

Provincetown Finance Committee

Judge Welsh Hearing Room

October 20, 2005

1:00 p.m.

FINAL VERSION

Members Present: Sue Buerkel, Matthew Clark, Gary Delius, Alice Foley, Edward Gage, Ruth Gilbert, Mark Leach, Tom Thurston, Robert Vetric, and Walt Winnowski.

Members Absent: Virginia Ross

Staff: Mary Jo Avellar, Keith Bergman, David Guertin, Alex Heilala, and Sandy Turner.

Other: Attorney Chris Snow (arrived at 3:00 p.m.)

The meeting was called to order promptly at 1:00 p.m.

Ruth Gilbert, the Chair, announced that she will be turning over the meeting to Sue Buerkel. Ruth is leaving for vacation and will return on November 7th for the town meeting.

Agenda

Review of minutes

It was decided by a consensus to postpone the September 15th minutes until the end of the meeting.

Review of November 7, 2005 Special Town Meeting articles with financial implications

Keith Bergman (KAB), Town Manager, referred to a memo dated October 18th that had been e-mailed to the group on Tuesday, the 18th.

Article 1. Wastewater Optimization and Expansion – Borrowing Authorization.

KAB presented this article by saying that he would be clarifying the whole thing. There is substantial unused capacity at the treatment plant that we can access by making additional connections. KAB said that we've made tremendous inroads and now we've satisfied DEP that we won't have to expand leaching beds. Without expanding the effluent disposal beds we still need \$1.5M that would allow us to finish the work in the street, i.e. adding extra piping, etc. which would allow us to hook up the red dot delays. Also we'd like to do modest road repaving. We want the red dots hooked-up as soon as possible. KAB said that they're also looking at doing further planning and engineering to extend the system even farther; only 6 months to 1 year are needed for expansion. He thought we'd have to do another whole new facilities plan. "Not so," the DEP said. As for a change in terminology, the increase in the sewer capacity is no longer called "Phase 2" but is now called sewer extension (expansion). The Town is specifically looking at expansion along Shankpainter Road and a

laundromat has been proposed on the 2nd floor of Pennie's Liquors.

Keith continued, "We'd like to set money aside for contractual issues with Metcalf & Eddy. It's confidential and those issues are currently under mediation. DEP is requiring a 3rd operator at the plant, etc. and issues such as this are currently under mediation. If a mediator sides with Metcalf & Eddy then we need financial resources set aside to deal with this. The biggest problem is that there is massive underutilized capacity in the treatment plant. We can increase by about 50% immediately.

The Town has been trying to figure out a way to cover costs. In the last 2 weeks we've seen some excellent progress with red-dot properties. We had one property that would prefer waiting but if they can get the 0% rate on the loan they will hook-up. The biggest incentive to sign up now is that the amount of years left changes annually, i.e. if hook-up happened today, the sewer betterment would have to be paid over a period of only 17 years and not the 20 years that original hook-ups had. The Board of Selectmen (BoS) took the suggestion of the FinCom and offered – if property owners pay up full balance of betterment – they could recognize 5% of that as a credit of user fees. Bubalas took advantage of the offer. Some properties are grabbing the opportunity. The Water and Sewer Board (W&S) will be adopting a revised base charge of \$150 for commercial properties and \$30 for residential properties. The first couple of years, some of the properties who had no water usage during the off-season, paid nothing – now there is a base rate for non-usage. KAB continued by saying that he is delighted with the progress that has been made to date. Referring to the projected legal costs, he said, "If we don't need it we won't spend it."

Mark Leach asked if the \$1.5M is being paid through betterments? Also, Mark asked, "Will there be more detail provided on the town meeting floor to substantiate the \$500k for legal and consulting?" He feels the vagueness on that amount of money will not sit well with the voters. KAB answered, "We have about \$300K in claims from Metcalf and these claims are now in dispute. We will craft something more substantial to say to the public."

