

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

TUESDAY, MARCH 19, 2019

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

Excused Absence: 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 5:00pm.

1. Public Hearing

- A. To receive comments from the public regarding the proposed Capital Improvements Program for FY2020-FY2024 as required by Provincetown Charter section 6-6-c; Votes may be taken.

- B. To solicit comments from the Public on Town Meeting article(s) addressing the Finance Committee for matters concerning the expenditure of Town Funds and voting whether its members are in favor or opposed to the article(s) as required by the Provincetown Charter section 2-3-g; Votes may be taken.

No public comments.

Finance Update

JY explained what is meant by the possibility of debt exclusion in that it hasn't yet been determined by the amount of the capital request for certain articles and typically these would be bonded as bonded requests are debt excluded; that funds over \$500,000 are candidates for debt exclusion. DP added that in terms of money coming to the Town such as \$1.2 or \$1.5 million in free cash over the past couple of years, 600k yearly in capital stabilization via the room tax, and new revenues which will have more money in their accounts, conversations will follow as to how to address those rising accounts.

DP spoke of short-term debt in terms of a ten year loan and ten years also as the shortest time frame for permanent bond financing, or up to 30 years or so.

MH addressed what he expressed as public sentiment regarding confusion over funding of capital improvements and projects such as the new police station and that having Free Cash in a good thing considering the Town's excellent bond rating; related that bonds may be refinanced but not be paid off early.

New Police Station Project, Funding Discussion

MH said part of the discussion on the new police station project funding is questioning why the Town would go to long-term debt for something where the amount is small and so making the money more expensive if we don't have to. DP responded by saying it was about the sources of the revenue not the loan instrument to be employed; that funding through available funds would require some belt-tightening through the years, while having the option for an additional source of financing opens up discussion of other projects as well.

MH said he hoped people understood that if the vote goes to the public for a 2 ½ override, then this is a vote to raise taxes for that many years, as opposed to a short-term solution that is retired sooner; suggested this is like a chess game where the revenue pieces need to be moved around to produce the best results.

MDF said that the budget is complicated business and discussions and decision-making is only made in meetings where varying boards work with the staff to find the right resolves for financing in the public's best interest. MH cautioned against voices in the public who might be tempted to think board members vote on personal matters in these big ticket items and SV spoke against what he described as the current, deplorable conditions of the police station on Shank Painter Road.

DP announced that on Sat., March 30th and Sunday, March 31st from 11am – 2pm, the Police Department will hold an open house for the public to view the current conditions of the station and aspects of the new proposal. MH said that nobody is happy at the way the numbers came out on the police station but that the Town should band together on making progress.

2. Review Warrant Articles and Vote Recommendation for April 1, 2019 Special and Annual Town Meetings; Votes may be taken.

SV made a motion to approve the following as printed:

Article 2. FY 2020 Operating Budget; Article 3. FY 2020 Cape Cod Regional Technical High School Tuition Assessment; Article 4. FY 2020 Cape Cod Regional Technical High School Capital Assessment; Article 5. FY2020 Enterprise Funds.

MDF seconded the motion and it passed, 5-0-0; SV, MDF, MH, DS, CC.

Per *Article 6. Police Station Supplemental Funding*, DP said a figure will be detailed during the presentation at Town Meeting and that the general contractor is due in to Town on the 27th; that the passage posted in the printed Warrant is the brief description of the Article which will be elaborated on at Meeting.

MDF made a motion to approve *Article 6. Police Station Supplemental Funding*. SV seconded the motion and it passed, 5-0-0; MDF, SV, MH, DS, CC.

DP explained *Article 7. Alteration of Layout of Route 6* in stating that when the Town assumed ownership of Route 6 from the State, a leeching field was put in which is

not on a Town parcel, but on the road right-of-way, so this Article is an adjustment of a lot line, which also allows the police station to go ahead on its lot line.

SV made a motion to approve *Article 7. Alteration Layout of Route 6* as printed. CC seconded the motion and it passed, 5-0-0; SV, CC, MH, DS, MDF.

CC made a motion to approve *Article 8. OPEB Funding* as printed. SV seconded the motion and it passed, 5-0-0; CC, SV, MH, DS, MDF.

Discussion ensued on whether per *Article 9. Community Preservation Budget for FY 2020* the three components should be voted on separately, but JY suggested this wasn't necessary. MDF asked where the reserve for community housing was located, to which JY replied in the CPA Fund. MDF asked per 3. B, Community Housing Buy-Down, which JY said is a slightly different program than the down-payment assistance program as held in prior years, and MH said it represents mortgage assistance.

SV made a motion to approve *Article 9. Community Preservation Budget for FY 2020* as printed. MDF seconded the motion and it passed, 5-0-0; SV, MDF, MH, DS, CC.

