

**CAPE COD REGIONAL GOVERNMENT - ASSEMBLY OF DELEGATES
HARBORVIEW CONFERENCE CENTER @ 4:00 P.M.
BARNSTABLE COUNTY COMPLEX
3195 MAIN STREET
ROUTE 6A, BARNSTABLE, MA 02630**

APPROVED Journal of Proceedings - September 5, 2018

CALL TO ORDER

Speaker MCAULIFFE: It's 4 o'clock. **Welcome to the Cape Cod Regional Government, Assembly of Delegates. It's Wednesday, September 5th, 2018, at 4 p.m.,** and we are coming to you from the Harborview Conference Room at the Barnstable County Complex.

I would like to start with a moment of silence to honor our troops who have died in service to our country and all those serving our country in the Armed Forces.

(Moment of silence.)

Speaker MCAULIFFE: Thank you.

Please rise for the Pledge of Allegiance.

(Pledge of Allegiance.)

ROLL CALL ATTENDANCE

Speaker MCAULIFFE: Thank you. Will the Clerk please call the roll?

Present (73.94%): Mary Chaffee (4.55% - Brewster), Lilli-Ann Green - (1.27% - Wellfleet), Peter Hughes (5.67% - Harwich), Christopher Kanaga (2.73% - Orleans – Remote Participation), James Killion (9.58% - Sandwich), E. Suzanne McAuliffe (11.02%- Yarmouth), Deborah McCutcheon (0.93% Truro), Susan Moran (14.61% - Falmouth), Thomas O'Hara (6.49% - Mashpee), John Ohman (6.58% - Dennis), Brian O'Malley (1.36% - Provincetown), Linda Zuern (9.15% - Bourne).

Arrived Late (20.92%): Patrick Princi (20.92% - Barnstable).

Absent (5.14%): Ronald Bergstrom (2.84% - Chatham), VACANT (2.30 – Eastham).

Speaker MCAULIFFE: Christopher, are you on the line?

Delegate KANAGA: I'm here.

Speaker MCAULIFFE: Okay. And the reason for remote participation for the record? You just have to give a reason. It's like going into executive session; distance?

Delegate KANAGA: Out-of-state.

Clerk O'CONNELL: Madam Speaker, you have a quorum with 73.94 percent of the Delegates present; 26.06 percent are absent.

Speaker MCAULIFFE: Thank you.

APPROVAL OF THE CALENDAR OF BUSINESS

Speaker MCAULIFFE: Is there a motion to approve the Calendar of Business?

Deputy Speaker MCCUTCHEON: So moved.

Delegate CHAFFEE: Second.

Speaker MCAULIFFE: Any discussion? All those in favor? Aye. Any opposed? It passes unanimously.

APPROVAL OF THE JOURNAL OF PROCEEDINGS

Speaker MCAULIFFE: And a motion on the approval of the Journal of August 15, 2018?

Delegate O'MALLEY: Madam Speaker, I have reviewed the Journal as distributed electronically and move its approval.

Delegate HUGHES: Second.

Speaker MCAULIFFE: Any discussion? All those in favor? Aye. Opposed? It passes unanimously.

Speaker MCAULIFFE: We do not have any County Commissioners. They have previous commitments. I did get a call from the chairman who is out of town today.

But I think he had requested that there be an announcement read. Was that supposed to be at this time?

Delegate KILLION: Yes.

Speaker MCAULIFFE: Okay. So Delegate Killion has an announcement from Chairman Cakounes to read.

Delegate KILLION: Well, this is a press release from August 31st, and this is headlined, "Barnstable County declares September 27 as Barnstable County Independence Day."

So, "Barnstable County Commissioners announced today that Barnstable County will annually recognize September 27 as Barnstable County Independence Day by signing a reconstructed document that had been destroyed by fire in the early 1800s. The Commissioners will reaffirm an act of protest taken by ordinary citizens of Barnstable County on September 27, 1774. Tales of Cape Cod, Inc., a nonprofit organization dedicated to preserving and disseminating Cape Cod's history initially proposed recognition of Barnstable County Independence Day."

And I'll read a relatively brief history of it. "Tales of Cape Cod estimates as many as 1,500 ordinary citizens from across Cape Cod gathered in front of Barnstable's Olde County (sic) Courthouse on September 27, 1774, nearly two years earlier than when America declared independence from Great Britain, to protest the intolerable Acts decreed by the British to punish Colonists for the Tea Party.

The counties across Massachusetts moved to shut down their courthouses before the new Crown-controlled courts could sit for a fall session in 1774. In Barnstable County, protesters demanded that the County desist from all government business until the mind of the continental, or of the provincial Congress shall be obtained, and ended with County officials signing a document that conceded the cancellation of the court's fall session.

By the end of the week in September, Cape Cod was in every respect rid of British control, and by the end of that year, British control had ended in all of Massachusetts except for Boston. In response, the next April the British dispatched troops to Concord to secure munitions and the Revolutionary War began.

So the Commissioners will sign this document at the regular meeting of September 27, 2018. The first Barnstable County Independence Day will be celebrated on September 27 when the Barnstable County Commissioners will convene their regular weekly meeting open to the public at the Old Colonial Courthouse, 3046 Main Street, at 4:00 p.m., and reconstruct a document listing the 13 original signatories will be signed by the three Commissioners with plans to later circulate the scroll to every town on Cape Cod and to add official signatures.

During the meeting, Phineas Fiske, a member of the Tales of Cape Cod Board of Directors, will present a history of September 27, 1774. A reception will immediately follow and is also open to the public.

Barnstable County Commissioner Leo Cakounes says, ‘Commemorating September 27 as Barnstable County Independence Day is important because it raises awareness of the role our region played for leading up to American independence. It is yet another reason to be proud of where we live.’

The County Commissioners expressly invite descendants of the 13 original signatories to the event. The original signatories are James Otis, Thomas Smith, James -- Joseph Otis, Nymphas Marston, Shearjashub Bourne, David Thacher, Daniel Davis, Melatiah Bourne, Edward Bacon, Isaac Hinkley, Solo Otis, Kenelm Winslow, and Richard Bourne.”

Speaker MCAULIFFE: Thank you, very much.

Communications from County Administrator and Finance Director Mary McIsaac

- **Overview of the effects of the Early Retirement Incentive Program on FY19 and FY20 regarding pass or fail to pass**
- **Overview of unaudited FY18 Budgeted Expenses and Revenues and the role of the Financial Management Team**
- **Overview of responsibilities and role of Grant Oversight Board**
- **Review of matters that could affecting county bond rating**

Speaker MCAULIFFE: Our next item is really the meat of this meeting, and I want to thank Mary McIsaac, our Finance Director, and Jack Yunits, the County Administrator, for being here. We have given them kind of a lengthy request list and so we want to kind of start on the catch-up. If we don't get everything covered today or the questions that need further information, this is just sort of a preamble or setting the table for going into budget season.

So we will start off with a lot of wrapping up loose ends and unfinished business. And I don't know who's going to start; is Jack or -- who's starting; Jack or Mary?

Administrator YUNITS: Go ahead.

Finance Director MCISAAC: Do you want to go?

Effects of pass/fail Early Retirement Incentive Program on FY19 and FY20:

Administrator YUNITS: Okay. Fine. Some of the things you asked us to look at today include the Early Retirement Incentive package status, and why we're doing it, and what we hope to achieve. It was filed, as you know, last fall. It labored in Third Reading for about six or seven months when Chairman Speliotis told me he was never a fan of counties. He's been up the State House off and on since the 80s. So you might say he's thoroughly aware of our unique statute down here and, certainly, he was brought up to speed on why we were created and what our Charter says during the course of these discussions. Ultimately, on August the 27th, it moved from Third Reading to the Senate. It's in the Senate Rules now. Vinny deMacedo, our Senator, sits on that committee. He's the vice-chair of that committee, and I sent a note to him yesterday, hopefully that will move tomorrow.

If it does move, it will take us at least three months to fully engage those employees that want to leave under that bill. The employees have already sent us letters of intent, so we've identified them. We've done actuarials regarding their status. We've removed a couple of them

who have decided to retire anyway, and we have a fairly good feeling about how much money it will cost us to go into the Early Retirement Plan but how much it will save us in the long run.

The reason for it, however, is not just to save money. That's an important part of it. It's to restructure government and sometimes to restructure government when you have older employees who have been around a long time, it's suddenly financially advantageous to move them along, but sometimes you can speed the process of restructuring along. Some of the natural marks that we all have towards change has a tendency to hang out with the older employees.

So that's one of the big reasons we wanted to go in this direction. We were going to have to make cuts one way or the other. In this year's budget, we didn't foresee any layoffs. The budget was fully funded. But in the future we would've had to consider it. There's no question if this Early Retirement Incentive Plan hadn't gone through and we see no reason why it won't go through the Senate pretty quickly and then onto the Governor's desk for signing.

I can't give you an exact dollar amount, obviously, because we haven't recalculated the actuarial table since the bill languished for so long, but the significant upside is that they'll probably a net savings to the County in the range of a half-a-million.

Keep in mind that our health increases, to give an example, we paid approximately \$890,000 for healthcare insurance in the County in 2012; we paid 2.8 million this year. So reducing that burden is a big part of what we're trying to achieve here. And to reduce that burden, we're going to look towards hiring more part-timers to fill slots that become vacant so that healthcare does not come into play in the future.

We're also considering raising the healthcare contribution rates for new employees up to 40 percent from the existing 25 percent. And we've looked at healthcare angles, and we've looked at increasing it another 5 percent at least for the more expensive plans that we offer here for the County. That's a hard blow to some of our County employees that aren't making a lot of money already. So if we can avoid it, we'd like to.

So, one of the ways to do that is to have the new employees pay more. Obviously, those are the kind of things we'll talk about after we get the close of numbers this year and as we move forward.

So they'll be about 15 to 20 employees that will be retired under the plan, probably closer to 15. It will come from all departments, and some of those positions statutorily have to be filled under the language of the bill as amended by the chairman. We cannot exceed the existing budgeted amount of the retirees by 20 percent in fiscal '19. So, in other words, if we laid off five, we could hire back one if they were all being paid the same amount of money or we could hire part-timers.

Given the fact that this plan probably won't go into play until at least January 1 and maybe the end of January, that's not really a big factor for us at this point in time so we can live with that because it's limited to fiscal '19. But we cannot hire them back as consultants for the first 30 days after they retire. Again, that's not a major issue for us. We don't foresee doing that, at least not in the near future.

So that's the status of the Retirement Incentive Program. We're hoping to hear as early as tomorrow that it got moved up and sent back to the House and onto the Governor's desk, but I'll keep you, through the Clerk, I'll keep you apprised of the status as we move forward. There's no closing deadline. I think they continue to pass informal actions right up through the end of the year.

So, Mary, is there anything I missed there?

Finance Director MCISAAC: No, I don't think so. We would have liked to update you on the language of the amended legislation as it passed to the Senate and on to the committee on -- Committee on Rules except that the amended version is not available, so we couldn't extract it off the website. We could only -- we can only so far see the original legislation.

And though Jack explained the amendments, I wouldn't give you the original version; it no longer applies, and it's probably only safe to make sure we give it to you after the Governor signs it anyway.

Speaker MCAULIFFE: Now did the Senate and/or the Governor have the ability to amend it?

FINANCE DIRECTOR MCISAAC: The Senate could amend it but we don't have any feeling that that will happen, and I think with the Governor, it will probably be a pass/fail with him.

Speaker MCAULIFFE: Because he did just recently throw language into something that --

ADMINISTRATOR YUNITS: Yes, he threw language into the Airbnb.

Speaker MCAULIFFE: Right.

ADMINISTRATOR YUNITS: So it would have to cause it to probably fall off the wagon.

Yes, so he did amend it. He could amend it. I don't -- we actually -- the chairman took language right out of the Governor's Bill in two thousand -- that he put forth in 2015 for the early retirement. So we see no reason why he'd touch it again. And we're not sure whether the Governor's office has suggested that amendment to the bill. It was amended on the floor, that's why it's not memorialized yet.

