

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

FRIDAY, FEBRUARY 9, 2018

Members Present: Mark Hatch (MH), Chairman; Scott Valentino (SV), Vice Chair; Mark Bjorstrom (MB); Duane Steele (DS); Kathleen Goodwin (KG).

Absent; Mark Del Franco (MDF); Stan Sirkorski (SS).

Others Present: David Gardner (DG), Assistant Town Manager; Josee Young (JY), Finance Director; Mary-Jo Avellar (MJA), Town Moderator; Jody O'Neil (JON), Recording Secretary.

MH opened the meeting at 10:00 am.

1. ANNUAL OPERATING BUDGET HEARINGS, FY 2019 (VOTES MAY BE TAKEN):

a) DIVISION III: PUBLIC SAFETY

i. 299: Parking

Dominic Rosati (DR), Parking Administrator, presented; said last season went very well and the department is pleased with the new machines; last year was the first full year Parking had four ways to pay for parking: coin, currency, credit card, and telephone service passport parking and that it worked out great; reported only four zones left still limited to coin pay: Standish St., Provincetown Inn, Victor's and Day's Inn lot.

MH asked if that might change in the future. DR said it's possible, but that it would be expensive and there's only nine in each zone; that a service charge is paid on every head, as opposed to an overall kiosk fee.

MH asked per budget. DR said there was a change in management as the Town Manager was looking to have a Parking Administrator during the summer and an Emergency Management person in the winter.

DR said that 2016 was the last time he purchased a piece of equipment and that he had been living off the supplies that come with each purchase for the past four or five years, but that now supplies are needed within the new budget.

MB asked if there would be a way to have two exits at Macmillan Lot; DR said that was one of the topics he had with Town Manager which DR said he expected would come out of the completed Desmond Report; i.e., regarding a Permit Only exit.

SV asked if a Permit Only exit could be done for the School Lot.

MB made a motion to accept the **299: Parking** budget as submitted in the amount of **\$551,958**; an 11.2% increase of \$55,586. SV seconded the motion, and it passed, 5-0-0. MB, SV, MH, DS, KG.

b) DIVISION I: GENERAL GOVERNMENT

i. 161: Town Clerk

Darlene Van Alstyne (DVA) presented; said there weren't any real big changes; made mention of decreases that the FINCOM was aware of, based on salary adjustment.

SV made a motion to accept the **161: Town Clerk** budget as printed in the amount of **\$121,200**; a 7.6 % decrease of \$10,030. MB seconded the motion, and it passed, 5-0-0. SV, MB, MH, DS, KG.

ii. 113: Elections

DVA mentioned the increase this year due to a primary that was thrown upon the Town on September 4th.

MB made a motion to accept the **113: Elections** budget as printed in the amount of **\$13,196**; a 16.9% increase of \$1,911. KG seconded the motion, and it passed, 5-0-0. MB, KG, MH, SV. DS.

c) DIVISION III: PUBLIC SAFETY

i. 295: Marine/Harbormaster

ii. 296: Shellfish

Jarrold Koskey (JK), Administrative Assistant, and Stephen Wisbauer (SW), Shellfish Constable, presented.

JK said that with a 2% increase, the budget represents level funding; reported two warrant articles for Town Meeting to discuss; first, a capitol fund for \$200,000 for FY2019 for the Ryder Street Beach Nourishment Project and an additional \$50,000 for FY2020 to be used for matching grant monies.

MH instructed the panel to consult the Capitol Improvement Project book, which DG said related as CIP item #13, Marine Shoreline Protection; and CIP item #14, Harbor Master, per a 50% allocation.

MH noted that beach nourishment had been moved up. DG said the Shoreline Protection Project is a long-term plan and that it had been expanded from \$75,000 to \$200,000 at this time to ensure that some work is done, but it will be an annual budget item for as long as is needed.

MB made a motion to accept the **295: Marine/Harbormaster** budget as presented in the amount of **\$200,889**, excluding the CIP; a 2.0% increase of \$3,939. SV seconded the motion, and it passed, 5-0-0. MB, SV, MH, DS, KG.

SW said the shellfish department is appropriately funded and looking for level funding for FY2019; additionally, for Special Town Meeting, there is a warrant article for \$8,000 for 2018 for Aquaculture Support as clamming is becoming more popular and sustainable as evidenced by one beautiful afternoon when 125 baskets came in.