Matthew Clark (MAC) asked, "Will the impact of further sewer extension on treatment plant capacity have to be calculated based on the Title V design flows as we did in Phase I? That's what got us into this trouble, since actual water usage is so much lower than design flow. Extensions will only improve sewer economics if DEP will consider a metric other than design flow." KAB replied that DEP was now willing to consider other metrics.

MAC continued by saying, "Those of us who are phase 1 connectors then find ourselves having paid for a much larger treatment plant than was needed. I know that some portion of the treatment plant capital costs were held back for Phase II connections, but it strikes me that Phase I connectors may still have paid more than their fair share. Perhaps we should get a refund or a betterment reduction?" David Guertin said that we've already looked at that and we need a refinement of our costs. MAC then asked if there is a mechanism for a refund?

KAB said that we're not going to give refunds. The financial benefit is that ultimately we will have more flow and consequently sewer usage charges will go down. We do hope the rates will go down. MAC, remaining resolute, said "this is a matter of fairness. The new connections could simply pay a betterment that included an amount that would go toward right-sizing the Phase I betterments."

Dr. Robert Vetrick (RV) asked, "What do you anticipate taking in from red dots?" Answer: \$154K. Then RV asked, "What is the Town's stance for people who refuse or can't afford to hook-up?" KAB

replied that the Town has refused to establish the date for the final hook-ups. The date of hook-ups by July 2008 seemed to be the “must be hooked up” date. They are no longer required to hook-up prior to failure.

RV continued by saying - but basically the Board of Health (BoH) has the authority to order a red dot delay property to hook up to the sewer. KAB replied that at the same time we’re getting voluntary compliance. RV then asked - what about people who can’t – elderly people. Answer is they will be hooked up but not have to pay anything until they sold or transferred their property.

Ed Gage and Tom Thurston had no comments.

Ruth Gilbert (RG) said that she was still concerned with the legal fee. Now we’re up to \$500K for legal but she would like to see that figure reduced. She feels it’s rather expensive for mediation. RG said that she was also happy to hear that if we take phase 2 out of the language then we might want to educate the public about this. She personally doesn’t anticipate a lot of opposition to this.

Walt Winnowski (WW) asked about the \$75K additional sewer fees that we’re projecting for this year. The scenario cited was: It could be if a restaurant was hooked up in August of last year; this year we would see a full season’s worth of sewage.

RG said she was involved with sale of 4 Dyer Street and found it was a pleasure working with Dana Faris in the hook-up and also with the W&S Board.

Gary Delius suggested that perhaps we could have this boiled down to a simpler format. David Guertin said that it may not be ready for Town meeting. It’s really not a global extension but in pieces.

Alice Foley had no comments.

Sue Buerkel gave accolades for the establishment of a minimum user fee. She is also concerned about \$500K for legal and wondered if that might be tightened up?

Motion: Recommend Article 1 to voters.

Motion by R. Vetrick Seconded by G. Delius Voted 10-0-0.

Article 2. Conveyance of Property Adjacent to PHS Annex to Provincetown Center for Coastal Studies.

KAB explained that CCS needs additional land for a possible title 5 - we’re adding lots B,C, and D for this possibility. We signed the P&S agreement and we’re ready to close. They will lease the property for 2 years and then will buy it outright. We’ll get 1/3, 1/3, and 1/3. It allows them to go in and make improvements. Town meeting approval is needed for the additional lots.

Gary asked about the drainage ditch shown on the plan? KAB said that we probably should have taken this off. It’s basically a sump pond like we have on Court Street. (an engineered wetland)

WW asked if there were no plans for sewer connection? KAB said that maybe there could be. We want the BoH to O.K. an ACO for the CCS. We’ll be going to the BoH with them. If this property can get an eventual sewer hook-up it would make sense environmentally to hook up this whole area.

Mark Leach questioned whether the \$850K was a fair price for the combined real estate and properties. Others felt it was a good or fair price.