Speaker MCAULIFFE: Okay. Are there any questions on this topic? Yes, Delegate Green.

Delegate GREEN: Thank you, Madam Speaker, and thank you for this report. Two questions quickly; can this body help you at all support you by calling our Senator or -- and, if so, what is the bill number? And the second one is I believe, just as a point of information, I think that you can get amended versions from the Clerk.

ADMINISTRATOR YUNITS: Yes.

Delegate GREEN: So I don't know if you tried to reach out to the Clerk or not.

FINANCE DIRECTOR MCISAAC: No, we did not.

Delegate GREEN: So would it help for us individually to call Julian Cyr?

ADMINISTRATOR YUNITS: I think at this point in time if you happen to run into Vinny, you might want to say something to him.

Delegate GREEN: Oh Vinny; it's Vinny.

ADMINISTRATOR YUNITS: But I don't think you have to put pressure. Vinny was a co-sponsor of the bill.

Delegate GREEN: Okay.

ADMINISTRATOR YUNITS: So I would assume that he's going to move it pretty quickly.

Delegate GREEN: Okay.

Speaker MCAULIFFE: Yes, Delegate Killion.

Delegate KILLION: Thank you, Madam Speaker. Mr. Yunits, you touched briefly on

the healthcare costs, which are, obviously, rising. In the past budget debates, we've actually had discussions about increasing the contribution of the employees. And we ran into issues, I think, related to how different unions, I think, approach it.

Is there any way we can do anything ahead of time to try and perhaps pave the road for that possibility because, obviously, if it's a situation where it's a budget constraint, that's a way to sort of spread the cost around to everyone, not just new hires because, obviously, the new hires are typically the lowest paid people I would imagine in the County who can least afford it. So is there anything we can do now to go in that direction?

Administrator YUNITS: That's a great point. What we did this year is we extended the existing contracts one year because we know that this will be the language for discussion next year if we do decide to go up 5 percent because the unions do have to be part of that discussion, absolutely.

So we extended the existing contracts this year with both unions for one year. And they will get the COLA, but there will be no adjustments to the healthcare cost until we get back to negotiations next spring.

Delegate KILLION: So is that contract for fiscal '19 or is it for --

ADMINISTRATOR YUNITS: Fiscal '19.

Delegate KILLION: Okay. So it would be something we could discuss in our next budget?

ADMINISTRATOR YUNITS: Yes, absolutely.

Delegate KILLION: Thank you.

ADMINISTRATOR YUNITS: And the savings could be significant. The savings could be a quarter of a million dollars a year if everybody buys it so.

Unaudited FY18 Budget: Expenses and Revenues

Speaker MCAULIFFE: Okay. Thank you. Our next topic is the preliminary unaudited discussion of FY18 budget performance, meaning it hasn't been audited yet.

FINANCE DIRECTOR MCISAAC: Yes. Well, we're working on the close. We're hopefully getting close with so many grants and special funds that we're trying to be more consistent on the accounting. So we're needing a lot of changes and all those have to be checked really before we close.

We've gone into a much greater depth utilizing MUNIS to distribute indirect costs with the grants and everything else, and though everything appears to be working the way that we set it up; obviously, we need to really have a brand-new approach to the grants before close, and that's what we're in the process of doing.

I would say to you that we had a good year, and I would say to you that the adopted budget was, you know, was a conservative budget at least from our approach, and it was adopted really without any significant or material change. We were able to balance the budget without reserves again.

We did have our S&P review last August. And so when the report came out, you know, we've been grappling with a lot of changes to our revenue estimates and our appropriations, and it was noteworthy that they said to us, and I'm not going to read a lot to you today, but I would read to you that they recognize that by saying in their ratings report that they gave with their rating that originally -- so they went back to '16 for their rating. The County had budgeted \$2.3 million of reserves to balance the budget. And they gave credit to a new

management team which arrived mid-year and introduced cost controls and spending freezes, reduce departmental budgets, and postponed non-urgent capital expenditures eliminating the need for a fund balance.

So really the last complete year that we had was '15 before I arrived on the scene and Jack did, and Bob Lawton, who was interim, had really started the process that we walked into shortly after he was working here as interim. And when we looked back at '15 particularly on the revenue side, we saw that for budget to actuals on revenues or on the total budget for FY15, the total budget was 18.2 million, but the actuals were only 16.8 million. So we really failed to collect our budget estimate by \$1.4 million.

So from '15, which is the last real year intact before the new team really a more permanent scenario came in because you had had an Interim County Director for a long time; when we budgeted '18, fiscal '18, which is the year that we're closing, and this is preliminary, we had an amended budget of 19 million; we've actually collected 20.4 million.

So when we talk about where we're going with the budget and what we're trying to do, we're trying to stabilize our operation so you can see from '15 to '18, you know, we had a swing of 2.7, almost \$2.8 million. And part of the reason for that is that we really brought the budget estimates of all the revenue lines down to something that was more real and realized between '15 and '18 we were fortunate to have an approval of a deed's tax increase, which really filled in the gap between, you know, what was real in terms of revenue or what we needed to be real in terms of revenue against what we were really trying to continue as providing regional services.

So we feel like the 1.1 million helped us a lot towards that, but also on the revenue side we are clearly comfortable that we are identifying what is real on the revenue side. We took the deeds way down. You know, we can give you all kinds of scenarios between '15 and '18 and show you how much has really changed.

The only thing that we grapple with now and what we're working on with the Financial Management Team is evaluating the risk of what happens to those numbers in a downside economy, and that's the real risk for us because deeds are such a huge part of our revenue. You know, if you had a 10 percent loss over at the Deeds, you're losing \$2 million. We can't recover from that. That's a lot of cutting and that's probably layoffs. So what we're trying to do is get to maybe a better place on the revenue side with respect to deeds, but you have to remember it's a major driver in balancing our budget.

And so with these other downward pressures from health insurance and everything else, we find ourselves in a position where, you know, something has to give because there's only so much revenue which means there can only be so much spending. We've been fortunate with grants backfilling but those are not guaranteed to us, and sometimes they come with so many strings that -- and that's something the Grant Oversight Committee will start to deal with that. We might have to say, you know, we don't want this grant. This is not a grant that we can work with because it costs the County too much money. So, really, I think we're in a very good place for closing on the revenue side.

On the expenditure side, I wouldn't have as much conversation about that right now because, you know, embedded on the expenditure side is a lot of appropriations relative to grants, and we're still working in massaging that so that we get it to drive into the big picture the way we want it to.

But, also, I would clearly say from a balanced budget perspective, if your revenues are

real and your adopted budget has your revenues matching and is a balanced budget, which it has to be, even if on the expenditure side we're spending every dollar, if we're getting the revenues, we're good.

But in that 2015 scenario, if on the expenditure side all the departments spent every dollar that they were given in the adopted budget, we would have had to hit unreserved fund balance for \$1.4 million to close the books and that's the reality.

So we have to be careful about where we are in revenues, where we are on expenditures until the expenditure side is really being debated much more thoroughly by administration with this early retirement, looking at the savings, looking at reorganizing the government so that the departments -- the departments are more of a collaborative effort rather than, you know, stand-alone departments, you know, that whole term of siloed behavior; we're really trying to knock down the walls of that because the more efficient we can be across the whole complex, you know, really meaning the operations that we have, the better able we're going to be to stay on the flipside of this budget balance and always be balanced.

S&P has some real concerns about what's going to happen if the economy really goes south, maybe more so than it did in 2007-2008. We are trying to be at a place where we're going to be okay, or even if we're not going to be okay for an entire year, we have enough -- we've conservatively estimated in our budget process so that we have time to react to that downturn. We have to have the time to do that.

So I think we're really in a good place for FY18. I think we're going to close a healthy amount of money to unreserved fund balance and set the stage for budgeting for '20.

We had the same -- we came at it the same way for FY19. We feel like we're in a good place for FY19 even beginning the restructuring, even tossing in early retirement if that passes. We think we can react to all that and have a successful year in FY19 too. So, I think with respect to the budget performance for FY19 we're in a very good place.

ADMINISTRATOR YUNITS: It's a difficult budget process to explain to people that are familiar with government and not familiar with us. And ironically enough, I came out of Jim Speliotis's office the first time ever thinking that I don't think he got it. And I happen to run into the great Assemblyman from Dennis who shortly after Liam's had seen its last sunrise and, jokingly, he was talking about living on a fixed income; it dawned on me that's what our County really does.

We have a unique formula that was created in 1988 by the legislature that limits what we can raise and spend really. The only variable in that formula are grants, and grants are usually target-specific. So there's not a lot of fat in a grant. In fact, more often than not, you'd probably end up losing some money. But grants serve a great purpose in terms of turning over work for the towns, so we continue to pursue grants in a very vigorous way.

But the excise tax, as Mary just alluded to, is a very huge variable. I think from 2006 to 2009, it dropped \$2.5 million during that last recession and everybody keeps telling us that 2020's not going to be pretty. So that building some revenues are key to survival, sustainability of the programs that we run. So we really are a government, like John Ohman now who lives on a fixed income, (Laughter), and we have to be cognizant about that and careful. We're not unlike half of our residents down here on Cape Cod; we have to watch what we spend, and we have to budget accordingly.

Speaker MCAULIFFE: Can we do general budget questions sort of as we go along?

FINANCE DIRECTOR MCISAAC: Absolutely. Sure.

Speaker MCAULIFFE: Any Delegates want to have -- obviously, you can bring them up later if it comes to you. Any questions? Okay.

Oh, yes, Delegate Green.

Delegate GREEN: Thank you, Madam Speaker, and thank you for the information that you provided. First of all, it would be really helpful if in the future we have information ahead of time in our packets, you know, maybe a presentation, an overview or some information. It would just really help us. We're all on the same team. We're all trying to understand and work together, and it would just help in the clarification as we're moving forward.

And I guess I wanted to ask a question because, Mary, you said that when everything is said and done as far as the County and the Cape Light Compact is concerned, you'll come back to us and do -- give us another report. Is the County now performing no services for CLC?

FINANCE DIRECTOR MCISAAC: The County is no longer and has not been for a number of months providing any services to the Cape Light Compact. Starting on July 1 of this fiscal year that just ended, what we were doing was babysitting and housekeeping, basically. So we were preparing to turn over funds, the funds that were still hidden here were earning interest, and we were still seeing some payments come in wired into our bank accounts for vendors that have historically ACH'd money into the Cape Light Compact, the accounts. So to say that we were managing and -- but the process of turning that over so that they no longer came to the County but went to the Cape Light Compact JPE was very lengthy in some instances with some vendors. So money would pop into our bank accounts by ACH that would belong to the Cape Light Compact; we would report it in as a cash receipt, and we would turn around and send it to the Cape Light Compact.

Delegate GREEN: So does the County have no future liabilities for OPEB or any other matters?

FINANCE DIRECTOR MCISAAC: No. With respect to retirement, the only thing left and let me give you some of the back story. We prepare what's called a "930 Salary Report," and we've just gotten our notification from the retirement system that they've sent that to us and we need to complete it. That's the basis for the FY20 assessment which comes -- so backing up, we still had Cape Light Compact employees on our 930 Salary Report that delivered future years' liability. So when that comes and when that has come to us, we have billed the Cape Light Compact for their portion, that share of the assessment, and they have paid it, you know, and they've paid it as we've billed them. There's not been a debate about the bill.

So this is the last year that our assessment came to us that we paid on July 1 that part of that assessment was for the employees of the Cape Light Compact JPE because remember they were not affected by law as a unit member of Barnstable County until this past July 1. So they couldn't be on anybody else's salary -- I mean January 1. They couldn't be on anyone else's salary report, so they had to come into our salary report which they already were in and be approved in the assessment from PERAC.

So this coming September they have been issued by law their own request for their 930 salary information which brings their assessment to them, you know, to their address, to their business place, and they will no longer appear on our assessment.

