

Provincetown Finance Committee Minutes
February 5, 2013, 9:30 a.m.
Judge Welsh Room, Provincetown Town Hall

Members Present: Tom Donegan, Mike Canizales, Doug Cliggot, Catherine Russo, Gordon Siegel, Duane Steele, Clarence Walker and Tim Grobleski (remote until 11:58 a.m.)

Excused Absent: none

Others Present: Town Manager Sharon Lynn, Finance Director Dan Hoort

Meeting called to order at 9:30 a.m.

Purpose of meeting is to review FY 2014 Public Works departmental budgets as recommended to the Finance Committee by the Board of Selectmen.

1st item is Reserve Fund Transfer Request from Building Committee. \$2,500 requested to pay for taping of their meetings by PTV.

Catherine Russo questioned the cost per taping, she felt the cost per taping seemed excessive. Committee decided this could be part of the discussion when the PTV budget is up for review.

Mike Canizalles moved to approve Reserve Fund Transfer request in the amount of \$2,500. Second by Doug Cliggot. Motion approved 8-0-0

Finance Director provided overview of the FY 2014 budget. Chair mentioned that all the proposed FY 2014 budget documents are listed on the Finance Department web page on the town's web site under Finance Documents.

Other discussion:

- Breakdown of which departments pay debt service is listed in Finance, Dept. 710 Debt Service.
- In discussion of OPEB (Other Post Employment Liability) liability health insurance is currently listed on a 'pay as you go' basis.
- Finance Director will provide a breakdown of the health insurance line item broken down by current vs retired employees and by department.
- The Enterprise Funds are run separately as required by law.
- Committee discussed airport. The town provides support to the airport, Cape Air staffs and operates the airport. The National Park Service leases the land to the town, the town owns and maintains the structures.
- The Provincetown Pier is run as a separate entity and is managed by the Provincetown Public Pier Corporation through a management agreement with the town. The ultimate responsibility for large maintenance projects at the Pier lies with the town.
- Finance Director updated the Committee on the audit. It is complete and is being printed.
- Finance Director provided an update on OPEB and on the governor's commission on OPEB. The governor has proposed changes to health insurance eligibility which will affect the OPEB liability. Changes would not apply to current retirees, the Finance Director relayed his concerns to Rep. Peake about the unintended consequences of employees being forced to retire to keep their benefits.

- Committee acknowledged they may need to address the percentage co-pays in another conversation.
- Committee received a brief update on parking revenues. Committee encouraged staff to review system for parking permit verification and to strengthen the internal controls.
- The Chair mentioned the concept of approving by unanimous consent various smaller budgets with no changes from the previous year.

Department 192 – Buildings & Grounds

Presented by Director David Guertin and Deputy Director Rich Waldo

The Director discussed the increase in the ‘A’ budget over the years. The ‘B’ budget is basically level funded from the prior year with the exception of the addition of the Building Maintenance Plan. The Committee acknowledged the addition of the Building Maintenance Plan to the Buildings and Grounds budget. The Committee and town residents have been requesting a plan to maintain our buildings and the Committee is pleased to see it become a reality.

The Committee recommended funding be added to the Building Maintenance Plan for the Police Station, the Grace Gouveia Building, the Community Center and a miscellaneous amount. Staff acknowledged the Building Maintenance Plan isn’t perfect yet. Those three buildings are all in a transitional stage. The Committee felt even if a building is unoccupied the building should have funds for maintenance so the building can continue to be maintained. Mike Canizales recommended the Committee add \$40,000 for the police station, \$10,000 for the Community Center, \$10,000 for the Grace Gouveia Building and \$10,000 for other miscellaneous building maintenance for a total addition of \$70,000. The Committee agreed and the amounts were added to the Buildings and Grounds budget.

The Finance Committee recommends FY 2014 Department 192, Buildings and Grounds Department in the amount of \$1,316,479 by unanimous consent (8-0-0).

Department 421 – DPW Administration

Presented by Director David Guertin and Deputy Director Rich Waldo

‘A’ budget has decreased by 19%, ‘B’ budget increased by 1.8%. This budget has changed because the fuel oil revolving account has been approved by Town voters and the fuel which is re-sold to other departments is no longer charged to this department.

Deputy Director mentioned that now that we have a Building Maintenance Plan the next step will be to create a Vehicle Maintenance Plan. The Committee discussed the fact that the department fleet request was not approved at the ballot box last year, but the town was able to purchase two lawn mowers by foregoing other items. The Committee referenced the CIP requests and discussed the need to very clear on the need for vehicle replacement. If vehicles are not approved for replacement does the vehicle maintenance line item need to be increased? If vehicles are not approved department may need to come back to voters at a fall town meeting to request additional funds for vehicle maintenance.

The Finance Committee recommends FY 2014 Department 421, DPW Administration Department in the amount of \$333,729 by unanimous consent (8-0-0).

Department 422 – Highway Department

Presented by Director David Guertin and Deputy Director Rich Waldo

‘A’ budget increased 0.4% due to union contractual increases. ‘B’ budget decreased due to moving the Streets/Sidewalks and Drainage funds being moved to the Capital Improvement Program.

