

Provincetown Finance Committee

Judge Welsh Hearing Room

October 30, 2006

1:30 p.m.

Members Present: David Bedard, Frederic Biddle, Thomas Coen, Gary Delius, Edward Gage (arr. at 1:52 p.m.), Ruth Gilbert, and Robert Vetrick.

Members Absent: Tom Thurston and Walt Winnowski (both excused)
Alice Foley and Virginia Ross (both unexcused)

Staff: Keith Bergman and David Guertin

The meeting was called to order at 1:35 p.m.

The meeting began with a mini-review by Fred Biddle and Tom Coen regarding seminars/meetings they attended which placed situations in their proper perspective. The morning session was a general 101 on Finance. In the afternoon, Fred went to the borrowing session and Tom went to the general session. Fred's session went into depth about borrowing per Towns. Fred had hand-outs. Tom's session made note of the networking opportunities. It explored some of the underlying trends in creating jobs. And also was about municipalities creating the environment to compete for jobs. Also discussed was the net loss of jobs in MA and how this cripples towns.

Fred said there was a big push for the adoption of allocations. It looked for ways to ensure that certain portions were allocated for municipal government.

Gary says that the more of these meeting you attend, the more it will click in and after awhile the whole thing gains relevancy.

Meeting Agenda

Review Annual Town Meeting Articles

The town's attorney advised that since we have a 9 member board, we need 5 people who aren't affected by any of the warrant articles to vote on them - thus -

Motion: Take article 1 out of order (since that criterion could not be met). It was moved, seconded, and approved unanimously. 6-0-0.

Article 1. **Wastewater Optimization and Expansion - Borrowing Authorization.**

Article 3. has to do with energy efficient lighting and does not have a direct impact on the FinCom so there was no opinion.

Article 5.

Article 5. **Fourth Town Landing – Disposition of Former Fire House No. 2**

Keith Bergman gave the background on this proposed article which is quite lengthy. It attempts to carry out the wishes(and/or promises) of the 1988 town meeting. At that 1988 town meeting the proposed new fire house which was built on Shankpainter Road was going to be paid for by selling

fire stations which would be declared surplus property. This obviously didn't happen even though promised. Only one fire house was sold to a private individual, #1 in the West End. The others all had reasons of one kind or another on why they couldn't be sold. Article 5 tries to carve out a portion of the property to accommodate the Fire House sale of #2. The Board of Selectmen (BoS) are proposing to alter the lay out of the town landing which would include the fire house and a couple of parking spaces. The proposal has to have the Attorney General's approval and also eventual state approval.

Ed Gage and David Guertin (DPW) both arrived at this point in the deliberations.

Ruth Gilbert noted that fire house #2 is in no condition to lease unless the Town makes many improvements. The FinCom voted for the sale of it in the past to offset the cost of the new Fire House. There are lots of problems with Firehouse 2. - even before the Historic District Commission (HDC) had any credibility.

Motion: Robert Vetrick made a motion to recommend Article 5. There was no second to the motion so it was invalid.

After a bit more discussion along the same vein, the following motion was made:

Motion: Recommend article 5 but ONLY FOR SALE.

Motion: Robert Vetrick Seconded: Ed Gage Vote: 7-0-0.

It was decided that the FinCom would make an amendment to the article at the STM.

Article 6. Breakdown on the fireworks.

Article 6. **Fireworks Expenses.** To see if the Town will to raise and appropriate or transfer from available funds the sum of \$14,751 for fireworks expenses; or to take any other action relative thereto.

[Requested by the Board of Selectmen]

The Town had \$12K in pledges and only got \$10K in cash. Keith said that if we take no action on this article the DPW will have to eat it. BoS felt that the annual town meeting in 2007 should have a definite amount for this event.

Ruth Gilbert would like the BoS to know that they wasted so much money on work sessions, community involvement, state troopers, etc. and that is the reason we're in the hole.

Motion: The FinCom does not recommend.

Motion: Ruth Gilbert Seconded: Ed Gage Vote: 7-0-0.

Gary Delius didn't think this motion is fair. David Guertin (DPW) shouldn't be penalized.

