

Finance Committee Meeting
 Larkin Hall, Provincetown Center for Coastal Studies
 Called to Order: Date-Tues., 2/3/2009, Time-10:05 am

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	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Robert Vetrick	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Virginia Ross	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Walt Winnowski	
<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"/>	Ann Maguire	
<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

Also Present:

Sharon Lynn, Town Manger
 Alex Heilala, Finance Director
 Sandra Turner, Deputy DPW Director
 Dana Faris, DPW Finance Coordinator
 Members of the Public

Order of Business:

1. To review the Budget for Division IV, Public Works.
2. To review the Budget for Dept 440, Water Enterprise Fund.
3. To review the Budget for Dept 450, Wastewater Enterprise Fund.
4. To review other Division budgets as time permits.
5. To consider minutes of previous meetings as time permits.
6. To consider any other business that may legally come before the Finance Committee.

Introduction-

Chairman Coen called the meeting to order and presented a brief recap regarding a meeting that he and S. Lynn, Town Mgr. attended on Monday, 2/2/2009. The subject of the meeting was a “briefing” regarding the proposed Federal stimulus funding coming out of Washington as it relates to cities & towns within the Commonwealth. It was presented by Mark Forest from Congressman Delahunt’s office. At this point in time, it appears that little funding would trickle down to the towns and that much of the funding has been earmarked for education.

Mr. Coen also stressed to the committee that, as we start the budget review process, we should all be thinking of long term strategies regarding innovative ways of generating revenues and/or cutting expenses.

Topic: DPW Administration-

Presented by S. Turner, Deputy DPW Director

Ms. Turner gave a review of the department’s organizational structure as it was presented in the FY2010 Operating Budget Request work papers.

Discussion:

- The issue of highway operations was raised as it relates to street sweeping, line painting, brush cutting and catch basin cleaning.
- Transfer Station hours of operation. Clarification was made on days and hours of operation.
- Oil Purchasing. Barnstable County is current supplier but for the FY2010 DPW will be “bidding out” locally. Due to the variety in the size of the town’s oil tanks, it was felt that there is an advantage of better service/maintenance if oil is purchase locally. The “bidding out” process was discussed and that it must be either bid out locally or left to the county to bid out...an option to do both is not available.
- Contracted Out Services. This relates to specific trade services and the hiring of private contractors for such services as street line painting, certain plumbing & electrical work, elevator & generator service...all of which relates to the use of local tradesmen.

Topic: Budget Reviews-Division IV. Public Works

Presenters: For all departments within Division IV (excluding 432- Recycling) plus Enterprise Funds 440 Wastewater & 450 Water, S. Turner, Deputy DPW Director & D. Faris, DPW Finance Coordinator

Dept.- 192 Building & Grounds

Discussion:

- Recapping of changes made as a result of the Selectmen's review process. #51104-Part Time Seasonal reflects changes to due VSB funding, no beautification funds, no 3rd barrel pick up funds. #51114-Laborer/Custodian reflects one cut position. #51118-Comfort Station Attendant reflects cutting two PT Fire House Station Attendants.
- 3rd Barrel Pick Up. It is part-time seasonal, any thought of using students on a credit basis? This would not be an option.
- Custodial Staffing. Making use on an "as needed" vs. permanent basis. Current staff is moving around "as needed" with the exception of the Police Dept & the Library positions.
- Big Belly Trash Bins (info sheet passed out). Given the fact that we have 153 trash barrels that, in season, the majority of which get emptied three times a day, these self compacting trash bins would present a significant labor savings, possibly reducing pick up to once a day. They also provide advertising panels that could potentially offset purchase & maintenance costs. It was generally thought that these should be seriously looked at & perhaps there may be some grant monies available. Recycling Committee will be researching this.
- Line item #52403 Energy-Heat. Survey currently being done to analysis any savings in this area regarding the move to a four day work week. Cape Light Compact is our current electric contract provider. It was suggested that in future budget requests, electric & heat be separated out into their own line items.
- Line item #53001 Rental Equipment. The majority of this line item represents Port-a-potties.

- Line item #51106 Longevity. This is a union contract item providing small bonuses to employees with a minimum of 10 yrs service to the town.
- Line item #55517 Betterment-Manor. This line item is zero for FY2010. USDA grant monies were sufficient to cover the sewer betterment.
- Line items #54302 thru #54501 (Small tools, Ground Materials, Maint. Supplies & Uniforms). It was questioned why these items cannot go out to a bid process and whether or not these items could in fact be not be part of a bulk purchase process with other towns.

