

**TOWN OF PROVINCETOWN – BOARD OF SELECTMEN
MONDAY, JUNE 8, 2015 @ 5PM
SPECIAL MEETING
TOWN HALL – JUDGE WELSH ROOM**

Chairman Tom Donegan called the meeting to order at 5PM noting the following Board of Selectmen members: Tom Donegan, Cheryl Andrews, Robert Anthony, and Raphael Richter.

Late: Erik Yingling

Other Attendees: Acting Town Manager David Gardner, Acting Assistant Town Manager Michelle Jarusiewicz, Finance Director Dan Hoort, and Harbormaster Rex McKinsey.

Recorder: Loretta Dougherty

1. Discussion and drafting of new Provincetown Public Pier Corp. (PPPC) contract/lease agreement.

Michelle, Dan and David G. met with Rex to draft the proposal. The PPPC presented their comments to the BOS. Everyone is not as yet in full agreement, but there is a Joint Meeting scheduled next Monday to discuss the Memorandum of Understanding (MOU) and Harbor-master Services Agreement. Tonight's meeting was to hear what the BOS would like to see in these agreements.

Tom spoke about the need to have a structure that outlines the exact operating costs; sorting out capital enterprises. He stated that, at the end of this process, we should have some idea as to what the taxpayers will be paying for versus the users, not including maintenance costs.

Cheryl wanted to know under what circumstances the town should expect to receive an annual rent payment. She stated that in a year where there are funds remaining after expenses have been paid and the reserve met she believes then rent should be paid.

David G. stated that rent can easily be figured out after we have agreed on what the cost is for maintaining our pier and have agreed upon a reserve amount and for what purpose that amount is to be used. After this has been defined we will look at rent.

Tom asked what happens on the town's revenue side, if we excuse the rent.

Dan stated the present rent is \$118,845 and that is included in the estimated local receipts.

Rex wanted the BOS to know the intent is to separate the costs for Harbormaster services and funding and the costs to run the PPPC. We are now a transportation hub and public safety needs have increased. He stated that the Harbormaster services and rent payments should be kept separate.

Raphael asked if the document before the BOS currently has provisions for the paying of rent.

Rex stated that the way the MOU is written asks for rent abatement in FY2017. From the beginning, the rent was supposed to be excess capital only.

David G. recommended that we discuss issues within the structure and then move on to the management MOU. This year we agreed upon \$195,000 and would like to see what we are getting for that amount.

Rex stated that the \$195,000 was passed through Town Meeting this year and, in November of every year, the BOS will be given a recap of the Harbormaster services provided for the season.

Erik Yingling joined the meeting at 5:26pm.

A brief discussion was held regarding the mooring fees that are presently being charged. These fees are the lowest on the cape but can be increased to bring them into line with a number of other towns. The Harbormaster, PPPC, and BOS will agree on the mooring fees and Finance Director Dan Hoort will start tracking these based upon revenue and revenue sharing. These fees go into the Waterways Fund and Cheryl stated that at Town Meeting we request they be put into the General Fund.

A discussion was held as to how many boats we have and Rex stated that we now have three boats and a barge. Marine 3 is the replacement pump-out boat for Marine 2 which has reached the end of its useful life. We were given an \$80,000 Clean Vessel Act (CVA) grant last year and along with contributions from the PPPC the new pump-out boat was purchased, at no cost to the taxpayers. We are keeping the old pump-out boat to work around the pier and to pick up deadheads that are floating around in the water. It does not matter if the old boat gets all scratched up; it also stays in the water during the winter when the other boats are stored.

Robert believes that even if we pay only \$1 a year to lease it, it is still going to cost the PPPC for insurance and maintenance. He recommended that we surplus the old pump-out boat and keep the other two pump-out boats.

David G. asked what happens when that boat is no longer serviceable. Do we replace it and, if so, is that through the CIP.

Cheryl wanted to know if all the capital acquisitions over the last ten years have come out of the capital upstairs or the working PPPC.

Rex stated the acquisitions have come out of the working PPPC, so in essence the equipment is owned by the PPPC. Any equipment that is owned by the PPPC reverts to the town, at the end of the lease.

Tom recommended that we build into the MOU a capital acquisition plan. Anything that has more than a 10 year life span needs to be built into the town's CIP. What comes out of the pier's operating expenses versus a CIP should be based on the life of any needed repairs or upkeep such as painting or replacing boardwalks, or the equipment itself such as boats.

Raphael agrees that using the life span makes sense and also agrees with the 10 year timeframe.

Tom suggested that the town as a whole should have a maintenance plan. The PPPC could develop the maintenance plan on a revolving cycle; e.g. painting every two years, boardwalk replacement to be done as needed, etc. The Deputy Director of the DPW could then review the plan.

Rex has spoken with both DPW Director Waldo and Deputy DPW Director Larsen. Rex stated that the engineers could submit their report; it would be forwarded to the DPW, and then reviewed by staff, at which time there could be discussions on the 5 year CIP.

It was agreed to have the 10 year life span plan along with the 5 year rolling maintenance plan. The meeting with the BOS in September will be the CIP meeting.

David G. suggested that we have the maintenance plan funded before we consider rent for FY2017. He then asked for a discussion on the reserve fund.

Rex stated that the concept of the reserve fund is built into the lease. It has been dropped down to \$500,000 and this winter we do not have any reserve funds available.

Tom believes that \$500,000 is too much to have in reserve. He thinks that the amount should be closer to \$100,000. We have town meetings twice a year and can ask for any unmet sums for emergencies at those meetings. We should not have separate capital; we have a stabilization fund. It should not be an operational reserve. It cannot be retained earnings.

Erik suggested that somewhere between \$250,000 and \$500,000 should allow them to be able to take care of any types of emergency repairs on the pier. It is important to have our pier taken care of properly.

It was agreed that the reserve fund needs to be available for storms, hurricanes, and emergencies but not used for the annual maintenance plan. The next discussion concerned the level of funding. At present the funding is \$50,000 per year over the next 10 years.

David G. stated that, if we were to put the money in the reserve fund now, ideally the monies will come directly from the pier's revenues. It is all public money eventually and the pier is a town asset that PPPC maintains.

The MOU will be reviewed further by the BOS.

No action was taken on this item.

2. Other
None

Without objection the Special Meeting was adjourned at 6:06pm.

Minutes transcribed by: Loretta Dougherty