Article 7 – nothing definitive yet – will be taken up just before the STM

Article 7. **Fund Collective Bargaining Agreements.** To see what sums the Town will vote to raise and appropriate or transfer from available funds to fund collective bargaining agreements; or to take any other action relative thereto.

[Requested by the Board of Selectmen and the Town Manager]

Motion: Reserve recommendation until the agreements have been finalized.

Motion: Robert Vetrick Seconded: Ruth Gilbert Vote: 7-0-0.

Article 8

Article 8. **FY 2007 Budget Adjustments.** To see what amendments the Town will vote to make to the Fiscal Year 2007 operating budgets and enterprise funds established under the April 3, 2006 Annual Town Meeting and what sums the Town will vote to raise and appropriate or transfer from available funds therefor; or to take any other action relative thereto.

[Requested by the Board of Selectmen and the Town Manager]

Keith told the group that he will be able to set a tax rate by January 2007. He's happy to see that Standard & Poors revised the Town's rating due to getting out of the nursing home business. Also it means that we can increase our bond rate in the future and free cash needs to go into the stabilization

fund. Getting out of the nursing home business was the "big nut to crack." To keep our pledge of regularly scheduled tax bills, we need to make sure that we have a balanced budget.

A conversation with Jessica Waugh indicated that no level staff person should be the sole person in charge of financial happenings and any estimates. There is a \$150-160K hole in schools that has to be plugged. Truro tuition money is handled differently than the School Choice monies. - This was explained a bit.

KAB said that there's \$163K in the waterways fund. It can be used to offset the hole. Approximately 50% of this amount came from the mooring fees. The law has changed and we can no longer differentiate between residents and non-residents in their mooring fees. It is for a waterways improvement fund. \$163K now in fund and it can be used for the \$135K shortfall due to the incorrect estimate the schools made.

Motion: Recommend this article (8).

Motion: Robert Vetrick Seconded: Tom Coen

After a bit more discussion the motion was withdrawn.....

Motion: Postpone recommendation on the budget and reserve recommendation until the School Committee decides how they're going to fund this shortfall.

Motion: Robert Vetrick Seconded: Tom Coen Vote: 7-0-0.

Gary will write a letter to School Committee.

Article 9.

Article 9. *Massachusetts Highway Department Chapter 90 Funds for Road and Sidewalk Construction and Repairs.* To see if the Town will vote to appropriate funds available from the Massachusetts Highway Department in the amounts of \$82,051 and \$37,856, for a total of \$119,907, for the undertaking of road and sidewalk construction and repairs under the provisions of Section 34(2)(a) of Chapter 90 of the General Laws, or to take any other action relative thereto.

[Requested by the Board of Selectmen and the Town Manager]

Very little discussion was held on this. There are several improvements in the pipeline and everyone involved would like to have the funds available.

Motion: The FinCom recommends approval.

Motion: Ruth Gilbert Seconded: Ed Gage Vote: 7-0-0.

Article 11.

Article 11. *Accept C.137 of the Acts of 2003, as amended: Military Leaves of Absence.* To see if the Town will vote to accept section 1 of chapter 137 of the Acts of 2003, as amended by section 1 of chapter 77 of the Acts of 2005, to require the Town to pay employees of the Town who have been granted a military leave of absence because the employee is a member of the army national guard, the air national guard or a reserve component of the armed forces of the United States called to active service in the armed forces of the United States after September 11, 2001, the employee's regular base salary reduced by any amount received from the United States as base pay for military service performed during the same pay period, as further described in said chapter 137 of the Acts of 2003 and chapter 77 of the Acts of 2005; or to take any other action relative thereto.

[Requested by the Town Manager and the Veterans Agent]

Earl Chaddock asked KAB to put this article in. Earl has been a veteran's agent for the last 27 years and this seemed an appropriate request.

Motion: The FinCom recommends this article.

Motion: Ed Gage Seconded: Ruth Gilbert Vote 7-0-0.

Back to article 1.

