

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN  
MEETING MINUTES  
FISCAL BUDGET MEETING  
TUESDAY - JANUARY 06, 2015 – 4:30 PM  
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chairman Tom Donegan convened the meeting at 4:30 PM noting the following attendees:  
Board of Selectmen members: Tom Donegan, Cheryl Andrews, Robert Anthony, Raphael Richter, and Erik Yingling

Other attendees: Acting Town Manager David Gardner, Acting Asst. Town Manager Michelle Jarusiewicz, Finance Director Dan Hoort, DPW Director Richard Waldo, DPW Asst. Director Erik Larsen, DPW Operations Director Sherry Prada, DPW Water Superintendent Cody Salisbury, Wastewater Facilitator John Goodrich, and Rob Adams, Engineer from AECOM.

Recorder: Loretta Dougherty

**1. Wastewater Project Update- Richard Waldo**

**Rich** introduced himself, Rob Adams and John Goodrich and then gave a brief history of the sewer collection system and the sewer system as a whole. The in-depth overview of the presentation on the system may be found at: <http://www.provincetown-ma.gov/ArchiveCenter/ViewFile/Item/13362> Rich explained some important points: the plant was not designed to serve the whole town, but was sized for 500,000 MDF and used Title V in a 1:1 ratio. Early on, DEP equated Title V design flow with plant flow but over the years, we have studied enough to show that 100 gpd of Title V design flow actually translates to approximately 60 gpd actual flow at the plant. This demonstrated that the plant is capable of processing approximately 1.2 Million gpd of Title V design flow which is equal to about 750,000 actual gpd flow to the plant (MDF is maximum daily flow). These new studies have been approved by Cape Cod Commission and DEP. The beds are permitted right now at 750,000 but the plant is permitted only at 650,000. Rich explained that actual changes to the plant, physical changes, have happened in stages. Stage 1: construct an equalizing tank (a holding tank). Stage 2: increase our permitted amount from the plant to 650,000. Stage 3: take plant up to 750,000 Engineers need to tweak batch reactors to do this. Now, we only have 2500 gpd left in capacity. Also, the vacuum sewer design is pretty much maxed out. We may wish to add an additional pump. So, expect us to get a permit for 750,000 at the plant which means, including reserve, we will have about 80,000 gpd in Title V flow left for hook ups.

**Robert** wanted to know if Phase 3 & Phase 4 were included in the figures that Rich was referring to in his report.

**Rich** said that both have been accounted for already and we only have 2,500 gallons left per day. He recommended reserving this amount for the existing EDP requests (approx.1,500 gpd) and future emergencies (1,000 gpd). Any additional EDP requests that come in need to be put on hold until next year. No additional hookups can be accommodated before the summer. When we get the MassDEP Ground Water Discharge Permit the remaining 82,500 gallons per day of Title 5 design flow capacity can be used. The system was designed for 500,000 gallons of Title V flow and we have been able to

serve 1.2 million gallons flow; there is not much more we can do. Major infrastructures would have to be done for more flow capacity. Rich went over the *Table 2. Preliminary Estimates of Town Priorities for Additional Title 5 Flows to the Sewer – 2015 to 2020* pointing out some of the use categories such as public health needs for failed systems, economic development approvals, community housing needs, and municipal needs. This detailed table may be found at the above referenced online address.

A brief discussion among the BOS and staff was held with regards to the number of bedrooms that would be covered for future affordable housing projects based upon estimated gallons per day. There is no precise way of determining exactly how many bedrooms, but an approximate number was mentioned of anywhere from 150 to 225.

**David** clarified the difference between growth capacity and capacity at the sewer plant. Each being on its own track and not to be confused with each other even though the terms such as gallonage and flow are used in both areas. As an example, the large capacity that we have in growth management under the affordable categories can be issued for a property that is on a septic system which does not necessarily start to fill the demand at the plant.

