

Provincetown Finance Committee

Police Station Conference Room

June 24, 2004
3:00 p.m.

Members Present: Sue Buerkel, Matthew Clark, Gail Enos, Ruth Gilbert (Chair), Mark Leach, Thomas Thurston, and Robert Vetrick.

Members Absent: Ann Maguire and Virginia Ross

Also in attendance: Bruce Miller

The meeting was called to order at 3:00 p.m.

Agenda

Review of Minutes

The minutes of May 27th will be reviewed at the next meeting.

Workshop with Bruce Miller

Bruce arrived at 3:10 p.m. with many budgetary hand-outs which were not given out until the end of the meeting. It was announced that he is leaving his position on July 20th and will be taking up a similar position in Plymouth, MA. The Finance Committee has developed a rapport with Mr. Miller and they will all be sorry to see him go. They would like to have additional discussions with him prior to his departure. Ruth Gilbert, speaking for the Committee, said, "We all feel your leaving is a great loss to us." Bruce said he'll always be available.

Bruce was asked specifically about the Department of Revenue (DOR) not allowing use of the projected tourism funds. The situation originally began when Tom Scanlon made a recommendation to use both the parking fund and the tourism fund on a prospective basis. For a few years we appropriated monies in that fashion and the DOR accepted that.

In our budget submissions to DOR they read all we submit in detail i.e., the Tourism Fund is used primarily to fund special events, etc. The DOR this year said that if you are going to appropriate money from the tourism fund then the money has to be in fund – not anticipated revenue – reversing their practice of prior years. They were also going to do this with the parking fund, but were convinced to accept the Town's practice. Tom Scanlon is not happy with the final outcome from DOR. Tom promised he will try to revisit the issue and change the minds of the DOR this fall. Bruce feels Tom will be successful in arguing the case with them.

The Committee had many questions regarding this recent ruling of the DOR, i.e., if the ruling were overturned in the fall – would this mean that we raise taxes to cover the problem and then reduce the

taxes? There were no clear answers and Bruce suggested writing an article for the April 2005 meeting which would rectify the situation.

Ruth Gilbert suggested – as an exercise - let's assume that we don't get permission in the fall, then we're no worse off than we were last year. And it's a basis for the tax rate.

Many possible scenarios were floated and the conclusion seemed to indicate a “wait and see” policy.

Bruce suggested not using free cash to fund operations but rather to finance capital to help Provincetown maintain a more level tax rate. He also said it would be easier to cut out capital for one year.

Motion: A motion was made to sit down with Bruce Miller's replacement, the Town Manager, Tom Scanlon, and the Visitors Service Board (VSB) to revisit the operational budgets BEFORE the town meeting. (*It was thought that November 2004 might be an appropriate date for the meeting.*) Mark Leach seconded the motion and it passed unanimously.

Bruce Miller also told the group to make note of Tom Scanlon's phone number which is: (413) 665-4001. Tom had indicated that he is always readily available.

Motion: Matthew Clark made a motion to request that for next year's budget cycle the new Finance Director and the Town Manager use the tax levy amount prior to the unanticipated DOR ruling on the Tourism Fund (which translated to \$5.17 per thousand in value) instead of the current levy (which translates to \$5.45 per thousand in value) as the base for calculating next fiscal year percentage increases to the tax levy. This would allow us to see the real increase rather than one made artificially smaller by an extraordinary item. Mark Leach seconded it and it, too, passed unanimously.

Bruce presented a request to take advantage of temporary legislation allowing towns to take 3% of the remaining balance of any budget line and transfer it to any other budget in need. He requested a \$42,000 transfer from various line items to cover an overrun in the legal budget.

Mark wondered why at the May 27th meeting the Town Manager had said there were no monies available anywhere to cover the cost of retaining Gretchen Van Ness. Bruce explained that the ability to transfer 3% was newly enacted legislation and is only temporary.

The Finance Committee commented that the legal expenditures are staggering! Plus of the \$15,000 transferred from the reserve fund for equal marriage counsel, \$12,000 has already been spent.

At this point Sue left the meeting for a previous appointment. (4:00 p.m.).

The Committee, in general, questioned the decision for Provincetown to engage its own private attorney when the rest of the towns who are fighting the overall “gay marriage issue” are being represented pro-bono by the ACLU and Palmer and Dodge. They recalled that when KAB was asked specifically if the other towns would contribute anything to the lawsuit – the Committee was told that it was expected the other towns would and the amounts would be apportioned in an equitable fashion. Now, Provincetown is fighting its own expensive legal battle while all the other towns are fighting the same fight without expense to their taxpayers. Ruth wondered if we plan to continue along with our

private suit?

Motion: Robert Vetrick made a motion to request an immediate meeting with KAB and the Board of Selectmen (BoS) to go over the lawsuit issue.

(The motion did not receive a second and died.)

Ruth suggested that the Finance Committee go to the next BoS mtg. Tom Thurston mused that perhaps the BoS is acting on behalf on the PBG in order to acquire more business. Ruth Gilbert has had people talk to her about these issues. Ruth said that people were concerned that we were spending their money not to defend our citizens, but strangers who came here to marry.

The discussion returned to Bruce's request that FinCom approve the transfer of funds. He said it has to be done before the July 1st, the beginning of the fiscal year.

Motion: Tom Thurston made a motion to approve the transfer of \$42K to the end-of-year budget. Matthew Clark seconded the motion and it passed 6-0-0.

After a bit more discussion it was decided that Ruth Gilbert would call Dr. Cheryl Andrews, Chair of the BoS, and ask to be put on the BoS agenda for Monday, June 28th.

Bruce Miller then discussed possible replacements for him and Paul Gavin who also may be leaving. (Paul may be taking another job replacing Kathy Meads.)

Ruth wondered if it would make more sense to go back to semi-annual tax bills? That question was left hanging. She also wondered if it made any sense to put a cap on spending as this solution is never well received. All involved had so many nice things to say about Jonathan Richards' exceptional accounting skills. Bruce also said that Municipal Finance is a very specialized field. Bruce – according to himself – would be hard to replace. He further said that the critical issue in setting the tax rate is assessing.

Bruce had a myriad of hand-outs such as the end of year report as compiled by Betty White of the School Department. It is not an audited report but an internally issued report. Grants and revolving funds are contained in the school budget handouts and provide lots of extra money in the budget that is never seen.

Other business

Evelyn G will e-mail the May 27th minutes to all the members again.

Ruth Gilbert – in summarizing the meeting – asked the Committee members to review all the material given to us by Bruce. She also said she would like to continue other meetings with Bruce. (He said they could call him in Plymouth.)

The meeting adjourned at 5:30 p.m.

Respectfully submitted,

Evelyn Gaudiano

Evelyn Rogers Gaudiano

Approved by _____ **on** _____, 2004

Ruth Gilbert