

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

MONDAY, DECEMBER 3, 2018

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

Absent: Mark Del Franco; Stan Sirkorski.

Staff Present: David Panagore (DP), Town Manager; Josee Young (JY), Finance Director.

MH opened the meeting at 11:01am.

The board and staff remarked on the great turn-out for the past holiday weekend, including a good result for the AIDS fundraiser at the Crown & Anchor.

1. Update on Town Finances

JY addressed the YTD FY 2019 Expenditures Budget-to-Actual chart which is General Fund and where the expenditures to date of \$14.3 million against a budget of \$29.2 million is more-or-less what is to be expected, at about 50% expended.

MH asked of the sales tax position, which JY said is 'as expected,' and DP said that by late-January there will be a year-end review of the financial economy.

MB asked of parking receipts, which JY replied are not yet available as parking receipts are first attributed to the Parking Fund before being allocated to the General Fund. DP cited the statute as odd and said things are done this way by tradition, but added that there are numbers to show in that a Traffic Receipts Report has been done demonstrating where the revenue was raised in the MPL lot, while some permitting fees were lowered.

2. Budget Season preparation and scheduling.

Calendar

DP noted a busy month; said they looking to submit the budget by the 8th of December per the Charter Revisions and that he would plan to get the Town Manager's message in before the holiday; asked who among the FINCOM was planning to attend the Massachusetts Municipal Association (MMA) Conference next month in Boston. MB said he would be out of town and MH said he was unsure.

DP turned to the date of Tuesday, January 22, 2019 as the Select Board (SB) joint-meeting with the FINCOM, and for articles to be inserted in time for the SB/FINCOM joint-meeting on Monday, February 25, 2019.

DP said Town Forum is now being proposed for Saturday, February 9, 2019, as opposed to February 23rd where it now sits on the calendar; said among the expected topics to cover include the new Police Station and Housing.

MH said he would check if the public hearing that is necessary for any sponsored FINCOM bill has to be held prior to the closing of the Warrant, and noted public hearings only used to be required for the CIP.

MH and the FINCOM settled on Monday, February 4th and Tuesday, February 5th as the big days for budgetary reviews and will reserve Friday, February 8th for call-backs, if necessary.

DP said the School was planning to invite the FINCOM and SB to review its new AV system, on site. MH said this item can be included in the FINCOM review meetings starting on February 4th.

MH said he would coordinate the dates with Town staff and then send them out to be scheduled. JY added that the SB is scheduled to submit the Budget and CIP (Capital Improvement Plan) to the FINCOM on Thursday, January, 31, 2019, which is the day that the Warrant opens.

3. 2019 Reserve Fund

MH referenced a previous discussion asking if the Reserve Fund should be upped, noting that last year a lot had been spent due to emergencies. DP said it couldn't be determined just now where the numbers are, asked what number was being considered. MH suggested putting the figure to 125, as it goes back to free cash when not used.

SV made a motion to move the Reserve Fund to \$125,000. DS seconded the motion and it passed, 6-0-0.; SV, DS, MH, MB, KG, CC.

4. Police Station update on costs and possible financing pathways.

DP said the \$8.6 million dollar budget and new location have already been passed by Town vote and now a series of questions for the public will be forthcoming which, he said, could be put to the FINCOM as a kind of dry-run. The following are examples of questions that have been raised by the public on the new police station:

a) Why is there a two-year delay?

DP said it had actually been about a year and a half since the April 2017 approval and that any approval over \$4 million requires an owner's project manager; an RFP (Request For Proposal) was pulled and issued in September of 2017 and SB gave its approval to the owner's rep on January 22, 2018; a month later the RFP was issued to the architect and that was approved in May; budget reviews followed, along with filings and sub-trades. DP said the work could begin in the spring of 2020, but in consideration of the high season, fall might be more beneficial.

MB said the way DP laid it out, doesn't sound like there have been true delays. DP said he's been frustrated by the bureaucracy of the Massachusetts construction system, but knows to accept it; noted the OPM (Office of Policy & Management) is in place to check on cost overruns and that the RFP for the designer came with very short turn-around; mentioned that the Building Committee meeting to try and cut costs take time, as well, and add to delays.

KG asked if expected changes to Shank Painter Road are affected by this same sort of process. DP said, yes, but that this project is on a separate track and is slated for 2022 with a potential rotary at the intersection and design plans still being developed. DP added that this work is hoped to be done independent of a full revamp on the Jerome Smith/Shank Painter intersection – to make it more of a standard T-formation and not as angled-off as it is.

b) Why was Kaestle Boos Associates, Inc. not chosen for the design?

DP responded by stating that the company did not apply for the job and that he was not sure why.

c) Why has the new Police Station location design increased in size by 95% since approval back in 2016?

DP said the initial square footage of the concept was 13, 550 and is now at 13,864 sq. ft. in the design by Flansburgh Architects; said a basement is not practical at this location based on the soil situation; archival space allocated at a thousand square feet is now to be placed upstairs and at a cost of about 50-75k.

d) Price discrepancy.