JY said *Article 10. Rescind Prior Community Preservation Act Authorization* was being rescinded as this grant was no longer needed.

MDF made a motion to approve *Article 10. Rescind Prior Community Preservation Act Authorization* as printed. SV seconded the motion and it passed, 5-0-0; MDF, SV, MH, DS, CC.

CC made a motion to approve *Article 11. Funding for Economic Development Committee* as printed. SV seconded the motion and it passed, 5-0-0; CC, SV, MH, DS, MDF.

JY explained *Article 12. Transfer from Overlay Surplus* as a new measure and function of the Board of Assessors which is taxed to review overlay accounts to determine a surplus and which can be used for ballot vote at Town Meeting.

SV made a motion to approve *Article 12. Transfer from Overlay Surplus* as printed. CC seconded the motion and it passed, 5-0-0; SV, CC, MH, DS, MDF.

SV made a motion to approve *Article 13. FY 2020 Capital Improvements Program, A. through T.* as printed. MDF seconded the motion and it passed, 5-0-0; SV, MDF, MH, DS, CC.

CC made a motion to approve *Article 14. Ground Lease for Eversource Battery Project.* SV seconded the motion and it passed, 5-0-0; CC, SV, MH, DS, CC.

Petitioned Articles 15, 16, 17 were not addressed. MH asked for the definition of "Town-Owned Properties" as relates to *Article 18 – Petitioned Article – General Bylaw Amendment: Chapter 13 Prohibited Activates – Public Health Smoking Ban on Town-Owned Properties*. DP said he could not address petitioned articles, but

concurring with MH that this article is subject to review by the State and that he thought it referred to Town-owned properties, vehicles and offices.

MDF said he felt there was some overlap between Articles 18 & 19, both of which address public smoking bans. MH questioned what kind of liabilities and expenses the petitioned articles could present to the Town in being ill-defined. DP said he felt it was not a high priority on the part of the PD and MDF said he felt this issue was problematic on some level. MJA asked if someone legally permitted to smoke medical marijuana will now not be able to in a Town-owned housing situation.

JY explained the confusion over the Land Bank regarding *Article 20. Land Bank – Expenses* in stating that this new article brings clarity to the bookkeeping by creating a budget for the Land Bank's expenditures – half of which is house-keeping and half, the new budget.

SV made a motion to approve Article 20. Land Bank – Expenses as printed. CC seconded the motion and it passed, 5-0-0; SV, CC, MH, DS, MDF.

No vote was rendered on *Article 21. General Bylaw Amendment: Chapter 12 Wetlands Protection Bylaw.*

DP addressed *Article 22. General Bylaw Amendment: Chapter 6 – Revolving Fund Bylaw (Small Scale Climate Resiliency Revolving Fund)* as a new Fund that requires no funding, but is an account for resolving receipts; engaging in small scale projects across the community.

SV made a motion to approve Article 22. General Bylaw Amendment: Chapter 6 – Revolving Fund Bylaw (Small Scale Climate Resiliency Revolving Fund) as printed. MDF seconded the motion and it passed, 5-0-0; SV, MDF, MH, DS, CC.

Articles 23 through 36 were skipped for vote by the FINCOM, determined as Zoning house-keeping petitions.

MDF sought clarity on the meaning behind *Article 36. Zoning Bylaw Amendment: Definitions – Campground/Tiny Houses* which he felt was a quality of life in a tax issue floating out there and asked if this proposal was to wedge in approval for tiny houses on wheels. DP explained that removing the “no more than six months in a 12 month period” would allow for 12-month occupation.

SV said he used to work in the camping industry and that many of these units are designed for year-round living in a variety of situations. MDF said his concern is that 5th wheelers and twin trailers would be considered in the same definition. MH said he had gone before the Planning Board to propose removing the 6-month clause to see what happens, particularly in the camp grounds, and was told that this proposal would facilitate a one-year study and that this now is what has come out of that discussion.

SV suggested the move might help with skilled seasonal worker housing, but added he thought that tiny homes, or homes on wheels, are required to pass inspection.

SV made a motion to approve the Consent Agenda, Articles 37 through 42, as printed. MDF seconded the motion and it passed, 5-0-0; SV, MDF, MH, DS, CC.

3. Approval of Minutes.

SV made a motion to approve the meeting minutes of December 3, 2018 and January 7, 2019. CC seconded the motion and it passed 5-0-0; SV, CC, MH, DS, MDF.

MH said these minutes were approved following last month's meeting and authorized that the latest invoice be paid.

SV made a motion to adjourn the meeting at 6:18pm.

Respectfully Submitted,
Jody O'Neil