So these are things that by law have to happen over time because of the way things happen, but that's the only liability, and I wouldn't consider it a liability. They're on our assessment. They fully acknowledge that it's their liability, and we invoice them, and they pay it.

Delegate GREEN: And so --

Finance Director MCISAAC: And there's no OPEB liability.

Delegate GREEN: Not to the County.

FINANCE DIRECTOR MCISAAC: No.

Delegate GREEN: And so does that mean that sometime in September we will have severed all ties as the fiscal and administrative agent for the Cape Light Compact?

Finance Director MCISAAC: I believe yes because that's the last piece. That will be the final piece for us.

Delegate GREEN: Okay. And are we at all liable, as a County, at all liable for any outstanding contracts that were executed in years past by the County? Some of those contracts such as.....

Finance Director MCISAAC: We understand that those contracts have been changed; the language has been changed because they're no longer the Cape Light Compact. They became the Cape Light Compact JPE, and I believe those contracts were changed to name the Cape Light Compact JPE as the party to the contract and not us, you know, not them through us.

Delegate GREEN: I mean do we have proper documentation that that's happened? I mean some of these were very long-term contracts --

FINANCE DIRECTOR MCISAAC: Right.

Delegate GREEN: -- especially direct contracts.

FINANCE DIRECTOR MCISAAC: You got a list from Maggie of those contracts that were --

Delegate GREEN: I mean it would be really important, I think, for the County.

Administrator YUNITS: Obviously, the contracts that were signed and approved by the County will remain on the books as a liability for us for six years. I don't -- I haven't got a clue when they are. Some/most of those contracts are one-year contracts.

Delegate GREEN: A lot of those contracts are.

ADMINISTRATOR YUNITS: Some of the service contracts are long-term, right.

Delegate GREEN: So they'll remain on the books for --

ADMINISTRATOR YUNITS: The statute of limitation for any contract would be six years.

Delegate GREEN: But are you saying that -- because I think I'm hearing two separate things; are you saying that they transitioned some of these to the JPE?

Administrator YUNITS: Yes, they're all transferred to the JPE as part of the agreement. There's an indemnificational clause; they except full responsibility for any suits and claims. They would reimburse us if we got sued. That was all part of the separation agreement. I didn't bring any of them with us today but I know we distributed them to the Assembly last year.

Delegate GREEN: We received little.

ADMINISTRATOR YUNITS: And we have our own umbrella policies that would cover us.

Delegate GREEN: And so once everything is severed and your final reports are done, you'll come back to us and give us a final report; is that correct?

ADMINISTRATOR YUNITS: Yes.

Finance Director MCISAAC: We can do that.

Delegate GREEN: Thank you.

Speaker MCAULIFFE: Yes, Delegate Killion.

Delegate KILLION: Thank you, Madam Speaker. It's certainly refreshing to hear us speaking about being able to address problems long before they occur because that's never been a hallmark of County government.

So that being said, you seem to be talking about problems that may arise in the future and even though where, obviously, you have a great deal of economic expansion going on, you're concerned about the future where there isn't so much.

Are you putting a process in place so that when we begin to see some degrading of revenues you have a plan that you'll be putting in place to cut spending long before these sort of issues, and is that a plan that you'll be able to discuss with us in the near future?

Finance Director MCISAAC: Well, we could discuss scenarios of plans with you certainly. That's part of what the Financial Management Team is assigned to work on, and we'll get to -- that's another topic here. But I would tell you that really what we have done by conservatively estimating the revenues and coming in higher in almost every single line honestly this time this year, we sort of buy ourselves time. So any impact that we could have that would be a downward pressure or a negative pressure on us, we certainly have some time to react which gives us time to understand where we can cut without cutting across the board.

But, you know, in all material respects, it depends on how large the issue is; do you know what I mean? If we just see a gradual drop off, we can maybe manage it by making some changes departmentally internally so that we know there's money left on the table that keeps us balanced. But if it's a material significant, maybe call it a catastrophic event, that's a real sizable analysis, and it would be based on what we see.

So the process would change whether it's material or whether it's significant because we would almost in a material effort have to send out pink slips; do you know what I mean? If you thought you were going to lose a million dollars and you weren't going to be able to get there, you would literally have to consider layoffs. But in something that's sort of a smooth decline, you have time. First we have a cushion to react but then we have more time to reorganize. And the process can be the process, but I think it changes depending on what you're facing.

Delegate KILLION: I agree with that, but do you have, obviously, there's some functions that are more critical than others.

Finance Director MCISAAC: Yes.

Delegate KILLION: So do you have a plan in place to say, okay, we know where we can cut here and not cut there so there is some sort of roadmap in the event of such an occasion?

Finance Director MCISAAC: We've had a lot of those discussions, so we have some preliminary ideas but I would say sort of at this point not for public viewing because that causes a lot of distress.

Delegate KILLION: Yes.

FINANCE DIRECTOR MCISAAC: So there is a plan. I think we could theorize and the Financial Management Team could set forth some parameters, you know, that would sort of be where the path has to veer to. But without knowing what actually is going wrong, I think it's always a different discussion, so from just moving things around, honestly, to layoffs.

Administrator YUNITS: It gets complicated because of our obligations to the Trial Court which is a huge account of ours. We have to run that; notwithstanding whatever financial burdens ensue. We have complicated contracts with the Cove, so we have to keep those doors open because of the nature of their work. It's really health.

The good news is that -- and grants, of course, once we except those grants, we have to finish -- we're under federal and state contract obligations to do so.

We do have some -- the septic loan account here, we've gradually put it and gear where it's going to self-fund itself so there won't be administrative costs necessarily. They're not reimbursed out of that account itself, and the Dredge right now funds itself. So those services that we provide that are critical to the County we continue to operate.

The cuts would have to come, as Mary already indicated, we'd have to look carefully at the relative value of the services that we're providing to certain departments whether it be nursing or health or agriculture, aquaculture, and say, okay, what can we suspend for now? And those are the kind of decisions you make on the transition. Keep in mind that that variable account for us is the Registry of Deeds. And even in tough times -- Leo likes to say in tough times, there's still filing fees, and it's true. But that part of that budget really loses us \$250,000 a year anyway. It's never funded itself. That is the money that we collect for recording fees and so on and so forth. The Commonwealth has never really funded that so that we lose money there anyway. So the more filing fees that come in doesn't necessarily make it better for us. The excise tax is what drives the train for us. And Dave and Jack Meade will give us, if things look askew, they're right in our office and they're tremendous. They work with Mary. They meet with Mary all the time to give her updates. So that's how we monitor it. If we see a trend; a bad month is a bad month. It could be all-weather related in the Registry of Deeds, but if there's a trend then the alarms go off.

Delegate KILLION: In round numbers because, obviously, that was kind of the heart of my question about what part is critical and what part is maybe somewhat expendable? What percent of the function of the County would you consider critical and virtually untouchable?

Administrator YUNITS: Well, if you consider anything that we have a contract for part of the critical stage, the flexibility part is less than 20 percent.

Delegate KILLION: Okay. That's news to me. Thank you.

Speaker MCAULIFFE: Thank you. Yes, Delegate Hughes.

Delegate HUGHES: Thank you, Madam Chair. If I could, I just want to point out Mary's spent a considerable amount of time in the town of Harwich, and she's doing exactly here what she did in the town of Harwich and that's bring reality to budgeting and expenses and the whole process of handling our finances, if you will.

I would just like to ask in preparation for what's coming up in the budget season, if you will, if we could get a 10-year plot basically of what revenues are, excuse me, what the revenues versus the expenses are and also our reserves? What's been added to the reserves? What the balances are? What's been taken out over a 10-year period of time? Hopefully, graphically, that will show some trends for us if you don't mind?

Speaker MCAULIFFE: Done.

Delegate HUGHES: I would ask that through you, Madam Chair.

Speaker MCAULIFFE: Yes. And that's the sort of thing that I think will help everyone get that in hard copy, and then if there's questions or information, further information we can get that.

Delegate HUGHES: Thank you.

Speaker MCAULIFFE: We try and get as much financial information going into budget season as we can -- as we feasibly can just because, obviously, it makes sense to know how things are set before you start looking at how things are going to be spent.

All right.

Delegate HUGHES: That would be a good place to segue into the Financial Management Team part of this.

Financial Management Team:

Speaker MCAULIFFE: Yes, Number 3, yes. And is that you, Mary?

Finance Director MCISAAC: That's me. Recently, we asked for the support of the County Administrator and the Board of Regional Commissioners to form internally a Financial Management Team that would be able to really -- now that we're three years into seeing the reality of where we are in terms of budgeting and really our actual capacity to budget and to provide services; we've formed this Financial Management Team with our blessing and we've had an introductory meeting. We've set some goals and objectives but really the ultimate goal is to stabilize our finances, present ourselves with the best possible tools so that we can clearly see the path for the County into the future.

It's very important once you really learn from your history to create a model so that you can go forward and sort of the questions answer themselves because you have articulated enough information; you have described a path that's clear enough that everybody sees where we are, and then everybody's all in.

So the Financial Management Team has been formed of Jack and myself, Stephen Tebo, because he is really the expert on the assets in our facilities; Jack Meade's office because they're the expert on our major revenue driver; Stephen Amara who's our accountant, but we've also added two external parties chosen by me. One is Lynne Foster from UniBank and she currently serves as the FA for numerous communities, but she also serves as the County's FA, and she's been great for us. So she's been on board with us probably two and a half years I would say at this point. And we were very fortunate to get a gem in Karl Jacob, who used to -- he ran, really, the Boston office of S&P, which is Standard & Poor's. He left the Boston office to run the New York office. Originally from Sandwich and he's retired and he's back on the Cape.

And so I reached out to him because I've known him for a very long time. He's a tremendous wealth of information. I don't know who I would recommend more highly than him, and he was enthusiastic and agreed without restriction to be a part of the team to help move us forward.

So we're very comfortable because we have the people that know the history in people like Steve and people like Jack Meade's office, but we're also bringing, you know, sort of inside of the bubble people that have worked in the real world really across the entire country. Lynne's experience is in the Northeast corridor, and Karl's history is mostly in the Northeast corridor but highly credentialed people. They get it. They've seen it all. And so we feel like we have a really good team because we're bringing all the pieces to the table.

But we're asking everybody to sit down and take a realistic pragmatic view of where we are and what our capacity is going forward, and how we can ensure that what we believe is our capacity we can make that happen.

So there's just a lot of policies being driven for debt management, financial management, all kinds of policies and procedures that will strengthen the organization by bringing it, you know, its own internal rules and regulations which keep us safe. So we've started on that. We're providing history, examining even the Charter, and all the original

documents about our formation and our procedures at the County level, and we're just going from there. So we're just really gutting into it before the budget process starts, and some things will be offered as policies to be approved before the budget season and other things will be happening. You know, we're not going to sort of suspend while the budget is happening; we're going to keep going. And so hopefully we'll have a clear approved policy set that will really step us up another level and really help us.

Speaker MCAULIFFE: And, obviously, as you generate policies or any information or anything that this group comes up with, I know the Assembly would be very interested.

FINANCE DIRECTOR MCISAAC: Sure.

Speaker MCAULIFFE: And if there's anything in your work that involves the Charter as we finish the election and go into next year and start to look seriously at a Charter review, we would really welcome anything that needs to be -- that's missing or that needs to be changed, anything in the Charter that will help the County in terms of its financial strength.

FINANCE DIRECTOR MCISAAC: Sure. We'd be happy to do that.

Speaker MCAULIFFE: So just keep us posted, yes.

FINANCE DIRECTOR MCISAAC: Yes, thank you for that. That would be great. You know, we're just trying to get to the best place.

Speaker MCAULIFFE: Right.

FINANCE DIRECTOR MCISAAC: Because we really want to see that we can go down this road for many, many years and provide valuable regional services. That's why we're here. So we just want to just ensure that.

