

**FINANCE COMMITTEE**  
**PUBLIC MEETING**  
Judge Welsh Room, Town Hall  
Provincetown MA

**WEDNESDAY, JULY 11, 2018**

Members Present: Mark Hatch (MH), Chairman; Scott Valentino (SV), Vice-Chair; Mark Bjorstrom (MB); Kathleen Goodwin (KG); Mark Del Franco (MDF); Chip Cappelli (CC).

Absent: Duane Steele; Stan Sirkorski.

Others Present: David Panagore (DP), Town Manager; Josee Young (JY), Finance Director; Rex McKinsey, Harbor Master.

MH opened the meeting at 2:30pm.

**1. Request for funds dealing with the removal of the Artemis.**

Rex McKinsey spoke of the situation involving the ship, Artemis, which broke its mooring and was embanked at the Breakwater during the storm of March 4<sup>th</sup>. The boat had been originally towed into the Harbor last summer by a fishing vessel from Gloucester and borrowed a mooring. The owner, John Christianson, had applied for a mooring permit in April 2017 before the boat arrived which, Rex McKinsey said, arguably, was brought in for work. Once he saw the condition of the vessel in June, Rex McKinsey revoked the mooring permit and ordered the boat out of the Harbor, but said that the owner has neglected to comply with that order and additional orders since then, as documented.

Rex McKinsey said that, since about mid May, the owner had welded up some holes along the keel and made other repairs to attempt to re-float the wreck, but has not made any attempts to remove the boat even as he stated he would; owner said that he had spoke to Winkler Crane and Tow Boat US, but has not engaged in any operations for removal. Currently, the vessel has a list away from the rocks based on the work done and has moved about a foot across the rock face it was sitting upon; public safety as an issue was mentioned and estimates quoted, with Tucker Roy coming in at 39k for removal from the rocks and a haul to New Bedford for decommission; Winkler Crane came in at 30k for the removal and \$8,500 for demolition, which is providing the demolition can be sold for scrap.

Rex McKinsey said these quotes were in keeping with pervious approvals for similar work done in the Town and said he is seeking financial assistance from the Town on the matter at this time.

MB asked what can be done to prevent this sort of thing from happening in the future. Rex McKinsey said that while the State allows the Town to order a vessel out of the Harbor, it doesn't allow the Town to take possession of the boat if the owners do not comply; that there are legal issues to be addressed when it comes to private ownership.

DP suggested the Town needed to be more aggressive when boats come into the Harbor; that boats are treated by admiralty law which makes them more challenging than abandoned cars on the highway; said the Town's specific Harbor regulations do allow the Town to take charge of the boat and haul it away. MDF noted the Town is stuck between two legal systems.

MH asked if there was a chance of getting paid back for the expenses incurred in the Artemis' removal and decommission. DP said he would speak to legal counsel to that effect in seeking restitution; said the Pier Corp. would be in deficit or would have to reach into its Capital Reserve Fund if it were to take on these costs.

CC asked if Mr. Christenson had insurance and was insurance not mandatory. Rex McKinsey said there is a an insurance requirement to tie up to Macmillan Pier but not for the mooring field itself, which the Harbor Committee has been asking for; said boats are not subject to inspections.

DP said the request from JY was for 40k against an estimated 38k as they don't have bills on hand, as such; that anything the Town paid out the Town would be out for reimbursement, and that the boat was to be appraised. Rex McKinsey said these costs are associated with the location of the Artemis at the Breakwater verses the Pier. MDF said he thought it prudent not to wait.

MH called for a motion. MB made a motion to approve the expense of \$40,000 from the Emergency Fund for the removal and associated costs of the Artemis. SV seconded the motion and it passed, 6-0-0. MB, SV, MH, MDF, KG, CC.

**2. Schedule of Round Table discussion on new revenue sources for August, and on which Boards and Staff to participate. Chair will organize.**

DP said the Board of Select (BOS) would not be meeting next week as they've put off a meeting on the Goals objectives and strategies; that the State legislature still has not acted on the Airbnb issue; that the FINCOM can go over the marijuana tax but it is still unknown how many local locations could be involved and added that the Land Bank surcharge is going away in 2020.

JY said a FINCOM meeting could still be scheduled for August. MH agreed, said that even without amounts the first speed-bump would involve where money should go in the first place and that maybe that's the first goal. DP suggested a process to get to the amounts, as well; said that with the Reserve Fund set at 10%, essentially a rainy-day fund, that tension points will be coming within 3-5 years and spoke of adding to the rainy-day fund as they go to off-set the unexpected, even as this idea is balanced with what are the costs for the Town's immediate needs.