SW said the money is for streamlining permitting for future aquaculture grants and to finish the shellfish nursery project at Bennett Pier; reported that two years ago the Town had 20,000 pieces come off and go to market; last year's number was 70,000, and this year's real numbers are 130k but that this spring, two of the new

growers are going to start selling which will be means we'll be looking at over 200,000; which, he said, is still small but starting to be on the boards of towns that have an industry, added that we are way up there among towns with active permitting, moving in a direction to bring in new jobs .

SV made a motion to accept the **296: Shellfish** budget as presented; in the amount of **\$58,547**; a 1.6% increase of \$925.00. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

d) DIVISION I: GENERAL GOVERNMENT

iii. 482: Airport

Butch Lisenby (BL), Airport Manager, presented; noted increases due to the TSA cutting the funding for a security officer on the premises; MH asked why, and BL suggested the TSA had found a way to cut expenses or else didn't have the money to cover the position going forward; said that they had originally paid 100% of the position and have increasingly been cutting back through time and now the full cost is on the Town for \$70,000.

MH asked about the prospect of increasing some fees to off-set the 70k; BL said they've given that some thought, but that whenever you increase fees, it is passed off to the rider-ship and the number of passengers is down; that the Airport did not make it's 10,000 appointments, which means the Airport won't receive it's \$1,000,000 entitlement from the government and may be subject to partial pay-out through a discretionary fund for secondary projects and that safety projects would not be addressed until the end of the fiscal year.

MH asked what BL thought was the reason for low rider-ship; BL responded that it was most likely due to a variety of factors such as weather, lack of equipment, lack of people flying, lack of new pilots and pilots who have gone on to work at the major airlines.

BL said Town is in the process of renewing the Airport lease which, when it does get finalized, may affect this budget and hopefully allow for some project funding, including fencing, terminal needs; said the lease had expired as of July 2017 and the Airport had been running on amendments to keep it going with no date for final approval set.

MH stated his opinion in that he talked with some Board of Selectmen (BOS) to off-set the 70k and that asking tax payers to pay for an airport that is regional is strange; referenced dockage fee at the Pier and understood things at the Airport might be a little tighter in that regard, but said he was hoping that fees might be considered here – that the Town foots the bill for other towns that use the airport scot-free, that there are no parking fees at the Airport. MH said he planned to vote no on this because he doesn't think it's fair to tax payers.

BL responded that the problem is that under the current operation if you start charging fees, the flights will become more expensive. MH asked about charging landing fees for private planes. BL said they looked into that a few years ago but that it didn't seem equitable based on the work it would take to track down those private landing fees, noted that landing of private planes had gone down.

SV spoke about 70k that is a lot cheaper than a million dollars, suggested it was worth the expenditure to keep the Airport operational and charging for Airport parking might be advantageous; asked BL if there was a related cost to maintaining parking. BL replied that there was, although not a big one; that they hoped to upgrade the lot and add parking in the future.

SV said he'd recommend discussing Airport parking with the Town Parking department. MH said he thought there might be logistical issues there as the Airport is on federal land. BL said, possibly, as the location is a part of the National Seashore.

BL cautioned against raising flight fees as a deterrent for people to find other ways to travel.

SV made a motion to accept the budget for **482: Airport** as written including the 70k for security in the amount of **\$157,600**; a 58.2% increase of \$58,000. MB seconded the motion, and it passed, 4-1-0; SV, MB, DS, KG in favor; MH, opposed.

e) **Division III: PUBLIC SAFETY**

iii. **210: Police Department**

Chief Jim Golden (CG) presented; said budget showed very little by way of increase, no increase in terms of personnel as 90% of those are contract-driven; provided information on expenditures via color presentation.

MH asked if CG would care to highlight successes in terms of special projects within the PD this year.

CG said the men and women of the PD continue to do the right things for the right reasons at the right time and that this was the reason he comes to work every day.

MH said he felt the PD had done an excellent job and having a highly regarded PD is major for all of us.

CG referenced four pages on over-time and explained that that money is used for anything above and beyond things not covered by salaries including training, protracted investigations, illnesses and injuries; noted that the PD is one of the few, rare departments that is 24/7, year round.

MB asked if there were any CIP requests. CG confirmed there were as found on pages 22, 23 of the budget: fleet rotation which included two police vehicles and Parking's primary enforcement vehicle which is a 2012 that will be replaced with a late 2018 or 2019 model. MH spoke of the need to integrate radios between police and fire depts. and upgrade equipment – a budget item too long delayed.