**Rich** continued his presentation with regards to the two contracts being brought before the BOS tonight. The first contract will provide planning, engineering and permitting support to expand the permitted capacity at the wastewater treatment facility from 650,000 gpd to 750,000 gpd. The second contract will continue the work associated with the Wastewater Treatment Plant expansion which includes several miscellaneous process enhancements at the wastewater treatment and collection facilities to help increase the permitted treatment plant capacity from 650,000 gpd to 750,000 gpd, as well as an upgrade of the grinder pit at the Aquarium Mall and some cursory studies of potential future enhancements; new technologies, and a satellite plant.

**Tom** wanted to know if any of the BOS had questions.

**Cheryl** complimented Rich on his opening statement in explaining this to people; stating it is not easy to understand. She pointed out that our permit is for 650,000 maximum daily flow and that last July the plant saw 651,598 gpd. So, that's it. This is why we are here. She made reference to last year's growth management report because traditionally the board of selectmen review plant capacity during the annual hearing and last year's report said there was quite a bit of capacity. So, what is the difference in what was reported to the BOS last year and what is being reported this year? She asked what our plant capacity would be without any further borrowing; excluding the borrowing already voted upon in 2011; is it the 650,000?

**Robert** stated 750,000.

**John** stated that capacity at the plant without borrowing any more would be 750,000 but you would not be able to use that capacity because you would not have any borrowing authority for the capital improvements to connect more people. It would give you the capacity at the plant but the 80,000 gallons could not be used. He briefly explained that one year ago was a transition period within the Dept. of Public Works and in the whole sewer team so much of the information in last year's report is two years old. It was before properties were committed for Phase 4; where a lot of the 200,000 gallons went. When the report was prepared there had been a very dry summer; this summer has been very wet. The reserve amount needed now has been determined by AECOM to be somewhat higher.

**David** asked DPW to give an explanation as to the increase in flow of the July 4<sup>th</sup> 2014 event compared with the flow of July 4<sup>th</sup> 2013, as there was a notable increase in flow taking into account the hurricane rain event in July of 2014.

**Rich** stated that Hurricane Arthur had brought in 5 inches of rain just at the time of our busiest event of the year; the 4<sup>th</sup> of July. That's why we need the 10% reserve. However, we did have our permit in place and were able to explain to DEP why we exceeded the permit. They understood.

**Rob** gave a statistical overview of the event based upon their estimate of 575,000 per day for the 2014 event based upon what they had seen for Carnival. July 4<sup>th</sup> and Carnival are the two busiest events and relatively close in the amount of flow. Because the sewer system is not water tight, significant rains can mean significant fresh water inflow to the plant. We had always planned to go to 750,000 but we do try and phase improvements to protect the town's cash flow.

**Cheryl** thanked them for their explanations.

**Erik** asked if they were going to bring forth an article in the spring for more borrowing.

**Rich** stated they would like to bring forth an article for borrowing authorization for future work to be performed to put in the infrastructure to be able to use the additional flow capacity the plant will have. We will get the borrowing authorization and use the money over time to connect the properties and their betterments are used to pay back that borrowing.

**Erik** asked what would happen if they did not receive any further borrowing authorization.

**John** explained that there is currently no borrowing authorization to do any capital improvements for any requests that may be needed in the future for infrastructure, if they do not bring forth an article for spring to get that authorization.

It is not for any new sewer extensions or a new plant. It will all be repaid by betterments from users; not general funds.

**Raphael** complimented them on their report. He wanted to know once the 750,000 capacity is reached is there any way that we could estimate how much we would be asking for in the future should we need to increase; \$20,000 or \$50,000.

**John** stated that in addition to needing planning and conceptual engineering and then detailed engineering you would also have to look at plant and disposal capacity as we are reaching our limits. For Phase 3 it ran into several hundred thousand dollars for just the two engineering needs.

**Rob** said it is hard to answer without knowing how much we are going for; 800,000 or 900,000; how big of an increase. The plant does have limitations.

Brief discussion was had regarding the 2,500 gpd being all that was available at present with 1,000 gpd of that not being available except for emergencies.

**Tom** commented on having to say no to any further requests. He was very concerned about having to place a hold on our economic development for possible businesses who would want to be opened year round and offer jobs to residents.