MDF said it would be good to have as much consensus as possible among boards going into Town Meeting concerning the new tax revenue streams.

DP said these figures might not be something that can be added into the Town Manager's budget for next year, based on the timing.

MH asked if something like OPED is an item that gets taken out of the regular budget and locked into these new allocations; that looking at the 3-5 year choke point, what would give the Town more flexibility in making those numbers work. CC referenced his past experience working with budgets that step-rank before the monies are actually in, based on expected priorities.

MH suggested Tuesday, August 7 at 2:30pm for the next FINCOM meeting. DP said he would switch something around to be able to attend. MH asked if JY would be hand, too, as well as the BOS and that the Housing Trust and/or Visitors Service Bureau be invited. DP added the Water & Sewer Board. MH said he would reach out to the chairs of those boards. DP said that with a round table no votes are taken which settles the issue of quorums.

**3. Update on one-pager from Assessor on figures for Resident Exemption in easy-to-understand format.**

MB spoke of generating a one-pager; JY agreed – a flier on the table. MDF asked DP if he had a chance to look at some ordinance information on Airbnbs and that he was hoping the FINCOM might get some guidance as to what it can and cannot do; said there are two pieces of information to be gained – one being the revenue, but the other is regulation; said it was interesting that Boston took the regulation route before focusing on the revenue.

DP said he'd get back on this after further discussion, that he hadn't seen a study as yet, but based on his experience he could see it inflating market prices. MDF said Cambridge has had its Airbnb policy in place a little over a year and said he agreed with DP that putting it in place could possibly tamp down the hotness of the Town's real estate market.

**4. Social Media policy to be adopted by members of the Finance Committee (chair will hand out a proposal). We will discuss how we conduct ourselves in matters of the Committee ONLY, and as applicable to Town business questions or responses.**

MH said he placed this on the agenda as a means for the FINCOM to pause and think about how it complies with these things as a committee. MDF said he agreed.

DP said he thought some clarity would be forthcoming from the Attorney General; referenced the Town of Arlington and its Open Meeting Law, which stated that if a majority of a board is in a closed group then that is a red flag – not necessarily a problem, but some sort of heightened scrutiny; but on the other hand, if a general conversation is had with everyone in the room as an open group and that does not prompt a vote – such as a discussion on the American flag – then that appears to be okay.

MDF said that he felt what the FINCOM struggles with in regards to social media is that it raises issues not previously there; that digesting Ethics and Open Law as a board member is comfortable, but social media represents a

new challenge in a small town with a lot of socializing; suggested limiting these kinds of sensitive discussions to online is the way to go.

DP said that the AG may have determined that large numbers of the people are on Facebook and so that constitutes a kind of open forum. MDF noted the distinction in speaking as private citizens verses as board members. MB asked after using personal e-mails when board e-mails go around; DP said to use Town e-mails but that private e-mails are fine when the subject involves simply setting meeting dates and times and that the FINCOM can work with JY to ensure its Town e-mails are up and functioning.

MH said he felt the FINCOM had done a good job of staying away from discussing agenda items outside of meetings, while in public or online. DP cited a difference between answering a question from the public or another board member online that references something that has already been discussed in a public meeting, cautioned participating online in closed-group business chats.

#### **5. Update on Town Finances from Staff including revenue so far this season.**

JY said she didn't prepare a budget-to-actual report as they are posting the last fiscal 2018 warrant today and so it will change from today to tomorrow, but said she would e-mail the report she usually submits and asked the FINCOM to not Reply All; also noted that on July 23<sup>rd</sup>, auditors are coming for the exit conference for the Fiscal 2017 audit to the BOS meeting, and that the FINCOM is not required to attend.

DP noted that the Town ended up 20k under in the Law budget item last year, which JY said was the information they received from Elizabeth.

#### **6. Minute approval.**

MH remarked on the high quality of the minutes, noting that they are some of the best received, to which the FINCOM agreed.

MDF made a motion to accept the meeting minutes of May 8, 2017; SV seconded the motion and it passed, 6-0-0. MDF, SV, MH, MB, KG, CC.

SV made a motion to accept the meeting minutes of May 11, 2018; MB seconded the motion and it passed, 6-0-0. SV, MB, MH, MDF, KG, CC.

CC made a motion to accept the meeting minutes of June 12, 2018; KG seconded the motion and it passed, 6-0-0. CC, KG, MH, SV, MB, MDF.

MDF said he wanted to thank whoever gets the packets out for the meetings with Board of Select.

MH made a motion to adjourn the meeting at 3:32pm; MB seconded the motion and it passed, 6-0-0. MH, MB, SV, MDF, KG, CC.

Respectfully Submitted,  
Jody O'Neil