



Finance Committee

Finance Committee Meeting Minutes
 Tuesday, April 5, 2011 @ 5:30 pm
 The Auditorium at the Provincetown Town Hall
 Called to Order: 5:33 pm

Membership:

P	E	U	Name	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Coen, Chair	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Ann Maguire, Vice Chair	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	David McChesney	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Erik Yingling	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Donegan	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Glen Dombrow	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Open)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Open), Alternate	<input 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)

These minutes are in brief format. This meeting was filmed starting at 6:00 pm and is available for viewing at <http://www.provincetowntv.org/> or on DVD at the Provincetown Television office.

Also Present:	
Dan Hoort, Finance Director	

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| <p>Order of Business:</p> <ol style="list-style-type: none"> 1. Any last minute Town Meeting business. 2. Minutes of prior meetings, as time permits. 3. To attend Town Meeting and present the Finance Committee’s reports and recommendations on the articles in the Town Warrant. 4. Any other business that may legally come before the Finance Committee. |
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Last Minute Business

ATM Article 32. Rescind Real Estate Transfer Fee

Mr. Coen asked for reconsideration this article due to his concern about inconsistency in the Committee’s position on the transfer fee.

Motion # 1: To reconsider ATM article 32.			
Motion By: David McChesney		Second By: Thomas Donegan	
For: 4	Against: 0	Abstain: 1	Recuse:

Mr. Coen explained his concern that Town Meeting would view its vote on this article as an about face from the position it took last Fall against the transfer fee. He believes that the Committee should be consistent in its position against the fee. Otherwise, it will be difficult to come up with a logical explanation for the shift of position.

Motion # 2: To Recommend ATM Article 32.			
Motion By: Thomas Donegan		Second By: Glen Dombrow	
For: 5	Against: 0	Abstain: 0	Recuse:

Minutes

(None).

Town Meeting

The Committee attended Town Meeting, gave its reports on the articles, and answered questions as necessary. *(Copies of the reports are attached).*

Other Business

(None).

List of documents reviewed:

- 1. Finance Committee Report and Recommendations on Articles for the April 4, 2011 Special & Annual Town Meetings*

Next Meeting:	TBD
Adjourn:	10:00 pm
Minutes by:	Thomas Coen

Approved by  on July 8, 2011
Thomas Coen, Chair



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 8. Community Preservation Budgets for FY 2012; Section 2A, Debt Service Appropriations

Article 8, Section 2 appropriates a total of \$484,148 for debt service on borrowing authorized by previous town meetings, as follows:

- \$230,449 for Community Housing debt service;
- \$59,733 for Open Space debt service; and
- \$193,966 for Historic Preservation debt service.

The increase in debt service for Historic Preservation was authorized by the 2009 Annual Town Meeting, Article 6, for \$2,000,000 for the historic preservation of Town Hall. Those funds were borrowed in January 2011, with the first payment due in Fiscal Year 2012.

Payment of debt service incurred by the Town is a mandatory expense.

The Finance Committee recommends this article to you tonight by a vote of 6-0-0.

Respectfully submitted,



Thomas Coen

on April 4, 2011

Finance Committee Report Annual Town Meeting Warrant

Article 8. Community Preservation Budget for FY 2012, Item B

Authorizes \$12,000 for the purchase of specialized display cases for historic documents and art at town hall. These display cases are portable and therefore maybe repurposed to the library or other appropriate venue as future needs dictate.

The Finance Committee considered this article and recommends it to you tonight by a vote of 6-0-0.

Respectfully submitted,

Tom Donegan
April 5, 2011

**ATM Article 8 - Community Preservation Budget
for FY 2012 - Item C.**

This article appropriates \$44,500 for assessment and emergency repairs for the Winthrop Street Cemetery.

The Finance Committee recommends 6-0-0.

Respectfully submitted,


David J. McChesney



Finance Committee Warrant Article Report

ATM Article 8-2D - Community Preservation Budget for FY 2012

This article requests that funds be appropriated as follows:

- Historical Preservation reserves in the amount of \$26,500 for municipal archives storage.

The Finance Committee recommends this article to you tonight by a vote of 6-0-0.

Respectfully submitted,

Glen Dombrow On April 4, 2011

Glen Dombrow



**Annual Town Meeting
Finance Committee
Warrant Article Report**

ATM Article 8. Community Preservation Budget for FY12; Section E, \$75,000 for Hawthorne Barn renovation

This article, if approved by the voters, would grant the current owner \$75,000 to assist with the renovation and restoration of the Hawthorne Barn off Miller Hill Road.