Motion # 1: To table budget 192 Buildings & Grounds pending receipt of a breakdown of heat & energy costs for the town by building.			
Motion By: Ann Maguire		Second By: Tom Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

Motion # 2: To request that the Town Manager investigate the possibility of combined purchasing for all Town departments, including the schools and the pier corporation.			
Motion By: Tom Thurston		Second By: Ruth Gilbert	
For: 8	Against: 0	Abstain: 0	Recuse:

(Recess for lunch break- 12:15)
(Reconvene for afternoon session- 1:20)

Dept.- 421 DPW Administration

Discussion:

- Line item #51100 Department Heads & #51113 Administration. Currently the salaries within these line items (DPW Director, DPW Deputy Director & Finance Coordinator) are allocated as 2/3rd DPW & 1/3rd Water Enterprise. For the sake of transparency, it was generally thought that the allocations should be 1/3rd DPW, 1/3rd Water Enterprise & 1/3rd Wastewater Enterprise Fund.

- Line item #52310 Repair/Maintenance-Vehicles. There are approximately 40-50 vehicles between the DPW & the Police Depts. This might be an area to consider in the future “bidding” out.
- Line item #52404 Energy-Street Lights. Is LED lighting worth pursuing? Replacing all at once vs. as they got out.

Motion # 3: To request that DPW conduct a Cost Analysis regarding LED Street Lights in the following areas; a) replacing with LED lights as current lights go out, b) replacing with LED lights all at once & c) savings on power consumption by utilizing LED lights.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

- Line item #54503 Gas/Oil. Clarification was given as to the difference between FY08 & FY09 figures & that it relates to an encumbrance as listed in the FY08 budget. It appears that this line item represents the difference between gas/oil expenses & gas/oil revenues as billed out to other departments, i.e. schools, ambulances, etc. For the sake of transparency, it was generally thought that this line item should only represent expenses with the “billed out” amounts going into a revenue line item. DPW indicates that this item will be running at a deficit at the end of the fiscal year. It was also questioned as to the snow & ice allocation regarding gas. It appears that 423 Snow & Ice is charged for gas usage at the time the tank is filled up.

Motion # 4: To request that DPW conduct an analysis regarding line item #54503 Gas/Oil pertaining to dollars spent vs. revenues received for this fiscal year so that a true account balance is available.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

Motion # 5: To table budget 421 DPW Administration pending further clarification on line items #51100 Dept Head, #51113 Administration, #52404 Energy-Street Lights & 54503 Gas/Oil.	
Motion By: A. Maguire	Second By: R. Gilbert

For: 9	Against: 0	Abstain: 0	Recuse:
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Dept.- 422 DPW Highway

Discussion:

- Line items #51104 Part Time Personnel, #51109 Skilled Laborers & #52100 Contractor Services. Clarification was made by DPW as to why these line item have been reduced & that it relates the Selectmen cutting expenses relating to the FY2010 take over of Route 6 and its maintenance.
- Route 6. Effective 1/10/2010 Provincetown will be responsible for all Route 6 maintenance with the exception of repaving. The Selectmen have made the decision that any items relating to the take over of Route 6 should come out of the budgets and go forward to Town Meeting as an override issue. Question was raised as to how public safety issues such as this could go forward as an override item.

Note; With the Town Mgr. being out of the room for this discussion, the committee decided to wait for her return for further clarification. That is the reason for the following motion appearing out of order.

- Route 6, continued. With the committee raising the public safety issues regarding the removal of budget items as they relate to Route 6 and their becoming override items, the Town Mgr. agreed to take their concerns back to the Selectmen. It was also indicated that some of the costs as stated where arbitrary and needed clarification.

