

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN  
MEETING MINUTES  
FISCAL BUDGET MEETING  
TUESDAY - JANUARY 02, 2018 – 5:00 PM  
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chair Cheryl Andrews convened the open meeting at 5:00 PM noting the following attendees:  
Board of Selectmen members: Chair Cheryl Andrews, Vice Chairman Erik Yingling, Members Thomas Donegan, Louise Venden and Robert Anthony

Excused:

Other attendees: Town Manager David Panagore, Finance Director Josee Young, DPW Director Richard Waldo, DPW Operations Director Sherry Prada, and Water Superintendent Cody Salisbury.

Recorder: Elizabeth Paine

**1. Town Manager's FY2019 Budget Message and Revenue Expenditure Overview  
Town Manager Budget Message**

In accordance with the Town Charter, I submit for your review and consideration, the Town Manager's recommended Operating Budget for Fiscal Year 2019. In our financial forecast this past fall, we estimated that the expenses for FY19 would total \$28,848,302 and the projected revenues would be \$28,976,418 allowing an excess of \$128,116. The proposed budget as submitted for FY19 is balanced at \$28,269,455 with anticipated revenues of \$28,324,192 with an excess, including the excluded debt, of \$54,738. This proposed budget does not require any Proposition 2<sup>1/2</sup> overrides. Consideration of this operating budget began with the presentation and discussion of the financial forecast. As I identified above, the budgeted expenditures come in about 2% below the projection and revenue estimates come in about 2.3% below the projection. The revenue difference is due, in part, to the calculation of excluded debt. For the financial forecast, excluded debt is calculated with estimates for authorized and unissued debt while, for budget purposes, excluded debt is calculated on debt that has actually been issued. In this fiscal environment, we must, working from the financial forecast, begin to establish budget guidelines, including targets for excess capacity and allowing adequate room to address the ever evolving needs of Provincetown.

In this budget process, I am recommending we continue our conversation about transparency, adequately funding our reserves, discussing potential new streams of revenue and allocating a proportion of such new streams to existing local priorities and concerns. We have not been able to achieve all that we desired, and yet we have attempted to carry forward improvements to the overall operations plan and departmental initiatives forward incorporating needed organizational changes in order to properly pursue our objectives. This budget outlines operational improvements that properly delegate authority, assign responsibility and provide staffing where it is most needed in light of demands on service and in pursuit of our goals. In doing so we are not only attempting to match existing resources to our goals, but as well we have focused on building our financial reserves.

**Goals**

This past year the Board of Selectmen adopted fifteen (15) goals led by one overarching goal that of increasing year round population. Increasing year round population appears to be one idea that everyone in Provincetown can agree upon. For this year and going forward, we are and will use this to be the measure of our programs and efforts. Regarding town finances, the Board of Selectmen adopted two goals. The first policy is that we support strong financial policies and internal controls to improve financial transparency and maintain Provincetown on a secure stable financial basis. The

second goal is that we promote policies that properly allocate revenues to expenses and support increasing the year round population. You will find these goals integrated into this budget message, as they have guided our actions over this year (such as the water and sewer rate increases) and are expressed in the workings of the Operating Budget itself.

Looking forward, it is my hope that this coming year, we can adopt a second overarching goal, one that focuses on our decision making process, on the way we as a community make decisions, how we undertake our community based decision making. The past two years we put a good deal of effort into our outreach and in my short experience I have seen how early engagement with the community and working the process through the relevant boards, at community meetings and on line and on P-TV, leads to improved discussions, project modifications and better outcomes. This budget incorporates this approach and provides staff and funding to reflect an enhanced approach to community based decision making.

### **The Budget**

The Operating Budget is local government's principal management tool its expression of its values and its means of implementing the Board of Selectmen policies and achieving their established goals. This budget puts in place a management structure to accomplish the tasks before us. With this budget we also take another step towards transparency. We do so in anticipation of leaner years ahead. We are providing additional information in the budget book on the special funds, including the Library, Tourism and Parking Funds. We are reviewing and examine all special funds and will continue to do so, so that our financial resources are being put to proper use or are being expressly carried as appropriate reserves. We have taken action in this budget to restore and where possible increase our reserves. While we have had to take limited steps in this budget to address spending and maximize each source of funding, relying in part on our substantial free cash, there are some items in this years, which will be detailed below, that we are right to undertake and some we are obligated to fund and we have done so. In future years, without new sources of review we will need to take additional steps to control budget growth.

