



Finance Committee

Finance Committee Meeting Minutes
Wednesday, June 3, 2009 @ 10:00 am
Larkin Hall at the Provincetown Center for Coastal Studies
Called to Order: 10:05 am

Membership:

P	E	U	Name	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Coen, Chair	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ann Maguire, Vice Chair	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Virginia Ross	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Philip Gaudiano	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Gabrielle Hanna	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Daniel Hoort	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Open	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Erik Yingling, Alternate	<input checked="" type="checkbox"/> Voting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Open), Alternate	<input type="checkbox"/> Voting

(Note: **P** = Present **E** = Excused **U** = Unexcused)

Video of this meeting is available in the office of Provincetown Television.

Also Present:
Alix Heilala, Finance Director

Order of Business:

1. To conduct a preliminary review of the upcoming Special Town Meeting warrant articles.
2. To receive an update on the FY09 and FY10 budgets from the Finance Director.

3. To review a possible request for funding from the Reserve Fund.
4. To discuss the Committee's recommendations for the FY11 budget process.
5. To review minutes from prior meetings.
6. To consider any other business that may legally come before the Finance Committee.

Special Town Meeting Warrant Articles

The Committee and the Finance Director conducted a preliminary review of the warrant articles in preparation for its Public Hearing next week.

Article 1. Town Hall Renovations

The total cost for Phase II is estimated to be \$5.2 million. \$2 million of that will come from the Community Preservation Act fund. Bids aren't due until June 16, after the Committee publishes its booklet for the voters. Therefore, the Committee may have to vote on the estimated amount of the article, \$3.2 million, and reconsider its vote when the actual amount of the bids is known.

Article 2. Fund Step 10 Retroactive Pay

The AFSCME contract includes a new step which was approved by the voters at 2007's Annual Town Meeting. Most of the Department Heads were unaware of this when they developed their FY10 budgets. An additional \$15,245 is needed to fund these increases. Money is available in the General Fund.

Article 3. Community Preservation Act: Acceptance of Administrative Expenses Permissible Under the Act

The Community Preservation Committee (CPC) is requesting an appropriation from the CPA fund for FY10 to cover administrative expenses such as property appraisals and legal counsel. The exact amount is not known. The Chair will follow up with the Chair of the CPC.

Article 4. Home Rule Petition: Equitable Distribution of Revenue

There are proposals being considered on Beacon Hill to allow cities and towns to adopt a local option meals tax and to increase the local option room tax. If the revenue collected is distributed back to local municipalities using the so called “lottery formula”, towns on the Cape will receive only pennies on the dollar. This is because the formula heavily weights property values, which are high on the Cape, even though the average household income here is low. This article would instruct our representatives on Beacon Hill to support legislation that would send the money, dollar for dollar, back to the cities and towns in which it is raised.

Article 5. Use of Parking Funds to Purchase Automated Pay Stations

This article would authorize the purchase of one automated parking pay station to be used for a pilot program on Ryder St. The vendor indicates that the Town can expect a 15% or more rise in parking revenues through its use. It would also allow visitors to use credit and debit cards to pay for parking.

Article 6. AMENDMENT to 04-06-09 ATM Article 17: Land Bank – Acquisition of Land for Community Agriculture, Conservation, and Open Space – 6R, 10R and 14R Browne Street

ATM Article 17 that was passed by the voters at the April Town Meeting authorized the borrowing of \$180,000 to purchase of these parcels for open space and a community garden. Subsequently, the Town received a grant of \$93,600 to apply to the purchase. This article would authorize the Town to pay for the remainder using Land Bank funds on hand, rather than through borrowing.

Article 7. PARC Land Grant – Suzanne’s Garden

ATM Article 18 that was passed by the voters at April Town Meeting appropriated \$250,000 for the purchase the property known as Suzanne’s Garden. The funding sources were a combination of \$100,000 from the CPA Fund (ATM Article 10) and \$150,000 from the Land Bank (ATM Article

18). This article would authorize the Town to pursue a grant under the State's PARC grant program to defray part of the purchase price.

In a related matter, the Town is conducting an appraisal of the property that is required before CPA funds can be used for the purchase.

Article 8. Add Alternate Member to Animal Welfare Committee

The Committee does not need to vote on this article as it has no financial implications.

ARTICLE 9. Waterways Capital Reserve Fund (petitioned)

This is a revised version of an article that was indefinitely postponed by the petitioner at the April Town Meeting. It proposes that the Waterways Fund be used exclusively for "extraordinary and large capital expenditures for waterways improvements and maintenance". Mooring fees and 50% of boat excise tax revenue go into the Waterways Fund.

The article also proposes that Town stop paying the Pier Corporation for providing harbormaster services. Currently, the Town pays the Pier Corporation for these services using the Waterways Fund. If the article were to pass, the Town would have to find another source of funding for these services.

It is not clear what the true intent of the article is.

Article 10. Home Rule Petition: ½ % Real Estate Transfer Fee (petitioned)

(Mr. Yingling recused himself from this discussion as he is related to the petitioner).

This is a revised version of an article that was indefinitely postponed by the petitioner at the April Town Meeting. Significant changes include:

- Shifting the burden of paying the fee from the seller to the buyer;

- Providing a first time buyer exemption;
- Reducing the percentage of the fee from 2% to ½% of the purchase price; and
- Allocating the first \$250,000 of the proceeds to a capital project stabilization fund, with the remainder going into the general fund.

