

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES
FISCAL BUDGET MEETING
TUESDAY - JANUARY 05, 2016 – 6:00 PM
JUDGE WELSH ROOM - 260 COMMERCIAL STREET**

Chairman Donegan convened the open meeting at 6:00 PM noting the following attendees: Board of Selectmen members: Thomas Donegan, Erik Yingling, Cheryl Andrews, Raphael Richter, and Erik Yingling.

Other attendees: Town Manager David Panagore, Assistant Town Manager Gardner, and Finance Director Dan Hoort, Principal Assessor Scott Fahle, DPW Director Richard Waldo, DPW Deputy Director Eric Larsen, DPW Operations Director Sherry Prada, and Water Superintendent Cody Salisbury.

Recorder: Loretta Dougherty

Without objection Item 2 was taken out of order.

2. Public & Selectmen Statements:

Elizabeth Brooke is a resident and is opposed to using the toxins presented in the Shorebird Management Plan. She listed the possible predators that will be affected. She stated that a little risk does not equal no risk. She was concerned about the effect on the song birds and contact with dogs or humans. She asked where is the science that shows this will make a difference. The poison DRC1339 usually takes between 12-72 hours for the birds to die and they suffer greatly over this three day period. She wants to find ways to create non-lethal deterrents; such as, removing fence posts to keep the predators away, building Tern shelters, and using oyster shells which would provide camouflage and habitat for the birds. She asked the BOS to protect our environment and make Provincetown a cruelty free zone for animals today, tomorrow, and in the future.

1. Letter to CCNS regarding the Shorebird Management Plan.

Tom had edited the original letter (Version A) from John Thomas omitting paragraphs 5 & 6 as not being directly related to the issue at hand.

Cheryl asked that the date be corrected in Version A from January 2015 to January 2016.

Raphael agreed that paragraphs 5 & 6 should be included.

MOTION: Move that the Board of Selectmen approve letter [Version A], to CCNS Superintendent George Price regarding the Shorebird Management Plan, as submitted.

Motion: Raphael Richter

Seconded: Erik Yingling

Tom agrees with not using poison.

5/0/0 Motion passed.

3. Town Manager's FY2017 Budget Message and Revenue Expenditure Overview.

Tom complimented the staff on the way the presentation was put together.

David Panagore recommended that everyone read the introduction. Pages 13 & 14 give an overall breakout of the increases to the budget by department; description, and the page you can turn to in the book to find it. A brief overview was given with a PowerPoint presentation. A copy of this presentation can be found on the town's web page at www.provincetown-ma.gov. He stated that projections are based on last year's numbers plus inflation. The total revenue

growth for FY2017 is \$658,981 which includes property tax growth of \$588,981 and local receipts of \$70,000 and are, depending on the source, established and regulated by the State and/or the Town. All CIP items are put before Town Meeting. The FY2017 Operating Revenue is as follows: \$19,685,798-property taxes (75.6%); \$5,113,353-local receipts (19.6%); \$537,705-state aid (2.1%); \$254,398-other funds (1.0%), and \$467,062-enterprise indirect (1.8%). The overall total is \$26,058,316.

The FY2017 Operating Expenses for public education increased very little (0.82%); the increase in payroll (3.70%) was driven by mandated increases, and the pay class study that was done; the increase in benefits and other insurance (5.86%) is about average, and both the excluded and non-excluded debt service is at -4.05%. The benefits and insurance is the biggest driver for the increase and will, in the course of time, be reviewed to make sure we are getting the proper returns on our investments. Most increases in expenses are ongoing expenses that will carry to the following fiscal year. Our town does excellent work on the Other Post-Employment Benefits (OPEB). We are doing the right things and are very much ahead of the curve on managing this.

Tom asked if we are projecting growth for the benefits/insurance.

Dan stated that he has used a 7% increase for this next year. We have not gotten the actual estimate yet.

David P. stated that there will be an employee hired as a Code Compliance Officer (\$20,000 in Community Development Support budget) who will be utilized to check for any compliance violations. The certificate fees created will pay for this position; an example of how the expenditure offsets revenue. We will also have a Parking Business Manager for next year that will move on business matters to help tighten up our self-service. Dan Hoort will be the Business Manager for the parking system. Expenditure transfers from other areas are Building and Grounds seasonal workers to contracted services, and Public Health Programming from Human Services to the Board of Health. He gave an overview of the long term forecast from FY2017-FY2020 stating that for FY2017 we are in the black at \$158,000. He noted that we do have some work ahead of us next year but if the Room's Tax Equalization legislation passes that could get us an estimated \$900,000 or so to the town. We will also be reviewing our fee structure, as well as looking into regionalization. Our next real comprehensive update on the FY2018 budget will come in September 2016 when we are doing our financial forecast.

Robert asked if the Compliance Officer is an existing employee or are we hiring another person, and will this turn into a full-time position.

David P. stated that this will be a new hire for a seasonal position with no benefits.