The principal single budget driver remains the increasing cost of health insurance. At the last annual town meeting funds were set aside to review our current program and identify any options we may have. In undertaking this study, we have partnered with Truro, and are beginning to work with our consultant to examine potential options. There are increases in this budget to reflect. The School Department expenses have climbed this year, from our conversations with the Superintendent we are not expecting this to be a longer term trend, but there is a short term impact.

During the preparation of this budget, town staff undertook a review of current reserves, determining that they have been underfunded, particularly when viewed as an emergency management best practice. We have all experienced down turns in the economy, which have been stagnating and how a single catastrophic event, such as a hurricane during our summer season could well be devastating for the Provincetown economy severely impacting that 25% of our revenue stream I mentioned above. I am and will be recommending additional reasonable reserves be established and/or increased in a number of priority areas. In addition, if we increase our preparation for emergencies with better funded reserves, then we can feel more confident in establishing our annual operating budget expenditures, knowing that we have fully adequate reserves in the event of a general downturn or incident that impacts our high season economy. This is the equivalent of having business interruption insurance. This budget takes the first step in that direction, and invites a community wide conversation on this.

Regarding our certified un-expended appropriations, also known in Massachusetts as "free cash", our new Finance Team took a fresh look at our books, and as a result we are enjoying a one-time certified "free cash" of \$3,495,175 available for appropriation at our annual town meeting. As per our financial policies, we are recommending that along with the Capital Stabilization Fund we use

free cash to fund our capital improvement program (amounting to \$2,327,834), thereby reducing the cost of borrowing. Second that we use a portion of these funds to restore our financial reserves and with the remainder (\$172,809) identify and underwrite any one time project costs or otherwise hold any remaining funds in reserve for next year. Along with this budget I am recommending a change in the policy regarding our operating reserve through the General Stabilization Account. This fund is currently 4.5% which is below our existing policy threshold of 5%. I am recommending we increase it by .5% each year until it represents 50% of the local receipts we receive each year in our ten week summer season. These local receipts represent roughly 25% of our operating budget and are garnered in a very short period of time, making them vulnerable to external events. Therefore, I am recommending \$290,000 from free cash be placed into the General Stabilization Account, which will put our operating reserve at 5.5%.

Regarding our Other Post-Employment Benefit fund (OPEB), we are ahead of most other Cape Cod communities in funding these reserves, however we have several years of underfunding to restore, if we are to have a fully funded OPEB. At this time over the last five years, we have underfunded in total \$1,536,854. In order to properly balance the FY19 budget, without significant impact on operation, and to begin to make up for the backlog, we are recommending funding the planned OPEB contribution of \$577,532 with \$350,000 in the operating budget and \$227,532 from free cash. Furthermore we recommend appropriating an additional \$200,000 from free cash to begin to reduce the unfunded liability from prior years (roughly equivalent to unfunded liability of the FY16). As well, I am recommending we establish a Tourism Fund reserve (detailed later in the appendix) to be expended in the wake of incidents such as a hurricane, when on-going room tax receipts will be low and the need for marketing will be high.

### **Revenues:**

Our budgetary health relies in strong part on the vitality our largest market sector, tourism. As a budget matter, roughly 25% of our revenues are derived directly from our tourism economy through room and meal taxes, parking revenues and so forth and indirectly drives our property taxes. Our research indicates overall growth this past fiscal year (July 1, 2016 to June 30, 2017) has been steady and in some instances flat, compared with very strong growth for the prior fiscal year (July 1, 2015 to June 30, 2016). Let me cite a few examples. While increased consumer restaurant spending from July 2016 to June 30, 2017 remained steady year over year at roughly five (5%), for the first six months of this year it has only increased only by 1.5%, compared with much stronger growth in the past two years over the same period. In the lodging market, room tax growth for the first half of this year remained steady hovering around 5%. However the number of licensed rooms again has dropped, this past year by 2% or 28 rooms and the average cost of a hotel room continued to climb, growing by 8.64% year over year. From this data, I remain concerned, as a budget matter, about maintaining the growth of our room tax revenue as it appears to require a greater increase in the average price of a hotel room as the number of licensed rooms continues to drop. While a matter of forecasting concern, passage, for example, of a short term rental tax should restore balance not only to the market, but alleviate for a time concerns regarding the budget.

