pilot projects in FY16 included Chatham, Truro and Wellfleet. Funding is requested to expand this project to two to three additional towns. Budget request - \$85,000. (\$65,000 contractual, \$20,000 equipment)

- 4) Communications: This joint funded program has worked to develop the Barnstable County Citizens Academy, developed social media best practices guides and convened County working group meetings. FY17 projects include implementation of the Citizens Academy if supported and directed by County administration, convening project specific working group meetings, assisting county departments with press releases and other media contact, as requested and continuing to explore the feasibility of implementing a Cape-wide Capespan channel. If the County eliminates funding for the joint communications program, the Commission is willing to absorb its personnel costs. Budget request - \$127,189 (\$102,189 personnel/benefits, \$25,000 contractual)

The following Joint Initiatives projects are supported by the Commission's budget or are anticipated to be offset by revenue equal to the project's cost.

- 1) GIS: The Commission will continue to explore opportunities to deliver a regional enterprise solution for delivery of geographic information system (GIS) software to provide the most up to date GIS applications and services at a cost savings to the towns. Funds requested would be offset with revenue from participating towns. Budget/revenue request - \$285,000.
- 2) Planimetrics: With the delivery of regional and local planimetric data from the regional aerial flyover project, the Commission and towns will be positioned to utilize this updated data in a variety of planning and capital projects. The first ever Cape-wide planimetrics dataset provided a significant cost savings to the towns and subsequent updates to this dataset will be less costly because of the initial investment. No funds requested.
- 3) Performance Management: In another effort to cut costs, streamline operations, and fuel on-going process improvements across the region, the Commission and Towns need to have access to critical data in a manner that supports benchmarking. Benchmarking will allow a Town's performance to be measured locally and nationally. The Commission will work with a provider of Business Intelligence software to deploy this capacity to the region. Current and historical data in dashboards will be available to town officials to support predictive analysis; this data could also be made available to the public via a Town's website. Four to six towns are expected to utilize this service initially. This regional program may lead to a joint application among participating towns for Governor Baker's Community Compact Cabinet program for transparency and open data. Participating towns will subsidize in part the initial investment, which is significantly lower than one town pursuing the program alone. Budget/revenue request - \$100,000.
- 4) Technology Survey: The Commission and IT department collaborated last fiscal year on an update to the Cape-wide telecommunications and information technology survey and audit initially conducted in 2012 by Interisle Consulting Group. Subsequent annual updates are planned to better inform the SIO as it works with the governance committee to address the region's needs. This data will also be fed back to the towns to better inform local decision making. No funds requested.

BARNSTABLE COUNTY
FISCAL YEAR 2017 BUDGET

Joint Initiatives

PERSONNEL SCHEDULES

		As of 6/30/16	
POSITION	Part-time/Full-time	Grade / Step	SALARY
Applications Implementation Manager	Full Time	SPT6-7	\$ 78,097.00
Communications Coordinator	Full Time	SPT5-4	\$ 68,887.00

Subtotal -Salaries/Wages		\$ 146,984.00
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FRINGE BENEFITS

Health Insurance		\$ 40,415.00
Retirement		\$ 28,510.00
Medicare		\$ 2,131.00
Subtotal - Fringes		\$ 68,925.00

<u>Grand Total FY2017 Request</u>		\$ 215,909.00
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The purpose of this executive summary is to provide an explanation of the segments of accounts in the "900" group which is a range of accounts administered to by the Finance Department. The group is further divided into sub-sections of 900, 910, and 920.

The 900 group is the Fringe Benefits grouping and is inclusive of the Barnstable County Retirement Association's Assessment for the Early Retirement Incentives of 2002 & 2003 and the County Hospital retirees in addition to group insurance liabilities for County retirees and worker's compensation.

The FY17 budget requests for the 900 group is based on actual assessments from the Barnstable County Retirement Association which have been approved by PERAC, and estimates of the County's share of retirees benefits for group insurances and workers compensation based on actuals and historical costs.

The 910 group is the Shared Costs grouping and is inclusive of the administrative budgets (County Commissioners, Finance) for auditing and accounting services, legal services, professional and technical services, additional education & training, property & casualty and unemployment and advertising and contractual costs.

The FY17 budget requests for the 910 group are based on vendor estimates and/or historical actuals.

The 920 group is Debt Service of the County. Principal and interest on long and short-term debt is appropriated in this group.

