

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

**THURSDAY, FEBRUARY 14, 2019**

Members Present: Mark Hatch (MH), Chairman; Scott Valentino (SV) Vice-Chair; Mark Bjorstrom (MB); Kathleen Goodwin (KG); Chip Cappelli (CC).

Absent: Duane Steele; Mark Del Franco; Stan Sirkorski.

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

Others Present: Dr. Beth Singer; Superintendent of School; Cass Benson, School Committee Rep.

MH opened the meeting at 10:04am.

The board and staff remarked on the great turn-out for the past holiday weekend, including a good result for the AIDS fundraiser at the Crown & Anchor.

**1. Departmental Budget Hearings, School Budget reconsidered after changes.**

Division 6 Education

**300: Provincetown Schools**

Dr. Beth Singer spoke of reorganizing the School Budget based on prior recommendations from the FINCOM which resulted in new information regarding a more accurate number; reported a reduction in the number of students and numbers contributing to the Circuit Breaker Program – a State program that assists in financing the expenditure of certain students through a refund to the Town to account for what she referred to as “very expensive children;” adding that usually the Town only sees one such student at a time, or in a fiscal year.

Dr. Singer listed through the re-allocation of funds in the Schools Budget, offered up the number of a reduction in forecast of \$85,500 based on lower numbers and less students; or, under 3% between the two budgets, as well as an expansion to 38k for wee care and pre-school.

JY spoke of changes between Town Manager’s original budget and today’s numbers, including a schools budget increase of \$231, 298; Cape Cod tech enrollment at \$89,494, which was expressed in a separate article; and an ambulance budget decrease of \$44,332. JY said money was not initially available to cover these costs and announced that she will be moving \$280,000 from the \$565,000 to be contributed to the OPEB as a Free Cash article instead of a tax levy item in the operating budget, but which DP said would not result in a deduction in the Town’s contribution to OPEB, but is being used as a swap-out for this piece of the process, and which adjusts for a bonded increase amount toward the police station at \$173,000. JY said next year this money will be included in the budget.

MH said he thought that this solution made sense and highlighted, for the public how budget line items are transferred in and out of free cash to reflect accurate funding processes and that this money will come out of the levy and be included in the budget next round, which JY concurred.

**SV made a motion to approve the 300 budget as presented. KG seconded the budget and it passed, 5-0-0; SV, KG, MH, MB, CC.**

#### Request for Reserve Fund Transfer

The following request for a transfer from the Reserve Fund, in accordance with Chapter 40, section 6 of the Massachusetts General Laws, is as follows:

\$48,000 to be transferred to Budget item #01323100-510000, appropriated for additional early childhood program expenses, in accordance with \$82,000 attributed to the original budget.

**SV made a motion to approve as presented. MB seconded the motion and it passed, 5-0-0; SV, MB, MH, KG, CC.**

**SV made a motion to transfer the current budget to the Select Board. MB seconded and it passed, 5-0-0; SV, MB, MH, KG, CC.**

MH related that the FINCOM has taken pains to make sure that the budget is standardized from year and year with reasonable adjustment, but that the public would do well to look to the Capital Improvement Project as an indicator of how money is spent in Town.

## **2. Discussion on proposed financing options to be presented by the Town Manager to frame a Warrant Article for the new police station; an opening of the tabled motion. Vote may be taken.**

### Option 7

DP expressed the differences between Options #5 and #6 and Option #7 in stating that the former options are predicated on a vote at Town Meeting to fund the police station un-contingent of the proposition 2 ½ override, while Option #7 proposes that the revenues for funding cannot be guaranteed and that the vote would be a back-stop in the event the funds were not available.

JY said there would not be a debt exclusion if the police station is not bonded; which DP said, means that the 2 ½ override would only be triggered if Town went to bond. MH asked if the worst case scenario with Option #5 or #6 is that short-term borrowing continued on the expected \$2.7 million, which DP concurred, adding it could be up to ten years to repay. DP said the determination of the ballot question lies with the Select Board and agreed with MH that the short-term borrowing approach could cost more in the long run.

SV spoke of Option #7 as a parachute in case things go Chernobyl in Washington, which DP noted as a point of interest in citing the Town's motivation to find the cheapest money

MH clarified that the FINCOM cannot vote on the options as presented but could vote today to insert an appropriate article into the Warrant to facilitate a non-contingent approval, and be joined by the Town Manager and the Building Committee; that afterward the article would be sent to the BOS for its purview.

JY provided the specific draft Warrant article which DP read: *as a sum to be expended under the direction of the Town Manager and the Director of Public Works to fund the supplemental cost of construction for the Provincetown Police Station Project and costs related thereto.*

MH said he is annoyed as anyone by the cost factor of the current police station and noted it's been ten years in process. DP commented on an initial estimate at Town Meeting which adjusted for a 3% inflation factor to mid-point of construction which has now risen to 9% to which SV added tariffs on product and materials. MB asked if the item fails at Town Meeting would the budget revert to the \$8.6 million. DP described how reductions in square footage to fit the approved budget would be unmanageable, and MH asked why the Town would build a new police station for 8.6 that is inadequate.

DP said his job as Town Manager is to try and reduce risk and that it is in his fiduciary responsibility to recommend Option #7. MH explained his bright line is raising taxes for this project because sometimes doing something means not to do something else instead of just foisting the cost consistently to the tax payer; that as we know we have to build this and know we're short of funds then something else drops on the CIP in order to fund this building, instead of reaching into his pocket to raise his taxes to fund this project.

**SV made a motion to insert the draft Warrant article as presented by the Town Manager to get the police station funded. MB seconded the motion and it passed, 5-0-0; SV, MB, MH, KG, CC.**

**3. Consideration of a Warrant Article to limit the number of short-term rental certificates issued by the Town. Reconsidered, votes may be taken.**

MH brokered discussion on the topic, said he wasn't sure this is the year to sponsor this proposal without more information and that taking a year to get more acclimated to the parameters of the numbers would be prudent. Committee was in agreement.

JY mentioned the Town of Chatham is going for something different with its expired landing tax and that Town Manager of Chatham has invited the FINCOM to bring her in to speak on the topic.

MB adjourned the meeting at 11:13pm.

Respectfully Submitted,  
Jody O'Neil