Looking forward there are new revenue streams, first is the 3% tax, adopted at the last town meeting, on recreational marijuana sales which will be legal as of July 1<sup>st</sup> and second the expansion of the short term rental tax, currently before the legislature. Revenues from a potential expansion of the room tax to cover on-line room rental markets, have been previously estimated from a conservative \$450,000 to a potential \$1,000,000 for Provincetown alone. Estimates for the marijuana tax revenue are unknown.

As part of this budget process, I recommend the Board of Selectmen and the Finance Committee examine with staff, in more detail, the uses of these likely additional revenues streams and target a majority of those revenues toward General Fund support and dedicate a portion, as the Town has

similarly done in the past, to alleviate the local impacts of the tourist economy. For possible future room tax revenues from short term rentals, I recommend dedicating a portion of these additional tax receipts towards affordable/community housing and an annual allocation to the Year Round Rental Housing Trust. With the 3% marijuana tax, I recommend a portion should be dedicated to wellness and community health and including our efforts to make this a caring community for all stages of life.

In addition, as part of this budget process, I recommend we examine the impact of increasing property values and thus property taxes on our year round community. Increasing property values leads to an increase in property taxes, which for many over the long term especially those on fixed incomes towards a home ownership sale, and in the current market the likelihood of replacing a year round resident with a seasonal owner. In light of this, an annual review of the property tax and in particular the residential tax exemption relative to the impact of tax increases is warranted.

As a final note to streamline the budget, and reflect actual practice, we have begun where warranted to migrate board budgets that by tradition still remained in a separate budget into a line item in the department that provide liaison services to each board, otherwise if not individual board have remained as a separate budget item.

### **Operations:**

In the past two years I have been reviewing the organizational chart, which centers authority on the Town Manager with support of the Assistant Town Manager directly overseeing 15 plus departments. This is not best management practice, what is frequently called a hub and spoke approach, where each department is a spoke on the operational wheel with a single hub, in this instance the Town Manager, connecting them all. Best practice reduces the number of direct reports, emphasizes cross departmental team work and delegates authority. With this budget submission, I ask the concurrence of the Board of Selectmen with a re-organization plan that implements best practice and focus our time, energy and management team on our priorities.

To that end, I am putting forward the following re-organization plan, establishing and delegating departmental oversight authority to two Assistant Town Managers to handle the critical areas of development, and finance and administration. While these are for the most part job title changes, they reflect a tighter focus of attention and on accountability. Two years ago, I asked David Gardner, as part of his duties, to oversee the Community Development Department and its five, now six, component units, planning, building, conservation, health, licensing and now housing. All of these functions are critically important elements of our current and future existence. This year with departure of our Town Planner, we have an opportunity to reconfigure this operation and consolidate the leadership of the Community Development Department investing it with the decision making authority of an Assistant Town Manager. It is on this basis that I have asked David Gardner to take on these responsibilities, as of January 1<sup>st</sup> his title will be Assistant Town Manager for Planning and Community Development. As part of this change, we are seeking funding in this budget for a staff planner to report to David (less than the salary of the Town Planner position). Second, to strengthen the internal administrative operations, Josee Young will as well have a change of job title, becoming Assistant Town Manager for Finance and Administration. As we continue to adopt technology, the Finance Department will be able to handle and oversee more of the administrative functions. Third, in order to properly carry out the projects and functions of the Town Managers' office itself, I am requesting funding for an executive assistant to act as chief of staff. This position will handle the required follow up on the multiple projects requiring direct oversight of the Town Manager, track departmental progress and performance, act as an ombudsman following through on constituent concerns and complaints and overseeing our extended civic process and outreach. We have seen the success of spending more time up front on civic engagement and it is my hope that focused staff

time will only enhance communications and output. The Assistant to the Town Manager is budgeted as a mid-level position as opposed to the senior staff salary of an assistant town manager.