Tom stated that the Baker administration will be moving forward with the residential legislation and, hopefully, it will bring in not only the AirBnBs but the owner to occupant also. We will be keeping an on this issue.

Cheryl complimented staff for the very well put together budget information. She asked what would be a quick way to compare last year's numbers to this year's numbers for residents to understand. Cheryl asked Dan whether the new growth estimated at \$140,000 was a trend up or down.

Dan stated that it was up. He has used \$120,000 or \$125,000 in the past.

Raphael complimented the staff on the presentation of the budget.

Erik complimented the staff on the presentation of the budget.

Tom stated that on the revenue side compared to other cape towns our property taxes are very low. He wants to look at the numbers again regarding automobiles getting registered based on their being garaged in Provincetown. He wants to see the rate of average value; could it be decreased in year-round residents. There are a whole variety of fees that we can talk about; mooring and marine fees for example.

Erik is willing to discuss raising fees.

4. Overall FY2017 Budget Review Inclusive of the following:

A. Consent Budget Review and Approval:

Please know the following budgets were reviewed on consent last year and have not been invited to attend at this time as there are no substantive changes:

131 Finance Committee

157 Land Bank

174 Housing Office

181 Building Committee

254 Licensing

260 Conservation Commission

261 Planning Board

262 Zoning Board of Appeals

263 Historical Commission

264 Historic District Commission

265 Board of Health

294 Harbor Committee

296 Shellfish Constable

432 Recycling and Renewable Energy

543 Veterans Services

545 Disability Commission

550 Animal Welfare Committee

560 Bicycle Committee

672 Art Commission

673 Cultural Council

Finance Director Dan H. stated that these budget items are put on the consent agenda when they are level funded.

Cheryl would like to see all town boards bring their minutes up-to-date.

A brief discussion was held concerning the need for on-call secretaries, and it was noted that there have been very few applications for this position which may be a reflection of the declining year-round population. On-call secretaries earn a rate of \$35 per hour with a two hour guaranteed minimum. Town Manager David P. will review this issue and report back to the Board with recommendations.

MOTION: Move that the Board of Selectmen ask the Town Manager to review this issue and bring back to the Board a recommendation.

Motion: Cheryl Andrews

Seconded: Raphael Richter

5/0/0 Motion passed.

Tom stated that with no further comments we will mark the Consent Agenda adopted.

B. Division II Budget Review:

Finance:

141 Board of Assessors – Principal Assessor (\$250,338):

Principal Assessor Scott Fahle stated that the Board of Assessor's FY2017 "B" budget is level funded. There is a slight increase in the "A" budget of \$5,222 due to contractual raises in pay for personnel. There may be some software programming charges in the future with regards to

implementing the new residential tax exemption but will be dealt with appropriately should the need arise.

MOTION: Move that the Board of Selectmen adopt the Town Manager's recommended budget for Dept. 141 in the amount of \$250,338.

Motion: Raphael Richter

Seconded: Cheryl Andrews

5/0/0 Motion passed.

C. Enterprise Funds: Director, Director of Operations and Water Superintendent

6001 Water Enterprise Fund (\$2,522,437):

The overall 6001 budget increased 3%. Cody stated that the "B" budget increased by 1 1/2 %, which includes an emergency reserve of \$150,000. A 7% increase in the "A" budget for personnel services is attributed to scheduled wage increases and an allocation of \$10,000 to hire and transition a Grade 6 Administrative Assistant due to retirement which will help to guarantee for a smooth and seamless transition.

A brief discussion was held regarding retained earnings. Because of retained earnings capital improvements were made without having to borrow money. There are no written policies in place. Staff will look at putting some policies in place. Staff will also be doing a rate structure study. DPW is very aggressive where leaks are concerned. 30% of unaccounted for water is what has been estimated now.

Tom wants answers about these things for the meeting in Truro next month; moving monies from the operating budget into the enterprise budget.

David P. will follow up with Town Counsel re: assigning unrelated income back out if the enterprise fund will allow it re: (T-mobile; AT&T, etc.) regarding moving Cell Towers into the General Fund.

MOTION: Move that the Board of Selectmen adopt the Town Manager's recommended budget for Dept. 6001, in the amount of \$2, 522,437.00, with a request to report back to the Board of Selectmen on the issue of unaccounted for water with a 10 year look back and a plan to achieve compliance with DEP's mandate within the next 5 years.

Motion: Cheryl Andrews

Seconded: Raphael Richter

5/0/0 Motion passed.

6002 Wastewater Enterprise Fund (\$4,474,751):

The 6002 budget increased by 9.12% due to increase in plant capacity by 19%. With additional plant capacity we can expect \$240,000 more in user fees each year. There will be a transfer from retained earnings of \$892,000 to balance the budget. This will drop down after the 5 year pro forma. Rate payers pay the operation and maintenance. The target is to make sure that our operating cost and users fees match up. Number of Red dot delays that are remaining will be given to the BOS by DPW/staff.

