

Special Commission on County Governance

Thursday, November 10, 2011

Approved Minutes

Co-chairs Rob O’Leary and Henri Rauschenbach convened the meeting at 3:35 p.m. in the chamber of the Assembly of Delegates, reviewing the schedule of upcoming meetings, with the next one on November 16 to be followed by discussion of governance in early December and options in mid-December.

Minutes of the October 26 meeting were approved as written.

County Administrator Mark Zielinski discussed County budget structure, revenues and expenditures, noting his 17-year tenure. He said the County’s \$25 million budget is a program budget with goals and measures as well as special revenue accounts such as septic testing. He explained that the Cape and Islands license plate produced \$450,000 in funds for economic development, while general fund revenue is derived from the deeds tax, county tax which netted \$2,829,317 in Fiscal Year 2012 and gains 2.5% per year, and department revenues from deeds and health lab fees, dredge proceeds, grants, and the Cape Cod Environmental Protection Tax that funds the Cape Cod Commission.

He detailed the deeds tax as assessing \$2.28 per \$1,000 value plus another \$1.14 per \$1,000 value for the Sheriff, both for the for the State, and \$2.70 per \$1,000 value for the County, explaining that the County deeds tax can increase to equal the total State deeds tax of \$3.42, but that it’s a volatile revenue source, depending on fluctuating real estate transfer values. In reply to a query, he clarified that imposing a new tax would require State approval, but the \$2.70 County deeds tax could increase to equal the total \$3.42 State deeds tax without State approval.

Co-chair O’Leary asked if the County deeds tax rate could fluctuate, rising as needed in slow real estate years, then falling when real estate transfer values improve. Mr. Zielinski thought it could, but said it has never declined.

Mr. Zielinski explained that the county tax is levied on towns by proportional assessment of their equalized valuation established every two years by the State. He noted that the county tax and Cape Cod Commission tax are certain, but other revenues are projected, and he said the County reached a credit rating of AA2 in 2007 or 2008 and has no debt ceiling that towns have. His complete PowerPoint presentation detailing special funds and financial reporting is available for reference.

Co-chair Rauschenbach asked about County land holdings, and Mr. Zielinski listed the County complex in Barnstable plus Second District Court property in Orleans, the former County Hospital property in Bourne except for its Conservation Restriction, some six acres on Route 132, and County Farm property on Route 6A that is leased. In reply to a query about use of the County’s former jail property in Barnstable, he said the Assembly would be there in the future, and space there is now used for the health department, information technology department and Registry of Deeds storage. He added that the Sheriff retains the Butler Building for the Bureau of Criminal Investigation (BCI) plus the communications tower, and that the Cape Cod Commission rents its space at \$100,000 per year.

In reply to Co-chair O'Leary's query on raising revenue for regional wastewater management, Mr. Zielinski said a regional enterprise account would be possible to accept fees, reminding that State legislative approval would be required to impose a tax and noting that revenues must be linked to the services provided.

Next, Co-chair O'Leary introduced **Governor Timothy P. Murray**, noting that the Lt. Governor is addressed as Governor in the Governor's absence. Gov. Murray recalled that his last Cape visit had involved pursuit of regional networks for housing the homeless, with the participation of Special Commissioner Cheryl Bartlett.

Gov. Murray felt that counties abolished in the 1990s have been repurposed, as, for example, the reorganized Franklin County continues to provide regional services. As indications of regionalization interest, he cited the 100+ towns that participated in the third annual regionalization conference held at the College of the Holy Cross and also the South Shore towns including Quincy, Braintree and Weymouth that are coordinating regional solid waste collection. Recalling his earlier tour of the Barnstable County Sheriff's facility, he noted regional dispatching is a regional service the County offers, and he said that new State technical assistance grants would be available to study opportunities for provision of regional services. He explained that a budget of \$3 million would be available for town innovation challenge grants with a January application deadline. While he complimented Barnstable County government on its regional participation, he acknowledged in reply to a question that only towns can apply for the new innovation grants, as the State Legislature deleted counties as eligible applicants. Pam Kocher of the State Executive Office for Administration and Finance (A&F) elaborated that towns, regional schools and councils of governments were eligible to apply, and a town could be the lead agency in collaboration with the county. Examples of regional projects across the state included Millbury's regional trash coordination, Melrose pursuit of a regional information technology agreement to share specialized equipment, and western MA interest in improved Internet access.

In reply to the query of Co-chair Rauschenbach regarding the possibility that the County could partner to provide State services more cost-effectively, e.g., via the Cape Cod Commission or health agencies, Interagency Service Agreements were considered possible, and grants could explore such pilot streamlining proposals. Mr. Zielinski noted that the County Health and Environmental Department is exploring coordination with the State Department of Environmental Protection (DEP).

In reply to the question of how to tackle wastewater as both a sustainability and economic development issue, Gov. Murray said Federal funding is now available for only 20-30% of the cost, but that the State would welcome partnership proposals for infrastructure needs, including water/sewer and broadband. Any local government service could be considered for regionalizing, he and Ms. Kocher said, adding that assessing or inspection services could be regional, for example, with the new grants available to explore implementation. Gov. Murray noted that the State funding formula rewards regionalizing, and that at least six communities are interested in public health, while a police/fire dispatch facility is being pursued on the South Shore for Hingham, Norwell and neighboring towns. Ms. Kocher said that 113 communities are collaborating to develop 11 public health districts with an interest in expanding services.

Replying to a question, Ms. Kocher explained that the State assumed functions of counties that were abolished, such as supervision of the Registry of Deeds and operating courthouses.

Addressing the question of a revenue source to fund the big issue of wastewater management on the Cape, Gov. Murray felt that a proposal could spark State consideration, and A&F staff could help the County consider the possibilities. Regionalizing was considered the answer for the continued cost-effective provision of services, and the new State grant program would give special consideration to a regional approach and job creation.

Regarding the prospect for town home rule, Gov. Murray said that county government had needed reform, while some regional planning agencies follow logical boundaries, and that towns may choose to pursue regional cooperation for its cost-effectiveness and service provision.

Co-chair O'Leary said Barnstable County is on the cutting edge of providing regional services, but the State does not recognize counties as regional governments. He said this County needs to be acknowledged as a regional government for its municipal cooperation and regional services.

County Commissioner and Falmouth Selectman Mary Pat Flynn suggested the State offer financial or regulatory incentives to pursue regional cooperation, and provide a financial model for towns to pay for regional shared services.

Ms. Kocher wondered if regional school districts address the same question, and she reminded that the new innovation grants will fund programs not now available, with grant funds provided up front as seed money to develop opportunity. She invited potential applicants to attend the program planned for the Plymouth Town Library next Thursday from 10-11 a.m. to provide information on the new program.

Gov. Murray said that the Administration would be interested in a proposal involving the County that would expand municipal services or be more cost-effective, and he said he would track down why the State Senate deleted county eligibility for the new grants.

Special Commissioner Margo Fenn noted that the Cape Cod Commission could apply on behalf of the County if regional planning agencies are eligible applicants.

Special Commissioner and Sandwich Town Manager Bud Dunham thanked the State for its action on health insurance reform, saying it was saving the towns and County money to help balance budgets, and the Co-chairs thanked Gov. Murray and Ms. Kocher as well as County Administrator Zielinski for their presentations and discussion.

The next meetings were scheduled for the following Wednesday, November 16, and then Wednesday, November 30, both at 6:30 p.m., and the minutes of the October 26 meeting were approved as written.

The meeting was adjourned at 5:04 p.m.

Respectfully submitted,

Marilyn Fifield

Minutes Clerk