

FINANCE COMMITTEE
PUBLIC MEETING
Judge Welsh Room, Town Hall
Provincetown MA

MONDAY, JANUARY 7, 2019

Members Present: Mark Hatch (MH), Chairman; Scott Valentino (SV) Vice-Chair; Duane Steele (DS); Mark Del Franco (MDF); Chip Cappelli (CC).

Absent: Mark Bjorstrom; Kathleen Goodwin; Stan Sirkorski.

Staff Present: David Panagore (DP), Town Manager; Josee Young (JY), Finance Director; David Gardner (DG), Assistant Town Manager.

Others Present: Mary-Jo Avellar (MJA), Town Moderator.

MH opened the meeting at 11:02am.

DP expressed that he had spoke with Amy Davies at Provincetown Television who said that technical glitches are being worked on.

MH announced the purpose and specification of the Finance Committee as a sub-committee of Town Meeting, formed to address the financial particulars of budgetary concerns on behalf of the public.

- 1. Status of Rooms Tax bill.**
- 2. Town Manager's Budget message discussion.**

DP reported on the passage of the Rooms Tax Bill as an expansion of the room tax of 6 % to cover additional use and to be automatically applicable as of July 1, 2019 for all rooms booked after January 1, 2019; a set of regulatory processes and data collection measures as determined by the State which, he said, must be fleshed out by the Department of Revenue before the effects of the tax can be expressed by the Town; an impact fee of 3% is proposed on units of two or more, but how it is collected and implemented is not yet clear.

DP said the last piece of the bill concerns a Cape and Islands Water Protection Fund taxed at 2.75% which goes into a Cape-wide fund overseen by a board made up of members from every Cape community to fund future waste-water projects; that each community should get out what it puts in, in terms of benefits, but that a robust conversation is needed and how the new fund questions where then to put the funds presently allocated locally to waste-water; referenced a special act that designates the Town's room tax for distribution purposes and said he felt the allocation of funds derived from the short-term rental tax might well be served when put toward housing in noting approximately 300 units to be lost to second-home ownership rentals in the next five to seven years, as per the recent UMass Study.

DP spoke briefly of an expected 50k in marijuana tax revenue and how that might be used for procuring extra community service officers to police the additional traffic flow or other impacts attributed to new marijuana dispensaries.

JY related that a minimum of 25% of any new revenue, such as short-term rentals or marijuana tax, may be set aside in a stabilization fund for any predicted expenditure as approved at Town Meeting.

3. Finance Committee Budget discussion.

MH said we should think of these new revenue streams prudently and how these plans fit with the Town's long-term goals, not merely spending for the sake of spending; that the Town needs to always be looking to build for the peak flow of traffic in season; said he looks forward to coordinating future budget messages.

4. Finance Committee call for Warrant Articles to be proposed.

MH said he was initially not a fan of the Cape-wide waste-water fund proposal in as much as the Town has been solving its own waste water issues pro-actively and alone for many years, but is now feeling more circumspect on it. DP said there is a one-year period when a community cannot opt out once it has signed on and also that there is a period of one-year after it has been properly adopted before the Town would, or would not, choose to partake in the fund.

DP commented that Rep. Peake and Sen. Cyr did employ the Town's criticism over the proposed joint waste-water fund in their documented response.

5. Bylaw proposal for licensing of short-term rentals and short-term rental tax bill.

MH said the Bylaw would also be made available online and, as such, was drafted as an amalgamation of others and also reflecting, in part, guidelines from Cambridge in seeking to limit the number of short-term rental units permitted and also exempting people who seek to rent out from their primary residences as well as those who offer short-term seasonal rentals for summer workers, which is a service to the Town.

DP noted that the short-term definition as listed on the first page should be 60 days, which MH concurred. MDF spoke of the short-term definitions in terms of 60 verses 90 and suggested more clarification was needed, especially in regards to what the State impositions or requirements might spell. DP spoke of caps which in seven years time would see the Town on a secure enough footing. MH mentioned a huge jump on the number of people who no longer need to rent out their own properties based on the high price of housing.