MOTION: Move that the Board of Selectmen adopt the Town Manger's recommended budget for Dept. 6002 in the amount of \$4,474,751.

Motion: Erik Yingling

Seconded: Raphael Richter

5/0/0 Motion passed.

Tom and David P. will be working to set up a meeting with the Water & Sewer Boards regarding rate structures.

Break at 8:19pm. Back in session at 8:23pm.

D. Division IV Budget Review:

Public Works – Director, Deputy Director and Director of Operations:

192 Buildings & Grounds (\$1,384,922):

The overall 192 budget has a decrease of 0.5% mainly due to an 8.2% reduction in building expenses. There will also be discontinued the contracted services for the cemetery maintenance. These funds will then be transferred to the personnel budget to hire two additional seasonal staff that will cover the cemetery maintenance and allow support of the building maintenance duties of the skilled staff at a reduced cost to the budget. This provides more efficient use of manpower in peak season and does not limit staff to only maintain the cemetery grounds; we will be providing a higher level of service for less money.

MOTION: Move that the Board of Selectmen adopt the Town Manger’s recommended budget for Dept. 192 in the amount of \$1,384,922.

Motion: Raphael Richter

Seconded: Cheryl Andrews

A brief discussion was held on various topics from making sure the new generator which was voted on in the past had been purchased and is ready for use in case of any emergency situations; making sure that all new tools that are being purchased are appropriately logged in and marked for identification; that we are staying on top of any third barrel pick up problems with regards to personnel and over-time pay, and finally the Board asked staff to look into opportunities to use both wind and solar energy for all our town buildings. Some of the buildings for consideration are the VMCC, fire station, library, police station, and even a micro solar panel on the shack at the cemetery.

5/0/0 Motion passed.

421 Administration (\$374,652):

The overall 421 budget increased by 10%, mainly due to incurred fuel costs for the Police Dept., Fire Dept., and Council on Aging. These costs are anticipated to be redistributed into each department’s budget in the future. Fuel costs for the Water Dept. have been segregated to the Water Enterprise Fund for FY2017. There was an approximate cost savings of \$20,000 due to the installation of LED lighting replacements. BOS requested staff look at putting LED lighting throughout the town.

MOTION: Move that the Board of Selectmen adopt the Town Manager’s recommended budget for Dept. 421 in the amount of \$354,652.

Motion: Erik Yingling

Seconded: Robert Anthony

5/0/0 Motion passed.

422 Highway (\$591,630):

The overall 422 budget increased by 1.3%, with personnel expenses down 0.5% and related service expenses increasing 8.6%. The need for maintenance and road materials contributed to this increase.

MOTION: Move that the Board of Selectmen adopt the Town Manager’s recommended budget for Dept. 422 in the amount of \$591,630.

Motion: Cheryl Andrews

Seconded: Raphael Richter

5/0/0 Motion passed.

423 DPW Snow & Ice (\$167,700):

There were no changes to this budget. The DPW has been working with MassDOT to remove snow. If we do not have another winter like 2015, we will have a surplus. The FEMA reimbursement received for the January 2015 snow storm was \$52,802. Staff will check into whether the state sent us any reimbursement monies for the January 2015 snow storm.

MOTION: Move that the Board of Selectmen adopt the Town Manager's recommended budget for Dept. 423 in the amount of \$167,700.

**Motion: Erik Yingling
5/0/0 Motion passed.**

Seconded: Robert Anthony

431 DPW Solid Waste (\$655,627):

The overall 431 budget increased by 11.4% as a direct result of the single stream disposal cost increase and labor costs. We will be paying a \$40/ton disposal fee for recycling opposed to \$0 right now. Staff will be looking at ways to decrease costs in the future for our solid and recycling waste. The personnel budget increased 3.3% due to negotiated labor union agreements and longevity costs.

MOTION: Move that the Board of Selectmen adopt the Town Manager's recommended budget for Dept. 431 in the amount of \$655,627.

**Motion: Erik Yingling
5/0/0 Motion passed.**

Seconded: Raphael Richter

439 DPW Solid Waste Disposal (\$251,500):

The 439 budget increased by 2% pursuant to the contractual agreement with New Bedford Waste Services, LLC.

MOTION: Move that the Board of Selectmen adopt the Town Manager's recommended budget for Dept. 439 in the amount of \$251,500.

Motion: Raphael Richter

Seconded: Robert Anthony

We are up 300 tons of solid waste; 200 tons of recycle materials. 40% of all our materials are recyclables.

5/0/0 Motion passed.

Public Works Capital Improvement Program:

Rich stated that there are no changes in the CIP at present. DPW will pull the \$525,000 re: Ryder St. Outfall, if we do not receive the grant. We should know before the next Town Meeting.

5. Other – None.

Motion to adjourn at 9:25pm by: Erik Yingling

Seconded: Raphael Richter

Without objection Tom adjourned the meeting at 9:25pm.

Minutes transcribed by: Loretta Dougherty