SV made a motion to accept the **210: Police** budget as presented in the amount of **\$2,707,632**; a 4.6% increase of \$118,063. MB seconded the motion, and it passed, 5-0-0. SV, MB, MH, DS, KG.

iv. **291: Emergency Management**

CG presented; spoke of EM as a shared function between PD and Health Department and that he is now envisioning shifting those responsibilities with support from BOS and Town Manager into a

shared function with a joint emergency manager/new Parking Dept. Manager as explained on p.2 in detail.

CG said it was time to think about getting real about EM; that current spending is about \$3.00 per person and in the high season it goes down to about 16 cents a person; that the work that has been done to date gets done on nights and weekends based on his f/t duties as a first responder. The new hire would coordinate with State depts.

MH said he spoke with Town Manager about this and felt it was a good idea; that the split Parking position would serve to keep this position active year-round and not just when an emergency happens.

MB sought clarification that the \$65,000 position would be covered to 40k by Parking; asked where this hire might come from. CG said they would primarily be looking for a manager – to get a tighter grip on the parking situation and also coordinate and follow-up with EM details; hoped to find someone with some background or appropriate training. MB said regardless of how we fill it, conceptually it makes perfect sense.

MB moved to accept the **291: Emergency Management** budget as submitted in the amount of **\$35,750**; a 232.6% increase of \$25,000. KG seconded the motion, and it passed, 5-0-0.MB, KG, MH, SV, DS.

f) **DIVISION V: PUBLIC SERVICE**

i. **512: Human Services**

ii. **541: Council on Aging** (COA)

Chris Hottle (CH), Dir. of COA and Council on Human Services, presented; said there were no changes to 512; services are running very smoothly thanks in part to an amazing human services committee who work very hard around the grant process and John Henry trust Fund.

MB moved to accept the **512: Human Services** budget as presented in the amount of **\$43,188**; a 1.1% increase of \$454. SV seconded the motion, and it passed, 5-0-0. MB, SV, MH, DS, KG.

CH expressed the increase in the COA budget from FY 2014 to FY2017 as reflected in the move from the Grace Gouveia Building to the VMCC, which has enabled the dept. to expand and offer more services; said the goal is to work on branding and marketing to address the issue where people only find the COA when they think they need it, but that COA offers over 75 programs including wellness, fitness and arts programs, managed by 50 volunteers.

MH highlighted what he said were amazing numbers: increase of people served up 21%; programs and services up 32%; outreach visions up 32%; rides up by 40%.

CH reported regional efforts; that she is on the steering committee of the Barnstable County Dept. of Health & Human Services to create a comprehensive plan for the county for services for older adults; that COA had received a couple of bequests which helped them to expand; suggested possibly next year there might be a staffing increase request, but that COA still has grants covering some positions at the dept; \$300 is for mileage.

MB asked for rides component of budget; CH referenced a medical ride component for people 65+ that is partially funded through a grant, providing door-to-door service for Cape-wide appointments; secondly, COA maintains a f/t van driver making regular trips to Hyannis for shopping, medical appointments cultural excursions, meal programs, and local runs to S&S, the Library and other destinations.

MB moved to accept the **542: COA** budget as submitted in the amount of **\$252,472**; a 2.9% increase of \$7,227. SV seconded the motion, and it passed, 5-0-0. MB, SV, MH, DS, KG.

CH offered tours of the COA to the FINCOM any time.

iii. **610: Provincetown Library**

Brittany Taylor (BT), interim director, presented; said Library is looking at an increase to meet state-wide best practices, make the Library stronger by improving community offerings and upgrade equipment as well as allow the Board of Trustees to repay the debt owed for the renovation bond.

MH mentioned that financing for the Library structure does not come from the Town, but that the Town budgets a portion of Library services. MH said the building itself is a sort of hybrid model that has funding through various means; noted that the salary increase for the incoming Library Director, Amy Raff, is owing to her level of experience.

MB asked per the additional requests for office equipment, if it was for staff or the public. BT said one copier is for public use, black & white & color, to make copies and faxes at 15 cents a copy and also there is a need for a staff copier as the toner in the current one is outmoded; also, a need for a staff computer.

MH asked of the increase in programming. BT said it reflects the average cost of programming of the past two years which is usually covered by the Friends or Board of Trustees, but there is a push by the Board and the Town to put funding toward paying down the debt on the renovation bond.

