

FINANCE COMMITTEE
PUBLIC MEETING
Judge Welsh Room, Town Hall
Provincetown MA

TUESDAY, OCTOBER 3, 2017

Members Present: Chairman Mark Hatch (MH); Scott Valentino, Vice Chair (SV); Kathleen Goodwin (KG); Duane Steele (DS), Mark Bjorstrom (MR); Stan Sikorski (SS)

Absent: Mark Del Franco (MD)

Others Present: David Panagore (DP) Town Manager; Josee Young (JY), Director of Finance; Mary-Jo Avellar (MJA), Town Moderator

The meeting was called to order by MH at 10:08am.

1. Discussion of UMass Dartmouth report

DP featured highlights of his recently taped 1 hr. interview segment with Mike Goodwin (sp) of UMass Dartmouth, which Town has partnered with to conduct fact-based analysis in order to improve Town's ability to argue with the State more effectively, review policy implications, acquire grants and so forth. The segment also featured Heather Harper (sp) of Cape Cod Commission reporting on a recent Cape-wide housing study.

A power-point presentation was referenced that addressed population tracking; local economy; real estate; infrastructure and the sewer system, and other data.

DP noted that \$5 million in revenue or 20% of Town's budget is derived from the tourism industry and followed with reportage on beds and restaurant revenue.

MH commented on the figure that showed in 2015, 39.5% of the population was comprised of year-round occupied units and that almost 10% of that is affordable housing. DP offered that the Town might be ring-fencing the housing situation and suggested that, per the study, if a rigorous approach has already been adopted, then it needs to be more rigorous in terms of exercising the Town's prime mandate to increase year-round population.

A report on Town's sewer management system was addressed, concerning reserve gallons and future estimates. Report showed that Town's management of the sewer system has improved since July 4, 2014 run-off incident, but that 8" of rain in a single day is still the approximate maximum of what Town can handle before it tops its allowed reserve limitation. DPW is studying the report.

DP said that the report was inconclusive whether housing or jobs ran Town's economy, but that he felt this pointed to housing being the indicator and added that as 50% of the people who live in Town work reportedly outside of town this represented a pretty balanced regional economy.

MH launched a discussion on water usage in Town as an indicator of growth activity, asked if those who have seasonal-only businesses should not be tasked with carrying the burden of the prime sewage expenditure, i.e., July 4th and Carnival, over year-round establishments. DP countered that setting up a situation where only a million-dollar business can afford to establish itself during peak season might also be a law of diminishing returns.

SS spoke of the financial difficulty of having a year-round business that has to use its lucrative summer revenue to make-up for the off-season shortfall and how many other local businesses face the same scenario. Other issues SS brought up concerned the Visa-situation regarding foreign workers, as well as tourists, who are having a harder time coming to town; also, disaster recovery and emergency management, referencing Pilgrim Nuclear and how prepared is Town at this time in the event of catastrophe.

SV spoke of room tax in terms of how businesses have changed by transforming their inns into condos and of the pressure foreign workers face to find seasonal housing; asked if Truro, for example, might be a location to support a type of workable housing model as well as a younger generation of tourists who cannot afford to stay over-night, suggested affordable tourist housing year-round would help to support the shoulder-season.

MJA mentioned that Mike Glasfeld (sp) of Bay State Cruises is perhaps looking at the Virgin Islands or Puerto Rico for summer help as they are Americans, so there is a potential there possibly to help the situation. MJA also questioned the lack of a sustaining generator system to carry the Town in event of emergency. DP added that Town needs the body and bandwidth to take on emergency management situations – to dedicate resources to dire conditions and bolster Town's reserve which is currently operating at 5%, or a million dollars.

In conclusion, the report showed that policy implications indicate seasonal growth patterns are putting significant pressure on Town's infrastructure. Going forward, UMass will be asked to review Town's Economic Report.

2. Progress on health insurance consultant and/or work

JY spoke of the joint RFP with Rae-Ann (sp) of Truro and will report after hearing back. DP said the vendor would be decided upon and costs allocated based on the number of employees in the study; adding that he received good advice from Sandwich and their analysis. MH refreshed for the home-audience that this was the article on Town Warrant put forth by FINCOM to hire a consultant to look at Town's retirement health systems.

JY referenced budget results from the tax bill and DP mentioned that citizens will no longer be getting an estimated tax bill which is a result of better clarity in reportage. JY reported that Provincetown was 8th in the state to have its tax re-cap approved.

3. Upcoming Joint Meeting with the BOS on Budget and CIP

4. Upcoming Exec Session joint meeting with Housing Trust and BOS

DP said there wasn't anything to add at this point for these upcoming meetings which will be 3-fold: financial forecast, CIP and Housing Trust. DP reported he is awaiting information from Land Court (sp); nothing on the horizon legally or operationally that would appear to be a wrench in the work; that it's a question of process and time. DP reiterated that all deeds in question must go through the Land Court because as registered land, Land Court must issue certificates declaring that all the titles are accurate and . DP added that this is the choke-point right now.

MH said he is awaiting word from Housing Trust to set up a meeting; will notify FINCOM when he hears from their chair. DP confirmed to MB that Nathan Butera has taken up the last position on the Housing Trust board.

5. Tax Budget for ATM

6. Budget Updates from Josee

7. Any items from the Town Manager that pertain to Finance

JY requested FINCOM contact her with any questions on submitted budget.

DP spoke of getting additional revenues from housing and marijuana taxes, stated that Town is not coming to FINCOM right now with any dire situation; remarked that Town wants to be looking at CIP for 2020 and that the police budget needs to be addressed as priority, noted decaying radios. DP said the financial forecast will be forthcoming in the packet.

8. Any other business that may legally come before the Committee

Per the tax bill, MH asked FINCOM to look at what the taxes are vs. the overrides, noting the Town's predilection for overrides and to give this condition some close thought.

MH asked FINCOM to consider what it might want to put on the Town Warrant, referenced putting health care consultant on for last year. MB suggested generators.

MJA mentioned there are benefits from being self-reliant whether through windmill or other means, and also reminded FINCOM that when the sewer system was first installed only those using it were paying for it until it became a Town-wide support effort if for no other reason than that it protects the Harbor.

DS said that he always felt the sewer system was always a community-wide benefit whether you directly made use of it or not.

MH picked up on SS's thought of pushing resources out over the whole year verses a seasonal mindset; asked: how do we re-cycle that money and economic activity back into the community instead of to Bulgaria or Florida. SV said the answer to that is housing, because if they can't live here, they can't work here.

MH proposed changing the gallon-usage for those with year-round rentals or businesses vs. those who are exclusively seasonal and how can policy be changed or shifted in these concerns.

MH announced a vote coming up Oct. 24th on Cape Cod Tech as to whether to build another facility; he said he is on the review committee and is in favor of the measure citing the importance of school systems for year-round residents. MH encouraged FINCOM to look over the proposal and give it some thought.

MH said he is reviewing software that can produce a transcript and more efficiently catch-up FINCOM on its outstanding meeting minutes.

MH proposed next FINCOM meeting for Monday, Nov. 13th at 10:00 am. All agreed.

MH made a motion to adjourn the meeting; MB seconded the motion and the meeting was announced adjourned at 11:19 am.

Respectfully Submitted,

Jody O'Neil
December 4, 2017