DP said the price in square footage matches other proposals but that he would have to get back with more specific numbers and details; said a part of him thinks it's a base number with various inflators and that the OPM would bear that out.

e) Original site should be used.

DP said that from the 50k allocated to Kaestle Boos to determine location, the Jerome Street lot was proven to be most feasible, especially in regards to temporarily housing the PD while the current site would be renovated which would be estimated to run to another million dollars over the design costs.

f) Who is the designer?

DP said the design has come from Flansburgh Architects with design approvals through the Building Committee and said he wasn't aware that there were any votes there that stood in opposition. DP mentioned that the design cost is not the driver to the costs involved, that the high cost of construction on the Cape is determined by square footage.

g) The Staff and existing PD does not correspond to the needs of the Town.

DP said there are two officers on a shift and a command staff and that this is basically the Town's coverage, suggested the Town can review that staffing outlay in Town Meeting; said the option to share with Truro means that the same amount of officers would be needed and that response time cannot be adjusted down, which would negate that proposal. DP also cited the need to staff at full-time as part-time staff will be encouraged to seek employment elsewhere.

MH said that as a medium sized municipality, when in season, the staff cannot be expected to be flex-staffed to a good degree. DP replied that the flex staff involves students and others who can be in those temporary positions.

DP said a study was done to look at staffing, by Community Development, which determined that 25% of the Town's gross revenue comes from a 12-week period, as reflected in the level of permitting; suggested an economic model that bursts its seams for 12-14 weeks of the year can create a trough for the other months.

h) Handicapped Accessibility

DP said the building would be a two story building which could not be built if it was not handicapped accessible and is also being designed to include a back-up generator.

MB said the inclusion of other buildings constructed locally could be helpful to include in a F.A.Q. document for the public. DP said there were very different designs but comparisons in price per square foot would serve notice.

DP said if this project was being in 2009 it would be a very different conversation; that the regional school estimate came in low but most other costs came in high and that he would not have anticipated a 50% increase based on what Kaestle Boos had put together; said the Building Committee will be meeting tomorrow night and Town will await their determinations.

MH said the FINCOM'S position is that the numbers look to be the best they can be and reconcile with the public; to find some way to keep the tax-payers from getting a much larger bill than they anticipated.

5. Finance Committee initiatives outstanding: Health insurance discussion and Housing.

DP referenced the presentation to the SB in anticipation of a collective bargaining agreement; questions were put forth such as how the HAS (Health Savings Account) would function. JY said it didn't mean other options would not be explored in the future. DP said the Town's insurance process is governed by the Massachusetts's General Law and comes with severe restrictions.

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

MH asked if the board was thinking ahead for potential items for the next Town Warrant.

Harbor Hill Project

MB asked if there was anything new on the Harbor Hill project, or the Housing Trust. DP said hopefully a property management agreement would be ready for signing soon; said he wanted to address Town costs, including DPW time-worked costs in getting the central building, #5, ready as soon as possible, for the SB to approve; said the goal is that everyone is proceeding with all due speed based on the facts on the ground and that, he felt, is what was happening; cautioned against proceeding too quickly to get it done at the risk of having to re-do work down the road.

DP remarked on the figure out there that is 160k a year to subsidize the housing and then asked what should the rental cost be based on fair market rent; said there is data from UMass study that suggests 30 units are needed to still stay viable in seven years; said there are currently 27 applications.

DP said he believes the short-term rental tax will be voted on in the State legislature shortly and that this measure will also add into the conversation with the public.

MH brokered a conversation on new forms of revenue and said he was in favor of putting the new marijuana tax into public service and public safety; short-term rental tax going back into housing solutions; raised the issue of limiting the number of short-term rentals and if so, how?; noted Cambridge and, he thought, Boston, too, were considering these limitations.

DP noted something in the UMass report of interest in that the jobs that are being created are being done so for people who cannot afford to live here, and that this predicament is only set to increase, creating a situation where incomes have to rise or housing costs have to come down. MH suggested this situation is not unique to the Town, but a Cape and Islands-concern, as well as in coastal Maine and other communities. DP said the UMass study is on the Town website and Town Talk.

Meeting Schedule

MH set the next regular meeting as Monday, January 7, 2019 at 11:00am and DP said he hoped to have the Town Manager's budget ready to review. MB said he will be out of town, but will tele-conference in.

MJA spoke of the passing of Charlie Westcott, retired Marine Corp colonel and husband of local artist Carol Westcott, who had served as a long-term member of the FINCOM and lived on West Vine Street.

Minutes

MH said he hadn't printed out the minutes for approval but that the FINCOM would be prepared to present the past five meeting minutes submitted for approval by the FINCOM at the next meeting.

MB adjourned the meeting at 12:13pm.

Respectfully Submitted,
Jody O'Neil