BT said the Library wants to increase programming and provide more community-based programs; said last year there were about 6,000 program participants and an extraordinary number of site visits.

SV made a motion to accept the **610: Library** budget as presented in the amount of **\$374,987**; a 13.4% increase of \$44,293. MB seconded the motion and it passed, 5-0-0. SV, MB, MH, DS, KG.

iv. **630: Recreation**

Brandon Motta (BM), Recreation Director, presented; said B-Budget is flat, no increase, that they look to keep that limited due to an ability to coordinate programs with Knights of Columbus, Lions Club and others in the community; increase in A-Budget is due to the 10-week summer program that provides childcare, 9am to 3pm, Mon. thru Fri. with a new team-building component that exceeded best results anticipated.

BM spoke of A-Budget increase in terms of the need for a certified special needs coordinator to direct staff to better provide activities and programs for these children; said the position can be staffed relatively

inexpensively as the Rec. Dept. operates outside the regular school season; need was for a 10-week program with one prep week.,

MB asked for confirmation that the skate park is being relocated due to construction; BM said discussion is underway as to how to utilize the skate park property and a survey has been adopted to that end. MB agreed with BM that the park is regularly used by kids for rec.

SV made a motion to accept the budget as presented for **630: Recreation**; a 7.4% increase of \$14,111. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

g) DIVISION II: FINANCE

i. 136: Management Information Systems

Beau Jackett (BJ), MIS Director, presented; referenced two budget increases: Hardware refresh, which historically had been used to fund leases for desk tops and lap tops with server replacement and that MIS had previously used CIP to finance; but after discussion with Finance and Town Manager, it was determined this feature was better funded through the operating budget as it was an every other year low funding request and this would allow MIS to spend a little less money over a 5 year period.

BJ said MIS was asking for additional 10k for this line item which would be a total cost of 50k, as opposed to 75k if funded through the CIP, and also allow MIS to cycle out servers more timely; to move services to the cloud or virtualize physical hardware. BJ noted that the upgraded virtual environment was done at the VMCC facility.

BJ addressed an increase concerning the Town's financial system, described added modules to include Title Content Manager to give a web-based portal for better staff interaction, and to move paying and billing to be integrated; a Civic Plus re-design will be paid out over four years with another redesign option available in four years by keeping the item in the operating budget.

MH said he understood the Town's website refresh would make things bit more mobile friendly but that he is not on the bandwagon that it is a terrible site. BJ said MIS has been happy with the customer service at Civic Plus and utilizing the cloud; that the upgrade to a newer platform will allow for content management to be upgraded efficiently by staff and also allow the public to interact with better aesthetics of today's standards.

JY referenced the software licenses found on page 10.

MH said he applauded the move to put things in the cloud. BJ said that the MUNIS operating system offered a hosting model that is twice as much money as what Town now pays and confirmed to MB that there is a MUNIS user's group.

SV made a motion to accept as printed the **136: MIS** budget in the amount of **\$616,836**; a 13.9% increase of \$75,499. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

ii. 141: Assessor

Scott Fahle, MMA (SF), Principal Assessor, presented; said B-Budget is requested to be level-funded and changes to A-Budget include a

move to enhance the property inspector program by increasing the seasonal p/t property assessor position to a 19-hour position, with no benefits but as a way to expand the Assessor dept.'s presence in the field.

MH said he thought it was a reasonable request with all the activity out there and number of permits being pulled.

MB asked per tax billing process; SF described Town's quarterly billing system which was in effect for a short time and followed auditing; that process was over in 2011, and the Town will now be more inline with a traditional tax billing system

MB made a motion to accept as submitted the budget for **141: Assessor** in the amount of **\$261,043**; a 2.5% increase of \$6,385. DS seconded the motion, and it passed, 5-0-0. MB, DS, MH, SV, KG.

iii. **145: Treasurer/Collector**

Alex Williams (AW), Town Treasurer presented; said one administrator change involved merging Tax Title into the Treasurer Collector budget as it didn't need its own category; also, personnel line items have been increased per union and non-union compensation plans; operating expenses increased by 2%; and its been worked into the budget for every dept. to have credit cards, which MH said was long over-due.

MH asked if more taxes had been collected; AW said yes and that he felt the Town was now more diligent about collecting taxed.