<u>Motion #10</u> : To recommend through the Town Mgr. that the Selectmen restore to the Town Mgr.’s budget #422 DPW Highway & #423 DPW Snow & Ice, items cut as a result of Route 6 becoming the town’s maintenance responsibility.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

Dept.- 431 DPW Solid Waste (Transfer Station Operations)

Discussion:

- Line item #51104 Part Time Personnel. It was explained that one position was cut from this line.
- Could the Transfer Station Operations ever be turned into an enterprise fund? It was thought that the revenues would never be sufficient.
- Private/Commercial Haulers. It was discussed how low our rates to private haulers are in comparison to the alternative of their having to haul off cape. It appears that we are subsidizing for profit business & that we should go up on private hauler fees at least 10%.
- Line item #52127 Contractor Servs-Hauling & Recycling. Due to an increase in charges on recycling CRT's, metals, tires, etc. and a fee increase in the recycling of cardboard, this line will see an increase next year.
- Residential Property Fees. The potential of charging residential homeowners for trash pick up (i.e. pay per bag, etc.) was briefly discussed.

Motion #6: To recommend DPW raise Commercial Hauler fees by 12%.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

Motion #7 : To recommend budget #431 DPW Solid Waste in the amount of \$472,003.			
Motion By: R. Gilbert		Second By: V. Ross	
For: 9	Against: 0	Abstain: 0	Recuse:

Dept.- 439 DPW Solid Waste Disposal

Discussion:

- Any decrease in this area is due to the fact there are less people in town resulting in less tonnage being hauled to SEMASS.

Motion #8 : To recommend budget #439 DPW Solid Waste Disposal in the amount of \$208,800.			
Motion By: V. Ross		Second By: R. Gilbert	
For: 9	Against: 0	Abstain: 0	Recuse:

Dept.- 450 Water Enterprise Fund

Discussion:

- Line item #51102 Clerical Personnel. This line item is being reduced by \$41,280 relating to a secretarial position moving into budget #421 DPW Administration.
- Certified Retained Earning. A. Heilala explained the effect of no long term borrowings causing negative earnings & its effect on the Water Enterprise Fund. Additionally, with no long term borrowing last year there is a positive effect on our bond rating.
- Water Rates. DPW thought that water rates could remain stable for another year, but this will probably not be the case.
- Line item #54402 Chemicals. This increase relates to one product, the chemical KOH has doubled in price.
- Line items #52100 Contractor Servs Professional & #52113 Other Contractor Servs Technical. These are costs we have no control over & represent specialized services not available otherwise. The only exception to this is the Police Details to which the Town Mgr is in continuing dialog with that department.
- Line item #54203 Water Meter Purchases/Replacements. This is an ongoing process by which we are in the last year of replacing 1/10th of the meters with “radio read” meters.

Motion #9: To reduce line item #51102 Clerical Personnel by \$41,280 & thereby making the A budget \$396,402 and to recommend budget #450 Water Enterprise Fund in the adjusted amount of \$1,908,383.			
Motion By: A. Maguire		Second By: T. Thurston	
For: 9	Against: 0	Abstain: 0	Recuse:

Dept.- 440 Wastewater Enterprise Fund

Discussion:

- Line items #51100 Department Heads & #51113 Administration. Adjustments made to these line items to allow for salary allocation of the DPW Director, DPW Deputy Director & Finance Coordinator in a

1/3rd split between DPW, Water Enterprise & Wastewater Enterprise Fund.

- Line item #55519 Reserve for Abatement. Can the DPW reduce this amount from \$10,000 to \$4,000 ?

Motion # 11 : To recommend that the DPW reduce line item#55519 Reserve for Abatement from \$10,000 to \$4,000.			
Motion By: R. Gilbert		Second By: A. Maguire	
For: 9	Against: 0	Abstain: 0	Recuse:

- Line item #52100 Contractor Services. Since FY08 there seems to be almost a \$100,000 increase in this line item. This is as a result of our 20 year contract with Metcalf & Eddy to “design, build & operate” our sewer system.
- Reduced rates. The current billing period producing the April bill will reflect a 25% rate reduction.

Motion # 12 : To recommend budget #440 Wastewater Enterprise Fund in the amount of \$2,639,227 after an addition to line items #51100 Department Head & #51113 Administration totaling \$73,769 & a reduction to #55519 Reserve for Abatement in the amount of \$6,000.			
Motion By: Tom Thurston		Second By: Ruth Gilbert	
For: 9	Against: 0	Abstain: 0	Recuse:

Next Meeting:	Thursday, February 5, 2009 @ 10:00 am
Adjourn:	4:30 pm
Minutes by:	W. Winnowski

Approved by  on April 22, 2009
 Thomas Coen, Chair