Sue Buerkel had a thought! There were 10 members voting on the 1st motion and the FinCom is only allowed to have 9 votes at a time. There are 8 regular members and 2 alternates thus the 1st motion will have to be negated and cast again.

Motion: Move to reconsider article 1.

Motion by RV Seconded by GD Voted 9-0-0.

Motion: Move to recommend approval of article 1 as written.

Motion by RV Seconded by GD Voted 9-0-0.

Motion: Move to recommend approval of Article 2.

Motion by MAC Seconded by TT Voted 9-0-0.

Article 6. FY 2006 Budget for Economic Development Council.

KAB explained that the \$5K requested was from the planning board's budget. The Local Community Planning Implementation Committee (LCPIC) originally had a budget of \$10K and when it was disbanded the money was put in the Planning Budget. The Planning Board agreed to give up \$5K of this sum to the EDC.

RG then said, "So this means that they will have \$5K budget in the future?"

Ruth said that perhaps we should look at the Planning budget and see if it can be reduced in the future. The FinCom wants information about the Economic Development Committee's make-up. MAC asked specifically, "What does \$5K fund?" KAB responded, "basic things – and basic studies. We need base line data." The FinCom was of one mind that the "Visioning survey was a waste of time." Gary asked if this is just a grant study?" RV concluded the discussion by saying, "We've spent money on more foolish things in the past."

Motion: Move to recommend approval of Article 6.

Motion by RV Seconded by GD Vote 7-in favor 2 opposed (MAC & EG)

Article 7. Rescind Unused Borrowing authority.

This was described as merely a housekeeping article.

Motion: Recommend approval of Article 7.

Motion by TT Seconded by AF Voted 9-0-0 unanimously.

Article 8. Funding Article Amendments.

Article 9. FY 2006 Budget Adjustments.

It was decided to take both these articles under discussion since they were related.

Questions were raised about Truro paying \$8K tuition per high school student. After the tuition discussion, the main subject addressed was Sandy Turner's need for a new chipper.

KAB explained that Article 8 takes the two articles and finds different funding mechanisms for them, i.e., \$23K in insurance budget that we no longer need and also the money that had been allocated for an Assistant Town Manager and remains unused.

Back to the chipper: Sandy is currently renting a chipper for \$2100/month. The full purchase price of the chipper is \$27,900 but a deal has been struck whereby the rental charges are being applied to the cost. Sandy would like \$24K - \$3K trade. This still leaves a balance. (The chipper that died had been

given to Provincetown by FEMA for clean-up after Hurricane Bob in 1991.) Ms. Turner said that the chipper is used approximately 10 months of the year and it's a very important necessity in maintaining the compost pile. Also, on her wish list, the sweeper burned out their brooms on the sand on the streets. She also told the FinCom that we're totaling wasting our salt and sand because we don't have flow monitors. Explanation: flow monitors control the amount of sand and salt being spread, i.e., more of both in dangerous intersections, etc. Sandy also cautioned that the deal of applying the rental of the chipper toward the purchase is a deal for right now but may not be valid if we delay too long.

MAC asked about the CEM deficit. KAB does not have figures but he will get them. Dennis is monitoring it. We are in the process of doing a review of what our actual expenses are going to be. MAC said that we need to be thinking **now** about additional cuts and savings. KAB said, regarding NEDA, that he has his eye on the ball!

ML asked about parking revenues. Keith said that it was down about \$70K this year. Alex has done a projection – and we've increased fees that didn't need approval. Bottom line – we do expect to make up some of that with other things, i.e. an increase in fees. The BoS is planning more ways to increase the parking income by limiting residential parking. Residential parking is now allowed (free) in the MPL for 48 hours at a time. That limit will be further reduced. The BoS is also looking into other possibilities to have parking spaces turn over.

GD asked KAB if he were still comfortable with the parking staffing plan that we put into place last spring? KAB replied that it's an important revenue center. The loss is not because we didn't have a full time parking manager.

Motion: Move to support approval of Article 8.

