



## Minutes: The Provincetown Finance Committee October 2, 2012 in the Judge Welsh Room,

*This meeting is also available on video*

<http://www.provincetowntv.org/town-government/finance-committee/>

**Call to Ordered:** 10:30 AM

**Present:** Tom Donegan, Mike Canizales, Clarence Walker, Duane Steele, Timothy Grobleski, Doug Cliggott

**Also Present:** Dan Hoort, Finance Director, Erik Yinkling, Board of Selectman, Mary Jo Avellar, Town Moderator

### Public Statements:

None

### Budgets & Capital Spending

#### Retiree Health Care Liability Discussion

Mike Canziales presented a chart of projecting Capital Project spending. Key challenge is projected liability to fund town retiree health benefits, \$3 million/year over 20-30 years is assumed in this projection. This could convert into 20% tax increase. So far, as member of the Regional Cape Cod plan, Provincetown is not yet required to fund future liability for retiree health benefits but we can expect to be required to fund this liability in near future. Mike recommends tax payers be informed about the retiree liability before addressing town meeting votes on project funding for school buildings, police stations etc.

In addition, capital spending projections in this chart include \$1 million for town roads and \$2 million in emergency repairs to buildings. After these expenses, the town then addresses the proposals for other projects.

Tom Donegan asked if we know what other Barnstable towns included in regional health policy are doing to address the retiree health liability

Dan Hoort responded that another actuarial study is needed and potential to share cost/plan with Truro . Dan will investigate. Although planned for this year, the actuarial study was left out of his budget and will require FinCom funds to complete

Tom Donegan needs to have stated what x% inflation/interest assumption included in the actuarial study as well as rate of return assumptions.

Duane Steele is expecting there will be seminars/meetings to find out what others are doing to address the retiree health care is funding need.

**Other Discussion:** Replacement plan and costs needed for capital expense to replace the “machines” at wastewater, water, airport, pier and schools does not exist.

**Next steps:** An actuarial study is needed soon to project future expenses including retiree health funding and capital project projections. Dan Hoort will request a study cost for review/approval. At this time, the plan is to use reserve funds to pay for this study and not wait for FY 2014 budget funding. .

## **Section 6. Exterior Maintenance Schedule**

Duane Steele presented proposal In summary, the first page presents the Charter provisions to evaluate Capital Improvement Program and second page presents Finance Committee desire to increase preventive maintenance funding for town buildings. Discussion continued regarding this proposal. No action taken on this proposal

## **Finance Committee Opening Meeting Requirements**

Discussion: Town counsel advised that when Finance Committee members communicate or meet with town staff or each other outside posted meetings, then they may not **deliberate**. They may ask questions to obtain information, for example at a site visit.



## Town Warrant Discussion

Dan Hoort provides explanations regarding the Town Warrant for Monday, October 29, 2012.

**Article 1** restores Selectman administrator position. Actual budget increase is \$41,602.

**Article 2** funding Bicycle Commission. Adding \$8,000 to budget.

**Article 3.** Changing estimate for Water Enterprise Fund revenues so reducing budget covered by revenues and taking excess

**Article 4.** No Prior Year Bills, expect to continue without a finding

**Article 5.** Amend Funding Source from GIS Flyover

**Article 6.** Stabilization Fund – Department of Revenue auditors reviewing now and this article expects to transfer funds from free cash to Stabilization as approved by the DOR. \$1 million or so possible transfer amount. Though amount not known yet and may be impacted by the high school Capital Improvement.

**Article 7.** Capital Improvement for High School. Discussion. Analysis report by architects mentioned. With a proposal for the work to be done, the costs for that work and plan to pay for the work, the Committee did not have enough information at this time to vote to recommend. Tim Grobleski provided can only be considerate as preliminary estimates. After design phase, the project will become better defined and estimates more reliable. Motion made by Michael Canizales and seconded by Duane Steele to tell selectman that Finance Committee Article 7 lacks sufficient information required by the Charter to assess the Article. FinCom expects to recommend that this Article be indefinitely postponed pending complete information. All voted in favor of this motion.

**Article 11.** – Solid Waste Contract. Discussion that Town Charter does not allow contracts that exceed 10 years.

Motion made by Clarence Walker and seconded by Tim Grobleski to



postpone action on Articles 9 – 10 – 11 and 12 due to lack of information.  
All approved.

**Tom Donegan left at 12:55 and Mike Canizales began chairing the meeting.**

### **Other Matters**

Suggestion Finance Committee plan a High School Site Visit – October 22, 2012 at 9AM.

Meeting Adjourned at 1:05 PM.