SV made a motion to accept as printed the budget for **145: Treasurer/Collector** in the amount of **\$246,117**; a 4.7% increase of \$10,985. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

iv. **710: Debt Service**

AW presented; said 710 budget had gone down based on retirement of debt in prior years; interest on one-year band notes had gone up but these have proven useful as short term notes when, as such, the entire amount for a project is not needed to borrow upfront or where the full need to borrow may not be known; also these bands incur slower interest rates.

MH noted that Harbor Hill and the new police station are two big projects that had not gone out yet; AW said the Pier has one coming up, as well. JY noted once the Town issues the debt this line-item will go back up.

SV made a motion to approve as printed the budget for **710: Debit Service** in the amount of **\$1,915,036**; a 5.8% decrease of \$118,243. KG seconded the motion and it passed, 5-0-0. SV, KG, MH, MB, DS.

h) **DIVISION I: GENERAL GOVERNMENT**

iv. **122: Board of Selectmen**

JY presented; noted increase in over-time based on clerical hours.

DG joined the meeting.

MH noted a request to acknowledge long-term Town Board Members with plaques or other forms of recognition; additional

expenditures in office supplies, equipment, paper – which DG remarked is used a lot.

MB made a motion to accept as presented the budget for **122: BOS** in the amount of **\$87,407**; an 8.8% increase in the amount of \$1,911. SV seconded the motion, and it passed, 5-0-0. MB, SV, MH, DS, KG.

i) **DIVISION II: FINANCE**

v. **131: FINCOM**

MH presented; mentioned reserve fund increase to keep it in line with overall budget and to be used in emergency situations, such as student tuition, fire truck or police cruiser replacement.

SV made a motion to approve the **131: FINCOM** budget as printed for **\$114,325**; a 15.6% increase of \$15,435. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

vi. **135: Finance Department/ Town Accountant**

JY presented; spoke of software expenses as increases in MUNIS and training modules; SV remarked that for every dollar saved in software, it is \$2-\$4 saved in labor.

SV made a motion to approve as printed the **135: Finance Department** budget at **\$298,855**; a 4.3% increase of \$12,446. KG seconded the motion, and it passed, 5-0-0. SV, KG, MH, MB, DS.

vii. **910: Retirement/Benefits/Insurance**

JY presented; said the important thing to note is that the funding for OPEB (Other Post-Employment Benefits) is as planned, but that a portion was moved to Free Cash; that to go along with the 577k that was planned will be 200k coming from Free Cash.

MH spoke of OPEB as a kind of bete noire, that the gap must be monitored closely to make sure OPEB is being funded and that we are not kicking the can down the road.

JY said that every two years there is an actualary (sp) and that Provincetown is a frontrunner in the funding structure for OPEB, compared to other towns on the Cape.

Doug Cliggott (DC) took the mic to present; said that our liability is estimated at \$20 million which breaks down as 12.5 for existing retirees and 7.5 for those working toward when they retire; said the Town had been investing in the Trust for roughly five years and it's gone brilliantly, that we've put in \$2.67 million with a 20% return to the Trust which is at \$3.2 million.

DG cautioned, however, that as this number is 16% of estimated liability, we may be doing well relative to our peers, but he wouldn't want his pension to be 16% funded.

DG said his concern is next year; that while we have a 350k number in #910 at present, asked what if there's a budget squeeze for next year which, owing that the increase has gone up 2.5% each year asked where we get that from.

DC remarked that using Free Cash is a bad precedent to fund health care liabilities.

MH said DC brought up an oblique point; JY said it was tight this year but that Town continues to look for additional revenues. DC stated the reason for starting free cash was for the unexpected and asked what does the Town plan to do for the next downfall; referenced the windfall the Town received when employees were forced to go onto Medicare at age 65.

MH said we budget close to the line and don't leave ourselves with a lot of free cash at the end of the year; but, asked what happens if there's a bad July and we're missing two weeks worth of high season revenue. JY added that this is why the Town is funding other reserves, as well.

DC replied to MB's inquiry on investment returns that the Town has done very well and credits AW for smart investments.

DS made a motion to accept the **910: Retirement/ Benefits/ Insurance** budget of **\$7,567,085**; a 4.8% increase of \$345,958. KG seconded the motion, and it passed, 5-0-0. DS, KG, MH, MB, SV.

MB made a motion to adjourn the meeting at 12:03 pm; SV seconded the motion, and the meeting was ended.

Respectfully Submitted,
Jody O'Neil