Administrator YUNITS: And at the original meeting, initial meeting, we gave them really the historical financial data they need to see to do those trend lines that Pete was just talking about so that we can start to create fair numbers or fair evaluations of what those reserve funds should be. The OPEB Trust Fund, how much should go in there? How much we should have in the Stabilization Account on a routine basis, and what a five-year budget would look like going forward.

Speaker MCAULIFFE: That's great. And it doesn't hurt to have Standard & Poor's sitting at the table with you because sometimes the things that they look at or that are important to them are sometimes -- are not word of mouth but aren't as apparent as you would think they might be.

FINANCE DIRECTOR MCISAAC: Yes.

Speaker MCAULIFFE: That's terrific.

FINANCE DIRECTOR MCISAAC: That's true enough, yes.

Speaker MCAULIFFE: Yes, and I think Lynne, I think, is a familiar name from the town of Yarmouth because I recall Bob Lawton mentioning her when he first started here, and he turned to her for some advice and help.

Finance Director MCISAAC: Yes, and I think she's back assigned to Yarmouth actually --

Speaker MCAULIFFE: Good, good.

FINANCE DIRECTOR MCISAAC: -- as an FA.

Speaker MCAULIFFE: Yes, FA is Financial Advisor if people aren't in municipal lingo.

FINANCE DIRECTOR MCISAAC: Oh, I'm sorry.

Speaker MCAULIFFE: No, that's all right. That's all right. No, you identified

Standard & Poor's. Sometimes it's just easier to talk about things, and with new members sometimes I just want to make sure that they understand that.

FINANCE DIRECTOR MCISAAC: So Peter does, I know that.

Speaker MCAULIFFE: And believe me, there are a lot of municipal budget people at the table, so I don't think it's an issue but there might be someone who --

FINANCE DIRECTOR MCISAAC: Sure. Thank you.

Speaker MCAULIFFE: -- doesn't now. Yes, Delegate Chaffee.

Delegate CHAFFEE: Thank you, Madam Speaker, a comment and a question. When I talk about people, about what Barnstable County government does, I usually take a while to explain it and, Mary, you just summed it up in one sentence, and I'm going to quote you, "We want to provide valuable regional services." Thank you. That's a breathtakingly concise, to the point, and perfect statement.

So the Financial Management Team you've stood up, in essence, it's a strategic planning group that's going to be working on an ongoing basis?

FINANCE DIRECTOR MCISAAC: Yes. You know, we have --

Speaker MCAULIFFE: Could you use the microphone, Mary. Sorry.

FINANCE DIRECTOR MCISAAC: -- we have no timeframe. We've established and we expect to have the Financial Management Team embedded into finance and administration for as long as we go down the road. I mean it's something that you have to have. You'll always -- you always have to rely on a consensus of a group of people that all bring something different to the table and a lot of expertise because that's the way you're going to have the best result. So, I mean, I can't see that we would ever be without that now that we've created it.

Delegate CHAFFEE: Thank you.

Grant Oversight Board:

Speaker MCAULIFFE: Anyone else? Okay. Great. Now the next topic is the proposed Grant Oversight Board. This has been in the works or at least talked about for a couple of years.

FINANCE DIRECTOR MCISAAC: We've talked about this -- yes, you know, it's interesting because it's been sort of a priority and then sometimes not a priority. And at the County level, I would say that over the last 10 years we've gone from having very few grants to having numerous grants. And they've been handled in a way that's not consistent with how you would see a lot of grants handled, you know, with respect to accounting.

So there's been a real deep analysis about the grants, about how they came to us, about how they were approved, about what the actual burden was when the piece of paper was signed as opposed to what maybe we thought the burden was. Because grants come to us and literally, you know, the biggest concern about grants is the burden. You know, we all realize that when there's an opportunity to apply for grant money that helps the region, you know, we're all happy about that and we're all seeking that. But sometimes the unintended consequence of thinking that you can help provide more regional services with a grant enhancing your financing is the fact that you're required to have a match sometimes, well, often times.

You don't always get administrative cost from the grant. So all the administration is the burden on the general budget, all the matches the burden on the general budget. Sometimes your grant requires monitoring or some other extension beyond the grant date which requires the labors of some department that's assigned to the grant. So all of these costs have not ever really

been analyzed. We haven't really determined if we get a grant for \$5,000 for four years is this really worth it? You know, because sometimes that happens, and we've got a lot of monitoring responsibilities with the HOME Program. We have, you know, and these are decades of responsibilities. It may be for the term of the mortgage, of the person, you know, depending on whether they continue to live in the house for the time that they have a mortgage.

So there's all these variables that go into making a decision about grants. And with us, you know, we go back to this revenue side and this fact that we have this limited capacity, you know, we don't have a lot of excess funds, you know. We don't have hotel/motel, and we've already described the whole list of things that we don't have that towns have in order to be able to say they have the capacity to perform under the scope of work of grants that might be available to us.

So this Grant Oversight Committee is forming and will meet in order to make some determination based on our capacity possibly deciding how much of our capacity should be dedicated to the burden of grants. You know that's the only way we're going to survive. We do have another wrinkle where the grants have been embedded into the ordinance that's produced for the annual budget. That's not the best way to have grants because you can never shift the cost, and you don't really realize it because you might have money from a grant one year that's 50,000, but the next year the grant doesn't change but your personnel costs go up \$10,000. Well, now, your County's paying \$60,000 for the grant. It's not paying 50 but you don't really see it because if someone presents you with a balanced-budget, it's there but it's not transparent. You haven't talked about it; you haven't decided if that's the right thing to do. So we're trying to really clean up the grant situation. We always want to take care or advantage of the things that, you know, that are offered to us that are important and vital to the region. But sometimes that doesn't always make sense and a committee, an independent committee evaluating all of the aspects of a grant that's coming to us is really going to be helpful to keep us sort of from going off the cliff on, you know, a lot of money going towards grants because of our restrictions on the revenue side.

So it's just another way of trying to protect us, you know, trying not to get us into situations where we're going to lose a lot more than we can afford to lose.

Speaker MCAULIFFE: How onerous would it be -- I know grants are marbled but to pull grants out into a separate ordinance, or is that really a big job?

Finance Director MCISAAC: Well, you know, grants essentially in municipal finance are special revenue funds. They're not part of your General Fund. So anything that happens with a grant really, other than your contribution from -- so County taxes or County General Funds is a contribution to the grant but the rest of it, whatever happens to the grant belongs to the grant.

Speaker MCAULIFFE: Yes.

FINANCE DIRECTOR MCISAAC: You never, you know, you don't have revenues more than your expenditures, first of all, because most of your grants are reimbursable grants. So you have to spend the money and ask for it to be given to you up to the limitation of the grant and restricted by any restrictions within the grant agreement itself.

So why special revenue funds are embedded in an Operating Budget that's really supposed to be a General Fund, we're trying to shift to that, but there's a burden to that. So now we're trying to calculate the burden and whether we can do it over one year or three years or five years. We're not really sure yet, but we need to get them where they belong.

Speaker MCAULIFFE: Yes, I think that's an important point, wherever you can -- I think that's been the number one problem when I came on the Assembly was the co-mingling of everything. There was nothing that wasn't marbled in with everything else so you had no way of following the money, seeing the revenues, seeing how things were being accounted for or paid for, it was a very challenging situation.

Administrator YUNITS: And you're nailing it on the head. That's one of the reasons we're going to try to unravel this whole mess and make sure that there's a separate grant accounting so that you, the evaluators, when you look at a budget know that this is grant money. This is in the past. And a grant doesn't necessarily end with the end of the fiscal year especially with federal grants. And the departments were just allowed to roll over money and just what you just said, suddenly you see this big account of cash and you think everything is frozen and it's not. So it has to be segregated. And before Mary got there, she had to unravel a 19th century accounting system that was being used by the County. But that is the immediate objective right now with the grant MUNIS software that we hope to be employing soon to get that grant side segregated to the special accounts.

Speaker MCAULIFFE: Yes, Delegate Green.

Delegate GREEN: Thank you, Madam Speaker. Thank you, also, for talking about grants today. I frequently ask about grants and I mean so far I think I'm hearing three different categories of grants. I mean it would be really helpful for the Assembly to understand the big picture. I mean, what are the grants? Where are they coming from? Just an overview so that we can get a handle on it too. I mean if you can provide us with any kind of reports on that, it just would be helpful for our understanding. Thank you.

Administrator YUNITS: Yes, and it's so unpredictable. Beth Albert, for instance, who processes millions of dollars of grants for the towns, we don't keep any of that money. We do keep some small administrative money, but that money goes all back to the towns for services throughout Barnstable County.

She's been working for two weeks on a youth grant. It could bring a sizable amount of money to help us solve youth homelessness on the Cape. But she didn't -- this grant is brand-new. It came out of nowhere.

The Seaport Grant that we just got, it's a grant we didn't envision back when we did the budget. So that's extra money for this year that it's going to have. A WHOI grant that Mike Maguire just got is money we didn't envision in the budget. But it's a grant that came in to help us with coastal resiliency studies.

So then you've got your repetitive grants. You've got your HUD grants. You've got your HOME Loan grants. That HOME Loan grant went up \$100,000 this year, which is 25 percent, a big increase for us, and that's a significant leverage point for developers that want to develop affordable housing on Cape Cod. So it's a big part of what we do every day.

Speaker MCAULIFFE: I think
going --

Delegate GREEN: And having a report -- having a report that we can actually look at, I think, would be very helpful. I mean all of this is really exciting and it is so important. It would be just good to get a handle and a grasp on it.

Administrator YUNITS: That's right. And we've never done it, and it's a big part of this. That's why I'm glad that the Speaker appointed an Assembly person to be with us on that. You know, it won't necessarily require John to be here all the time when we go through this grant

stuff because we can do a lot of it electronically.

But it's an important thing in terms of getting the message out to the Assembly how important this stuff is. Because you don't normally sign off on the day-to-day grants --

Speaker MCAULIFFE: Yes.

ADMINISTRATOR YUNITS: -- and should know of.

Speaker MCAULIFFE: Yes, and especially, you know, as you said grants are coming and going. There're no grants you were anticipating. So I think some sort of chart/flowsheet, whatever, if it's not -- I'm not asking for 40 hours-worth of work.

ADMINISTRATOR YUNITS: Correct.

Speaker MCAULIFFE: But something that would be useful for the Assembly.

ADMINISTRATOR YUNITS: Something to consider.

Speaker MCAULIFFE: Any other questions on the grants?

Matters Effecting County Bond Rating:

Speaker MCAULIFFE: Okay. And the final topic I had was the bond rating.

Finance Director MCISAAC: So as we said before, Standard & Poor's rated us last summer. They gave us a AA rating with a stable outlook. And a AA rating after being out of the bond market they actually were pressured to consider us a new issuer, like a new rating because we had been off everyone's radar for such a long time that there was not any awareness or economic understanding of what we did, what position we were in. Fortunately, we were audited every year so we were able to get a rating. Other situations that I've seen, you know, there hasn't been an audit every year so you could go to S&P and they would say, no, they couldn't rate you because you need five years of audited financial statements.

So that was positive. So from that respect, we could approach S&P and tell them, you know, we wanted to be rated, we were going to have an issue, and that we ask them for a site visit so they could actually come here into sort of our house and talk to us about Barnstable County. So we felt we were really successful with that. The stable outlook is tremendous but it comes with some language in the report that are things that we are working on in all of the areas that we previously talked to you about, being financial management, the grant oversight, and all the other things we're trying to do about capital budgeting and debt, you know, taking care of debt and contingent liabilities being OPEB and the unfunded retirement, principally.

But they told us that we were adequate in a lot of areas including management, budgetary performance, debt and contingent liability. So we looked at those things as -- we looked at that as sort of saying, well, you're okay but you're not great. And we looked at why then considered us to be adequate, and how they looked at us, what they were looking for in order to say, well, you're more than adequate, you know, and that we're okay with that, and we know you can handle the downside.