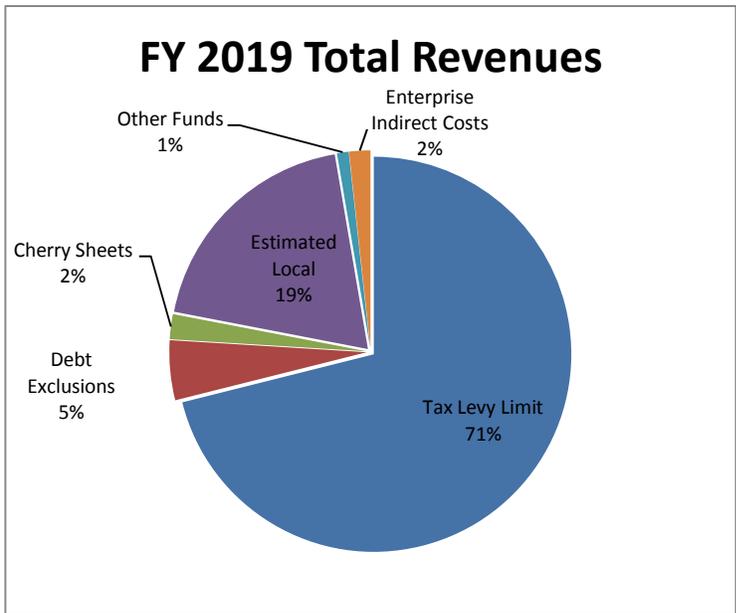
In the departments, we are making particular requests in Fire, Parking, and Emergency Management that I will note here. The Fire Department, in light of the current demand for service during the summer months, is requesting an additional two person rescue service for the months of July and August.

In the Parking operation, in order to meet not only the parking, but the visitor experience, traffic and even housing goals we need to improve our operation. To begin as I indicated last year in my budget message as we look towards 2020, and the 400<sup>th</sup> commemoration of the Pilgrim's Landing, we will need to focus on our transportation and parking systems, making improvements where necessary and available. This past year we sought and town meeting approved funding to study our system and develop specifications. This year we return seeking funding for a modern up to date parking revenue and control system. As well, we are recommending staffing changes.

In this budget we are requesting that we enhance the parking administrator position and merge it with a currently unmet need, emergency management, to become our Emergency Management and Transportation Manager, funded in part by each budget. This combined position will focus on parking and transportation operation in the summer season and on emergency management planning and preparation in the off season. Our parking operation is a significant part of our budget and the service is currently a critical component of our visitor experience and seasonal worker system. With a modern parking system we can fully integrate our lots, potentially partner with private lots, and enhance our focus on enhancing CCRTA/bus, airport, and ferry service. While emergency management is a critical function that we need to be prepared for; we need to bring together the entire community if we are to be ready in the event of an emergency. With climate change, the increase frequency of hurricanes and other man made incidents that result in human tragedy, and our work over the past two years, it is evident that we need to develop community wide training and preparation given our remote location and the time required for aid to arrive particularly during the high season or on peak event days. This level of preparation requires focused attention. A combined position will take advantage of our seasonality and, in the event of an emergency, having emergency manager be versed and in charge of our transportation system(s) will be critical.

### **Operating Budget Detail**

Since Proposition 2½ was enacted in the 1980's, Massachusetts municipalities have been revenue, rather than expenditure, driven so we begin our budgetary review with revenues. In Provincetown, for this coming fiscal year, 76% of our revenue will come from real and personal property taxes. Our revenue breakdown is as follows:



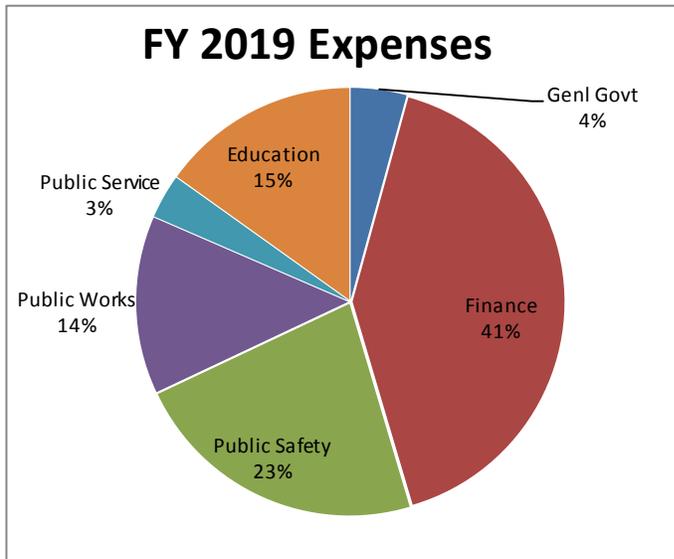
FY 2019 Revenues		
Tax Levy Limit	20,005,927	71%
Levy Additions	1,249,867	5%
Cherry Sheets	567,555	2%
Estimated Local	5,675,603	19%
Other Funds	286,000	1%
Enterprise Indirect Costs	539,240	2%

For Fiscal Year 2019, the revenue growth is limited to: \$ 668,438

- Proposition 2½ increase over prior year levy limit \$ 483,437
- New growth estimated at \$ 185,000
- Local receipts increase \$ 285,750

Real and personal property taxes (71% of operating revenues) are subject to the limits imposed by Proposition 2½. By law, the limits imposed by Proposition 2½ may be increased to include any new growth in the Town, the debt service cost to pay for Town Meeting articles funded by Proposition 2½ debt exclusion and the assessment to the Town to pay for the Cape Cod Commission. Revenues from local receipts are, depending on the source, established and regulated by the State and/or the Town. Regarding Local Receipts we continue to budget conservatively with an increase of 5.3% from FY18.

Regarding expenses, the Town Manager’s Operating Budget submission reflects an increase of 3.5% for Town Offices and Departments and 4.3% including public education, which is in line with last year’s Adopted Operating Budget increase of 4.4%. In developing this Operating Budget, we have assumed revenue growth, as noted above, allows for a maximum of \$ 668,438 (except as otherwise funded by strategic planned reductions in other expenses or by unused levy capacity from the prior year). Payroll costs are budgeted to increase \$ 462,442 and employee benefits and insurance are budgeted to increase \$323,955, for a total of \$ 786,397. Non-payroll Operating expenses are budgeted to increase \$43,262. The details for the specific line item changes are identified in the Budget Summary Section.



Category	Amount	Percentage
Gen Government	984,238	4%
Finance	11,080,797	41%
Public Safety	6,415,920	23%
Public Works	3,597,030	14%
Public Service	918,582	3%
Education	4,257,775	15%

The General Fund Operating Budget for Fiscal Year 2019 reflects an overall increase of 4.3%. Increases came in the following areas:

- Public Education increased 8.6%. There is a School Department proposal for free pre-K for 4 and 5 year olds. There are sufficient funds remaining in free cash to cover an initial year. In the alternative, the Superintendent and I have spoken about a separate proposition 2<sup>1/2</sup> override or raise and appropriate article at Town Meeting. I anticipate this will be a topic when the Board of Selectmen and School Committee meet on the School Department budget.
- Payroll increased 5.7%
  - The payroll budget (excluding school employees) reflects an increase of \$462,442.
- Fire Department- Expenses have increased by \$133,966 or 16.0%. Upon review of the demands in service required during July and August, the Fire Department is proposing to add a two person rescue standby crew for ten (10) weeks of additional service. The Fire Department has recommended that we examine the potential use of the Rooms Tax and/or Tourism Fund to underwrite expenses like this that are driven by the summer tourist economy.
- Benefits and Other Insurance increased 4.5%
  - Employee benefits and other insurance are regularly one of the critical drivers of increased costs in the Operating Budget. For Fiscal Year 2019, the employee benefits, health insurance and other insurance line items increase by \$323,955. The largest portion of this increase is the \$346,117 (9% increase) in employee health insurance. Regarding employee pensions, the budgeted increased by \$200,445 (12.6% increase). Please note that as of December 15, 2017, the FY19 health insurance budget is an estimate only, the Town has not yet received official notification of the increase.