**John** stated that there is no limit for 2016 and if anyone wanted to hook up beyond what is already known they could do so in the fall of 2015

**Tom** would like to see a solution that would allow the affordable housing to have the required gallons available at a cost for the housing that people can afford to pay while growing our local businesses for year round jobs for those people. He commented that the original sewer has made the Town and our beaches much better. But how do we continue

to utilize the wastewater system in a way that does not require us to choke housing or the development of jobs in town?

**Cheryl** commented that the problem we are going to face is that adding to the plant incrementally is always going to be more expensive than the first time around. We will be looking at the relative value of an extra set of gallons and what it costs.

Discussion was held regarding ways to practice water conservation in various sectors of our community including some home appliances.

**MOTION:** Move that the Board of Selectmen vote to approve Contract Amendment No. 12-1 to AECOM in the amount of \$185,000 for the scope of work for engineering and permitting support as described in the attached Contract Amendment No. 12-1, dated December 23, 2014 as funded under Special Town Meeting article, with financials provided by market borrowing, with all borrowing to be repaid from betterments from new sewer system users.

**Motion:** Erik Yingling

**Seconded:** Tom Donegan

**Cheryl** wanted to know who the new sewer system users were that were being talked about.

**John** clarified that this is already being funded from betterments paid for by Phase 3 and Phase 4 there would be no increase to the taxpayers.

**Cheryl** suggested that there was a need to be clear on the intent and that this was not an amendment. She will vote for it.

**5/0/0**

**MOTION:** Move that the Board of Selectmen vote to approve Contract Amendment No. 12-2 to AECOM in the amount of \$200,000 to cover cost for enhancements to the treatment plant and collection system associated with the increased capacity from 650,000 gpd to 750,000 gpd as described in the attached Amendment. In addition, cost associated to vacuum structure upgrades to accommodate a previously approved EDP request.

**Motion:** Erik Yingling

**Seconded:** Raphael Richter

**Cheryl** was not in favor of this.

**David** was not in favor of delaying this.

**Cheryl** wanted to make sure that the town feels comfortable with this and is not asking for it to be delayed for two years. She just wants to send a message; the sewer team and BOS need to be on the same page.

**John** again said that there is no difference as this is being funded from betterments being paid. The borrowing was already authorized. The reason it is being done in stages is to monitor the flow which will save the town and users' money until such time as changes need to be made. This was approved in 2011.

**Cheryl** wanted it to be clear that spending has already been authorized and already charged to existing users.

**5/0/0**

**Tom** called for a 10 minute recess at 6:00pm.

**Tom** called meeting back to order at 6:10pm.

Finance Committee Chairman Michael Canizales convened the meeting at 6:10pm noting the following attendees: FinCom members: Michael Canizales, Duane Steele, Clarence Walker, Louise Venden, and Stanley Sikorski.

Excused absentees: Douglas Cliggott and Mark Hatch  
**Tom** welcomed the FinCom.

## **2. Joint Meeting with the Finance Committee**

### **A. Classification and Compensation Study Report – Dan Hoort**

A copy of the final Classification and Compensation Study Report is on the town's web site under Finance Department and if anyone wants a copy of the final report as it was delivered to the Personnel Board, Dan will be happy to provide it. The compensation plan for non-union personnel as adopted by the Personnel Board was included in the BOS meeting packet for this evening.

**Tom** wanted to hear a little background on this report.

**Dan** said that about two years ago the Town signed a contract with HRS Consultants to produce a compensation and classification plan. The final plan was produced in June 2014 and adopted by the Personnel Board in the fall of 2014. In simple terms, the purpose of the plan is to make sure employees in Provincetown are paid a fair and competitive wage in comparison to each other and in comparison to other towns on the Cape. The plan allows for a cost-of-living and step increase. The Town is using the cost-of-living adjustment of between 1% and 1.5% which is the same as the union contracts. In the FY2016 budget we used a 1% cost-of-living increase. The step increase is tied to performance, longevity, special abilities, or other circumstances. There is a difference between the cost-of-living and step increases. The Town can give a cost-of-living increase one year and a step increase the next year or they may both be given during the same year. This is a policy decision for the Town. There are 15 grade levels with 12 steps within each grade level. Once an employee reaches their top grade/step level they no longer will receive step increases but will continue to receive cost-of-living increases. Any employee who falls below a certain grade range should be brought into the entry level of the grade range. The Personnel Board voted to implement the plan over a period of five years. Those employees falling below the range of the plan will gradually be brought up to where they should be over this five year period. We have implemented in FY2016 the plan as adopted by the Personnel Board.

