



**Provincetown Public Pier Corporation (PPPC)  
Judge Welsh Room - Town Hall  
Meeting Minutes of Thursday, September 13, 2012**

**Members present:** Lee Ash, Rich Wood, Carlos Verde, Ginny Binder and Scott Fraser.

**Members absent:** None.

**Other Attendees:** Rex McKinsey (Pier Manager/Harbormaster) and Ellen C. Battaglini (Administrative Assistant).  
Sharon Lynn (Town Manager).

Chair Lee Ash called the Public Meeting to order at 5:03 P.M.

## ***AGENDA***

### ***Public Statements***

None.

### ***Special Agenda Items***

None.

### ***Review Minutes***

*A motion was made to approve the minutes of the Public Meeting on 08/23/12 as written.*

**Motion:** Carlos Verde      **2<sup>nd</sup>:** Rich Wood

**Vote:**

**Yes:** 4      **No:** 0      **A:** 0

### ***Motion Passes.***

### ***Directors' Statements***

**Carlos Verde:** Lambda Yankee Car Club event and Schooner Regatta went very well and well-attended. Those are good events and we should keep the momentum going.

**Ginny Binder:** Thanks to the Harbormaster's Office for their support and help, once again, for Swim for Life. Plenty of boats made available to transport 400+ swimmers out to the Point, all of whom finished the swim safely. Top forty-two fundraisers raised over \$116,000.

**Rich Wood:** None.

**Scott Fraser:** Schooner Regatta went well, however next year we could use another 10 knots of wind.

**Lee Ash:** Reiterated what other Board members said about the Regatta and Swim. Watched Regatta race from pontoon boat. Asked each Director to think about how best to evaluate MPO Pilot Program for discussion at upcoming meeting.

**Scott Fraser:** Noting that the Town Manager entered the room, reported that he did research on topic discussed at a previous meeting re use of Pier property for jobs contracted out with private entities. Enabling legislation states all Pier equipment is public property so any restrictions on use of Town equipment for privately contracted jobs applies to Pier equipment as well. Town Manager articulated policy correctly at last meeting.

### ***Working Group Reports***

**Rates Sub-Committee:** Ginny's sub-committee dealing with issue of difference between charter boat rates and commercial fishing rates for tenants. Some commercial tenants hide the fact that they charter on the side to supplement their incomes. Should not be punitive to commercial fishers who engage in both activities. Has to be a tiering of the rates based on number of charters or people. Obtained rates for charter boats from Rock Harbor, the closest Harbor to us. Our rates are comparable. Wants to stay competitive with those rates, or be slightly lower. Trying to figure out how to fairly evaluate how much of a fisher's business is charter and maybe set up three or four points of reference to make sure that if fisher's majority of business is commercial fishing, that he or she does not get unfairly charged the charter rate and vice versa. Sub-committee is working on it and will report back in another month.

**PPPC Draft Financial Management update:** Scott reviewed the information in the packet, which is available to the public upon request from the HM Office. Objectives are to provide update about what has been accomplished in last year or so, to outline what PPPC and this sub-committee needs to do in the area of financial management before calendar year end and to review the long-term, strategic issue of the maintenance reserve and how to define and manage that resource over next few years. Overview of what has been done to date:

- Cleaned up past-due accounts receivable and established new receivable policies. AR brought down by \$30,000. Still high because PPPC is in the middle of season. Resolved accounting issues re PPPC cash accounts held by Town which will allow finalization of draft audits from last several years and initial discussions started re moving to calendar year;
- Motion to formalize moving to calendar year for purposes of financial management. Not needed for legal reporting purposes;

- Resolution of accruals due to Town with respect to employee benefits that PPPC carries on its books;
- Draft new Harbor Regulations to allow HM to be able to remove vessels for non-payment of dockage, as no clear process in place at this point in time; and
- Design and implement annual processes for budgeting operations, maintenance and capital expenditures on a calendar-year basis.

Issues for 2013 include thinking about re-negotiation of management contract between Town and Pier and adequacy of maintenance reserves as it is related to that negotiation. Review of how PPPC accounts for maintenance reserve. Capital budget expense line used by auditor to expense the \$50,000 we are supposed to be setting aside each year into the capital asset replacement reserve, which is to meet unforeseen large expenses incurred, such as damage to floating docks. Past practice included taking money out of that reserve to cover maintenance shortfalls. Should have a policy re reserve. Reserve funds have increased over past few years, however PPPC has sustained losses in those years. PPPC still in a loss situation. Not as much money is getting transferred to reserve fund. Review of estimates of maintenance expenses in past and projected into the future. All expenditures are in excess of what PPPC has had in the past. Discrepancy between what PPPC actually spend on maintenance and what the projected maintenance estimates are, which could cause financial losses to increase proportionally.

Board discussion ensued.

RW: How do pilings, for example, get expensed and depreciated, as they have a useful life of more than one year.

SF: Have to replace pilings every year on an ongoing basis. Individual piles have a useful life of several years. Probably don't want to capitalize and depreciate each individual piling. Probably want to come up with a policy to deal with these types of things.

GB: Need to take capital asset replacement fund and maintenance plan and distinguish between routine expenses and long-term maintenance costs and, based on revenue streams, ensure that those expenses can be handled, especially immediate expenses because in the long run those expenses could rise.

GB: Has work been done on projecting revenues based on past and future projections, so as to decide what percentage can be put into the bank today, as opposed to the amount of money PPPC is expensing, so that the amount of money taken out of the Capital Asset Reserve Fund be limited and used for routine expenses such as fender pilings?