In 1899, Charles Hawthorne, the noted painter and teacher, founded the Cape Cod School of Art located in the barn. It is, without doubt, the most historically significant arts related structure in the Town of Provincetown.

The barn was listed in the National Register of Historic Places in 1978 as the “Hawthorne Class Studio”. Being on the list does not protect the barn from development. The property owner is free to do whatever he wants, unless federal or state monies are involved.

The barn is also located outside of the Historic District, meaning that any exterior changes to the structure are not subject to review by the Historic District Commission. However, demolition of the barn, or any portion thereof would likely be subject to the Town’s demolition delay bylaw.

In return for the grant, the Town will negotiate a historic preservation deed restriction on the property, to protect the character defining features of the barn’s interior and exterior. The barn would be also open to the public for a minimum of 9 days a year, to be negotiated by the Town.

ATM Article 8. Community Preservation Budget for FY12; Section E,
\$75,000 for Hawthorne Barn renovation

We should note that this grant would set a new precedent in Provincetown, by being the first grant of historic preservation funds to a private property owner. The Finance Committee took that into consideration during its deliberations.

On balance, we believe that securing a deed restriction on the property and guaranteeing public access outweighs concerns about setting precedent.

The Finance Committee recommends this article to you tonight by a vote of 5-1-0.

Respectfully submitted,



Thomas Coen on April 5, 2011

Thomas Coen



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 8-F

Community Preservation Budget FY 2012

Housing Office Support - \$42,130.00

The Provincetown Community Housing Office, including the position of Housing Specialist, was created at the April 2007 Annual Town Meeting. The Community Housing Specialist serves as the Town's point person on all community housing plans, proposals and permit applications. This article, requesting \$42,130.00 to support the Housing Office, was considered at the Finance Committee's meeting on March 16th and is recommended to you tonight by a vote of 6-0-0.

Respectfully submitted,

Thomas F. Thurston



**Annual Town Meeting
Finance Committee
Warrant Article Report**

ATM Article 8-G

Community Preservation Budget FY 2012

CPA General Administration - \$15,000.00

This article, requesting \$15,000 to support CPA General Administration, was considered at the Finance Committee's meeting on March 16th and is recommended to you tonight by a vote of 6-0-0.

Respectfully submitted,

Thomas F. Thurston



Finance Committee Warrant Article Report

ATM Article 10 - Fund Collective Bargaining Agreement

This article requests funding in the amount of \$41 ,540 for the agreement made between the Town and AFSCME. This represents a 2% increase for AFSCME union employees in year one.

The Finance Committee recommends this article to you tonight by a vote of 6-0-0.

Respectfully submitted,

Glen Dombrow On April 4, 2011

Glen Dombrow

Finance Committee Report Annual Town Meeting Warrant

Article 12. Expenditures from the Tourism Fund.

Transfer from the Tourism Fund \$613,847 with these designations:

1. \$100,000 for coordination/support of the Visitor Service Board and the Tourism Department
2. \$315,000 for marketing
3. \$39,847 for municipal projects,
4. \$150,000 for tourism grants,
5. \$9,000 for Beautification Committee

Spending will be under the direction of the Board of Selectmen and the VSB.

The Finance Committee considered this article and recommends it to you tonight by a vote of 6-0-0.

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Respectfully submitted,


Tom Donegan

April 4, 2011



Finance Committee Warrant Article Report

A TM Article 13 - FY 2012 Human Services Grant Program

This article requests funding in the amount of \$49,848 to fund grants to the following non-profit agencies and organizations:

- Aids Support Group of Cape Cod - \$9,221
- Cape Cod Children's Place - \$4,609
- Consumer Assistance Council- \$328
- Helping Our Women - \$7,903
- Homeless Prevention Council- \$3,489
- Independence House - \$5,005
- Lower Cape Outreach Council, Inc. - \$5,268
- Mass-A-Peal - \$526
- Outer Cape Health Services - \$7,244
- Sight Loss Services, Inc. - \$592
- South Coast Counties Legal Services - \$5,663

The Finance Committee recommends this article to you tonight by a vote of 5-0-0.

Respectfully submitted,

Glen Dombrow On April 4, 2011

Glen Dombrow

ATM Article 14 - July 4TH Celebration.

This article would allow the transfer \$22,000 from any available funds for town costs associated with the July 4th. celebration.