So they asked for additional policies for long-term financial management, hence the Financial Management Team, and the understanding of these are things we need to produce in order that they are part of the County's government.

They talked about the deferral of capital expenditures, and I think most of you probably have been here over the last couple of budget cycles where we really took down the capital budget. We had authorized millions of dollars of spending, but we never provided a funding source for that which has given us -- which had given us about a \$10 million deficit in our Capital Projects' Fund. We went ahead and we were able to issue 4-point -- almost 4 million

in long-term general obligation bonds. We issued another million in short-term notes, which is really a bond anticipation note, but we never intend to bond that money. We intend to budget a pay-down of it over the next 10 years so that we'll never have to really go out into the bond market again, you know, and pay maybe 50-\$60,000 of bond issuance costs. All we're going to do is roll it and pay it down.

So all we really incur is the interest costs, which in this market might be lower than the bond cost would be, particularly with a premium. They frowned upon that. We had initiated conversations, and we've given sort of the green light to bond counsel, and the attorneys are writing us, which will come before you in the form of an ordinance with special language asking for us to be able to rescind over a number of years a lot of authorizations that we have finances that no one's spending. We're not allowing the expenditure of it.

It's a finance decision. The authorizations are very old. The projects never got off the ground. They probably weren't even really projects and not really -- I'm not sure how they got onto an ordinance for a budget that approved loan proceeds for financing because some of the things are, frankly, not actually capital expenditures. You know, you don't prepare a capital budget and include a \$5,000 item in it. You know, that's supposed to be an operational cost.

So we found a lot of that and it adds up to a lot of money. But because of the nature of the authorizations, how they've been -- how the money's been handled or the authorization's been handled from inception to the present date, we really need special language so that we can just clean up the books. And we only intend to leave authorizations on the books for viable projects that have been approved in the recent past.

So that's the way we're going to take that spinning off the table because we don't want it to happen. And if it was authorized five years ago and we never did it, we probably didn't need it.

Speaker MCAULIFFE: Now will that impact the bond rating if you have a lot of authorized spending out there that is just kind of languishing and --

Finance Director MCISAAC: No, it does affect your bond rating.

Speaker MCAULIFFE: So, if you clean that up and make it look and see --

FINANCE DIRECTOR MCISAAC: Right.

Speaker MCAULIFFE: -- all right, you authorized this and spent that. You're clean.

Finance Director MCISAAC: Because what happens is, you know, when they look at these authorizations, they say that your body's approved \$10 million of spending and you have a 20-something million dollar budget; how are you going to pay for that?

ADMINISTRATOR YUNITS: Right.

FINANCE DIRECTOR MCISAAC: You know, I mean that's the basic question. And where they've grown over time and we have seen that we haven't seen the best handling of it, we need to just clean the slate and start over, you know, examine through administration and facilities, you know, what really are our responsibilities to the assets that we hold to retain their value, to get their value if we transfer them, or whatever we, as the County, decide to do with the assets.

At this point, we really have a lot of projects that could be on the capital plan but they're related to the Trial Courts, and unless we get permission from administration of the state, we really can't do the projects unless we want to take on the entire cost of it at the County level. And some of those things might happen; do you know what I mean? Down the road we might decide that there's a project that really has to be done, and we can't wait for the state. I'm not

100 percent on the legal status of making our own choices about this, but we'll fight that fight when we get to it.

So we're going to do that. So they're doing the language for us, and then we have started to provide annual updates to the Commissioners and the Assembly about the status of projects. And that's something that's really key also in terms of financial management and keeping good control. We're going to keep your eyes on our capital projects so that you know, you know, what you authorized, you know what's happening with it, you know what's happening with the project and the status, and you know where the financing is coming from so the Capital Projects Fund doesn't ever get into that trouble again.

So I think we're in a good place on that and that was in the report. They challenged us that, you know, rising pension and OPEB costs are going to cause us to have maybe the inability to balance our budget because we have tremendous OPEB and liabilities for pension. Part of it is related to the Sheriff's Liability, you know, we have attempted to cause some resolution of that. We're not done with that yet. We expect to still push to have that burden placed where it belongs and that's at the state level. It doesn't belong to us. So we're still working on that, but I think they understand where we are on that and that we're working on it.

They also talked at which we talked about a couple of times that our reliance on excise taxes and how that's a risk for us if we had some catastrophic event or a downturn in our economy that causes those revenues to drop sharply. You know, we're prepared for some of it, but we're not prepared for a \$2 million drop. And, you know, that's hedging your bets too at some point.

And the other thing they talked about was us trying to control our defined benefit plan cost, which Jack has already talked to you about. And that's really key because those costs since 2013 have risen 7 percent annually. Last year we were lucky that we appropriated 10 percent in our requested budgets. And while we were going through the process, they came and they funded those rates, subsidized those rates so that increase was, in fact, 6 percent on average for the increase in FY19. So we were lucky. But that 6 percent, I can guarantee you, I've been through this year after year for a very long time; it just doesn't happen like that. We've had 10 percent increases. We've been asked to budget 12 percent increases. But the closer the Cape Cod Municipal Health Group comes to their target range of fund balance, the less ability they're going to have to subsidize the rising cost in the next year.

So, you know, it's hard when you get over there as a board member and they present you scenarios, so you want to go back to your town and say you voted the best possible scenario. But that does have a downside, which is its effect on the group's fund balance. And so you have to hope for a very optimistic performance with your claims in the next year to be able to replenish that, and that's not always guaranteed. There's a lot of claims and some, you know, we do have stopgap but some are exorbitant and that really affects -- impacts the performance and the results of performance at the end of their year. So they're not always -- there's not always fund balance to subsidize to the extent that can keep you at maybe 6 percent or seven or eight maybe.

So, I think everybody that sits in a board meeting when there's a discussion of the rates at the Cape Cod Municipal Health Group, you know, was very seriously considering and weighing what's the best scenario to bring back to your town because they're struggling to balance their budget. But what's going to happen to the future because you can't just kick the can down the road; you have to be prepared. So there's always that deliberation at the Cape Cod

Municipal Health Group. They're a great bunch and they work really hard to make sure they present us with good claims information, good reporting, good projections, and so far they've done a good job with that. But the costs are just rising so dramatically that we have to look at in another way, I think, to control the cost.

Administrator YUNITS: And just to give you a little bit of what the game plan is on that Sheriff's Pension Liability because you're vote last year, last spring was so critical and important to us. It was a strong vote that said you supported House Bill 4513 even though we hadn't been informed that it had died a slow death up there. We have that in our pocket now. That vote is critical to us because Mary and I intend to go in and meet with S&P in September and begin discussions on how we resolve this with our bill. Now that we have a vote, they know we're coming.

So why don't we talk about how we transition this separation in a way that's less painful for the Commonwealth as well. Remember that the Bill that passed for the other counties included a retroactive payment. That amount would be \$9 million for us right now. That's how much money we've contributed already to the Commonwealth. The payment for this obligation from taxpayers' money we collect here on Cape Cod and we need to resolve that. We need to resolve that not just because S&P said so but because as we get into the 30s, 12 years out, that obligation's going to be approaching \$4 million a year. We only collect 3-1/2.

So it's critical to the sustainability of this County that we try to take care of that this year one way or the other, either by vote or by negotiation. So we'll start with negotiations and we'll keep you apprised of that as we move forward.

Speaker MCAULIFFE: Are you ready for questions on --

FINANCE DIRECTOR MCISAAC: I am. The only other comment I'd like to make is that in the S&P reporting, you know, when they talked about the downside scenario of Barnstable County, they did talk about the fact that they considered our reserves to be adequate and actually healthy, but they were concerned about with all of the rising costs and our other unfunded liabilities that we would be drawing on the reserves too greatly for them to continue to be satisfied with our rating. And that could cause -- that could cause us to be downgraded in the next rating if we don't handle ourselves properly about reserves. So that's in the ratings report. I believe you all had it when we first had it last year, but I can send it electronically to Janice, and she can send it back out to people that might already have it and people that might not have it to read. It's a good read. It really zeros in and focuses in on a lot of the things we need to take care of.

Speaker MCAULIFFE: Yes, I think that would be a good refresher plus also a bit of a summary for today.

FINANCE DIRECTOR MCISAAC: Yes.

Speaker MCAULIFFE: So how close are we to our caps and our reserves? Are there caps? Are there like 5 percent caps?

FINANCE DIRECTOR MCISAAC: Well, there are best practices for caps.

Speaker MCAULIFFE: Okay.

FINANCE DIRECTOR MCISAAC: The County needs to establish policies for the reserves and that's what the financial team is doing, examining the reserves that have been traditionally here and what the best practices for handling each of them because each reserve has its singular purpose.

Speaker MCAULIFFE: Yes.

FINANCE DIRECTOR MCISAAC: And each reserve has its own comfort level of, you know, what a requirement should be in terms of what's considered to be a best practice. So they're variable based on --

Speaker MCAULIFFE: I know sometimes if you have a 5 percent cap and you've got a \$60 million budget for school districts, you're nowhere near what your reserves could be.

FINANCE DIRECTOR MCISAAC: No, you're not. Right.

Speaker MCAULIFFE: But if the issue is that they're concerned that we're going to reach into those reserves; if you have very healthy reserves, that may balance that concern.

FINANCE DIRECTOR MCISAAC: Sure, it can. I mean it's like, you know, every reserve has its own rainy day fund.

Speaker MCAULIFFE: Right, right, right.

FINANCE DIRECTOR MCISAAC: But it has its own purpose and restrictions.

Speaker MCAULIFFE: Yes, not so clean and neat.

FINANCE DIRECTOR MCISAAC: Right, right, right, yes. A little wrinkled.

Speaker MCAULIFFE: Any questions? Yes, Deborah McCutcheon.

Deputy Speaker MCCUTCHEON: I just have a little question for you that might be helpful for everybody here. A AA bond rating sounds really good -- two A's I mean.

FINANCE DIRECTOR MCISAAC: Two A's is better than one, yes. Sure. We'd love to have a AAA rating but we have to jump a couple of letters to get to there.

Deputy Speaker MCCUTCHEON: Right, to get there. I mean I think it might be useful to have a little summary for people of what bond ratings mean. Because when I first encountered it, I thought AA bond rating was real good; gee, that's great it's, I don't know, one step up from junk bonds. So if you --

Speaker MCAULIFFE: No, no, no.

Finance Director MCISAAC: No, no, no. You're on the flipside going up. You're good.

Deputy Speaker MCCUTCHEON: We are on the flipside going up, but I think it might be helpful for everybody to have some -- I think in your little summaries that you can put together --

FINANCE DIRECTOR MCISAAC: Sure.

Deputy Speaker MCCUTCHEON: -- and show people what that actually means.

FINANCE DIRECTOR MCISAAC: Well, it's interesting to look at the profile of a AAA rated community and what is said about the importance of, you know, what they have strategically that makes them a AAA. They have their own criteria that they evaluate everybody across, and some of it is easier to achieve than other things because some things are just, you know, you're not a victim but you are sort of a victim of your demographics in some cases.

We're lucky to be tied to Barnstable -- town of Barnstable and a number of Cape towns who are AAA rated.

Deputy Speaker MCCUTCHEON: Right.

FINANCE DIRECTOR MCISAAC: So that really helps us, and that's just a factor of where we are. You know, somebody else that's placed strategically in maybe a Western town, a lot of small towns that don't have good finances don't have great ratings, it's hard for them to pull a really good rating because surrounding there is not a strong economy.

So there's a lot of different reasons why there's AAAs, there's AA-plusses and there's AAs, the stable outlook is really important I would tell you, and the AA after being off the radar,

it was fantastic.

So we felt really good about the rating we had, but we do have work to do and it would be easy probably to summarize across some of the ratings the differences. From I'm going to say AA going to AAA, would that be helpful, because we don't care what's behind us.

Speaker MCAULIFFE: Yeah, going forward.

Finance Director MCISAAC: You're not going back there.

Speaker MCAULIFFE: Delegate Princi.