There are a series of changes reflected in this year's budget presentation that I would like to highlight:

- General Stabilization Account - A review of our General Stabilization Account indicates that over time it has fallen below the Board of Selectmen's adopted Financial Policy target of five (5%) percent of the Operating Budget (currently 4.5%) . I will be recommending that we

adopt a seven and one half (7.5%) percent target reflecting approximately 50% of the local receipts received during the heart of our roughly ten week tourist season. The account is currently underfunded. This year, we are proposing to increase it to 5.5% of our operating budget as a first step towards a 7.5% goal. This action is an initial step to ensure adequate reserves are in place.

- Capital Budget- In this budget, we have focused the expenses funded through the Capital Stabilization Fund towards annual on-going capital expenses; those that maintain our current infrastructure, such as vehicle replacement, sidewalk replacement and so forth. One time projects and improvements will, to the extent possible, be funded from free cash and available grants before issuing any debt.
- Other Post-employment Benefits (OPEB) – The Town’s auditors have identified that in order to maintain our current funding schedule, we need to both make up for lost time and increase our annual allocation. Planned OPEB funding for FY2019 was 577,532. This will be funded with \$350,000 in the operating budget and 227,532 from free cash. Furthermore we will appropriate an additional \$200,000 from free cash to begin to reduce the unfunded liability from prior years.
- Revenues – At our last town meeting, the Town adopted the increase from 2% to 3% sales tax on the sale of recreational marijuana. We recommend discussion by the Board of Selectmen and the Finance Committee regarding how these potential revenues should be directed.
- Economic Development - We have continued funding the economic development grant program which is improving our local economy by spurring job creation. As mentioned above, we have expanded the responsibilities of the Housing and Grant Specialist to include economic development projects and we are currently negotiating with Community Development Partners (CDP) to provide assistance and we anticipate issuing an RFP for an economic development consultant in the next ninety (90) days.
- Training – Recognizing how housing challenges are impacting our ability to attract and retain staff, we have increased the staff training and education budget to afford more opportunities for the skill training necessary for internal promotions.
- Performance Measurement - As part of our on-going performance measurement process, this past year we contracted with the Collins Center at UMass Boston and have begun training and mentoring our department heads on performance measures and management.
- Legal Services - The Board of Selectmen requested that the Town Manager actively monitor and reduce the legal expenditures. While we have been able to reduce the day to day operational costs, the additional special town meetings, litigation and the creation of the Year Round Market Rate Rental Housing Trust resulted in increased costs. We will be focusing on board and staff training this coming year in an effort to reduce litigation costs.

Provincetown continues to be supported by its strong tourist economy, while buffeted by national, state and environmental events as well as regional demographic trends. Over the past year we have continued our efforts to meet these challenges. We have and will continue to move forward on all fronts. We have made progress on housing, economic development and infrastructure. Regarding housing, I would highlight the remarkable effort of the Year Round Market Rate Rental Housing Trust, supported by town meeting to secure and the ongoing effort to secure 26 units of housing at Harbor Hill, and the adoption of an inclusionary housing by-law at Town Meeting. Second, regarding economic development, a key component of a modern economic development strategy, as endorsed by the State, is the development of an entrepreneurial center grounded in the local community. This approach has been endorsed by the State and been a proven success in cities and towns across the country. For Provincetown, the redevelopment of 46 Bradford Street by Creative

Commons which will support local artists and entrepreneurs is such a project. Third, with the approval of the new Police Station not only was a needed infrastructure project moved forward, but it as well helped clear the path for the development of housing on the VFW parcel. Lastly, I note the completion of Third Phase of the Commercial Street project, both a roadway project and a great step forward in our protection of the harbor.