Motion by Alice Foley Seconded by Gary Delius Voted 9-0-0

Motion: Move to support approval of Article 9.

Motion by T. Thurston Seconded by R. Vetrick Voted 9-0-0.

Mark Leach felt we should stop nickel and diming with all the fees, bite the bullet and present a 2½ ballot question to the town for them to vote yea or nay. If they vote nay, then the town needs to determine where to start cutting some services.

KAB said that we're looking at 2 proposals – debt exclusions (exempt the debt service) and he fully expects that it will be a discussion. He also quoted Orleans planning level funding for schools - based on limited enrollment.

Chris Snow arrived at 3:00 p.m.

Article 10. Massachusetts Highway Department Chapter 90 Funds for Road and Sidewalk Construction and Repairs.

RG asked, "Why now? The asphalt plants are closed – so why now?" Sandy replied, "To make it available early." Sandy said that paving can start earlier than the April town meeting; she has a large list of needy streets. Chapter 90 funds fix many problems in our roads and the money is available **now**. We do need a town meeting vote to access the funds.

Motion: Move to support Article 10.

Motion by R. Vetrick Seconded by G. Delius Voted 9-0-0.

Article 12. Local Regulation of Dogs.

Very little discussion.....

Motion: Move to support Article 12 as written.

Motion by R. Gilbert Seconded by A. Foley Voted 9-0-0.

Article 11. Approval of Land Court Petition: 48B Bradford Street

Chris Snow now announced why he had attended the FinCom meeting in the hopes he might be able to talk to them about the problem with 48B Bradford Street. The entire scenario was based on 3/100s of a foot that was needed in order to mortgage the property so that an elderly man could pay his own way in a nursing home. He was told he needed a petition along with notices to abutters. Chris has spent an exorbitant amount of time trying to solve this problem. Now he’s been advised to go to the planning board. His client is just seeking permission to get this piece of property in shape to be mortgaged. Chris feels it’s an unnecessary event. Chris doesn’t think that all of this is necessary. It is not a surrender..... not a land taking..... it would just enable the town person to access a mortgage to be used for his care.

Chris is looking for individual support. There is expense involved and he would advise the BoS to consent and there is no reason for them to ‘not consent’ to this petition. Gary D. said that – coincidentally 3/100th of a foot is only slightly greater than the margin of error on the Town’s GIS system.

Motion: Move to approve the petition for Article 11.

Motion by R. Vetrick Seconded by G. Delius Voted 9-0-0.

(RV said to state the reasons for approval for this article.....“in order to prevent more money being expended for legal fees”)

Assignments for Town Meeting Articles:

- Article 1. Tom Thurston**
- Article 2. Ed Gage**
- Article 6. Mark Leary**
- Article 7. Robert Vetrick**
- Articles 8. and 9. Gary Delius**
- Article 10. Sue Buerkel**
- Article 11. Ruth Gilbert (her understudy! R. Vetrick)**
- Article 12. Matthew Clark**

MAC will prepare a draft message to the voters and will send it to the FinCom within the next couple of days for comments.

The next meeting will be held one hour before the November 7th town meeting.

Please post a meeting for a 5:00 p.m. meeting on November 7th.

Minutes for September 15th.

After a brief discussion, the following motion was made.

Motion: Approve the minutes of the September 15th meeting as amended.

Motion by Gary Delius Seconded by Alice Foley

6 in favor – 3 abstentions (TT, RV, MAC)

Mark Leach said that at a recent BoS meeting, the BoS voted not to address the 80 to 20 payment split on health insurance in discussions with the unions. This will not be a goal for the BoS for this year. The vote was 2 in favor and 3 opposed (C. Andrews, M. Couture, and R. Olson). Most Cape towns have 50/50 health benefits. Reality is that no one pays 80/20 any more. This should perhaps become an agenda item with KAB.

The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Evelyn Gaudiano

Evelyn Rogers Gaudiano

Approved by _____ on _____, 2005
Ruth Gilbert, Chair