



Finance Committee

Finance Committee Meeting Minutes
Monday, June 22, 2009 @ 5:00 pm
Multi-Purpose Room at the Veterans Memorial Elementary School
Called to Order: 5:03 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"/>	Virginia Ross	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle (dep. 5:45 pm)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Philip Gaudiano	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Gabrielle Hanna	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Daniel Hoort	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	David McChesney	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Erik Yingling, 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)

This meeting was filmed and is available on DVD in the Provincetown Television Office.

Also Present:
Board of Selectmen
Various Town Officials
Members of the Public

Order of Business:

1. To attend Special Town Meeting and present the Finance Committee's reports and recommendations on the warrant articles.

2. To consider any other business that may legally come before the Finance Committee.

The Committee had anticipated that the petitioners of articles 9 and 10 would appear before the Committee to discuss their articles. As neither of them was present, the Committee went into recess at 5:12 pm.

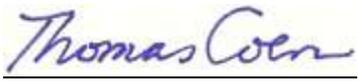
The Committee came out of recess when the Moderator called Special Town Meeting to order at 6:00 pm.

Members of the Committee made their reports on the Articles in the Warrant (see attached) and responded to questions from the voters as necessary.

(Note: Article 4 was indefinitely postponed making a report unnecessary. The Committee had no recommendation on Article 8.)

The Committee remained in session until the Moderator adjourned the Special Town Meeting.

Next Meeting:	Monday, July 13, 2009 @ 3:00 pm
Adjourn:	8:00 pm
Minutes by:	Thomas Coen

Approved by  on July 15, 2009
 Thomas Coen, Chair

STM-Article 1. Town Hall Renovations

This article, if approved by the voters, will appropriate and authorize the borrowing of \$2,900,000 for Phase II of Town Hall renovations, subject to the passage of a Proposition 2 1/2 debt exclusion question at the ballot box tomorrow.

The total cost for Phase II is estimated to be \$4.9 million, \$2 million of which will come from Community Preservation Act fund.

The engineers working on Phase I of the Town Hall renovations have determined, after closer examination, that Town Halls' mechanical, electrical, plumbing, and fire suppression systems are obsolete and unsafe. As a result, Town employees cannot return to the building until these systems have been replaced. Phase II will replace these systems, and bring accessibility to the building up to code.

Maintaining uninterrupted progress on the project is critical to a timely completion. The estimated completion date is currently December, 2010. A delay in funding for Phase II could significantly increase the total time and cost of the project. For example, it would cost an additional \$250,000 to rent the temporary town hall trailers for another year.

The tax impact of this article on a median priced single family home will be \$70.88 and \$36.28 for a median priced condo.

These amounts will decrease each year over the life of the loan.

I think all of us realize how important it is to finish the work that has begun on our beautiful and historic Town Hall. This building is the centerpiece of our Town.

On a lighter note, the Finance Committee eagerly looks forward to the resumption of roller skating and basketball games in the auditorium.

The Finance Committee strongly recommends this article 7-0-0

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Ann Maguire".

Ann Maguire,
June 22, 2009

FINANCE COMMITTEE REPORT

June 22, 2009

STM Article 2 Fund Step 10 Retroactive Pay

This article will transfer \$15,245 from the 2007 Annual Town Meeting Article 10, Bylaw Increases, to fund the AFSCME Step 10 retroactive pay for 16 union employees. These funds were inadvertently omitted from the 2010 budget. This is a mandatory adjustment to fulfill our contractual obligations with the AFSCME union.

The Finance Committee considered this article and recommends it to you tonight by a vote of 7-0-0.

Respectfully submitted,

Dan Hoort

Finance Committee Report

STM Article 3. Community Preservation Act: Acceptance of Administrative Expenses Permissible Under the Act

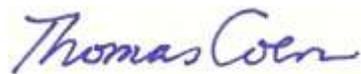
This article, if approved by the voters, will appropriate \$15,000 from the Community Preservation Fund to cover the Community Preservation Committee's administrative and operating expenses such as property appraisals and legal counsel.

The Community Preservation Act allows up to 5% of the fund to be used for these purposes. Prior to Special Town Meeting in November, 2008, it was not possible to do so because 100% of each year's CPA funding was allocated to each of the three CPA categories – 80% for Community Housing and 10% each for Historic and Open Space – leaving nothing available for administrative expenses.

At that Special Town Meeting we voted to accept the state's formula of a minimum 10% for each of the categories, leaving 70% unallocated, thus making funds available for administrative expenses.

The Finance Committee considered this article and recommends it to you tonight with a vote of 7, 0, 0.

Respectfully submitted,



Thomas Coen

June 22, 2009

Finance Committee Report

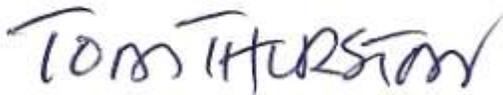
STM – Article 5. Use of Parking Funds to Purchase Automated Pay Stations

This article authorizes the purchase of one solar-powered automated parking paystation, to serve as a pilot program on Ryder Street, in place of the existing parking meters. This paystation will allow payment for parking using coins, bills, and credit or debit cards. From a visitor services point of view, this will eliminate the frustration of drivers begging for change from passersby or local businesses. In addition, the manufacturer of these paystations indicates the Town can expect an increase of 15% or more in parking revenues, due to the fact that these machines will eliminate the ability to piggy-back on a previous user's leftover meter time.

After property taxes, which produce about \$13.5 million in annual income, parking revenues are Provincetown's single largest alternate source of revenue, presently averaging between \$1.3 and \$1.4 million per year. Any growth we can produce in this major source of income to the Town will help offset the need for property tax increases, and potential overrides, in the future.

The Finance Committee considered this article and recommends it to you tonight by a vote of 7-0-0.