Article 1. *Wastewater Optimization and Expansion - Borrowing Authorization.* To see if the Town will vote to appropriate and borrow the sum of \$6,200,000, to be expended under the direction of the Town Manager and the Board of Selectmen for the development of plans and specifications for optimization and expansion to the Town's sewerage systems, and including without limitation all costs defined under C.29C,§1 of the General Laws; and to raise said appropriation the Town Treasurer, with the approval of the Board of Selectmen, is authorized to borrow said sum of money under and pursuant to C.44,§7(1) and/or C.29C of the General Laws, or any other enabling authority, and to issue bonds or notes of the Town therefor; and that to the extent that any State, Federal or other funds are or become available for the purposes set forth above, the Board of Selectmen is authorized to apply for and accept such funds; and, further, the Town votes to authorize the Water and

Sewer Board to assess one hundred percent of the project cost to the Town upon those who benefit from the project, such assessments to be made by the Uniform Unit method as provided by General Laws Chapter 83, Section 15; or to take any other action relative thereto.
[Requested by the Board of Selectmen and the Town Manager]

Ruth Gilbert and Gary Delius recused themselves.

The accompanying data referred to an area known as Shankpainter Basin. There were fresh print-outs of back-up material. The Committee was told that we have significant capacity at the plant but limited capacity on the vacuum system. The powers that be may have to convert some vacuum to gravity feed in order to free up more room. Looking at commercial properties all along Shankpainter Road, we will have some pretty high users. David Guertin and the sewer team have been working really hard and he assured everyone that the costs are funded by the users.

The plan will work much better the more people that are hooked up. There is unutilized capacity in the plant. This will be the first time the plant will achieve maximum utilization. Tom asked, "What will it mean to the town as a whole? By optimizing the system, will the cost per user will be reduced?" His question remained in the wind.

Fred Biddle has frustration in that he could never figure out where the cost benefit is; he would like a cost analysis. David Guertin said, "These are fluid calculations, no pun intended! Gravity system has more flexibility to it than the vacuum system. The economics work."

Motion: Move to recommend article 1.

Motion: Tom Coen Seconded: Ed Gage Vote: 4-0-1 ab FB

The FinCom was told by KAB that unless they could have 5 votes the motion would not carry. Evidently an abstention is not considered a vote.

Another try at a vote on the same motion was made. This time the vote was:

4 - in favor 1 opposed - FB and no abstentions.

Fred will take advantage (in the future) of David Guertin's invitation to discuss (in depth) the advantages of optimizing the sewer.

Other business

Approval of minutes.....

The committee members read over the minutes of the July 12th and August 4th meetings and were incredulous that even though the School Department had promised on those dates to explore changing over their budgetary system to MUNIS that - at the present time - **they are still using Lotus**. The frustration was felt across the Committee members.

Motion: Approve the minutes of the July 12, 2006 meeting.

Motion: Robert Vetric Seconded: David Bedard Vote: 7-0-0.

Motion: Approve the minutes of the August 4, 2006 meeting.

Motion: Robert Vetric Seconded: Tom Coen Vote: 6-0-1 ab (DB)

The Committee decided by general consensus, that the letter Gary Delius was going to write to the School Committee on Article 8, should also include the FinCom's request that the finances of the School Department be on MUNIS or they would be unable to meet on their budget without the various line items.

Letter to Voters for the STM

Everyone will work on it and send it to each other by e-mail. Basically the Committee needs to explain the votes and discussion that was had today.

Gary's Discussion

There are already working groups in place. Different members of the group have chosen departments that are within their realm of interest. A school group is already at work. Questions for each department are, "What do they need to do their jobs well?" We need to plan for their budgets but not interfere with their functions. Last year – for example – a request for an ambulance was put in and purchased – and it never left town because they didn't have a driver. Gary feels that the better we know the department, the better we can advise them. Gary wants to be progressive.

Banner Letter

A letter to the Banner objecting to comments from an article written by Pru Sowers may be sent. Robert Vetrick was selected as the probable person to write it. It was the article "***Town Blames School For Budget Shortfall***" that contained inaccuracies and misinformation. RV will draft a letter and send it around to everyone for their input.

Adjournment happened at 3:55 p.m.

Respectfully submitted,

Evelyn Gaudiano

Evelyn Rogers Gaudiano

Approved by _____ on _____, 2005
Gary Delius, Chair