**Cheryl** wanted to know if we did not implement the plan what would the cost of wages be vs if we did implement the plan for next year.

**Dan** noted that in the past employees had been looked at individually and given increases on a one-by-one basis until FY2015. The former Town Manager was in the process of vacating her position so last year everyone received a 2% increase.

**Cheryl** was trying to calculate the impact of this plan.

**Dan** commented that the difference is the 2% increase for everyone reflected \$80,000. This plan reflects an increase of \$120,000.

**Louise** commented on the fact as to whether this was strictly salary or a total compensation package which would include benefits also. Provincetown has a very generous benefits package.

**Dan** stated that this is just a salary compensation study at this point.

**Michael** made a comment that he believed we are not 10% below market as stated in Dan's commentary. Benefits have made us very marketable. He cautioned on salary increases.

Some discussion was held relative to the Town's insurance coverage comparing 80%-20% to 70%-30% on coverages within benefit plans, as well as differences in individual and family plans.

**Dan** stressed the need to treat everyone equally.

**Robert** was asking about the determining factors with regards to applying the grades and steps to new hires and existing employees. He wanted to know where the Town Manager would start in determining this.

**Dan** said that they group similar positions together and then taking into consideration other factors such as experience or lack of alternatives from which to choose decisions are then made. Typically they want them to come in at step one but could come up at a higher step.

**David** echoed Dan's comment regarding experience or lack of alternatives.

Conversation continued as to various increase percentages being implemented.

**Robert** suggested that perhaps coming up with an incentive that would be a negotiating tool to be used during the hiring process. We should have a goal oriented process.

**Cheryl** wanted to know when the Town last did this.

**Dan** said that there was no evidence that it had been done in the past. Increases are done every year but no study has been done in the past.

**Tom** wanted to know what the next step would be.

**Dan** stated that the next step would be for the BOS to go through the budget process, look at it, and visit it again asking him for other information, if required.

**Tom** wanted to look at those who are below range and see what the fiscal impact would be not to have them below range. Everyone was in agreement that we need to be strategic about this plan. Tom stated that Dan can bring in information and show what would happen financially if the ranges were adjusted in one year, two years, or 10 years. Tom turned to the topic of job descriptions.

**Dan** stated that he has emailed our existing job descriptions to the board noting we do have some drafts.

**Michael** commented the need to get internal staff to get job descriptions.

**David** had sent a memo in December to the BOS outlining items to be approved through a consent agenda. Tom will make a motion tomorrow to remove Finance Committee and the Shellfish Constable and any other agreed upon. He stated that Dan had revised numbers just today on the proposed budget that now reflects a \$40,133 surplus. The two remaining outstanding issues "cherry sheets" state aid and health insurance of which there is a slight increase in the "cherry sheets" and there is a 10% increase built into the health insurance.

**Tom** gave an overview of the process of both the BOS and FinCom being able to hear the budget presentations at the same time. He asked that only specific questions be asked by FinCom as they will deliberate on their own and come back in March with their proposed changes to the budget and to negotiate.

**Michael** stated that FinCom is hopeful that this process will work well. He asked FinCom members to try and ask clear and concise questions.

**Cheryl** asked the Acting Town Manager if money to Comcast goes through the budget differently.

**David** informed her that there is no PTV budget. She wanted to know if we have a contract and Dan told her it was for three years. David said it goes from Comcast to PTV and PTV did forward budget to FinCom.