As Town Manager, I believe in making continuous incremental improvements. With the submission of this Operating Budget we can continue to move forward with the plans and efforts outlined in the Board of Selectmen's goals and tasks, presenting a balanced and realistic approach to meet the priorities of the Board of Selectmen. On behalf of myself and Town Staff, thank you for the opportunity to serve this community. We look forward to assisting the Board of Selectmen during their review, as well as working with the Finance Committee to continue to seek proactive solutions to the many challenges that lie before us.

## **2. FY2019 Overall Budget Review Inclusive of the following:**

### **A. Consent Budget Review and Approval (Votes May be taken):**

Please know that the following budgets were reviewed on consent last year and have not been invited to attend at this time as there are no substantive changes:

- 543 Veterans Services
- 550 Animal Welfare Committee
- 560 Bicycling Committee
- 545 Disability Commission
- 672 Art Commission
- 673 Cultural Council

**MOTION: Move that the Board of Selectmen vote to approve the consent budgets without objection.**

**Motion: Cheryl Andrews**  
**5/0/0 Motion passed.**

**Seconded: Robert Anthony**

### **B. Enterprise Funds (Votes may be taken):**

**Public Works – Director, Director of Operations and Water Superintendent**

- **6001 Water Enterprise Fund**
- **6002 Wastewater Enterprise Fund**
- **Enterprise Fund Capital Improvement Program**

Public Works Director Richard Waldo and Water Superintendent Cody Salisbury presented for the meeting. Water Superintendent Salisbury presented the Water Enterprise FY19 Budget to the Selectmen.

The overall FY19 6001 Budget has decreased 7% (-7%). The Personal Services "A" budget is increased 2.5% (+2.5%) due to wage increases per the AFSCME union agreement.

The Operating Expenses "B" budget is decreased by 16% (-16%), which is primarily attributed funding an emergency capital reserve and an operating reserve at \$150,000 in in FY18 each (line item B-39) and not necessary to budget this amount in FY19. The emergency capital reserve is currently fully funded at \$210,000. While the operating reserve is also currently funded at \$210,000, the goal is to target a minimum of a 10% operating reserve based on total operating expenses. Therefore, an

additional \$10,000 is budgeted in FY19 in order to contribute to the operating reserve, with a goal of a fully funded operating reserve by FY27.

**MOTION: Move that the Board of Selectmen approve the budget for Dept. 6001 as presented.**

**Motion: Erik Yingling**

**Seconded: Robert Anthony**

**5/0/0 Motion passed.**

Public Works Director Richard Waldo presented the Wastewater Enterprise Fund FY19 Budget.

**MOTION: Move that the Board of Selectmen approve the budget for Dept. 6002 as presented.**

**Motion: Tom Donegan**

**Seconded: Louise Venden**

**5/0/0 Motion passed.**

Water Superintended Cody Salisbury and Public Works Director Richard Waldo present the Enterprise Fund Capital Improvement. Water Department is looking to replace a vehicle, repair Water Tank, and no Sewer request. Fund source would be the Enterprise Fund.

The Wastewater Enterprise budget is decreasing by -1.5% which reflects a decrease in debt service interest and a slight increase in personnel expenses and contracted services as per contract.

**MOTION: Move that the Board of Selectmen approve the CIP line items 35 and 36 Enterprise Fund Capital Improvement Program as presented.**

**Motion: Cheryl Andrews**

**Seconded: Erik Yingling**

**5/0/0 Motion passed.**

### **C. Division IV Budget Review (Votes may be taken):**

#### **Public Works – Director, Deputy Director and Director of Operations**

- **192 Buildings & Grounds**
- **421 Administration**
- **422 Highway**
- **423 DPW Snow & Ice**
- **431 DPW Solid Waste and Recycling**
- **432 Recycling and Renewable Energy**
- **Public Works Capital Improvement Program**

Public Works Director Richard Waldo, Deputy Director Steve W, and Operational Director Sherry Prada presented the 6 Public Works Budget Review as well as Capital Improvements.

The overall 192 budget for FY19 is increasing 2.7%. This is due primarily to an increase of 4.3% in personnel expenses and an increase of 0.9% in operating expenses. The increase in personnel expenditures is driven mainly by contractual obligations. The operations portion of the budget saw reductions in areas related to building efficiencies such as electricity and fuel consumption which allowed for increases in other areas such as sewer / water fees and building maintenance / repair while requiring only a modest overall increase.