The Finance Committee recommends 6-0-0.

Respectfully submitted,


David J. McChesney

April 5, 2011.



**Annual Town Meeting
Finance Committee
Warrant Article Report**

ATM 15. Stable Path - Amendment to Reduce Appropriation and Scope of Project

This article requests a reduction of the original \$800,000 appropriation for the Stable Path project to \$540,000; and a reduction in the number of community housing units from 32 to 23.

The \$260,000 difference in the appropriation will be used for other community housing projects.

The Finance Committee recommends this article to you tonight by a vote of 6-0-0.

Respectfully submitted,

Thomas Coen on April 5, 2011

Thomas Coen



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 17

Replacement of Water Main along Commercial Street - \$850,000

This article was entered in the warrant by the Town Manager, in light of the upcoming repaving of a portion of Commercial Street, and the desire not to have a preventable water leak after the repaving has been completed. The existing asbestos-cement pipe has been in service for about 36 years. That did not seem like a very long time to me, having lived in Boston, where pipes are still in use that are well over 100 years old.

However, in researching information for this report I found a story from the March 2009 edition of Public Works Magazine entitled, "End of the Line." The author states,

"Hundreds of thousands of miles of [asbestos-cement] pipe remain in service. Since much of it's nearing the end of its design life, it's the proverbial elephant in the room that must be dealt with but seems easier to ignore.

From the 1940s through the late 1970s, the pipe became the predominant choice for water transmission and distribution systems ...

The pipe's performance, however, has varied. Failure rates are higher than other materials when surrounding soils are acidic or high in sulfates, magnesium salts, or alkaline hydroxides. Performance also suffers when the water supply contains ammonia or is classified as "soft water." In clay soils the failure rate increases during the summer when the groundwater level reaches the pipe. Absent other factors, rates increase linearly with age."

I do not know how our "soil," which let's face it, here in Provincetown really is sand, affects the condition of this pipe. What I do know, from living on Bradford Street in the East End, where trenches have been dug over the last month or more for the sewer expansion, is that our groundwater is not very far below the surface. Groundwater has undoubtedly covered this pipe every day since it was installed.

The cost to replace the existing pipe with PVC pipe, which is today's standard, along with connections where necessary, is estimated to be \$850,000.00. This cost would be borne by all water users and is estimated to result in about a 3.1 % increase in rates. If your annual water bill is \$252.00, which is what it is if you use 15,000 gallons during each billing period, and you have a standard-sized water meter, an increase of 3.1% will amount to \$7.81 a year. You can think of it as an insurance premium ... \$7.81 a year to minimize the likelihood that after we finally get Commercial Street paved, you should not have to worry about a broken water main requiring that it be dug up again.

This article was considered by the Finance Committee at its meeting on March 24th and is recommended to you tonight by a vote of 6-0-0.

Respectfully submitted,

A handwritten signature in black ink that reads "TOM THURSTON". The signature is written in a cursive, slightly slanted style.

Thomas F. Thurston



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 20. Establishment of Other Post Employment Benefits Liability Trust Fund

Massachusetts General Law Chapter 32B, Section 20, authorizes municipalities to establish an Other Post Employment Benefits (OPEB) Liability Trust Fund to address and potentially reduce the unfunded actuarial liability of health care and other post-employment benefits. The Town's unfunded liability was estimated to be \$63,376,040 as of June 30, 2008.

The trust is effectively a legally separate entity under the stewardship of a board of trustees. The terms of the trust must meet following requirements in order to qualify:

1. Employer contributions to the plan are irrevocable;
2. Plan assets are dedicated to providing benefits to their retirees and their beneficiaries; and
3. Plan assets are legally protected from creditors of the employer(s) or the plan administrator.

Chapter 20 also requires that a funding schedule be developed that will reduce the unfunded actuarial liability of health care and other post-employment benefits to zero; and to cover the costs of future benefits for which the Town is obligated. The funding schedule must be updated every three years by an actuarial consultant.

ATM Article 20. Establishment of Other Post Employment Benefits
Liability Trust Fund

Even though we are not appropriating any funds into the trust at this time, it will be viewed positively by the bond rating agencies. However, establishing the fund alone is not sufficient. Contributions to the trust fund must be significant enough to accumulate assets. If the assets of the plan are invested in such a way as to achieve a higher long-term interest rate, our future liability will be reduced.

If approved by the voters, the next steps will be to set up the Trust; develop a funding schedule; and put together a funding plan. Once the proposed funding plan is in place, future town meetings will be asked to consider articles that will appropriate money into the Trust Fund.

