



Finance Committee

Finance Committee Meeting
February 17, 2009 @ 10:00 am
Larkin Hall at the Provincetown Center for Coastal Studies
Called to Order: 10:02 am

Membership:

P	E	U	Name	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Coen, Chair	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ruth Gilbert, Vice Chair	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Robert Vetrick	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Virginia Ross (arr. 10:05)	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Thomas Thurston (arr. 10:10; rejoined at 1:25)	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Walter Winnowski	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Frederic Biddle	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Philip Gaudiano	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Ann Maguire	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Gabrielle Hanna, Alternate	<input checked="" type="checkbox"/> Voting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Open, Alternate	<input type="checkbox"/> Voting

(Note: P = Present E = Excused U = Unexcused)

These minutes are in brief format. This meeting was filmed and is available for viewing on DVD at the Provincetown Television office.

Also Present:	
Alix Heilala, Finance Director	David Guertin, Dir. DPW
Butch Lisenby, Airport Manager	Sandy Turner, Deputy Dir. DPW
Steve Tait, Airport Commission	

Order of Business:
1. To review and discuss the status of the FY10 budget with the Town Manager and the Town Finance Director.
2. To review the Budget for Division I – General Government, including: 482 – Airport
3. To continue the review of the Budgets for Division IV – Public

- Works (all departments).
4. To review other Division budgets as time permits.
 5. To consider minutes of previous meetings as time permits.
 6. To consider any other business that may legally come before the Finance Committee.

Handouts

Mr. Coen passed out copies of the following documents:

- School grants & revolving account balances for the school budget
- Updated 511 Health Inspector budget
- Elgin Nautilus waterless street sweeper brochure
- Spreadsheet with residential units potentially eligible for trash pickup
- Updated schedule of meetings
- Updated 910 Insurance budget
- List of employee health plans for current and retired employees

Minutes

At the request of several members, Mr. Coen raised the issue of whether or not the Committee should adopt the abbreviated (brief) format for its minutes. Minute taking has become onerous for members and makes it difficult to participate in the budget discussions.

Mr. Coen will follow up with the Town Clerk as to where DVDs of meetings should be stored.

Motion #1: To adopt the abbreviated guidelines for minute taking with a memo at the end of the minutes stating where the video of the full meeting is available for viewing.

Motion By: Ann Maguire		Second By: Gabrielle Hanna	
For: 7	Against: 0	Abstain: 0	Recuse:

Budget Reviews**122 - Board of Selectmen - Presented by Alix Heilala**

This budget was level funded. MMA conference attendance has been reduced. Office supplies and legal ads are now centralized under Dept. 156.

Ms. Heilala corrected a line item error and recalculated the total. This budget was approved in the corrected amount.

Motion #2: To approve budget 122 in the amount of \$52,967.			
Motion By: Ann Maguire		Second By: Gabrielle Hanna	
For: 8	Against: 0	Abstain: 0	Recuse:

121 - Finance Committee – Presented Alix Heilala

The Reserve Fund is still at \$50,000. We may need it the Snow & Ice budget is overspent. It is only used for extraordinary and unforeseen items. To date in FY2009, the Committee has approved transfers of \$11,000 for a new copy machine. Additional requests of \$10,000 for a new server and \$7,000 for Veterans Services are expected.

The Committee had a vigorous discussion about whether or not to reduce its Reserve Fund in order to lead by example given the difficult economic climate. The counter argument was that in a very tight budget, the Reserve Fund should be maintained at its current level to cover unforeseen expenses.

Motion #3: To reduce line item 57810 Reserve Fund by \$8,000 from \$50,000 to \$42,000; and to recommend budget 121 in the amount of \$47,615.			
Motion By: Fred Biddle		Second By: Ruth Gilbert	
For: 5	Against: 3	Abstain: 0	Recuse:

135 - Accounting - Presented by Alix Heilala

The Committee questioned the practice of reimbursing the Town's auditor for out of pocket expenses and suggested shifting to a per diem.