SF: Reviewed the enabling legislation re fiduciary responsibility to maintain Pier in a fully operational state. Could consider expanding current scope of operations and generating more revenue and undertake as separate projects, determining whether the revenue generated would cover cost of that revenue-generating project.

GB: PPPC should evaluate these potential revenue-producing projects and how much they can offset long-term annual expenses and contribute over time to the capital asset reserve fund.

LA: Is keeping Pier in good working order even possible given economic climate and based upon rents now in place and given mission statement to support commercial fishing on Pier.

SF: Suggests coming up with set of reasonable accounting policies for what PPPC is going to expense and capitalize every year and how to fund the Maintenance Reserve. If PPPC is going to fully implement the CIP Maintenance Plan for sustainable operations, the annual maintenance expenses are going to go up, as will the financial losses. The CIP Maintenance Plan estimates do not include the replacement of the existing floating docks, wave attenuation or the additions to 'T' dock structures. Barring any major changes, conflicts may arise between PPPC fiduciary responsibilities, existing contractual relations with Town as currently structured, pricing to customers or financial performance. Need to look at revenue enhancements to raise \$100,000-\$150,000 per year or cost reductions. Solutions may include raising rates to existing customers, renegotiations of agreements with Town, look to make operations more efficient and explore new business developments with minor capital requirements.

RW: Board has to figure out what PPPC maintenance responsibilities are and what are Town's responsibilities.

SF: Need to discuss with Board and with Town.

GB: The \$220,000.00, or some portion, could be used as investment fund for something to earn more revenue than it would in bank. If there is an opportunity, such as with Mass. Development to match funds, for improvements or additions to Pier, it can be used to create additional revenue and further offset any red ink.

SF: Enabling legislation states the purpose of fund is to meet expenses of maintaining Pier, not developing the business of the PPPC. It's a delicate issue that Town has to be engaged in the process. It's a political issue for Town. How much of a break are we giving to the fishing industry over alternative uses of the Pier?

LA: How does insurance for other Town facilities work in event of an act of God and if Pier is insurable in that way.

RM: In event of loss due to an act of God, the State or Federal government will step in to assist.

GB: That was understood from beginning of Pier reconstruction. Elements were not included in the reconstruction, including a wave attenuator, which would have made the mission of enabling legislation easier to fulfill.

Sharon Lynn joined the discussion. Addressed the insurance question. Maintenance needs to be done because built into an insurance policy is the problem of neglect. Most important issue in legislation is maintenance. If there aren't sufficient funds built up to make repairs or to put on additions, it needs to be addressed. PPPC responsibility is to maintain the Pier.

LA and GB: Lack of wave attenuation put PPPC in a disadvantageous position from the start.

GB: There may be more innovative solutions to wave attenuation.

CV: Why do lease and management agreement amounts differ.

Rex explained discrepancy.

CV: The parking situation on the Pier needs to be addressed and the issue of tenants believing that they are guaranteed a space.

### ***Pier Manger's Report***

**Squid Fishing** – Letter from Division of Marine Fisheries states no objection to regulations for use of Pier by means other than catch limits and manner of fishing, including parking restrictions, preventing use of generators or large containers, restrictions on the time for use of Pier and prohibitions against trespass. Do not want every town to have different regulations circumventing DMF size and catch limits. Letter from Town Counsel recommends amendment to the regulation, although may be brought to Court by DMF, including dropping the restriction to single jigs. Asking Directors to consider this for a couple of weeks and either pursue plan with Town Counsel putting a slightly revised regulation that may be acceptable to DMF or hire private investigator to collect evidence of illegal commercial activity and then demand that DMF enforce regulations. PPPC could forward its decision to DMF in response to their letter, request a change through the Marine Fisheries Advisory Commission or do nothing. Squid activity has slowed down recently.

**Captain Jack's Bill** - Captain Jack's statement went to wrong address by mistake. It will be going to the proper person and be paid shortly.

**Post-Labor Day Events** - Thanks for noticing post-Labor Day events on the Pier. It is a busy time of year and Luis on vacation for 2 weeks before.

**Budget Process** – Reviewed standard annual memo from the Town Manager to Department heads re budget process in packet. CIP five-year projected budgets will be first. Good time to add work done by Directors.

**Boat Fire** - Electrical fire on Andrew Czyoski's boat this morning. Quick response by police, DPW, fire and staff. Bobby Palheiro happened to be on dock to begin dousing

flames with a hose. Pollution control happened quickly. Call came in through dispatch and presence of MPO was not a factor in incident.

**Annual Hearing** - Need to advertise for PPPC annual hearing for public comment on operations to include comments on the MPO pilot program. Directors chose October 11<sup>th</sup>.

CV: A lot of cat boats in Town for the Regatta were taking up space on the courtesy float and not allowing other boats to use float.

RW: Board should send a letter of praise and commendation to Bobby Palheiro for his quick action to begin fighting fire on Mr. Czyoski's boat and getting it under control.

Sharon Lynn stated that MPO updates given to Directors are reported to Board of Selectmen. Since program is winding down, her recommendation to BOS is to have a joint meeting to discuss areas of concern and move forward with what's going to take place in the future. She proposed the BOS meeting on Monday, October 22<sup>nd</sup>. The Directors agreed to that date.

### ***New Business***

None.

Motion to adjourn @ 6:30 P.M.

**Motion:** Rich Wood                      2<sup>nd</sup>: Scott Fraser

**Vote:**

**Yes:** 5                      **No:** 0

### ***Motion Passes.***

Respectfully submitted,  
Ellen C. Battaglini,  
PPPC Administrative Assistant

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Lee Ash, Chair