

**Provincetown Finance Committee Meeting of  
January 21, 2003**

**Members present:** Sue Buerkel (Chair), Richard Holland (Co-Chair), Ruth Thomas Thurston

**Excused Absences:** Jennifer Bedard, Albert Perkins, Gail Enos, Alice Foley and Matthew Clark

**Others Present:** Roslyn Garfield, Town Moderator, Keith Bergman, Town Manager

**Meeting**

Sue Buerkel called the meeting to order at 3:15 PM introducing the members of the Committee.

A motion was made to approve the minutes of June 25, 2002 with corrections to the spelling of Ann Maguire's name from "Ann McGuire" to "Ann Maguire."

**Motion by:** Ann Maguire

**Seconded by:** Ruth Gilbert

**Vote:** 5-0-0

Keith Bergman, Town Manager, spoke about the packets and memos where were sent to the Committee members regarding the Cape End Manor and Municipal Finance.

He stated that there would be cuts in the Town budget and there will be a 10% cut from State aid. Town departments are cutting their budgets to meet the \$500,000 shortfall. It will help the Town's budget when, over the next few years, the nursing home will be transferred to a non-profit health care company.

The DPW garage has to be relocated since the Cape End Manor will be occupying its location. The Town is looking at a site on National Seashore property for use.

Ann Maguire questioned Mr. Bergman and wanted an explanation of the approximate \$800,000 shortfall and asked if steps are being taken to stop shortfalls from increasing. Keith Bergman replied that systems are in place now to keep financial information updated to keep the Town from being "surprised" by learning about shortfalls too late.

Ms Maguire also wanted to know if other departments have "flags" to warn about overspending. Mr. Bergman stated that he gets monthly printouts regarding spending with the new system in place.

Ann Maguire wanted to know about the \$34,800 budget the airport is requesting from the Town. Mr. Bergman's reply was that the airport never was part of the budget cycle. It was not operating on Town money and expenses were being covered from the rental income derived from the Cape Air lease. Cape Air pays approximately \$30,200 in rent, which goes for airport operation. There are no manpower costs in that figure.

Richard Holland wanted to know if anything would make the Cape End Manor deficit better. Keith Bergman stated that costs incurred for legal expenses, hiring consultants to prepare the DON application, and environmental reviews. There has been no opposition from abutters so far which might make getting the application and permits faster.

Mr. Holland asked if the 10%-15% increase a one-time deficit. Mr. Bergman's response was "yes." He also stated that they were dealing with a costly staffing pattern.

Richard Holland then asked if we were on-track from a fiscal subjective regarding the sewer. Mr. Bergman replied that we are and the Town is seeking borrowing for additional hookups. All costs will be covered from user fees.

Mr. Holland also asked if the unpaid taxes would help offset the deficit. Mr. Bergman said that some are paying off but there is still a large amount owed.

Ruth Gilbert asked if there was any discussion between the Board of Selectmen and Cape End Manor regarding the phasing out and closing. Keith Bergman stated that there was no such discussion.

She also stated that she could not understand the high shortfall of the Cape End Manor. Mr. Bergman said it was extremely disappointing but systems have been put in place to catch these high shortfalls in the future. He has faith in Dennis Andersen's abilities to solve the problem. Ms Gilbert also asked if there were any reimbursements coming in to cut the number down. His answer was no. You cannot go after private paid patients easily.

Ms. Gilbert asked if someone with make it clear regarding the deficit on Town Hall floor during the Town Meeting and in 2-3 years will we be facing a gigantic shortfall? Mr. Bergman replied that they could not tell what Medicare and Medicare reimbursements will be in the future. The risk exists for any year in the nursing home business.

Ruth Gilbert then asked if the \$500,000 a realistic figure for the moving of the DPW garage realistic? Keith Bergman explained that they are using the figure of \$600,0 for capital improvement and relocation costs. They have to come up with an agreement with the National Seashore regarding land owned by the National Seashore for a long-term agreement.

Ms Gilbert asked what kind of agreement and was told that it would have to be a long-term agreement with a minimum of 20 years.

Ann Maguire asked since there is an increase in costs and rising tax rate of 13%, what other kind of reorganization is being made to cover for the missing amount of State funds. Keith Bergman replied that by getting rid of the \$500,000 subsidy to the nursing home would freeze up amount of property taxes. For the coming fiscal years, the Town will not fill vacancies in some positions and not hire others.

Ms Maguire also asked about the monthly flagging for various departments, who finds out and what is the mechanism used and can the departments report to the Board of Selectmen on a monthly basis. Keith Bergman responded that there was no budget that needed flagging this year. He stated that the departments could report to the Selectmen monthly.

Tom Thurston said he had concluded, from reading obituaries in the Banner, that the majority of today's Manor residents are the parents of local citizens. He wondered whether town meeting voters who support the Manor are choosing to maintain a facility for which there will be diminishing need as more and more year-round homes become second homes for people whose parents are not from this area. Keith Bergman replied that there had been discussion of providing upscale assisted-living at any new facility, to appeal to the parents of second home owners, and others, then marketing Provincetown as a retirement destination. Ruth Gilbert stated that today's home buyers still consider taxes here, as well as water, to be cheap compared to those costs elsewhere.

Thomas Thurston stated that is has been determined that taxpayers want to see the nursing home exist. \ Can the nursing home exist if more than 50% of patients are coming from non-residents? Mr. Bergman \replied positively.

Ruth Gilbert commented that \$500,000 was to buy Site Y. Wouldn't it have to go back to a Town Meeting. Keith Bergman replied that it would. He also said that the nursing home is regional with Provincetown taxpayers picking up extra costs for 24% of people from Truro residing in the nursing home.

After discussion, it was decided to schedule meetings for Tuesdays and Wednesdays, February 11<sup>th</sup> and 12<sup>th</sup> and February 18<sup>th</sup> and 19<sup>th</sup> to discuss the Budget. These meetings will run from 4:00 PM until 7:00 PM in the Judge Welsh Room at Town Hall.

Richard Holland stated that he would be out of town from next week until March 12<sup>th</sup>.

It was moved o adjourn the meeting at 5:15 PM.

Motion by: Sue Buerkel

Seconded by: Ruth Gilbert

Vote: 5-0-0

Respectfully Submitted Joel Glasser