Delegate PRINCI: As Mary mentioned, some of the other towns with the AAAs, one being Barnstable, has given the County finance and management some flexibility in a sense with, for instance, Barnstable with the whole settlement for the Fire Training Academy. It's basically Barnstable took out the bond to pay for everything because they have a better bond rating and that we're basically paying them back on that bond.

So the coordination that we have with a lot of the towns that do have stronger finances has been worked nicely by management. So, thank you.

FINANCE DIRECTOR MCISAAC: You're welcome.

Speaker MCAULIFFE: Yes, Delegate Ohman.

Delegate OHMAN: Thank you, Madam Speaker. So just to be clear, 4513, the House Bill 4513 is dead and is not on the table to be resubmitted at this time?

Finance Director MCISAAC: It was not refiled.

Administrator YUNITS: No, it's not filed.

Delegate OHMAN: Not refiled?

ADMINISTRATOR YUNITS: No.

Delegate OHMAN: And there's no --

ADMINISTRATOR YUNITS: We do have to make some slight amendments to change some dates and change some numbers, a 15-minute job, and then we'll go into Boston.

Delegate OHMAN: We're going to refile?

ADMINISTRATOR YUNITS: We wanted to wait until the summer passed and the --

Delegate OHMAN: Are the majority of the Commissioners on board with that?

Administrator YUNITS: Yes.

Delegate OHMAN: That's great. Thank you.

Speaker MCAULIFFE: Anything else? Okay. Great. Thank you, so much. Comprehensive and all on one topic and we really appreciate your information.

Administrator YUNITS: And if anybody needs any documents, we'll be happy to forward anything you need electronically.

FINANCE DIRECTOR MCISAAC: Yes.

ADMINISTRATOR YUNITS: Please don't hesitate to contact us.

Speaker MCAULIFFE: I'm sure our Clerk has a list of -- a couple of summaries and we'll just make sure that everybody gets the information that people are requesting.

But if our request is not doable or onerous or is going to require 50 hours of staff time, you would let us know.

FINANCE DIRECTOR MCISAAC: Sure. No problem.

Speaker MCAULIFFE: Thank you. I mean requests are sometimes easy but they get - - extracting the information could be costly. Thank you.

FINANCE DIRECTOR MCISAAC: You're welcome.

Speaker MCAULIFFE: We are still in the first part of our meeting, so our next topics are communications from public officials, are there any public officials?

And communications from members of the public? Anyone from the public? Thank you.

ASSEMBLY CONVENES

Speaker MCAULIFFE: We will now convene the Assembly.

And under “Committee Reports,” I don't believe any of our Delegates that had been assigned to a couple of committees have met yet, but if you -- when you meet, just let the Clerk know. We can agenda it so that you can report.

And then our next item -- the Clerk last year had said, because things have been changing in terms of County government restructuring, had talked to me about scheduling some of the committees and what made sense and what didn't. And I said, “Just kind of leave it the way it is because it's kind of short notice to start changing things.”

So, in response to that, the Clerk has taken a hard look at the committee structure and how things are working given the fact that some things had changed in terms of what we used to look at and what has been moved around a little bit and has prepared a proposal for restructuring our Standing Committees.

So this is a proposal that the Clerk will do the presentation on. It's discussion; it's for thought. It's not expected for a vote or any kind of acceptance today, but just take the information, mull it over, see how it fits with what you're thinking and we can bring it back at some point.

Thank you.

Clerk O'CONNELL: I'm requesting permission to go sit --

Speaker MCAULIFFE: Yes, otherwise we share the microphone. Because the Clerk does all the scheduling and the mechanics of the Assembly work, I think that's almost a person who is really the catbird seat to see exactly how these committees mesh together and their topics, and how a Delegate's time is being used, and how a Delegate -- how you can kind of consolidate and maximize and streamline a little bit to help get the most from us.

Where's your whale? Is it going to come on?

CLERK O'CONNELL: Oh yes.

Speaker MCAULIFFE: Oh, it's a shark.

Report from the Clerk

- **Overview of current Assembly Standing Committee List**
- **Suggested committee consolidation and possible benefits**
- **Suggested seven consolidation to three committees**
- **Suggested county department committee assignment**

CLERK O'CONNELL: I think it's a hammerhead. I don't think it's a great white.

Good afternoon, Delegates. You have received some very elaborate and complicated presentations. I assure you that mine is simple. It has no complicated language or acronyms or graphics.

I want to thank the Speaker for recognizing me and allowing me to produce this

presentation. I also want to thank my close friend Carol Coppola, she's the Finance Director in Harwich, and she assisted me with the graphic piece because she's excellent at it and I'm not.

As I will explain as we go along the presentation, these are just simply suggestions. It's a suggestion, something for you to consider. I come to this with a different perspective than you have. These suggestions are based on my observations and history that I've experienced here at the Assembly, and I also want to let you know that they're not going to create any more or less work for the Clerk but may, based on your perspective, create more or less work for you depending on the functionality and how you may want to structure it.

Ultimately, you will be the deciders of any change within your organization, especially the internal aspects of it. So let's begin. Slide one, I hope.

Thank you. So I wanted to talk to you about the Assembly of Delegates Standing Committees, its past, present, and future. And there he goes, we're off.

Currently, you have seven Standing Committees. Admittedly, the last one, Governmental Regulations has not in the past has played a bigger role, I believe, in the past years of the Assembly more so than it does now. That's the only committee that is comprised of the chairs of each committee including the Speaker.

Standing Committees were brought into existence or structured back into the 90s when the Assembly began. And over time there have been a few changes to things like the name, the composition, the responsibilities, the definition with regards to what the committee is responsible for doing. And a lot of that took place in the 2000's but not much else has happened since then.

What I am suggesting is a sunset of standing committees as they exist with the exception of a Finance Committee, creating two new Standing Committees in addition to Finance, so that you have a total of three. If you look at how I have displayed them, you'll see that it's a consolidation. Very few have totally gone away. I've just taken it upon myself based on history and some commonalities amongst the subjects to group them together in a way that I think makes sense but, again, it's only a suggestion. You as the Delegates may decide that that composition doesn't make sense, and you'd like to do some further shifting.

I am of the opinion that an organization your size, budget and structurally, should be able to function with three standing committees. I think five, six, seven is too many.

You will still be responsible for the review of all the work the Assembly typically has with regards to budgets, ordinances that come in. From the Speaker's perspective, review of all matters, she is responsible for assigning. So the Speaker's actually the person that typically assigns an ordinance to a particular committee. And sometimes it's based on what the ordinance involves. I think we probably can all agree that there have been times when it appears that an ordinance maybe should have gone to Health and Human Services but for some reason it ends up in Finance.

Again, I put these together based on some commonality of subject matter and also trying to create some balance. I hate to use the word "weighted" because, you know, you're a weighted delegation. But when I say "balance," I know that in the past Finance has had a large burden placed on it with regards to review of budgets and ordinances, and based on what I'm suggesting, I would argue, that anyone who is seated on any one of those committees should be made to feel that they have a responsible burden. They have a great deal of responsibility to review what will come before it and feel just as important as someone seated on the Finance Committee.

Next slide; benefits of proposed reconstitution, restructuring, whatever term you may

like to use, to reorganize, streamline, and improve efficiency. It really makes sense for every organization over the course of time to look at how it's structured and to try to determine if there's a better way to do business.

Timing appropriate; it's very appropriate at this point in time that if you're going to give this any type of consideration, you would do it now because you're coming to the end of your session. In January when the next session begins, it's the responsibility of the Speaker to immediately assign Delegates to committees. And as you are aware, you're off and running on the budget process shortly thereafter. It would be very, very difficult if not impossible to make any changes like that. It would be very complicated and confusing for everyone to make any changes after that point in time. So it's timing appropriate to look at it now and consider it between now and the end of the year.

It requires no Charter change, which would be a complication. It's an internal affair and can be accomplished by resolution and I would argue one resolution. You can take care of all of it in one sweeping resolution.

Expansion of committee members' knowledge base. I'm not suggesting that you don't have knowledge; what I'm suggesting is if you're on a committee that has a responsibility of three or four or five departments, you are going to become very knowledgeable about a lot of the departments versus a committee that you may have been seated on that only gets to overview and dive into one or two departments. Over the course of time as the County has consolidated, departments have either gotten absorbed somewhere else, example not a department but a responsibility, Human Rights Commission, and you may see that continue over the course of time within the County where departments become consumed or absorbed within other structures in the County that don't necessarily require a separate or special review by a committee.

Improvement for time management for the Delegates, program assessments, budget review; I will tell you that if you're able to do it with three committees, I think you could actually review the budget, not involve any meetings outside of normal Assembly meetings, start in March, nobody needs to rush through the process in February, give the Commissioners all the time they need, so that when you do get the budget delivered the second meeting in February, you're sure that the numbers are firm, perfect, there will be no changes, more than likely, and start the first week in March, the first meeting in March with the budget review process.

Now, admittedly, as you're including or increasing departments within three committees, it may take a little bit longer to go through that review process. But remember, you're coming to the County anyway. You're coming here for a budget meeting at 2 o'clock. The Speaker is very cognizant of that during budget time. She tries to structure the Assembly agendas so that you're not here until 6 o'clock on those weeks when you are doing budget review. So it may require that you will need to be here at 12:30 or 1 o'clock to accomplish that but you're already coming here. Its one trip and you're not going to have to look at possibly coming on an off-Assembly week.

The first meeting in April, you can finish reviews if you have no special meetings in March, that would be the third. The chairs can meet because, again, it's going to involve less staff, not less staff -- less Delegates reporting to Finance on the activities of the committee. So that tightens itself up a little bit.

Your public hearing could stay on schedule in April or possibly depending upon what's happening with the budget and what matters may need more attention more than others, it may allow you more time to review the budget and also consider the fact that if you need a

reconciliation, you want to allow more time than that, more time than less. When you start to get into May and you get to the first week and you're like, oh my God, if we have to go to reconciliation, there are a lot of things as you're aware in that structure that need to happen. You're really up against serious time constraints with trying to get it all done by the end of May.

So if you can consolidate and get this done, taking less time but just managing it better, I think it's an improvement. And it, again, it allows for a concentrated focus, I think three committees, on similarly grouped subject matter versus spreading it out over five or six committees.

Committee assignments; each Delegate would be assigned to one committee. That represents a bit of a change from what you have now where Delegates are assigned to two committees. So as a Delegate, you're going to have one committee primary focus but admittedly it will involve probably more departments than what you currently have.

The Deputy Speaker could be assigned to two because if you do the math, five times three, and that makes sense from a perspective of responsibility, that's the Deputy Speaker.

The Speaker has a lot of responsibility and knows a lot about the ongoing and workings and takes care of the assignments for the committees, so the Deputy Speaker is the backup. I think that starts to increase the Deputy Speaker's role in terms of responsibilities.

As you know right now the Speaker is not typically assigned to any committees with the exception of Governmental Affairs and, admittedly, that does not meet very often. Each Standing Committee would continue to be comprised of five full members, two alternates with the little caveat that we had trouble with in the past that allows alternates to sit at the table anytime you don't have a full complement versus not being allowed to do so if you don't have a quorum because a quorum is different than -- as compared to a full complement. So that could all be cleaned up in the proposed resolution.

So these are the suggestions for committees and, again, they're only suggestions. Your Standing Committee on Finance would continue to have the Commissioners' budget, all of Finance, the Assembly. The two changes here would be Facilities and Registry of Deeds. Now as I looked back to where these were placed previously, I believe they were in Public Service. Now I'm not going to sit here and say I don't think that that had merit, but I think it's safe to say that it's all about the money.

And Facilities and Registry of Deeds is very important with regards to money to the County. I think in terms of how it's structured and how it functions and how it serves the public, I didn't see a lot there that's up for change or is going to change. So I think that, respectively speaking, it makes sense to have those on Finance.

