

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

**THURSDAY, JUNE 20, 2019**

Members Present: Mark Hatch (MH), Chairman; Scott Valentino (SV), Vice-Chair; Mark Bjorstrom (MB); Mark Del Franco (MDF); Dorie Seavey (DS).

Excused Absence: Duane Steele; Kathleen Goodwin; Stan Sirkorski; Chip Cappelli.

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

**1. By Charter, Statutory Public Meeting on STM articles. The Public is invited to attend and comment. Votes will be taken on Articles 1 and 2.**

*Article 1. Funding for Year-Round Rental Housing. To see if the Town will vote to raise and appropriate, borrow, or transfer from available funds, a sum of money to pay a portion of Fiscal 2020 obligated debt service payments, and for the purpose of supplementing the operating budget for the Provincetown Year-Round Market Rate Rental Housing Trust for Fiscal Year 2020; or to take any other action relative thereto.*

Harbor Hill Housing Project

DG said a quorum was not available from the Year Round Market Rate Rental Housing Trust to attend today's meeting, but introduced Michelle Jarusiewicz, Community Housing Specialist and staff member to the Trust, and Louise Vendon, appointed Trustee from the Select Board, as on hand to answer questions. MH said he spoke to Kevin Mooney, Chair of the Trust, to gather information.

JY gave some brief history on the project; said it's been known for some time that the Town would need to subsidize the project, but as the project was fully bonded before it was up and running debt service payments are now due as committed expenditures, quoted at \$492,000 by DG, and appearing in the form of a breakdown supplied to the FINCOM, to which JY said a 5% construction subsidy would be added. DG said construction would be paid as progress is made on the project, which is estimated at six months to completion on the last three buildings and that rentals would begin in the fall.

MB asked if these funds would cover all costs, assuming revenue was tapped on schedule. DG said the hope is that by December the remaining units would become available and revenue streams come due.

Ms. Jausiewicz said four buildings were sold; building #5 was in the best condition and got its certification of occupancy mid-May and two households moved in immediately

while others are pending; other buildings needing renovation will have applications pulled from the list, and from rolling applications as they come in.

Ms. Vendon said she recently joined the Trust and expressed her view that there have been issues with transparency and delays, but that there is a great group in place and wishes the public to understand that the numbers given are estimates; hoped to give monthly reports to the Select Board on the progress of the project and the Trust.

DG announced that the Housing Trust is unable to be taped by Provincetown Television as they are scheduled to meet at the same time as the Licensing Board, and said an alternate meeting time has been suggested. MB said he felt that transparency has been an issue with the project and that over the past two years no one has been informed on where the money and project was going. DG said the Select Board has indicated they will meet quarterly on the project with the Trust and that the Town has not followed up on any additional areas of funding, but mentioned the room and marijuana tax revenue as also being part of future discussions and that rent levels have been cited by some tenants and those in the public as being high.

MB asked if a Plan B involving selling one of the buildings would be part of Monday's discussion. DG said the Trust had already voted to sell units based on its evaluation, but said this was considered only as a temporary measure. MH suggested there was no way to have a discussion concerning the sale of units in an intelligent way, which Ms. Vendon concurred; said throwing something out there as a band-aid will not bring a funding solution, and declared that the Housing Trust and Harbor Hill Project are not the same thing and the public needed to be patient. SV said that before the units are sold-off, time was required to fix the units, get the occupancy secured and then determined next steps.

JY noted the funding source as from Free Cash. MDF pondered if the Trust was caught off-guard with the payment due. DG offered that Town Meeting as the only means of gaining additional funds once the fiscal year had begun, but construction costs would have commenced regardless; said a cash flow deficit could not be remedied by funds from the Trust account and that JY's concern is to have the funding in the black all the way through 2020. MDF responded that, per the meeting minutes he has reviewed, the Trust knew since March of a \$400,000 gap and said he felt this was a transparency issue; that it was not fair to put the voters in this position a week before Town Meeting.

MDF continued his plaint in noting that the original presentation at Town Meeting indicated the current situation and that he was not in favor of the initial numbers expressed as being adequate. JY said the Trust decided more than a year ago at meeting not to go with bands but lock in the interest rates on the bond based on the idea that the units would be already rented.

MDF said he is uncomfortable with the funding coming out of property taxes and suggested that one year from now there would be more options; quoted from the March 14, 2019 Housing Trust meeting wherein it was stated that the Town would be paid back through either new cash or the sale of a unit and asked if this was still on the table. Ms. Jarusiewicz said it was the preference of the previous Town Manager to approach this measure by the April 2020 Town Meeting if it was deemed necessary at that time and Ms. Vendon agreed with the sentiment that it was too early to explore that option. DG also said it was a premature concept in that the deeds are not yet secured. MDF said he is not in favor of a swap-out to provide Town Manger with housing.

MDF sought confirmation that the town is responsible for the Housing Trust's funding if it fail in that mission, to which JY said the currently proposed article is to ask the Town to fund the debt rather than imposing the mandate, to which DG added that the options are not great, but that it's pay now or pay more later. JY said more transparency would be provided to the public in the form of progress posted online through OpenGov.

MH stated his concern that the burden on the tax payer at this point is unknown, and proposed a vote on the article in spite of its unknown or otherwise unsavory aspects.

**MH made a motion to approve Article 1 as printed. MDF seconded the motion and it passed, 5-0-0; MH, MDF, SV, MB, DS.**

MDF commented that while he wasn't happy about the situation regarding the Housing Trust and the state of affairs at Harbor Hills Project, he was doing the fiscally responsible thing and hoped that the public will do likewise.

*Article 2. Police Station Supplemental Funding; Article 3. Alteration of Layout of Route 6.*

MH said that the FINCOM would pull the vote for Articles 2 & 3.

*Article 4. Transfer from Insurance Proceeds > \$150,000 Receipts Reserved for Appropriation (RRFA) Fund. Article 5. Rescind Borrowing Authority.*

**MB made a motion to approve Article 4 & Article 5 as printed. MDF seconded the motion and it passed, 5-0-0; MB, MDF, MH, SV, DS.**

*Article 6. General Stabilization Fund.*

JY said policy dictates that the General Stabilization Fund is to be funded at 10% of the Annual Operating Budget and is now at 5.3%; will bump to 6.9% with a vote in favor.

**SV made a motion to approve Article 6 as printed. MB seconded the motion and it passed, 5-0-0; SV, MB, MH, MDF, DS.**

JY reminded the FINCOM that it had received budget to actual results of the General Fund for revenue and expenditures for its review and advised the Board to send along any questions.

## **2. Any other business that may legally come before the Committee.**

**MB made a motion to approve the FINCOM meeting minutes for January 7, 2019; February 4, 2019; February 5, 2019; July 11, 2018; August 14, 2018; October 14, 2018; November 13, 2018; December 3, 2018; March 21, 2017. SV seconded the motion and it passed, 5-0-0; MB, SV, MH, MDF, DS.**

MH adjourned the meeting at 4:56pm.

Respectfully Submitted,  
Jody O'Neil