Motion #4: To recommend that the Finance Director and Town Manager negotiate a contract with the Town auditors that pays a per diem for lodging and food rather than actual expenses.

Motion By: Ann Maguire		Second By: Tom Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

The Committee raised a concern about giving 2.2% step increases to two employees who recently had their positions removed from the union. In light of the fact that no other non-union personnel are receiving such an increase, would this send the wrong signal?

Discussion shifted to the issue of discussion with the unions about forgoing their contractual increases. The Committee would like to have a complete picture of all union cost of living, step, and longevity increases before considering this budget.

Motion #5: To table discussion of budget 135 until Thursday.

Motion By: Thomas Thurston		Second By: Virginia Ross	
For: 8	Against: 0	Abstain: 0	Recuse:

511- Health Inspector/Agent - Presented by Alix Heilala

The Committee received an updated budget for the department.

Motion # 6: To reconsider budget 511.

Motion By: Ann Maguire		Second By: Virginia Ross	
For: 8	Against: 0	Abstain: 0	Recuse:

The amount the Conservation Department is contributing has been reduced from \$6,000 to \$4,000 (line item 51101 Professional/Technical).

Motion #7: To approve budget 511 in the amended amount \$107,218			
Motion By: Ruth Gilbert		Second By: Ann Maguire	
For: 8	Against: 0	Abstain: 0	Recuse:

543 - Veterans - Presented by Alix Heilala

The Committee had previously tabled consideration of this budget pending receipt of additional information on this budget. According to a letter from Mr. Chase from Veterans Benefits, one additional veteran has entered the program.

The assessment of \$16,727 represents Provincetown’s share of 4% of Department of Veteran Services’ total budget. Provincetown now has 3 veterans who get monthly checks. Veterans receive a stipend for housing, transportation, and medical services. The Town is last resort payer for these services.

The Committee will receive a request for transfer of \$7,000 from Reserve Fund for the current year. The amount depends on level of services for the individual veteran. The Town receives limited reimbursement from the State.

The budget for next year reflects an increase of 45%, based on case load.

Motion #8: To approve budget 543 in the amount of \$37,027.			
Motion By: Ann Maguire		Second By: Phil Gaudio	
For: 8	Against: 0	Abstain: 0	Recuse:

630 – Recreation

The Committee had previously tabled discussion of this budget. Mr. Coen confirmed that the Board of Selectmen vote to put the entire department’s

budget in an override. The Committee can choose to revisit this and make a different recommendation.

910 – Insurance – Presented by Alix Heilala

The Committee received an updated budget. The Cape Cod Municipal Health Group has not yet voted on the final percentage increase, but says that there should be a \$147,000 reduction.

The budget gap is now \$256K assuming that the Recreation Department goes into override. The Board of Selectmen is negotiating with the Visitor Services Board from a contribution from their funds.

Ms. Maguire suggested having a representative present at health fair open enrollment day to move people from Master Health Plan and Master Medical.

Motion #9: To reconsider budget 910.			
Motion By: Ruth Gilbert		Second By: Thomas Thurston	
For: 8	Against: 0	Abstain: 0	Recuse:

Motion #10: To approved budget 910 in the amended amount of \$4,863,009.			
Motion By: Ruth Gilbert		Second By: Fred Biddle	
For: 8	Against: 0	Abstain: 0	Recuse:

Ms. Maguire suggested the Committee invite Representative Peake to attend one of our meetings to give an update on pending legislation.

Motion #11: To invite Representative Peake to attend one of our meetings to give us an update on pending legislation.			
Motion By: Ann Maguire		Second By: Virginia Ross	
For: 7	Against: 0	Abstain: 0	Recuse:

(Mr. Coen recessed the meeting at 11:35. The Committee came out of recess at 1:05).

482 – Airport – presented by Butch Lizenby (Airport Manager) and Steve Tait (Airport Commission).

