



# Finance Committee

Finance Committee Meeting Minutes  
 Thursday, December 8, 2011 @ 4:00 PM  
 The Caucus Room at the Provincetown Town Hall  
 Called to Order: 4:02 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 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"/>	Daniel Jackson	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Michael Canizales (dep. 5:45)	
<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.*

<b>Also Present:</b>	
Dan Hoort, Finance Director	

<p><b>Order of Business:</b></p> <ol style="list-style-type: none"> <li>1. Reimbursement of Medicare Part B premiums: Report to the Board of Selectmen.</li> <li>2. Second review of the Finance Director's 5-year financial forecast.</li> <li>3. Finance Committee 2012 timeline of activities for April Town Meeting.</li> <li>4. Minutes of prior meetings.</li> </ol>
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5. Any other business that may legally come before the Finance Committee.

**Other Business: Finance Committee Reserve Fund Transfer Request**

*Mr. Coen suggested taking this item out of order. There were no objections.*

Town Clerk, Doug Johnstone, explained that relying on a gift fund to pay for printing the annual Town Report has not been very successful. The Board of Selectmen has put the funding back in the budget for next year, but funding is needed for this year’s report.

**Motion # 1:** To approve a transfer of \$2,000 from the Reserve Fund to the Town Clerk’s budget.

Motion By: Ann Maguire		Second By: Glen Dombrow	
For: 6	Against: 0	Abstain: 0	Recuse:

**Reimbursement of Medicare Part B premiums: Report to the Board of Selectmen**

Mr. Coen explained that there was an oversight in the Committee’s previous recommendation to the Board of Selectmen. It didn’t take into account that approximately 4 retirees/spouses will turn 65 this fiscal year, meaning that they will have to switch to Medicare in mid-year. The remaining retirees will not be making the switch until July 1, 2012. He has updated the spreadsheets to reflect this.

**Motion # 2:** To reconsider our recommendation to the Board of Selectmen Regarding Medicare Part B reimbursement.

Motion By: Thomas Donegan		Second By: Michael Canizales	
For: 6	Against: 0	Abstain: 0	Recuse:

Considerable discussion ensued regarding the exact wording of the Committee’s recommendation, including placing a dollar cap on the total reimbursement and specifying a time limit on the transition period.

<b>Motion # 3:</b> The Finance Committee recommends to the Board of Selectmen that the Town reimburse only retirees directly affected; and only for the difference in their premium costs due to the Medicare change; to the retirees that have retired prior to July 1, 1011, and who will be 65 or older by June 30, 2012; with a target spend of \$15,000 or less; for a period not to exceed 24 months.			
Motion By: Michael Canizales		Second By: Thomas Donegan	
For: 6	Against: 0	Abstain: 0	Recuse:

The Committee then reviewed the draft report to the Board of Selectmen. Mr. Coen needs to update all of the numbers based on the updated analysis and recommendation. The Committee also suggested a few other changes.

<b>Motion # 4:</b> To approve the report to the Board of Selectmen, as amended.			
Motion By: Thomas Donegan		Second By: Ann Maguire	
For: 6	Against: 0	Abstain: 0	Recuse:

The next step is to schedule a joint meeting with the Board of Selectmen.

**Second review of the Finance Director's 5-year financial forecast.**

There was a wide ranging discussion about the assumptions that should be made in the forecast. Significant items discussed include:

**Health Insurance:**

- Need to have an estimate of health insurance cost increases.
- Medicare - take out \$300K savings and add a 5% increase.
- Need to break out retirees from active employees.
- Assume 0% increase for active employee plans next year.

**Solid Waste:** Tipping fees may double in 2015, resulting in a possible deficit.

**Local Estimated Receipts:**

- Need to be very conservative and justify any projected increases to the State. For example, we have enough data on the revenue produced by raising the parking rates to make the case.
- Local option taxes (meals and rooms) should improve with the economy.
- Cherry sheet revenues – the state is estimating modest growth.

#### Capital Improvements:

- Revenue sources include the sale of surplus properties, the Capital Improvements Stabilization Fund, and debt exclusions.
- TD preventative maintenance should be built into the plan.
- We need to have capital improvement programs for all departments.
- Tax payers need to be protected from big fluctuations in debt service costs.
- Sewer/Water projects are funded through dedicated revenue sources. Increases in those rates are perceived by users have the same impact as raising tax rates.
- There needs to be a comprehensive long range capital improvements plan, including the funding sources to give the voters have a clear view of the future.
- Grant funding, especially from the Federal Government, is unlikely to be as available in the future.
- A major concern of the citizens is the condition of the roads. We need an engineering study and a long range plan to repave them.
- The Capital Improvements Plan needs to be addressed prior to the development of the annual budget.

#### **Finance Committee 2012 timeline of activities for April Town Meeting**

Mr. Coen reviewed the draft timeline of activities leading up to the April 2012 Town Meeting. It's basically the same as last year with the dates changed. The timeline is compressed by approximately one week due to the fact that Town Meeting will occur very early in April.

#### **Other Business**

There were brief discussions regarding the following:

- 24 hour staffing of the parking lots and restricting permit parking in the MPL.
- Warrant article to reduce the size of the Finance Committee.
- Establishment of reserve fund line items within the Water & Sewer Enterprise Funds.

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**List of documents reviewed:**

- 1. Town Clerk's Finance Committee Reserve Fund Transfer Request*
- 2. Draft Medicare Part B Premiums: Report to the Board of Selectmen*
- 3. Finance Director's Five Year Financial Forecast*
- 4. Finance Committee 2012 Timeline of Activities for April Town Meeting*

Next Meeting:	TBD
Adjourn:	5:59 pm
Minutes by:	Thomas Coen

Approved by \_\_\_\_\_ Tom Donegan \_\_\_\_\_ on (August 11, 2012)  
Thomas Donegan, Chair