The Standing Committee on Natural Resources, Public Services, and Health and Human Services; that's a big group. That's drawing in from several other committees. Human Services, obvious department; Health and Environment, Cooperative Extension, and the remaining three AmeriCorps, RDO, Children's Cove. I don't know if any of these are going to change or look different in the coming years and I think they might. But, again, from a public service perspective, I think it makes more sense to have them there than finance or any other group. Again, it's a suggestion.

And the final one's Standing Committee on Communications, Planning and Economic Affairs of Regional Impact; the Cape Cod Commission, planning; the IT Department, communications; the Dredge. I think that that has an economic impact across the region and so does the Fire Training Academy. I think Fire Training Academy was previously in Finance.

Again, these are suggestions that I thought made sense and also created some kind of balance to any review process for departments. I estimated that anyone of those committees will probably need to spend two and a half to three and a half hours reviewing budgets. Again, depending upon what's going on with the County or at any one of those departments or divisions, that's the range.

Speaker MCAULIFFE: Telecommunications and Energy is a Standing Committee; is that then under this final --

CLERK O'CONNELL: It is. Well, that's my grouping under Standing Committee on Communications.

Speaker MCAULIFFE: Okay.

CLERK O'CONNELL: So Telecommunications and Energy, I don't know where energy is going to go or what place it has in this but certainly communications does, and that doesn't preclude the Speaker from assigning anything that comes to the Assembly to a Standing Committee that's already in existence based on where he or she may think it makes the most sense to be reviewed.

But right now we don't have per se an energy department or division as maybe we have previously. So nothing individually exists there with regards to that.

So that is it. Pretty simple, I think, and straightforward again. It's only a suggestion. As the County starts to take a look at its operations on the executive branch, there's nothing that precludes the Assembly from doing so on its side of the table.

And when you look at internal structure or internal affairs for the Assembly, all that can be done by way of Proposed Ordinance, and it makes sense to look at some of that now because of timing with the end of the session versus waiting until January.

And if you decide not to make any changes, no harm, no foul. It's just a suggestion coming from your Clerk that is very appreciative of the fact that I have employers that encourage this. And from my perspective, that's what keeps employees engaged when they're given the opportunity to make a suggestion because I believe that if you want to know what's right or wrong with an operation, ask the employees.

Speaker MCAULIFFE: Thank you. Delegate Moran.

Delegate PRINCI: Are we able to discuss this now since it's not on the agenda?

Speaker MCAULIFFE: It is on the agenda.

Delegate PRINCI: It is for?

Speaker MCAULIFFE: Under "Other Business," comments and updates from Delegates -- oh, no, excuse me -- Standing Committees, Assembly Standing Committees. It is on the agenda under the Clerk's report.

Delegate O'HARA: Thirteen.

Delegate PRINCI: Okay.

Speaker MCAULIFFE: We can have a discussion now but, as I said, I'm not expecting any decision tonight so, obviously. Delegate Moran.

Delegate MORAN: Sure. So I'm just going to launch into tremendous appreciation for your effort and for the initiative that it takes from someone who has a perspective kind of 360 from all of us, and also the continued really caring about not only every Assembly member's efficiency but as you mentioned kind of the quality of interest in making things fit so that, you know, we then put the better product for the County, for our constituents, and I just think that

now is the time.

You know, with I think the report we got from the Administrator and from Mary really shows, you know, a lot of hard work that still needs to be done. And I think that at the same time it makes sense for the Assembly to look at the best way we can all have more than water, and I think this will, you know, maybe some tweaks but I think this will facilitate that.

My thought is to the Speaker who mentioned earlier Charter review whether, you know, while this structure is in everyone's thoughts that the Charter review which may come in whatever form it does that a committee for a Charter review be considered with the balance of these possible assignments because I think that it's really time to elevate the suggestion for Charter review to the same level as these important budgetary review committees.

So I just wanted to kind of throw that out there for consideration at the same time as this. And thank you for your efforts.

Speaker MCAULIFFE: Thank you.

Clerk O'CONNELL: You're welcome.

Speaker MCAULIFFE: Delegate Princi, do you want to --

Delegate PRINCI: Sure. I would take it a step further as far as consolidation goes which would be to eliminate the committees. And since we're going to be meeting on days that the Assembly would normally meet and there's a lot of Delegates that might not be on certain committees that they be interested in for their town have the presentations by the department heads, start our meetings a little earlier, and then have those presentations be to the full Assembly. Because if you're on a -- if you're not on a certain committee -- I wasn't on the committee that oversaw the Fire Training Academy and I missed out on a lot of that information. And there might be other Delegates from other areas that might not be on Natural Resource or the subcommittee for Natural Resource and they would miss out on some of that information. And you really don't always get the true picture and, certainly, we haven't -- our history's been where, unfortunately, a lot of the Delegates don't generally show up for the subcommittee meetings earlier. But if it's a regularly scheduled Assembly of Delegates meeting starting a half an hour or hour earlier, the department heads will be able to give all the information to all of the Delegates, all of the towns, and we can still move forward in a timely manner since it's a lot less. Just a suggestion.

Speaker MCAULIFFE: Thank you. Thank you. No, and this is all -- this is good because what we'll do is we'll pull in whatever the initial issues are and we'll agenda this for further discussion.

Yes, Delegate O'Malley.

Delegate O'MALLEY: And without any intention of being contrary with the suggestion from the Delegate from Barnstable; I, in fact, would like to suggest that at this time we think about enhancing the role of the committees. It's an issue that has been of some concern to me all the way along that the committees could certainly serve a much greater role than simply reviewing the budget. And I don't see a lot of change in this.

And I think what I would be suggesting is that the committees be the locus for real engaged discussion. Discussion format in a committee meeting is very different than what we can have here. Our structure makes kind of open discussion very awkward. Whereas, my experience has been in committees we get a back-and-forth going.

And I would like to see the committees serving the function of focusing on particular issues and distilling a recommendation that comes back here. Now we heard and Delegate Princi

mentioned having missed out on some of the discussions around the Fire Training Academy, and I respect that that's a concern that we don't hear everything.

The way I would think about it is the committees are meeting every 2-3 months and reporting back. This is what we decided. We convened a group working on this subject and here's our recommendation to the Assembly.

In other words, I think it would serve as a means for focusing our attention by using the small group function, the committee function, to then come forward to the body with suggestions.

I'll leave it with that because I mean I think that the composition of the groups we could go around and around endlessly on how we block that. But I really would like us to think as we go forward, and I think it's timely; how could the committees be more effective? How could this body be more relevant than simply hearing the budget that's been given to us and passing it or quibbling about it, and the committees could have a real role in that, I think.

Speaker MCAULIFFE: Delegate Ohman.

Delegate OHMAN: Thank you for your hard work, Janice. This is a really intriguing idea. I hadn't really thought about it too much. So I'm just going to wing it too.

You know, we have always had quorum problems with the five members and two alternates. It's always been an issue, I think, distance, time, whatever it is. Are we stuck on five to a committee? If we had seven and two alternates, we would have nine people on each, so the 3 committees, that's 27 divided by 3 without the Speaker, you'd get a quorum of four instead of three. You'd have an easier way to get the quorum, and you would have a bigger discussion with that as well.

So it's just a math problem, so it's 7 plus 2 is 9 times 3 committees is 27; 27 divided by the 14 Delegates, it works. You know, it's an interesting -- if you want to be on more than one committee. If that was your brothers, you could easily do that as well too.

So, I'm wondering if -- I start with this quorum problem, and I thought that over the course of time we've been sitting a lot of time waiting for someone to show up or they're going to show up 20 minutes late. If you went to seven, you'd probably always get four.

Speaker MCAULIFFE: And I think the reason for the consolidation was to cut down the multiple trips so that maybe if people were focused on just coming into the County and that might solve a quorum issue.

Delegate OHMAN: It's actually more efficient; it's actually more efficient and it lets the department heads come less often and not spread out a lot; it really has a lot of merit.

Speaker MCAULIFFE: But I think it's very worthwhile to have this discussion because each one of us has different ideas, and I think through the discussion we can certainly come up with perhaps a change that will improve our function.

Delegates Zuern.

Delegate ZUERN: Thank you, Madam Speaker. I thought the reason we had smaller committees was so that we didn't have a quorum on that --

Speaker MCAULIFFE: Of the full Assembly.

Delegate ZUERN: Right.

Speaker MCAULIFFE: You have to have an eight for a quorum of the full Assembly. So that's why I think Delegate Ohman suggested seven.

Delegate ZUERN: Oh, it has to do with the number, not the percentage?

Speaker MCAULIFFE: Right.

Delegate ZUERN: Or both?

Speaker MCAULIFFE: Well, I think it's both. You have to have a number of eight, and that's one of the things that's incredibly fascinating about doing committee assignments is doing the math every time, you know, because you have to keep your percentages under 50 percent.

Delegate ZUERN: That's what I thought.

Speaker MCAULIFFE: It's not just the people. And with five people sometimes, that can be challenging as well. So it's always from the Speaker's perspective but I don't want the Speaker's perspective to be the decision-maker because that doesn't -- making something easier for a Speaker is, obviously, not the goal. The goal is to improve the efficiency and functioning of the Assembly.

So the quorum issue would only be if it was a percentage or the number 8 of eight people.

Delegate ZUERN: Right. And I had a comment too on Delegate Princi's idea. A lot of times I felt that I would have liked to attend, you know, and sometimes I do that; I'll go to another meeting. But I'm not really a participant; I'm just an observer to see what's going on in that Standing Committee.

And if Delegate O'Malley wants to have something more going on at that Standing Committee, I certainly would like to be part of that discussion and not have five people come up with a very alternative plan to something and that they've already decided. It's really hard for the rest of the committee, I think, to go against that if you already have this formed conclusion coming in.

So I think it would be great to have maybe an hour, hour and a half before the meetings and we just discuss everything. And if we want to change, you know, what some of the groups are doing, then we can all be a part of that discussion.

Speaker MCAULIFFE: Great. Yes, Delegate Hughes, and then I'm coming around.

Delegate HUGHES: There we go. All right. All communication problems. I'm hearing two things; one is that I heard from someone that these are budgetary review committees and I get that.

Then I heard, I believe, from the elect from Dennis that these are more committees that need ongoing activities, goals and objectives for the year that would meet on things other than budget.

So I guess what I'm thinking about is that a hybrid approach might be great where during budget season, as Patrick proposed, you know, I'm making this up, but 2 o'clock on a meeting date where we can be here gathered, listens to all the information. That way we get to hear from anybody and everybody who wants to come before us on budget.

And then coupled with that we have maybe the same committees now or maybe the committees you're talking about, but in the beginning of every year, those committees meet. They come back to this group with goals and objectives for the year, and then they go do their work, and they report back to this group as needed.

Because I'm sensing that the budget is one process but then the work isn't done, it continues, and it needs to continue. So I think a hybrid approach to it might be a little bit better. I love the idea of the whole group participating in the budget process.

Speaker MCAULIFFE: Great. Deputy Speaker.

Deputy Speaker MCCUTCHEON: I want to thank you, Madam Speaker; I was afraid

that my absence recently had led me to be forgotten forever.

I'd like to thank our Clerk for putting this together for us because I think it has long been needed. I would like to point out, however, that some things can be enacted simply by us and affect our procedure and our local -- our ways in handling our budget, and other things have to go before the electorate. Obviously, the electorate takes a good deal more time.

So tossing this in a way into that mix of Charter change, which will require a vote of the electorate, means that this is lost for the next budget cycle. And I think that it is time that we realigned our committees not necessarily along the lines that are set forth in the Clerk's proposal but something close to it because I think it makes a lot of sense. And that maybe you change it again in a year or two when you do a Charter change. But it's going to take at least a year if not two to get a Charter change even if we all sat down today and agreed on what it ought to be. And I think from our prior discussions of this matter, we don't agree. So it may take us some time to come to something that we agree on and that we're willing to submit to the voters.

And in the meantime, if we throw this opportunity away, we don't have it to try out in the next Charter, in the next budget cycle, which is the reason why she's brought it forward now is that it could get refined, acted upon, and enacted before the next budget comes out. And I very strongly urge us to be willing to accept the fact that we have a piecemeal process because that's what we had been stuck with.