Respectfully submitted,



Thomas Thurston

June 22, 2009

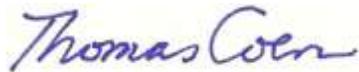
Finance Committee Report

STM Article 6. AMENDMENT to 04-06-09 ATM Article 17: Land Bank – Acquisition of Land for Community Agriculture, Conservation, and Open Space – 6R, 10R and 14R Browne Street

Annual Town Meeting Article 17 that was passed by the voters at the April Town Meeting authorized the borrowing of \$180,000 to purchase these parcels for open space and a community garden. Subsequently, the Town received a LAND grant of \$93,600 to apply to the purchase. This article would authorize the Town to pay the remaining \$86,400 using funds on hand in the Land Bank, rather than by borrowing.

The Finance Committee considered this article and recommends it to you tonight with a vote of 7, 0, 0.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas Coen".

Thomas Coen

June 22, 2009

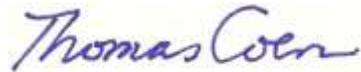
Finance Committee Report

STM Article 7. PARC Land Grant – Suzanne’s Garden

ATM Article 18 that was passed by the voters at April Town Meeting appropriated \$250,000 for the purchase the property known as Suzanne’s Garden. The funding sources were a combination of \$100,000 from the Community Preservation Fund and \$150,000 from the Land Bank Fund. This article would authorize the Town to pursue a grant under the state’s PARC (Parkland Acquisitions and Renovations for Communities) grant program which could defray as much as 52% of the cost.

The Finance Committee considered this article and recommends it to you tonight with a vote of 7, 0, 0.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas Coen".

Thomas Coen

June 22, 2009

Finance Committee Report

STM Article 9. Waterways Capital Reserve Fund

Article 9 is a petitioned article that is non-binding.

This article requests that the monies in the Waterways Improvement and Maintenance Fund “be used exclusively as a capital reserve for extraordinary and large capital expenditures for waterways improvements and maintenance”. The Waterways Fund contains all of the proceeds from mooring fees and ½ of boat excise taxes.

The enabling legislation for the Provincetown Public Pier Corporation already requires the Pier to maintain a capital reserve fund, which it does. Any capital project that will cost more than \$50,000 requires the approval of the Board of Selectmen.

Setting up a separate capital reserve fund with a different approval process is inconsistent with the Pier Corporation’s enabling legislation, and it would compromise the degree of independence that the Pier Corporation is allowed as a quasi-public corporation.

We trust that the Board of Selectmen, as the Town’s chief executive officers, will provide adequate oversight of any major capital expenditure by the Pier, as the law requires.

The Finance Committee does agree with the intent of the petitioner to create a separate reserve fund for extraordinary and large capital expenditures. Indeed, we recommended as much in our September, 2008, report on the Pier Corporation’s finances. However, we would prefer to see it funded out of the Pier Corporation’s revenues, as required in the enabling legislation.

The Finance Committee considered this article and does NOT RECOMMEND it to you tonight by a vote of 7, 0, 0.

Respectfully submitted,



Ann Maguire

June 22, 2009

Finance Committee Report

STM Article 10. Home Rule Petition: ½% Real Estate Transfer Fee

This is a revised version of an article that was indefinitely postponed by the petitioner at the April Town Meeting. Since then, the petitioner has made significant changes, including:

- Shifting the burden of paying the fee from the seller to the buyer;
- Providing a first-time buyer exemption subject to the condition that the buyer become a full-time Provincetown resident and does not sell the property for five years;
- Reducing the percentage of the fee from 2% to ½% of the purchase price; and
- Allocating the first \$250,000 of the annual proceeds to a capital projects stabilization fund, with the remainder going into the general fund.

Based on calendar 2008 real estate sales of \$100,502,344, this fee would have generated \$502,512 in revenue for the Town, without taking into consideration any of the exemptions included in the article.

The Finance Committee believes that these changes make the article much more attractive, especially the designation of monies for a capital projects stabilization fund. Essentially, the fund would act as a savings account for major equipment replacement, and for the repair and maintenance of buildings, roads, storm drains and other parts of the Town's infrastructure. Appropriation of the funds would require a 2/3rd's vote of Town Meeting.

The Finance Committee strong supports the creation of a capital projects stabilization fund with a dedicated funding source.

Despite our generally positive reaction to the revised article, we are concerned about the timing of this article for two reasons:

- 1) The local housing market is in the doldrums. *We need to assess what impact an additional real estate transfer tax would have on the market compared to the benefit of the revenue generated.*

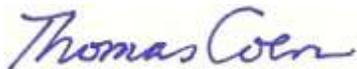
- 2) The state is about to raise the sales tax by 1.25%; the rooms tax by 2%; and the meals tax by 1.25%. Barnstable County is also raising its real estate transfer fee by 18%. *The public, rightfully so, is concerned about the impact these tax increases will have on their household finances.*

Finally, the state legislature has recently submitted its budget bill to the governor. If he signs it, cities and towns will have the option of raising the room tax by another 2% and implementing a local meals tax of .75%.

The Finance Committee has repeatedly stated that the Town needs new revenue sources, other than property tax to maintain government services at a reasonable level. However, we believe that we need to engage in a broader discussion with the Board of Selectmen, Town officials and the public to determine which, if any of these local revenue options are appropriate for Provincetown. We believe that the time for that discussion is in the early Fall. By then we'll know what kind of summer season we've had. We'll also have a preliminary five year forecast of our revenues and expenses which will tell us what financial challenges we will face going forward.

The Finance Committee considered this article and Reserved Recommendation by a vote of 5, 0, 1.

Respectfully submitted,

A handwritten signature in blue ink that reads "Thomas Coen".

Thomas Coen

June 22, 2009