(Mr. Gaudio recused himself from the discussion as his wife is the minutes taker for the Airport Commission. Mr. Thurston also recused himself because he works for Cape Air.)

There is a \$19,000 gap between what the airport pays for police details and the reimbursement that the Town receives from the Transportation Security Administration.

All airport revenues go into a revolving fund. Cape Air rent, TSA trailer rent, and naval exercises are all included in the rental income line.

Events at airport – Cape Air has lease, and then rents out the hangar for events. The Airport Commission needs to get legal opinion to see if it has the right to collect a fee on rentals. The Cape Air contract states that Cape Air only has to get permission for non-aviation functions.

Motion #12: To invite the Police Chief to come back and discuss airport coverage.			
Motion By: A. Maguire		Second By: F. Biddle	
For: 6	Against: 0	Abstain: 0	Recuse: 2

Motion #13: To table discussion on budget 482 pending discussion with the Police Chief.			
Motion By: Ann Maguire		Second By: Ruth	
For: 6	Against: 0	Abstain: 0	Recuse: 2

Department of Public Works (Energy Budgets) – Presented by David Guertin (Director) & Sandy Turner (Deputy Director)

(The Committee had previously requested additional information from DPW regarding energy usage for various town departments).

Ms. Turner distributed a set of documents breaking down energy costs such as diesel fuel, gasoline, electricity, propane and heating by location. A lengthy discussion (approximately 90 minutes) ensued about the information. Toward then end, the Committee concluded that is needed a breakdown of actual usage for a full year period, by location, and base next years budget on the usage times estimated unit costs for each fuel type. A follow up meeting will take place on February 23rd.

It was also agreed that next years budget would be broken down by location and fuel type to provide better tracking.

Capital Improvements Program – Street Sweeper – presented by David Guertin & Sandy Turner

The current street sweeper is 13 years old and past its life expectancy of 8-10 years. Our mechanic says it will not last another season.

The state contract bid price is \$182,162. The Guarantee is on the engine only. There are no warranties for subcomponents. Delivery would be 6-8 weeks from order time. Trade in value of the existing sweeper should be 2-3%.

This request will be resubmitted with the new price. The Committee will vote after its CIP public hearing.

Capital Improvements Program – Storm Drains & Sidewalk Maintenance – Presented by David Guertin & Sandy Turner

The Board of Selectmen wants to put these in the budget as a recurring costs, rather than CIP requests starting next year. This year they will be \$50K each requiring a Prop. 2 ½ capital exclusion vote. The Committee will vote after its CIP public hearing.

Solid Waste Management – Presented by David Guertin & Sandy Turner

Town residents do not realize the true costs of solid waste pickup. Costs are invisible to them. Many towns are taking Solid Waste out of the general budget and putting them into an Enterprise Fund. We need to look at a strategy like this to solid waste disposal self-funding based on user fees.

Private Roads are plowed, sanded, and swept (if paved) by the Town. Trash is also picked up on most of them. No additional fees are paid for picking up the trash.

Other Business

Public Works Economic Development grant letter of support – Presented by David Guertin & Sandy Turner

DPW is submitting a \$1M Public Works Economic Development (PWED) grant request to repave Commercial St. from Court St. to Johnson Street, and fix the sidewalks. If we get more funding, the area will be extended. No matching funds are required.

Motion #14: To sign the letter of support for Commercial Street Roadway Improvement Project PWED grant.
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Motion By: Ann Maguire	Second By: Frederic Biddle
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Second By: Frederic Biddle

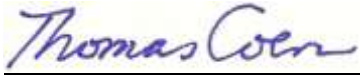
For: 8	Against: 0	Abstain: 0	Recuse:
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Against: 0

Abstain: 0

Recuse:

Next Meeting:	February 19 th @ 10:00 am
Adjourn:	3:25 pm
Minutes by:	Gabrielle Hanna & Thomas Coen

Approved by  on February 2, 2010
Thomas Coen, Chair