## **B. FY2016 Budget Review**

The following are meeting minutes, in brief:

**MOTION:** Move that the Board of Selectmen vote to approve the following budgets for FY2016 as follows:

**DIVISION IV. – PUBLIC WORKS- DPW Director Richard Waldo & Sherry Prada presented.**

**192 Buildings & Grounds - \$1,385,214**

**MOTION:** Recommended without objection, as presented.

**421 Administration - \$340,558**

**MOTION:** Recommended without objection, as presented.

**422 Highway - \$583,982**

**MOTION:** Recommended without objection, as presented.

**423 DPW Snow & Ice - \$167,700**

**MOTION:** Recommended without objection, as presented.

**431 DPW Solid Waste - \$588,631**

**MOTION:** Recommended without objection, as presented.

**439 DPW Solid Waste Disposal - \$246,000**

**MOTION:** Recommended without objection as presented.

**Capital Improvement Program**

Discussion was held regarding the need for a new DPW garage in which to have their equipment stored as well as new office space for their operations.

Both the BOS and FinCom agreed that there is the need to look at existing space available in buildings already owned by the Town for use as office space for the DPW. There was some difference in opinions with regards to the equipment used by the DPW as to whether it was more beneficial to have the equipment housed inside or let it remain outside. Rich believed it was in the best interests of the Town to protect the vehicles from the weather thereby slowing the deterioration of the equipment. FinCom wanted more detail as to life expectancy for covered and uncovered. The general consensus among the BOS was to recommend that the \$60,000 and \$750,000 allocations in the CIP for the garage to be pushed to the FY2018-2019 budget.

**MOTION:** Move that Board of Selectmen move the \$60,000 and \$750,000 allocations in the CIP for the DPW garage from FY2016-2017 to FY2018-2019, respectively.

**Motion:** Raphael Richter

**Seconded:** Robert Anthony

Tom wanted to push it out a little further because he has not made up his mind yet. He is not against it, but feels it is not a priority for next year.

Erik is concerned about continuing to have this discussion about not letting our vehicles rust out and now we are asking to let them rust.

Raphael noted that the steel that is used to make most cars today is more rust resistant.

Duane commented that they are exposed to rain and would be good for the equipment.

Rich asked the boards not to think of it in terms of just the weather but that the building and

grounds could be utilized to service all of the vehicles they work on. It can also shield from the residents those trucks parked out in the cemetery.

**Tom** wants to see the Building Committee involved and formulate a plan around this proposal that would be affordable to the town. We will push it out to get the information we need as we have to do this given our budget constraints.

**4/1/0 (EY)**

**MOTION:** Move that the BOS remove the \$100,000 and \$3.5M allocations in the CIP for DPW garage from FY 2019-2020

**Motion:** Raphael Richter

**Seconded:** Robert Anthony

**Raphael** thinks that it is important to frame what we are doing this year and out to 10 yrs.

**Erik** may be persuaded over the next few months but not now.

**Tom** would love to see them in the Coastal Studies building rather than building another complex. It is for sale. Space allocation does not make sense where the DPW is now.

**Michael** reminded them of the sewage issues that would be involved and suggested that our existing inventory is worthy of a lot of consideration.

**Raphael** asked **Dan** for a 10 year plan next year.

**Dan** can do that.

**Raphael** then revised his previous motion.

**MOTION:** Move the \$3.5 plus \$100,000 allocation in the CIP for DPW garage be moved from FY2019-FY2020 to FY2021-FY2022, respectively.

**Motion:** Raphael Richter

**Seconded:** Tom Donegan

**Tom** suggested looking at the space allocation in the existing building. There appears to be a lot of unused space.

**David** commented that the vast majority of space is used for programming space not offices. This is a conversation they will be having with the COA in the near future.

**Tom** recognizes DPW's need for space.

**5/0/0**

## **ENTERPRISE FUNDS**

### **6001 Water Enterprise Fund**

Enterprise Fund Costs     \$2,127,196

General Fund Costs         \$327,717

**Cheryl** asked for a schedule of outstanding debt.

**Dan** will send it to her.

**MOTION:** Recommended without objection, as presented.

### **6002 Wastewater Enterprise Fund**

Enterprise Fund Costs     \$3,822,773

General Fund Costs         \$139,345

**MOTION:** Recommended without objection, as presented.

Without objection Finance Committee adjourned at 8:48pm.

Without objection Board of Selectmen adjourned at 8:49pm.

Minutes transcribed by: Loretta Dougherty