

Members present: Ghee Patrick, Steve Milkewicz, and Dennis Minsky (recording)

Also present: David Gardner (assistant Town Manager) and Alix Heilala (Town Accountant)

-Olga Opsahl-Ghee and her son Harry presented their request for the town to purchase portions of their property on Harry Kemp Way; there was general agreement of the committee members to investigate this request further.

-David Gardner reminded the committee that the Planning Board would be reviewing the Land Use Vision Map for Provincetown prepared by the Cape Cod Commission, with input from the Open Space Committee; the date for this review is October 1, and there was general agreement that some of the members would attend and contribute to that review.

-the rest of the meeting was devoted to a discussion of the issue of the misappropriation, or more properly the "unappropriation" of \$406,000 of state grant money associated with the purchase of Shank Painter uplands in 1999. Questions were raised by committee members and answered by Ms Heilala. The following details were discerned:

-the full amount of the grant money was \$496,000 (\$250,000 self-help and \$246,000 state highway) was granted and dedicated to be used to purchase the property on October 29, 1999.

-the error arose when only \$90,000 was applied when a bond was taken out in 2002, resulting in the Town borrowing \$1.5 million instead of \$1.1 million. The full \$496,000 should have been applied. It is important to note that it was our town government's accounting at that time that led to this error and the Open Space Committee had no association with and no knowledge of the error until the Spring of 2008 when upon review of Open Space loans we saw that the amount of the bond payment remaining was too high considering the grants that we had received to be applied to the purchase price; at that time we requested an investigation into the matter.

-the state grants were awarded in November 1999 and received in July (\$246,00) and August (\$250,000) of 2000. In the interim, the Town received a BAN (Bond Anticipation Note).

-Ms Heilala informed the committee that the \$490,000 has been discovered in a projects account. However, the money can not now be applied to the Shank Painter project because it is not permitted to apply borrowed money to pay off a loan. She further stated that the auditor's recommendation was to apply the money to another project and then pay the full sum back to the Open Space account (a technical step). She also informed the committee that there was approximately \$415,000 in funds remaining.

-Questions from the committee included: What has the interest paid on the \$406,000 been (accepting that a small amount of interest has also been earned by that same amount)? In other words, what did this error cost the Town? A question about penalties for early payment seem to be obviated by the fact that the money cannot be legally applied to the bond at this time.

-The committee requested copies of the original grant paperwork for the self help and highway grants. There was also general discussion about possible discussions of this issue at the Fall Town Meeting, and the fact that the Open Space Committee should be prepared (as should Ms Heilala) to address all aspects of this situation.

Minutes approved at OSC meeting of 10/3/08 and submitted by Dennis Minsky, chair