MJA spoke of J1 visa-holders who are sometimes put two in a bed even as every worker is supposed to have their own bed; asked DP if reports of ware-housing are followed up on, to which he said they were and had examples. DG said the calls of impropriety often come at the end of the season, or in July after they've tried to make the best of a bad situation. MDF also pointed to a situation where housing is so expensive that J1s will share a bed just to save on the rent. MH said the H2V visa applications are expected to be adversely affected by the government shut-down and that he deliberately put in a generous cap proposal in the draft.

DG said that the second-home owners are the ones who have the rental availability on a short-term basis and JY suggested a change in the language to reflect non-owner occupied properties. MH stated that short-term rentals have shown to counteract year-round rental prospects and said hard-numbers were needed to reflect accurately what types of rentals there are in Town.

Discussion continued on how to approach and maintain short-term housing rental prospects as they determine the Town's present composition and in years to come.

Town Manager's Budget Items

DP referenced a study he had done which indicated the need for additional staffing in the Building Department and the potential asset of having a Code Officer who can work on zoning, rental certificates. MH said he was gob smacked by the number of building permits in Town and how that spoke to the need for proper staffing.

DP spoke of the Land Bank which will go away next year and said post-employment benefits are back in the budget; said he hoped to move ahead with discussion of the high deductible health insurance program with the Board of Select and the FINCOM.

6. Police Station clarification on costs and possible financing pathways.

DP mentioned the Building Committee is holding a meeting on the new police station on January 9th; said the budget is driven higher than other single-purpose buildings due to such factors as security, retaining cells and so forth; said no ballot debt override has been put into play at this time for an unforeseen \$4 million expenditure, but that the design plans have been well reviewed.

MH said the costs are not out of line with other similar building situations on Cape Cod where the costs of construction are continually driven forward; suggested detractors to the proposed new building with its attendant costs are not fully supportive of the police department or the benefits it holds to the Town. DP spoke highly of the job and work done by the police department over the past few years led by Chief John Golden.

7. Update on Contract negotiations outstanding.

DP said that there should be something coming from Cape Air and the Airport Commission and that he is in favor of bringing the Airport Manager in under the Town's auspices; said PTV and Comcast are also TBD. MH asked what would then be the recourse if Comcast's arrangement with PTV were to discontinue and meetings were not taped.

8. Sound system in room for recording. Many complaints on audio. Equipment?

MH invited the listening public to give feedback on today's meeting recording, pro or con.

9. Any other business that may legally come before the Committee.

Rik Ahlberg of the Bicycle Committee spoke from the audience, noting the lack of revenue streams for transportation around Town, which he cited as an ongoing problem; asked if the Conwell Street bicycle project, for one, could be funded by the Parking Fund; asked about the Days Parking Lot which has flooded continually through the years; asked if there are better ways to use the \$2 million reserve from the Parking Fund.

DP said the \$2 million subsidizes the General Fund; expressed his desire to have a staff position dedicated to transportation and also noted the progress towards plans that directly address the speaker's concerns, such as the Shank Painter Road improvement project.

Mr. Ahlberg noted that it can take three years to install a bike rack on public property and that obtaining money from the Parking Fund could help expedite these needs; said the Town has relied too heavily on the Cape Cod Commission to engage the Town's transportation planning measures, that the Town's input is too de-centralized.

MJA stated her disdain for the sidewalk project coming down High Pole Road hill as well as the paving up to and away from the CVS in Town center. DP interrupted to correct MJA in saying that the Town Manager does listen to his staff, including the Fire Chief regarding the rolled curb and intersection angle. MJA and DP continued their debate over the paving plans on Bradford Street and other arteries.

MH spoke of how the best intentions sometimes lead the Town off its intended course and DP said his aim is to move forward while working to correct past inaccuracies. SV added that people need to let the work be completed on the sidewalk project before casting aspersions.

Not presented: **Housing presentation example by Robert Davis, using VFW parcel.**

MH adjourned the meeting at 12:54pm.

Respectfully Submitted,
Jody O'Neil