**MOTION: Move that the Board of Selectmen approve the recommend budget for Dept. 192 as presented.**

**Motion: Erik Yingling**  
5/0/0 Motion passed.

**Seconded: Louise Venden**

The overall budget is increasing 21.7%, with personnel services increasing 59.6% and services expenses decreasing 0.5%, mainly due to a decrease in street light repairs. Personnel costs are increasing due to the hire of a Town Engineer as demand on the department to oversee several Town projects through development and completion has grown exponentially.

**MOTION: Move that the Board of Selectmen approve the recommend budget for Dept. 421 for the amount of \$377,008**

**Motion: Cheryl Andrews**  
Selectmen Vended rescinded her second.

**Seconded: Louise Venden**

**MOTION: Move that the Board of Selectmen approve the recommend budget for Dept. 421 for the amount of \$454, 717 to include the Engineers position.**

**Motion: Tom Donegan**  
3/2(ca/ra)/0 Motion passed.

**Seconded: Erik Yingling**

The overall 422 budget increased by 0.9%, with personnel expenses up 1.7% and related operating expenses decreasing 2.1%. Major impacts correlating to the personnel increase is part of the recent ASCME union negotiation. As we gear more work in-house we can step down our contracted service cost which contributes to the reduction in operating expense.

**MOTION: Move that the Board of Selectmen approve the recommended budget for Dept. 422 as presented**

**Motion: Tom Donegan**  
5/0/0 Motion passed

**Seconded: Robert Anthony**

We have made no changes to this budget. Anticipating the State will now take care of Route 6 and we will take care of several State owned roads within Town. These roads would include Conwell Street, Route 6A from the Truro Town line to Allerton Street, Snail Road, Race Point Road, and Province Lands Road. This agreement is considered an even exchange in service and was very cost effective and beneficial to the Town.

**MOTION: Move that the Board of Selectmen approve the recommended budget for Dept. 423 as presented**

**Motion: Tom Donegan**  
5/0/0 Motion passed

**Seconded: Erik Yingling**

The personnel budget increased 2% due to union contract obligations. The expenses decreased by 2.2% making the overall 431 Operating Budget level funded.

**MOTION: Move that the Board of Selectmen approve the recommended budget for Dept. 431 as presented**

**Motion: Tom Donegan**  
**5/0/0 Motion passed**

**Seconded: Robert Anthony**

The Recycling and Renewable Energy Committee has requested an additional \$7,200 be added to their budget. This additional money will be used for the installation of water bottle filling stations around Town. This increase will allow the RREC to install two stations per year. One at an outside location and the other at an inside location. Currently the group has seven locations in mind for installations over the next three to four years.

**MOTION: Move that the Board of Selectmen approve the recommended budget for Dept. 432 as presented**

**Motion: Tom Donegan**  
**5/0/0 Motion passed**

**Seconded: Robert Anthony**

Public Works have 8 CIP items. Replace highway backhoe \$125,000; Storm Water ongoing program \$100,000; Pavement management plan \$225,000, Street and Side walk \$55,000; dry suppression system for the server protections \$75,000; \$100,000 for building capital plan; and \$800,000 towards Public Works Facility.

CIP line item 29 – DPW Bradford/Prince Intersection Rehab will be held off until review of Traffic Hearing decision.

**MOTION: Move that the Board of Selectmen approve the line 22, 23, 24, 25, 26, 27 and 28 out of the CIP for Enterprise Fund Capital Improvement Program as presented.**

**Motion: Cheryl Andrews**  
**4/1(td)/0 Motion passed.**

**Seconded: Louise Venden**

The Board of Selectmen put a hold on line item 29 on the CIP pending review of previous vote on climbing lanes on Bradford Street.

**3. Selectmen Statements – Comments from the Selectmen. Discussion dependent. Votes may be taken.**

**Without objection Erik adjourned the meeting at 7:55 pm.**

Minutes transcribed by: Elizabeth Paine

Meeting can be viewed at :

<http://view.earthchannel.com/PlayerController.aspx?&PGD=provinctv&eID=1167>