The FY17 budget request is a level funded request and comes as the decision was made to defer the bond sale to FY17. The approved budgets for FY16 & FY17 will be used to pay down the Bond Anticipation Note (B.A.N.) when it is rolled over in June of FY16 and again when it is rolled into the bond sale in FY17. Paying down the B.A.N. results in the mitigation of front-end loading the repayment schedule, in particular, for the Microsoft licensing spending over FY15-FY17.

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Capital Improvement Plan
FY17 Budget Hearing
March 2, 2016

The Capital Improvement Plan is a five year presentation of projected capital needs proposed by the County's departments. The plan is inclusive of building and equipment needs in addition to infrastructure. The Capital plan is funded by bond proceeds, the Vehicle Replacement Fund, Reserves and other available funds.

Fiscal 2017 will be a year of change as we evaluate the County's capital assets. The plan itself will be refined by the programmatic replacement of vehicles and equipment and the improvement and expansion of buildings to preserve the assets and meet the future needs of the County government.

Our FY2017 requests are considered to be conservative and necessary. The Facilities Department has been approved for the Roof Replacement at the Second District Court and the repair of the Ancient Wall the fronts the Superior Court on Route 6A. These projects are eligible for reimbursement by the Commonwealth based on the percentages in the Trial Court lease and once we receive reimbursement we are planning to fund the balance from available funds. The Facilities Department has also been approved to build a sound wall behind the Lab to mitigate the noise pollution from the exterior HVAC equipment which services the Lab. The County was required by mandate of the Courts to mitigate a previous issue so this is a priority. The final Facilities approved request is for funding the next phase of addressing the space needs of personnel within the County Complex.

The Health Department was approved for the request to purchase a new Ion Chromatograph. The older equipment is in need of replacement for age and hours of use and the approach of the end of support from the manufacturer. Replacement will guarantee no interruption of revenue generated from testing. Additional revenue from the new purchase is expected to cover the cost of the equipment.

The Information Technology entered into a contract with Microsoft to purchase licensing in the amount of \$1,025,000. The third and final installment payment is due in FY2017. The licensing purchase has a term limit of 5 years according to bond counsel and will be structured accordingly. It is expected that additional revenues generated by the department for services will help defray the cost of the contract.

Other requests have been moved into future years based on the determination that they were not justified as necessary and affordable in FY2017.

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Finance
FY17 Budget Hearing
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Barnstable County's Finance Department is staffed to provide the following support services: Treasury, Accounts Payable, Payroll, Benefit's Administration Procurement, Accounting & Financial Reporting. These support services, in and of themselves, require the heaviest investment in personnel and software maintenance and support.

The FY2017 request of \$755,303 is \$114,355 less than the revised budget of FY2016. The reduction is reflective of the change in personnel with the retirement of the County Administrator to a large degree and further cuts which were exacted during the Finance review of the operation. It is noteworthy that personnel costs (wages and benefits) are 88% of the total request.

One of the goals in the ensuing year is to streamline operations, increase efficiency and redefine the vision of the Finance department. The evaluation of the extent of services provided to agencies & entities which are not County departments is also a priority. During this review we will examine the true cost of providing the services and the reimbursements which have (or have not) been realized to support the Finance departments efforts.

Other goals include but are not limited to a comprehensive review and evaluation of the County's chart of accounts, the evaluation of the feasibility of certain personnel related Munis applications to increase efficiency in the payroll and benefits processes, the complete examination of the County's assets, and the preparation of the County presentation to Standard & Poor's Rating agency for review and rating.

BARNSTABLE COUNTY
FISCAL YEAR 2017 BUDGET

FINANCE DEPARTMENT

PERSONNEL SCHEDULES

SALARIES / WAGES

POSITION	Part-time/Full-time	Grade / Step	SALARY
Finance Director / Treasurer	Full-time	MP7	96,096.00
County Accountant	Full-time	MP3	91,043.00
Assistant Treasurer	Full-time	MP1	74,072.00
Payroll/Benefits Coordinator	Full-time	SPT5	72,194.00
Chief Procurement Officer	Full-time	SP7	79,074.00
Accounts Payable	Full-time	SPT2	56,467.00
Finance Assistant	Part-time	SPT2	15,000.00
Subtotal -Salaries/Wages			483,946.00

FRINGE BENEFITS

Health Insurance		82,153.00
Retirement		93,862.00
Medicare		7,017.00
Subtotal - Fringes		183,032.00
<u>Grand Total FY2017 Request</u>		666,978.00