The Finance Committee recommends FY 2014 Department 422, Highway Department in the amount of \$561,602 by unanimous consent (8-0-0).

Department 423 – Snow & Ice Department

Presented by Director David Guertin and Deputy Director Rich Waldo

The budget is level funded. It was pointed out that per Mass. Dept. of Revenue regulations the Snow & Ice budget is the only budget that may be legally overspent. This regulation applies only if the budget has not been reduced from the prior year.

The Finance Committee recommends FY 2014 Department 423, Snow & Ice Department in the amount of \$167,700 by unanimous consent (8-0-0).

Department 431 – DPW Solid Waste Department

Presented by Director David Guertin and Deputy Director Rich Waldo

‘A’ budget has a small increase of 1% from contractual union increases, ‘B’ budget has been increased due to increased hauling costs. Committee discussed the upcoming increase in solid waste disposal costs which are expected to increase significantly on January 1, 2015 when the current contract expires. The Committee also discussed buying additional recycling bins and the ‘Big Belly’ solar trash bins. Big Belly trash bins are heavier and due to the fact that they are not emptied as frequently they can generate strong odors. Cost has been primary reason for not purchasing additional Big Belly bins.

The Finance Committee recommends FY 2014 Department 431, DPW Solid Waste Department in the amount of \$582,856 by unanimous consent (8-0-0).

Department 432 – Recycling Committee

The Committee discussed the purchase of additional recycling bins.

The Finance Committee recommends FY 2014 Department 432, Recycling Committee in the amount of \$2,750 by unanimous consent (8-0-0).

Department 439 – Solid Waste

Presented by Director David Guertin and Deputy Director Rich Waldo

The Town Manager discussed the status of contract negotiations. The current contract expires December 31, 2014. Most towns on the Cape are negotiating as a group for the new solid waste

contract. Current expectations are that a new 10 year contract will be signed and will increase between 60% and 80%.

Note:

Tim Grobleski left the meeting (via conference call) at 11:58 a.m.

The Finance Committee recommends FY 2014 Department 439, Solid Waste in the amount of \$168,000 by unanimous consent (7-0-0).

Department 440 – Waste Water Enterprise Fund

Presented by Director David Guertin and Deputy Director Rich Waldo

The Committee discussed the need for capital improvement planning for the Enterprise Funds. The DPW Director mentioned that we currently have a capital improvement fund with approximately \$190,000 held by Woodard & Curran. In general, other than visible work on the roads town residents shouldn't be affected by capital improvements in the future. Per the DPW Director, the town does not have a large liability outstanding for equipment that was purchased by grant money and might need replacement. The largest expense related to the implementation of Provincetown's sewer system was the cost of laying the pipes. The Finance Director mentioned that current Retained Earnings were certified by the DOR slightly in excess of \$32,000, the first year ever that Retained Earnings were a positive number.

The Finance Committee recommends FY 2014 Department 440, Waste Water Enterprise Fund in the amount of \$3,631,798 by unanimous consent (7-0-0).

Department 450 – Water Enterprise Fund

Presented by Director David Guertin and Deputy Director Rich Waldo

The Committee noted the positive retained earnings for the Water Enterprise Fund. DPW Director updated the Committee on the activities of the Water Enterprise Fund including the new well field in Truro and the issue with unaccounted for pumped water. The DEP set a limit of 15% for unaccounted water that the Director is pessimistic that we will meet. The Water Dept. has made tremendous strides in this area, but number of unaccounted for gallons remains unacceptable. All unaccounted for gallons are due to leakage and old non-conforming pipes in the service lines. In the majority of circumstances the user's water bill will not be affected by fixing the leaks, most issues are between the water main the user's meter. The CIP requests for the Water Dept. are intended to help reduce the unaccounted for gallons.

Because of time constraints the Finance Committee requested the DPW Staff return to a future Finance Committee meeting to complete the discussion of the Water Enterprise Fund.

Department 482 – Airport

Presented by Butch Lisenby, Airport Manager

The Committee discussed the structure of airport operations. Maintenance inside the building is the responsibility of Cape Air and maintenance of the exterior of the buildings is the responsibility of the

town. The Committee discussed the cost of the security detail and the continuing reduction of the percentage reimbursed by the Transportation Safety Administration (TSA).

The Committee discussed the allocation of costs between the Town and Cape Air (who covers what). The Town currently has a lease agreement with Cape Air that expires in 2017. It was a twenty year lease that was signed before 09/11 happened so things have changed. The Airport Commission negotiates the lease which is then brought forward to the Board of Selectmen for approval.

The Finance Committee has many questions and it was decided individuals would forward their questions to the Finance Committee Chair and/or the Finance Director who will forward them to Mr. Lisenby.

Meeting was adjourned at 1:10 p.m.

Meeting Documents:

- Parking Report to Board of Selectmen
- 2nd Quarter Financial Results
- Minutes from 10/16/12