The Finance Committee *strongly* recommends that you vote for this article tonight by a vote of 6-0-0.

Respectfully submitted,

 on April 5, 2011

Thomas Coen



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 21. Medicare Extension Plan - Mandatory Transfer of Retirees The Finance Committee views the adoption of Medicare for Town retirees, whether voluntarily or under a mandate from the State, as inevitable. (This issue is addressed at length in the Finance Committee's *Letter to the Voters*).

Despite that, we agree with the Insurance Advisory Committee that the vote on this article should be postponed to resolve the issue of potential cost sharing of the Medicare Part B premium.

The Finance Committee recommends that you vote for indefinite postponement of this article tonight by a vote of 7-0-0. Despite the use of the word "indefinite", we expect that this article will be brought back before the voters at the next Special Town Meeting.

Respectfully submitted,

Thomas Coen on April 5, 2011

Thomas Coen

**FINANCE COMMITTEE REPORT
ANNUAL TOWN MEETING: ARTICLE 22**

To the Meeting, through the Town Moderator:

Before considering this article, several members of the Committee toured the police station, at the invitation of police chief Jeff Jaran.

What we saw confirmed the key points of his department's original 2009 needs assessment. You don't have to be a law enforcement professional (or prisoner) to fear the rat maze of cells, offices and corridors that would have to be evacuated in an emergency, and the dilapidated electrical wiring that might cause one. The dispatcher's office and booking section are among other areas that didn't seem safe or secure.

The Committee concurs that the police station is inadequate to serve the needs of The Town. Although we've discussed the option of retrofitting the current station, we don't believe that doing so would be cost-effective, because the true costs must be counted not only in new bricks and mortar, but human danger, and the potential liability in the mishandling and disposal of evidence in criminal investigations. We believe that retrofitting would be throwing good money after bad -- the bad in this case being the original conversion from a funeral parlor.

Article 22, of course, does not commit the Town to building a new police station, with or without a new highway maintenance facility. However, it advances what we see as the financially prudent response to a growing problem.

On March 16, the Committee voted 6-0-0 to approve the article in an amount not to exceed \$150,000.

Respectfully submitted,



Frederic M. Biddle

Finance Committee

April 5, 2011



Finance Committee Warrant Article Report

ATM Article 23 - Freeman Street Building Renovations

This article, if approved by the town, will provide funding for renovations to the Freeman Street Building. The Freeman Street Building is home to the Tourism Office and PTV. The building assessment completed by the consulting engineer's notes that the cost to renovate the building would be close to \$301,000. These renovations include updated electrical work, HV AC repairs and upgrades and various other building maintenance/repair items, both inside and outside.

The Finance Committee recommends approval of this article to appropriate funds, not to exceed \$301,000, and voted 5-0-0 in favor of this article.

Respectfully submitted,

Glen Dombrow On April 5, 2011

Glen Dombrow

ATM Article 24-Cemetery Improvements.

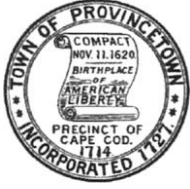
This article expends \$26,000 for relocating power lines for the expansion of the Provincetown Cemetery.

The Finance Committee Recommends 6-0-0.

Respectfully submitted,


David J. McChesney

April 5, 2011.



Annual Town Meeting Finance Committee Warrant Article Report

Article 31: Allow Non-resident Property Owners to Serve on Town Boards.

One of the great challenges facing the Town of Provincetown is finding a sufficient number of citizens to serve on Town Boards. While we appreciate the spirit of this article, it needs to be reworked. It would allow non-resident property owners to serve on crucial regulatory boards that require year-round attendance rather than just being present a few times a year.

The Finance Committee considered this article and does NOT recommend it to you tonight by a vote of 7 -1-0

Respectfully submitted,

Erik Yingling *Tom Coen*

April 5, 2011



Annual Town Meeting Finance Committee Warrant Article Report

ATM Article 32. Rescind Real Estate Transfer Fee

Consistent with our 5-0-0 vote against the Real Estate Transfer Fee article at the November Special Town Meeting, the Finance Committee recommends this article to you tonight by a vote of 5-0-0.

Whether or not this article passes, we believe that major taxation issues are best decided at April Town Meeting, when there is a broader cross-section of the voters participating in the discussion.

Respectfully submitted,

Frederic Biddle on April 5, 2011