

# Finance Committee Meeting

Friday, February 25, 2005

Judge Welsh Hearing Room, Town Hall, Provincetown, MA 02657

**Members Present:** Ruth Gilbert, Sue Buerkel, Walt Winnowski, Ed Gage, Tom Thurston, Gail Enos and Matthew Clark

**Members Excused:** Robert Vetrick, Mark Leach, Ginny Ross and Gary Delius

**Also Present:** Keith Bergman, Town Manager

Meeting was called to order at 1:00 p.m.

Discussion with members of Community Preservation Committee (CPC). David Nicolau, Chair, Bill Dougal, Tim Hazel, Steven Milkewicz and Elaine Anderson represented the CPC.

Matthew Clark raised the concern that the planned assignment to the CPC of all payment in lieu of taxes (PILOT) monies received from New England Deaconess Association (NEDA) as reimbursement for the CPC's \$1.9 million contribution toward affordable senior housing on the NEDA Care Campus site is essentially double taxation. He indicated that the voters at Town Meeting and later in the ballot box approved a tax surcharge that created a CPC with \$7.5 million in spending authority with 80% dedicated to affordable housing. Given that the \$1.9 million would be used for affordable housing, the decision by the Selectmen to repay the CPC represents spending an additional \$1.9 million or more on affordable housing. He questioned whether the voters would prefer to spend those additional funds on housing or to receive them as a reduction in taxes.

He suggested that—given that the CPC had not yet had time to prove that it has an effective strategy to address the housing crisis—perhaps the two committees could agree that the assignment of the PILOT funds to the CPC would be subject to a Town Meeting vote in 2006 or 2007 at which point the CPC would have demonstrated the success of its approach.

David Nicolau indicated that the CPC felt strongly about its vote. That the request from the Town had come so early in its existence—and that they had never thought they would be building housing for seniors. He stated that there was nothing in the Community Preservation Act (CPA) statute that said that the CPC could not receive additional revenues based on its investment activities. Bill Dougal and other CPC members indicated their continued support of the condition that the funds be returned.

Ruth Gilbert indicated that she also had significant concerns about the appropriateness of the repayment. She mentioned that she had reviewed the Finance Committee minutes from the meetings last year at which the CPA article was reviewed. In the March 26, 2004 meeting (<http://provincetown-ma.gov/mtbfc/2004/fc040326.htm>), she said, Mr. Bergman had clearly stated that he would be looking to the CPC for \$1.5 million toward the Care Campus—so that this request should not have come as such a surprise to the CPC. She felt that the compromise idea of seeking Town Meeting approval for the reimbursement in a future year made sense. She asked other members for their thoughts.

Ed Gage commented that he felt that the Committee was raising the right points.

David Nicolau commented that he understood that given FinCom's role it needs to raise these questions and that if he were in FinCom's shoes he would be doing the same thing. He said that if the CPC found in the future it was adequately funded it would certainly be open to giving back the PILOT funds. He mentioned that the CPC had learned as part of this process that it could receive contributions and that this might be a fruitful mechanism to increase funds available for these purposes. However, he said, that the CPC had a right to capture revenue coming from its housing investments and that for the time being he would stick with his vote.

Matthew Clark commented that he had no issue with the CPC receiving revenue. Were it to build and own affordable rental housing, it would of course be entitled to the rents. Were it to build affordable housing for purchase, it would of course be entitled to the sales revenues. The issue here is that these revenues are neither rentals nor sales revenues. They are in all but name property taxes—and property taxes should go to the Town. Moreover, the CPC is not alone in making an investment in this project. The Town is paying the sewer betterment and sewer connection for the Manor as well as paying to demolish and relocate the St. Peter's cemetery shed—and these costs will top \$1 million. Perhaps the Town and the CPC should share the PILOT funds *pro rata* based on their capital contribution?

Ruth Gilbert indicated that the lost revenue from the parking spaces given to the church was another contribution by the Town. She further commented that she wanted to avoid a situation where the Town, the Committee, and the CPC were at odds on Town Hall floor.

Bill Dougal countered by asking how much the Town would benefit by no longer operating the Manor. The Town Manager indicated that because of skyrocketing costs for benefits and pension, the taxpayers would not see any tax rate decreases as a result of the privatization of the Manor.

The discussion appearing to be at an impasse, Ruth Gilbert thanked the CPC for their participation and thoughts and moved on to the review of the capital program for 2006.

### Capital Improvements Program

Fiscal Year 2006	Request	Recommended
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General Fund

136-1	MIS-Town computer replacements	\$20,000	\$20,000
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Beau Jackett-MIS Director, explained need to update computer servers to insure optimal security and utilization. Buying all three components at this time would be beneficial in terms of price. Gail Enos made a motion to recommend \$20,000. Tom Thurston seconded and it passed 7:0:0.

192-1	Town Hall Structural Repairs	750,000	675,000
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(Doug Taylor, Building Commissioner and Sandy Turner, Deputy DPW Director) CPC has given \$75,000 towards project. Balance of money would be borrowed over 20 years. Water is leaking through the roof on the east side of building. Offices on east side of Town Hall will re-locate to old library during renovation. Projected start would be in the fall, hopefully to conclude by the following summer. Tom Thurston made a motion to recommend \$675,000. Sue Buerkel seconded and it passed 7:0:0.

