



Finance Committee

Finance Committee Meeting Minutes
 Wednesday, September 21, 2011 @ 4:00 pm
 The Auditorium at the Provincetown Town Hall
 Called to Order: 4:06 pm

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"/>	Thomas Thurston	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Erik Yingling	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Thomas Donegan	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Glen Dombrow	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Daniel Jackson	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Michael Canizales	
<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 and is available for viewing at <http://www.provincetowntv.org> or on DVD at the Provincetown Television office.

Also Present:	
David Bedard, Selectman	

<p>Order of Business:</p> <ol style="list-style-type: none"> 1. Finance Director update. 2. Preview of the Fall Special Town Meeting warrant articles. 3. Update on health insurance reform. 4. Revisions to the Finance Committee's <i>Statement of Roles & Responsibilities</i>.

5. Draft of the Committee's *Annual Timeline of Activities*.
6. Possible reduction in the size of the Committee.
7. Minutes of prior meetings.
8. Any other business that may legally come before the Finance Committee.

Other - Water Withdrawals August 2011

Amazing results of the leak detection program in the last three months. Look forward to seeing the water commitments/revenue results. Expected increase in water/sewer revenues will strengthen the enterprise fund balance sheets and, hopefully, allow us to establish reserve funds.

Finance Director Update

None -- the Finance Director is on a well deserved vacation.

Brief discussion of free cash.

October 24 STM Warrant

Most of the articles are straightforward, although amounts are still needed for several.

Article 1, Wastewater Optimization and Expansion, needs more explanation and details.

Article 5, VMES/Freeman Street Building Renovations, raised some questions and concerns; needs to be discussed in detail.

Municipal Health Insurance Reform (Pam Hudson)

The Cape Cod Municipal Health Group (CCMHG) steering committee will vote on the new health plan designs on October 5. Main changes are to deductibles and co-pays which will reduce premiums.

Due to CCMHG's investment strategy, premium costs to the Towns may be reduced by 6-7 million dollars next year, possibly meaning a 0% increase.

Medicare plans are not being redesigned; only active employee plans.

Medicare eligible retirees will be entirely transitioned to Medicare & supplement plans by July 1, 2012.

Estimated % of premium savings to the towns for active employee plans will be available in January. Medicare savings are not included, and are not subject to the health care reform collective bargaining requirements.

Towns essentially have no choice but to adopt the changes, unless they want to join the GIC or go to market on their own which would be prohibitively expensive.

The Insurance Advisory Committee (IAC) is still pursuing the option of having the Town reimburse a portion of Medicare Part B premiums, based on the savings to the Town.

Finance Committee would like to be involved in discussion of financial implications of the above. Chair believes that any policy regarding the above should go to Town Meeting for approval and funding because this is a new and unfunded "entitlement".

Ms. Hudson asked that the Committee consider depositing federal Medicare Part D (prescriptions) refunds into the recently approved Health Insurance Trust Fund.

The Town needs to have its unfunded future liability for health insurance recalculated as the reforms are implemented. It should decline substantially, and put full funding within our reach.

Finance Committee Statement of Roles & Responsibilities

Minor changes and additions.

Motion # 1: To approve the Committee’s revised <i>Statement of Roles & Responsibilities</i> .			
Motion By: Daniel Jackson		Second By: Glen Dombrow	
For: 5	Against: 0	Abstain: 0	Recuse:

Finance Committee Annual Timeline of Activities

This document is part of an effort to "institutionalize" committee knowledge. Next up will be to create sample deliverables, with instructions.

The document was well received.

Due to the size and complexity of the document, the Chair asks members to send comments/suggestions/corrections, privately, to him. It will be reviewed again at a later meeting.

Possible Change in the Size of the Committee

Chair walked the committee through three documents -- the size & composition of Cape & Islands finance committees; the membership of the committee since 2008 over time (volatility), and the attendance at meetings from 2008 to present.

Current composition of the Committee (9 + 2 alternates) is large compared to most other communities of similar size.

Absenteeism ranges in the 25-30% rate; the number of members has been declining over time; and the number of meetings with a bare quorum (5) has been increasing.

Demographic reasons for this trend were discussed.

Chair put forward option to reduce the size of the committee to 7 + 2 alternates. This would reduce a quorum to 4.

General reaction was that this option should be considered, but concern was expressed about the committee becoming too small and unrepresentative of the Town.

There was general agreement to bring a charter change forward in the future, recognizing that it would require MA legislative approval.

Transition issues regarding membership were also discussed and would have to be addressed in any charter change article.

Minutes

Motion # 2: To approve the minutes of the committee’s May 23, 2011 5:30 pm meeting, as amended.			
Motion By: Ann Maguire		Second By: Dan Jackson	
For: 4	Against: 0	Abstain: 1	Recuse:

Motion #3: To approve the minutes of the committee’s July 14, 2011 meeting, as amended.			
Motion By		Second By: Glen Dombrow	
For: 4	Against: 0	Abstain: 1	Recuse:

List of documents reviewed:

1. *Water Withdrawals August 2011 report*
2. *Draft October 24 Special Town Meeting Warrant*
3. *Revised Finance Committee Statement of Roles & Responsibilities*
4. *Draft Annual Timeline of Activities*
5. *Cape & Islands Finance Committees composition; Finance Committee Membership (over time); and 2008-present Finance Committee Meeting Attendance.*
6. *Draft minutes of prior meetings.*

Next Meeting:	TBD
Adjourn:	5:37
Minutes by:	Thomas Coen

Approved by  on October 7, 2011
Thomas Coen, Chair