Budget Update

Ms. Heleila provided the Committee with a year-to-date budget report. As of June 2nd, 87.0% of the budget has been spent. Ms. Heilala expects that the final percentage for the year will be in the vicinity of 95%. Some other items of note:

- The Election/Town Meeting budget is already at 100%, with one unanticipated Town Meeting and election to go. This will require a year-end budget adjustment.
- Legal Services, at 49.6% is well under its \$200,000 budget. This was welcome news to the Committee.
- Although the Police overtime budget has nearly been spent (always a contentious issue with the Committee, overall the department should end up on budget.
- Snow & Ice is 29.5% over its budget. This deficit spending was authorized previously by the Finance Committee.

The Committee requested that the Finance Director provide copies of the final FY08 and FY09 reports prior to the start of the next budget cycle.

Ms. Heilala also distributed a year-to-date summary of actual versus estimated local receipts (general fund revenue), as summarized below:

FY09 estimate	\$4,347,900.00
Actual year-to-date	4,265,338.88
Amount needed to meet estimate	(82,561.12)
Projected additional receipts	385,490.31
Projected year end total	\$ 4,650,829.19

The projected results on both the expense and revenue sides of the budget bode well for Free Cash next year.

Reserve Fund Request

The Committee was expecting a request from the Police Department to use the Reserve Fund to pay for septic system repairs at the Police Station. The Finance Director has not yet received a formal request.

FY11 Budget Process

Mr. Coen distributed a consolidated list of motions made during the budget process with recommendations for the future. (See attachment). These will require follow up with various Town officials and the Board of Selectmen.

Ms. Maguire raised the question of whether all boats moored in Provincetown for the summer are required to pay excise tax to the Town. Ms. Heilala will follow up with the Assessor.

There was some general discussion about ways to improve the budget process for FY11. Various ideas were floated. The Chair will schedule a joint meeting with the Board of Selectmen, likely on July 13, to discuss this and to review the year-end budget position.

Minutes

The Committee reviewed and voted on the minutes from prior meetings.

Motion # 1: To accept the minutes of February 12 th as written.			
Motion By: Ann Maguire		Second By: Frederic Biddle	
For: 4	Against: 0	Abstain: 0	Recuse:

Motion # 2: To accept the minutes of March 5 th as written.			
Motion By: Thomas Coen		Second By: Philip Gaudiano	
For: 3	Against: 0	Abstain: 0	Recuse:

Motion # 3: To accept the minutes of March 17 th as amended.			
Motion By: Ann Maguire		Second By: Philip Gaudio	
For: 3	Against: 0	Abstain: 0	Recuse:


Motion # 4: To accept the minutes of April 30 th as written.			
Motion By: Ann Maguire		Second By: Frederic Biddle	
For: 3	Against: 0	Abstain: 0	Recuse:

Other Business

Ms. Heleila presented a request from the Library Director, Debra DeJonker-Berry, for a transfer of \$1,465 from the library's expense budget to the personal services budget to cover supplemental staffing in June.

Motion # 5: To approve a transfer of \$1,465 from the Library Department's expense budget to its personal services budget.			
Motion By: Ann Maguire		Second By: Frederic Biddle	
For: 6	Against: 0	Abstain: 0	Recuse:

Next Meeting:	Wednesday, June 10, 2009 @ 10:00 am
Adjourn:	12:12 pm
Minutes by:	Thomas Coen

Approved by  on July 11, 2009
Thomas Coen, Chair

Consolidated List of Budget Recommendations

Expense Reduction		February 3, 2009	
Motion # 2: To request that the Town Manager investigate the possibility of combined purchasing for all Town departments, including the schools and the pier corporation.			
Motion By: Tom Thurston		Second By: Ruth Gilbert	
For: 8	Against: 0	Abstain: 0	Recuse:

Expense Reduction		February 3, 2009	
Motion # 3: To request that DPW conduct a Cost Analysis regarding LED Street Lights in the following areas; a) replacing with LED lights as current lights go out, b) replacing with LED lights all at once & c) savings on power consumption by utilizing LED lights.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

Revenue Enhancement		February 3, 2009	
Motion #6: To recommend DPW raise Commercial Hauler fees by 12%.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

February 12, 2009

Expense Reduction		February 12, 2009	
Motion # 10: Formally ask the Town Manager to start discussions with employee unions to increase the current co-payment formula for health insurance, in light of current economic conditions.			
Motion By: Ann Maguire		Second By: Ruth Gilbert	
For: 9	Against: 0	Abstain: 0	Recuse: 0

Other		February 12, 2009	
Motion #11: Amend year-end statement to employees to explicitly reflect health insurance and other benefits.			
Motion By: Tom Thurston		Second By: Virginia Ross	
For: 9	Against: 0	Abstain: 0	Recuse: 0

February 26, 2009

Revenue Enhancement		February 26, 2009	
Motion #4: To inquire with the BOS as to the feasibility of filing a Home Rule Petition regarding an Airport Departure Tax to be used to offset airport security costs above what is being reimbursed by TSA.			
Motion By: A. Maguire		Second By: V. Ross	
For: 7	Against: 0	Abstain: 0	Recuse: 0

March 12, 2009

Other		March 12, 2009	
Motion # 1: Request that the Town Manager develop and instrument to rate all union employees for their performance bonuses.			
Motion By: Ann Maguire		Second By: Frederic Biddle	
For: 6	Against: 0	Abstain: 0	Recuse:

March 17, 2009

Expense Reduction		March 17, 2009	
Motion #4: That all Fire Department Vehicles be insured for current replacement value.			
Motion By: Ann Maguire		Second By: Tom Thurston	
For: 6	Against: 0	Abstain:0	Recuse: 0

April 30, 2009

Motion # 17: To request that the new Board of Selectmen have a preliminary meeting with the Committee to discuss the budget process for next year, and to formulate a five year budget proforma.

Motion By: Ann Maguire		Second By: Gabrielle Hanna	
For: 5	Against: 0	Abstain: 0	Recuse: