



**Finance Committee**

Finance Committee Meeting Minutes  
 Wednesday, December 15, 2010 @ 5:00 pm  
 The Auditorium at the Provincetown Town Hall  
 Called to Order: 5:05 pm

**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"/>	Ann Maguire, Vice Chair	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	David McChesney	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Erik Yingling	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tom Donegan (arr: 5:16 pm)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Glen Dombrow	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Open)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(Open)	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Oliver Kamm, Alternate	<input 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)**

*These minutes are in brief format. This meeting was filmed and is available for viewing at <http://www.provincetowntv.org> or on DVD at the Provincetown Television office.*

<b>Also Present:</b>	
David Gardner, Asst. Town Mgr.	Dan Hoort, Finance Director

<p><b>Order of Business:</b></p> <ol style="list-style-type: none"> <li>1. Public Comments.</li> <li>2. Schedule and strategy for the April 2011 Town Meeting.</li> <li>3. Finance Committee statement of roles and responsibilities.</li> <li>4. Possible discussion of Capital Improvements Stabilization Fund policies.</li> </ol>
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5. Minutes of prior meetings.
6. Any other business that may legally come before the Finance Committee.

### **Documents Reviewed:**

1. Draft schedule for the April 2011 Town Meeting
2. Finance Committee statement of roles and responsibilities
3. Draft revisions to the Cash Reserves Policies
4. Draft minutes for the October 5<sup>th</sup>, October 21<sup>st</sup> and November 8<sup>th</sup> meetings

### **Public Comments**

(None).

### **Schedule and Strategy for the April 2011 Town Meeting**

The Committee reviewed the draft schedule of meetings and milestones leading up to the April Town Meeting. It includes the actual time spent last year. All told, the Committee spent roughly 27 hours on budget reviews, or roughly nine hours per week over three weeks.

Rather than scheduling meetings from 10:00 am to 4:00 pm (with an hour for lunch) on Tuesdays and Thursdays, the Committee agreed to meet from 1:00 pm to 4:30 pm.

The Board of Selectmen is required by the Town Charter to submit its budget recommendations to the Committee by January 31<sup>st</sup>, but Mr. Gardner doesn't foresee any problem with getting it to the Committee by Thursday, the 28<sup>th</sup>. This would allow the Committee to begin its review on Tuesday, February 1. The Board of Selectmen will be conducting its reviews on January 5<sup>th</sup> and 6<sup>th</sup>, with the 13<sup>th</sup> being held open for callbacks.

Mr. Coen will revise the schedule accordingly.

**Finance Committee Statement of Roles and Responsibilities**

The Committee reviewed the Statement of Roles and Responsibilities included in the FY 2012 budget submission. It defines the separation of powers – the Finance Committee represents Town Meeting (the Town’s legislative body) versus the Executive branch (Board of Selectmen and the Town Manager). Mr. Coen would like to publish this document on the Town’s website.

<b>Motion # 1:</b> To approve the Finance Committee Statement of Roles and Responsibilities.			
Motion By: Ann Maguire		Second By: Thomas Donegan	
For: 6	Against: 0	Abstain: 0	Recuse:

**Cash Reserves Policies**

Mr. Coen summarized the proposed changes to the Town’s Cash Reserves Policies:

- The “rainy day fund” is renamed “General Purpose Stabilization Fund”.
- A new section is added named “Capital Improvements Stabilization Fund Policy”
- The introductory section of the policy includes a summary of the Department of Revenue guidelines regarding the creation of multiple stabilization funds and Proposition 2 ½ overrides for stabilization funds.

The Committee discussed the Proposition 2 ½ guidelines. An override for the purpose of funding a stabilization fund must be dedicated to the same purpose in subsequent years.

The issue of funding multi-year capital equipment leases was raised. The general view was that the entire amount of the lease should be appropriated up front. The exact mechanism for managing the appropriations (e.g. a revolving fund) needs to be defined. Mr. Hoort will follow up. The policy was tabled pending resolution of this issue.

**Minutes**

<b>Motion # 2:</b> To approve the minutes of October 5, 2010 as amended.			
Motion By: Ann Maguire		Second By: Thomas Donegan	
For: 5	Against: 0	Abstain: 1	Recuse:

<b>Motion # 3:</b> To approve the minutes of October 21, 2010.			
Motion By: Ann Maguire		Second By: Thomas Donegan	
For: 5	Against: 0	Abstain: 1	Recuse:

<b>Motion # 4:</b> To approve the minutes of November 8, 2010. d			
Motion By: Ann Maguire		Second By: Thomas Donegan	
For: 6	Against: 0	Abstain: 0	Recuse:

**Other Business**


**Town Buildings Engineering Study**

Mr. McChesney enquired about the status of the study. Mr. Hoort said that the first report could be available before the end of the year.

**Health Insurance Costs**

The Committee discussed the rapidly rising cost of health insurance that is crowding out almost everything in the budget. There was agreement that we need to come up with a comprehensive strategy to slow the growth of these costs. The Town is also facing a \$64M unfunded liability for retiree health insurance costs over the next 30 year. Options include shifting retirees to Medicare, renegotiating union contracts to lower the Town’s contributions, and raising property taxes or finding other funding sources. The Segal Co. actuarial study of the Medicare options is critical to developing this strategy. The Committee will discuss this issue further at its next meeting.

Next Meeting:	Thursday, January 6 <sup>th</sup> @ 3:00 pm
Adjourn:	6:36 pm
Minutes by:	David McChesney / Thomas Coen

Approved by  on January 6, 2011  
Thomas Coen, Chair