



Finance Committee

Finance Committee Meeting
 June 27, 2008
 3:00 p.m.
 Judge Welsh Meeting Room
 Called to Order: 3:01 p.m.

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"/>	Ruth Gilbert, Vice Chair (arr. 3:10)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robert Vetrick	
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Virginia Ross	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Walter Winnowski	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Edward Gage	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Philip Gaudiano	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gabrielle Hanna, Alternate	<input checked="" 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)

Also Present:	
Alex Heilala, Finance Director	George Hitchcock, PPPC BoD
Beth O'Rourke, Director, PTV	Rex McKinsey, Harbormaster
Len Clingham, Chair, Provincetown Public Pier Corporation (PPPC) Board of Directors (BoD)	David Bedard, Selectman
Kerry Adams, PPPC BoD	Members of the Public

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| <p>Order of Business:</p> <ol style="list-style-type: none"> 1. To review a purchase request by Provincetown Television (PTV) as required under the 1/12th rule of the Town Charter. 2. To conduct a Public Hearing on the finances of the Provincetown Public Pier Corporation. 3. To continue its revue of the Provincetown Public Pier Corporation's |
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- finances.
4. To review prior meeting minutes.
 5. To consider any other business that may legally come before the Finance Committee.

Topic#1- PTV Request

Ms. O'Rourke presented quotes for the cost of a new "carousel" digital server. The quote, requested by the Committee at its 6/09 meeting, includes installation costs.

To fund this equipment, PTV had requested an override of its 2007-08 budget to reflect a payment by Comcast Corp. Comcast would not carry the windfall into FY2009, Ms. Heilala said. Without the Committee's approval (required for unspent funds exceeding 1/12 of a department's FY budget) the money would be forfeited.

"They didn't realize they would have to spend it this way," Mr. Vetrick said of PTV. "To me, it's a no-brainer."

Messrs. Gaudio and Coen agreed, but suggested that PTV break out a separate capital improvement budget in the future to avoid an unseemly end-of-year vote.

Ms. Heilala said that any funds unspent after this approval would be returned to The Town's general fund.

Motion #1 : To approve spending \$13,530.50 on a digital server by Provincetown Television, as required by the 1/12 th rule.			
Motion By: Robert Vetrick		Second By: Frederic Biddle	
For: 7	Against: 0	Abstain: 0	Recuse:

Topic #2 - PPC

(Documents submitted to the Committee that are referenced below are available, in paper form, at the office of the Town Clerk).

Mr. Clingham called the meeting of the PPPC Board of Directors to order. Mr. Clingham introduced himself, Messrs. Adams, Hitchcock, and McKinsey.

Mr. Coen opened the Public Hearing portion of the meeting at 3:15.

Duane Steele, Assistant Harbormaster, read verbatim from a prepared statement.

George Bryant called the PPPC "an extra layer of government on an extra-small structure." He said that at least half of the boats moored at the Town's piers are owned by non-residents, and recommended the formation of a regional authority comprising Cape Cod towns where PPPC tenants reside. User towns would be assessed fees in proportion to residents' use of the Town's piers, he said.

Mr. Bryant said poor maintenance of the Town's piers predates the PPPC yet continues, adding, "How many people does it take to change a light bulb?"

Candace Nagle read verbatim from a prepared statement.

Paul DeRuyter said that as PPPC chairman (2004-05), he had overseen drafting of the corporation's current operating contract. He presented a three-page fax memo, dated 12/09/04, titled "PPPC Valuation Analysis" and marked "CONFIDENTIAL." It was addressed to Keith Bergman, Town Manager at the time.

"I'm incredibly disappointed with the nature of this debate," Mr. DeRuyter said. "It's low and destructive." Instead, he said, discussion should focus on "what defined the premise of PPPC and what its responsibilities were."

"That lease is a living, breathing thing," Mr. DeRuyter said, adding that its essence cannot always be reflected by the bottom line.

"To suggest that the Pier Corporation is failing because it did not meet its debt service is a silly, silly thing, because we made clear that it would not," he said, citing the December 2004 memo.

For example, he cited the PPPC assessment of half-price fees to commercial fishermen as a commercial incentive consistent with the corporation's charter.

Referring to Mr. DeRuyter, Mr. Steele asked Mr. Coen "for the opportunity to respond to a personal insult."

Mr. Coen told Mr. Steele that the hearing was intended to focus on the corporation.

Ms. Nagle asked whether and how PPPC financial statements, including those signed off by Mr. DeRuyter, have been audited.

Mr. DeRuyter replied that non expense-related balance sheet entries would not necessarily show up in final statements prepared according to generally accepted accounting principles (GAAP).

Ms. Nagle expressed concern that some PPPC records had been "severely doctored."

Mr. Clingham, referring to criticisms expressed earlier in the hearing and elsewhere, said that "innuendo, malicious statements, charges that we're liars and thieves come up all the time."

Mr. Coen asked the Committee whether or not they wanted to continue the Public Hearing.

Mr. Vetrick said, "I've heard everything two or three times...I would close the hearing to determine what we want to review." The Committee unanimously agreed.

Mr. Coen closed the Public Hearing at 3:56 p.m.

Copies of a June 19 letter to the Board of Selectmen and Town Manager, signed by numerous parties in support of Harbormaster McKinsey, were circulated among the Committee. Mr. Coen also distributed copies of a May 18, 2008 letter from Martin S. and Brenda E. Huey.

Mr. McKinsey explained how the PPPC books revenues. Most accrue in fiscal Q4, he said, in line with commercial fishing and other seasonal boating activity.

"Yet it is accounted for monthly," he said. Billings during the early part of the season, from 4/01 to 6/30, don't accrue interest. This 90-day same-as-cash policy reflects the delay of income for commercial fishermen until summer, he said.

Mr. Gaudiano questioned the corporation's history of collecting accounts overdue more than 90 days. Referring to his own analysis, he said that 12.8 percent of accounts receivable were overdue.

Messrs. Gaudiano and McKinsey discussed several vessels moored at the Town's piers, including the tuna boat "Voracious," for which Mr. McKinsey cited mitigating factors for overdue fees, mostly having to do with the seasonality of business.

In response to questions from Ms. Gilbert, Mr. McKinsey said there was a \$100 late fee.

Mr. Adams said the Corporation would consider hiring a collection agency for accounts in arrears, following the example of Lower Cape Ambulance.

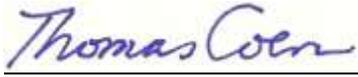
Ms. Gilbert and several other members of the Committee agreed that debate over the PPPC had become too personal and a hindrance to reviewing the corporation's books and making recommendations.

Messrs. Coen and Vetrick suggested the formation of a workgroup to further consider the Corporation's finances.

The Committee agreed that a workgroup comprising Ms. Gilbert and Messrs.

Coen, Gaudiano and Vetrick should meet at 9 a.m. on July 7.

Next Meeting:	9:00 a.m. July 7, 2008 (PPPC workgroup)
Adjourn:	5:00 pm
Minutes by:	Frederic Biddle

Approved by  on January 7, 2010
Thomas Coen, Chair