We can't go for a Charter change without a vote of the electorate. We can certainly do this kind streamlining of our work now without having to do the first part. I don't think we should wait to see if maybe it works. We should be seeing if it works while we're doing a Charter change. So, that's my whole point. Thank you, Madam Speaker.

Speaker MCAULIFFE: Okay. I think what I'll do going forward is just make sure we go through the Charter, make sure that there isn't anything in there that, you know, that I'm not recalling that does specify exactly what we have and we don't have. I know from my recollection the internal matters we can change by resolution as the Clerk said.

Perhaps it's to generate discussion. Perhaps we propose two or perhaps three resolutions but perhaps two resolutions; one with the streamlining and one with an abolishment of standing committees. And then we can consider each of those resolutions over time, and/or we can have a general discussion and then just present one resolution.

So I will talk to the Clerk and come forward. And I don't want to restrict the ideas to just the ideas of the two resolutions. So, obviously, if there are more ideas, please let me know because that it may be then better to have more of a general discussion. Just I think in terms of process, it's like you have a motion on the table and then you have your discussion. We can have general discussions, but I think it's sometimes cleaner for having a discussion about a resolution.

Yes, Delegate Killion.

Delegate KILLION: Thank you, Madam Speaker, just a quick comment. As we all sat here, we see a diversity of opinion on this matter. And when I got here, it was my understanding that we have all these different committees because they're very specialized, and I think every one of us here brings a unique background to these matters. And this allowed people to become a little bit more specialized in these committees rather than having these rather broad ones, we have a lot more different topics. It allowed each of us to get into a committee that we have maybe a little more expertise and a little bit more focus on.

So I'm afraid we might lose a little bit of that if we kind of start combining a lot of

these disciplines together. We might have one or two or three people but then sort of the interest and the expertise kind of gets watered down a little bit.

So I'm wondering about also the structure that we have here. We have three committees but we really only have 14 members who can serve, so we're going to have to kind of figure out how that math would work out.

I'm not sure making the committee's larger will necessarily improve attendance. I think a lot of that just has to do with the schedules that we have. And I don't think that's necessarily a bad situation. We've had -- at least I've been on a number of subcommittees where we only had the quorum; we had three people, and we were able to get through the material fairly well. I mean it's always nice to have more opinions, more people looking at things, but I don't believe it slowed down any of the way that we conducted our business.

So I'm not sure making the committees larger and having a larger pool is necessarily going to improve upon that attendance because it's been my experience we rarely have five people at a subcommittee meeting. It just seems over the last few years three or four is about all we have.

So, obviously, I'm looking forward to a more robust discussion on that. But if we're going to solve some problems, I'd like to know exactly what those problems are and how the changes will affect that.

Speaker MCAULIFFE: Good point. Yes, Delegate Green.

Delegate GREEN: Thank you, Madam Speaker, and I commend the Clerk for taking the initiative and coming to us with this situation, which I do agree this is timely for us to discuss it.

And I'm just thinking I, too, like Delegate Princi was saying sometimes I wish I had heard a presentation by one of the departments and, perhaps, this may be something to think about too. What if we had discussions -- we had the presentations by the departments but maintained the committees, and then the next meeting the committee met and voted. That may be a hybrid as well.

Speaker MCAULIFFE: Lots of good ideas but I think it's good to start this right now in September so we can have some time to think it over, see how it looks, see what fits, and we now have a third option, no change.

But I think your points were well taken about what was broken and what are we fixing. Okay. Great. I will discuss this with the Clerk and we'll figure out going forward how to get this before you again, you know, for at least one or more future discussions.

OTHER BUSINESS:

- **Comments from delegates regarding attendance at OneCape Summit**
- **Request from additional information regarding wastewater**

Speaker MCAULIFFE: Is there anyone that -- under "Other Business," we have comments and updates from Delegates regarding the OneCape Summit. Is there anyone who attended who would like to give a few brief comments to the Assembly?

Delegate Moran.

Delegate MORAN: Sorry. Can we budget for more microphones? I mean this gets a little tough.

Speaker MCAULIFFE: Well, I'm also thinking -- I feel -- I was told that this was

temporary -- temporary.

Delegate MORAN: I remember that. I remember that.

Speaker MCAULIFFE: Yes, so we're managing in a temporary situation.

Delegate MORAN: So as to OneCape, I just think that this forum that the Commission does to bring, for example, Jay Ash to the room and to have an opportunity where folks from each town can have a face-to-face contact and bring, just as an example, housing issues to the forefront. And to have leaders like Jay Ash say, "Let me look into that," and then actually get back to you.

So I think that one of the benefits of the OneCape, you know, forum is that you can actually produce results because it's one of those rare opportunities that you get that face-to-face conversation and communication. And all of the websites and the, you know, email that we do can kind of get lost in the volume.

But when you actually have that opportunity to sit down with someone who has the town's interest in mind could actually move some initiatives. So that's the thing I appreciate the most.

Speaker MCAULIFFE: Yes, Delegate Hughes.

Delegate HUGHES: I just point out that it was held in the wonderful town of Harwich at the Wequassett Inn, which sometimes claims they're in Chatham but they're not. (Laughter.)

I'd just like to say the folks on our side, the County's side, really represented the County well, and I think the people well in their presentations in how informed they are on some of the issues and whether it be the rising sea levels and how that, you know, we've heard that discussion, same discussion in a presentation made there.

One of the things that struck me though on housing, they had three individuals come in and speak and they're all giant projects. A project near Everett, you know, Revere kind of time frame or location up in Plymouth what the former cranberry growers are doing. You know, South Weymouth Naval Air Station, that type of thing.

On the Cape we need to start thinking about smaller projects. I think we need to start thinking about enhancing our own toolkits, if you will, to give to towns so we can have that discussion later.

But those big projects, unless we're going to take the airport, the former Otis, and create something I don't imagine out there, you know, those weren't as useful because of the vision that they had; you know, 20-story buildings, etcetera, etcetera really dense kinds of things but they were informative and it did allow the audience to have a discussion and move things forward.

The folks from the different secretaries that came down and the politicians, quite frankly, interesting perspectives. And one thing I think still floating around there mentioned about the short-term rental housing, you know, bill, basically, getting closer and closer. And Charlie Baker talked about it, and he's got some (Inaudible) and whatnot. It sounds like that will become reality at some point in time which, obviously, the towns are looking forward to.

But, again, I think the County folks, if you will, or employees did an excellent job and they served us well. And it was very-well attended, excellent networking opportunity to talk with folks who might have a different perspective or live in a different area, that type of thing, but I encourage to keep going, quite frankly.

Speaker MCAULIFFE: Yes, Delegate O'Hara.

Delegate O'HARA: Thank you, Madam Speaker. I thought it was informative. It was

great people were there, great conversations, but I found that a lot of it was pushing this form-based zoning, which is this high density, high-rise-type building construction through in different communities. The town of Mashpee is going through it now where they were trying to push it onto the agenda and it's going to slow it down a little bit, and there needs to be a better understanding of what's going on. But I was amazed at how much they were pushing form-based zoning on Cape Cod.

Speaker MCAULIFFE: Wow.

Delegate O'HARA: It wasn't just Mashpee; Mashpee's just the first place.

Speaker MCAULIFFE: Yes.

Delegate O'HARA: The other thing that's coming down and it's coming quick and they're pushing it real hot and heavy is water treatment, wastewater treatment on all the communities. We had conversation of this and I have a Selectmen who's also on "Preserve the Bays," so he's playing a dual role on this but it's getting pushed very hard. And with that, the conversations come up and I brought it up because I spoke to Leo Cakounes last week on this before my meeting, my Town Meeting, and we think as a town that this sewer, construction of a sewer system in our town is way beyond our capabilities at this stage; not financially, and we're in pretty good shape but I mentioned it to him because it come up in the meeting at the OneCape, they're really pushing this, and I don't know how we can all do it on our own.

And I'm wondering if, and I'd love to know if the Assembly can take a look at this and reach out to their communities to see if are we better off making this a County program? I know this has been brought up before and there's some fear of it, but there's just some question do we need someone as an administrator to bring it forward and help us as towns. Let the towns do the work individually but have the County step in and help us to develop a program and coordinate it.

There's going to be Falmouth, Sandwich, Mashpee have to work together. But I thought about this; it all came from the OneCape Summit, and it's been on my mind since then. I don't know -- I know our town -- it isn't finances but it is; its way more than we want to spend. Every town is going to have that issue, but it's a matter of administrator and coordinating the abutting towns all at once to work together. I don't know how we do it without the help of the County.

Speaker MCAULIFFE: Well, I think the Cape Cod Commission with its 208 Plan is kind of the initiator of all this, but they are letting the towns go watershed by watershed because I think there's been so much pushback because people cannot, number 1, cannot afford it; and number 2, there was a big fear when I was involved in wastewater in the Town of Yarmouth years ago; there was a big fear of the MWRA-type authorities and taxing and financing and getting at a local control. But all these things are now 10 years down the road, and I think need a set of fresh eyes.

On my agenda was to bring the Cape Cod Commission forward to talk about wastewater and what's going on, and I think that that would be a good place to start in terms of, well, what are we going to do? What can we do regionally?

You know, when towns were sewerred when I was growing up, the government paid for every penny of it, and I'm not talking about County government. No one paid for their sewers until, you know, until it got to be so pricey now that the citizens are expected to pay.

And the zero interest loans are great because they'll save you the interest costs on your loans which can be millions and millions and millions, but that's still you're paying for it and,

you know, it's very easy for towns like Boston who were sewered when the sewers were paid for to turn around now and apply standards and things to the Cape when that's things that back in the day they had paid for. They pay for it in service fees now and hook-up fees and running the services but they didn't pay for the installation. So it was just -- I lived wastewater for a while.

Delegate O'HARA: And to even drive this home even further, just this weekend I had no less than six people come to me and they told me that they -- the bays, the estuaries are a disgrace. They live on Base where they no longer will let their grandchildren swim in those waters anymore.

Speaker MCAULIFFE: Yes.

Delegate O'HARA: So the problem is real.

Speaker MCAULIFFE: Absolutely.

Delegate O'HARA: We need to find a solution.

Speaker MCAULIFFE: Right.

Delegate O'HARA: I don't think individually we can do it. If we work together as a group, even if it was borrowing money but you only paid back what you borrowed.

Speaker MCAULIFFE: Yes.

Delegate O'HARA: And how much you use as a community.

Speaker MCAULIFFE: Right.

Delegate O'HARA: But there has to be something, and I think that at some point we need to move forward. Maybe this is the steppingstone with this OneCape, maybe it pushes us in a direction that we need to go. And I know that Barnstable, Falmouth, and Chatham have already moved forward. They may not use the services but I think other towns do.

Speaker MCAULIFFE: Absolutely. And I think the financial push was what caused Yarmouth, Dennis, and Harwich to regionalize. So, perhaps, a larger regional entity would be the financial savings that would be a bigger push to get people to look at that again.

Delegate O'HARA: Well, if the County government takes it over and gets involved instead of having 15 voices we have one large voice with a lot of voters and that makes a difference.

Speaker MCAULIFFE: Yes, true.

Delegate O'HARA: Thank you.

Speaker MCAULIFFE: Okay. That's on an agenda. Anyone else from OneCape? Is there any other "Other Business" coming forward?

I'll take a motion.

Deputy Speaker MCCUTCHEON: Move to adjourn.

Speaker MCAULIFFE: We're adjourned. Thank you.

Whereupon, it was moved to adjourn the Assembly of Delegates at 6:10 p.m.

Submitted by:

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

List of List of materials used at the meeting:

- **Business Calendar of 9/5/18**
- **Unapproved Journal of Proceedings of 8/15/18**
- **Financial materials and email response related to CLC**
- **PowerPoint presentation slides – Assembly of Delegates Standing Committees**