210-1 Police-Fleet Replacement Program 71,732 51,253  
 (Chief Ted Meyer, Ruth Cowan, Animal Control Officer) Money would be borrowed over 5 years and used to replace Animal Control vehicle. It would be more suitable for intended use, would be more fuel-efficient and have 4-wheel drive. The currently used van will be transferred to parking department, which it needs for its equipment. A request for a police cruiser is included, as well. Chief Meyer indicated that with this cruiser purchase there would be no need to purchase another next year. Walt Winnowski made a motion to recommend \$51,253. Matthew Clark seconded and it passed 7:0:0.

220-1 Fire-Replace Engine 194 300,000 300,000  
 (Chief Mike Trovato) Money to be borrowed over 10-years. Purchase of this truck would put department back on track on its vehicle replacement plan. Tom Thurston made a motion to recommend \$300,000. Walt Winnowski seconded and it passed 7:0:0.

Sandy Turner, Deputy DPW Director will speak to the following requests.

421-1 DPW Storm Water Improvements 100,000 100,000  
 Money to be borrowed over 10-years. Sue Buerkel made a motion to recommend \$100,000. Ed Gage seconded and it passed 7:0:0.

Tom Thurston left the meeting.

421-2 DPW Fleet Replacement Plan 100,000 0  
 Request has been withdrawn.

422-1 DPW Drainage Maintenance/Repairs 50,000 50,000  
 Sue Buerkel made a motion to recommend \$50,000. Ed Gage seconded and it passed 7:0:0.

422-2 DPW Street & Sidewalk Maintenance/Repairs 50,000 50,000  
 This money is raised and appropriated every year. Ed Gage recommended \$50,000. Gail Enos seconded and it passed 6:0:0.

439-1 DPW Transfer Station Repairs-Hopper 85,000 85,000  
 Money to be borrowed over 10-years. Sue Buerkel made a motion to recommend \$85,000. Matthew Clark seconded and it passed 6:0:0.

525-1 CEM Land Exchange-cemetery buildings 300,000 300,000  
 Will be an article at Town Meeting. Money to be borrowed over 10-years. Following new information received at the meeting held today between representatives from town and St. Peter's, this request has been reduced to \$208,000. (\$150/sq. ft.) Ruth Gilbert expressed concern that costs are still very high for work being proposed and were consistent with current costs for building "granite countertop" homes rather than workshop/garages. Doug Taylor said that when he reviews each itemized cost, everything seems in line. Matthew Clark made a motion to table recommendation until Article review, Walt Winnowski seconded and it passed 6:0:0.

630-1 Recreation-Soccer Field completion 40,000 40,000  
 Money will be used for irrigation, to drop a well, re-grading and re-planting to complete field for use. Gail Enos made a motion to recommend \$40,000. Ed Gage seconded and it passed 6:0:0.

Sub-total 1,866,732 1,671,253

**Wastewater Enterprise Fund**

440-1 Phase II Sewer Planning 200,000 0  
 Sub-total 200,000 0

Selectmen voted to withdraw request.

**Water Enterprise Fund**

450-1	Pump House @ South Hollow	200,000	200,000
Money to be borrowed over 10-years. Will be built underground and is needed to create better water pressure. Walt Winnowski made a motion to recommend \$200,000. Gail Enos seconded and it passed 6:0:0.			
450-2	DEP Water Permit/New Source	300,000	300,000
Money to be borrowed over 10-years and is needed for permitting process. Sue Buerkel made a motion to recommend \$300,000. Gail Enos seconded and it passed 6:0:0.			
450-3	Well Redevelopment-South Hollow	200,000	200,000
Money to be borrowed over 30-years. Made a motion to recommend \$200,000. Gail Enos seconded and it passed 6:0:0.			
450-4	Acquire North Union Field	622,500	0
Request has been withdrawn			
450-5	Wellhead Protection Acquisition	360,500	360,500
Money to be borrowed over 20-years. \$750,000 to be funded through CPC funds. Matthew Clark made a motion to recommend \$360,500. Gail Enos seconded and it passed 6:0:0.			
450-9	Tank Maintenance Winslow #2	750,000	0
Request has been withdrawn.			
	Sub-total	2,433,000	1,060,500
<b><i>Requests to Community Preservation Committee</i></b>			
192-1	Town Hall Structural Repairs	750,000	75,000
Walt Winnowski made a motion to recommend. Sue Buerkel seconded and it passed 6:0:0.			
450-5	Wellhead Protection Acquisition	750,000	750,000
Sue Buerkel made a motion to recommend \$750,000. Gail Enos seconded and it passed 6:0:0.			
525-2	Care Campus-19 Affordable Units	1,900,000	1,900,000
Gail Enos made a motion to recommend \$1,900,000. Walt Winnowski seconded and it passed 6:0:0.			
	Sub-total	<u>3,400,000</u>	<u>2,725,000</u>
	TOTALS	\$7,899,732	\$5,456,753

Next meetings will be Friday, March 11, 2005 from 1-4 p.m. for article review, Monday, March 14, 2005 from 3-6 p.m. for article review (6-7 p.m. joint meeting with BOS), Monday, March 21, 2005 from 1-4 p.m. (Phyllis will not be able to attend), Thursday, March 24, 2005 from 2-4 p.m. Finance Committee report for Town Meeting must be completed by March 25, 2005.

### **Minutes Approval**

Ed Gage made a motion to approve minutes of February 23, 2005. Gail Enos seconded and it passed 5:0:1.

Sue Buerkel made a motion to adjourn. Ed Gage seconded and it passed 6:0:0.  
Meeting adjourned at 4:00 p.m.

Respectfully submitted,

Phyllis Lutsky

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Recording Secretary