

**TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES
JOINT MEETING WITH THE WATER & SEWER BOARD
MONDAY, SEPTEMBER 18, 2017 5:00 PM
TOWN HALL – JUDGE WELSH ROOM**

Chair Cheryl Andrews convened the open meeting at 5:06 pm noting the following:

Board of Selectmen attending: Chair Cheryl Andrews, Members Robert Anthony, Tom Donegan and Louise Venden

Excused: Vice Chair Yingling

Water and Sewer Board: Vice Chair Mark Collins, Jean Horner and Kathleen Meads

Other attendees: Town Manager David Panagore, Assistant Town Manager David Gardner, Finance Director Josee Young, DPW Director Richard Waldo, Consultant John Goodrich.

Recorder: Elizabeth Paine

Acting Chair Cathy Meads called the Water and Sewer Board to order

1. Public Hearing - Joint meeting with the Water and Sewer Board – Proposed Sewer Peak Period Rates.

Chair Andrews opened the public hearing at 5:08 pm

Selectman Donegan read the legal noticed.

No public comment was submitted and no public member was present for the meeting.

Consultant John Goodrich lead the discussion on a recap of the August 21, 2017 joint meeting. Mr. Goodrich's presentation focused on why a user rate increase was needed.

K M – point of clarification for the Board of Selectmen benefit, on the abatement procedures that the Water and Sewer Board handles them. If water goes into the sewer system, the abatement is the same as the water. If the water goes into the ground, they will get one.

RA – you gave us the increase in residential, what would the rate increase be for commercial.

JG – one page 10 of the presentation, which is in the packet, it shows it increases. The rate increase is the same percentage for commercial as it is residential.

TD – on page 4, with these rate increases, does it solve our deficit problem? What would we use the operating reserves now? Are we spending all of our reserves and then facing a catastrophe? What is your forecast for when we would revisit the rates? If there isn't enough safely built in, I am wondering if we should increase the rates more than proposed?

JG – at the end of the 10 years, it will be balanced at 0. Along the way it does go up and down, but it is never negative where the general fund has to step in. If you don't use undesignated returned earning, the rate would have to go up significantly. The operating and cost reserves are follow best practices. 10% of the operating income is set up as a reserve. The capital reserve on the waste water side in a bit confusing, part of the AECOM contract includes some reserve. We do feel comfortable with the rate schedule. There is plenty of time to fine tune if there is an issue.

RW – part of this going forward, is every year we will review with the finance director and review, in year 5 we will do a full pro-forma review with the Board.

LV – there will be reserve for operating and capital built into this 10-year project. I do feel you have made adequate recognition of the risk.

JG – in the analysis we apply the subsidy to capital. Mr. Abrahams was brought in around 2008 by a previous Town Manager.

CA – We do have a general fund subsidy, are you applying that as an operating fund or capital? How long has Mark Abrahams been with us? I think it speaks to revisiting, I think there is an absolute obligation of the administration and Board of Selectmen to watch this like a hawk. The part that bothers me is that we are increasing fees for the next 10 years without knowing the all the factors. Assuming right now there is no increase in the subsidy and the presentation is correct, I am trying to figure how many years we should do this before we bring this back? 10 feel a little heavy and this easily falls off the radar again for future Selectman, do we 3 years, 5 years or 10 years.

LV – I think it is important to have a level of certainty. This cannot be a huge part of anyone's budget. There is nothing to say in three years you won't come back and say we were wrong. If these are your best assumptions now, if your assumptions are off, I am in favor of 10, with the caveat that you have a formal review that comes before the Selectmen.

RA – The way I feel about it, is if we don't do anything, I will agree on the 5 and 10, and I agree with Louise, if there are any issues or problems it would come before us again.

TD- I prefer the 10-year path because I hope this encourages conservation. We are giving a rate payer a path, I would have like to see the 1st year higher, but willing to go with this.

CA – I would like to have a policy set up where the Water and Sewer Board comes before the Board of Selectmen yearly, every 2 years or 5 years.

DP – think the Board should put it into the policy to have a yearly review.

TD – I think there are 5 enterprise funds that should be presented; Pier, Water, Sewer, Library, Parking, I think there is two motions that need to be made, one that is in the packet and one on policies.

Selectman Donegan moved that the Board of Selectmen vote to approve the rate change as published.

Selectman Venden seconded the motion

VOTE

Approve: 4
Oppose: 0
Abstain: 0

Kathleen Meads moved that the Water and Sewer Board vote to approve the rate change as published.

Mark Collins seconded the motion

VOTE

Approve: 3
Oppose: 0
Abstain: 0

CM – out of the context of this meeting, that we have been told that we will be moving forward, to discuss that fact there are issues that are coming up under our emergency sewer regulations, each board has rules and regulations that they have to follow. We as the water and sewer board are acting under our own regulations that we feel are emergency. We are asking at some point later on this year, we have some input on that path moving forward, that we get together with the three board when problem accounts come up. And would rather have the discussion prior to the emergency accounts coming forward.

CA – I would be happy to speak to you about this, one portion that we have not gotten around to talking about is the gallons that we have set aside for people who have been told they have to hook up with in the next 20 years.

CM – that really needs to be a three-way meeting. Everyone is coming from a different point of view and coming together would be beneficial.

TD – what is our timeline for Water rates?

DP – I am hoping to have it presented at a Fall Forum, hoping for November 18th.

JG – as long we don't require Mark Abrahams, that should work.

CM – Truro should be participating on any water rates. They would be part of the quorum.

TD – I think a date should be decided before the 15th of December.

CA – I think the way that I am feeling about this is that it should just sit until next spring. To raise both, I am very sensitive to the fact that the folks that are paying this, will also be paying the water increase.

Selectman Donegan moved that the BOS Chair, W&S Chair and the town administration agree upon a date for a public hearing to review the water rates before December 15th.

Selectman Venden seconded the motion

VOTE

Approve: 4

Oppose: 0

Abstain: 0

Public Hearing closed at 5:58 pm.

Chair Meads moved to adjourn the Water and Sewer Board at 5:59 pm.

2. Joint meeting with FINCOM – Town Manager presents 10 year forecast and recommends budget policy directives.

Joint meeting was not posting. Chair Andrews suggested delaying meeting until FINCOM is present. Board agreed on October 11, 2017 for a joint meeting.

TD – could you include more years looking backwards. I would like to look at the rate of inflations for the last five years.

DP – should not be an issue to do a five year look back.

3. Creative Commons Update

Town Manager Panagore - Provincetown Commons has submitted satisfaction of the lease conditions. I present it to the Board, to see how you'd like to proceed.

LV – are we going to be provided with the budget? And preliminary plans?

CA – I think it has been a long time since we have done a transfer, so this section where it says “landlord consent shall not be unreasonably withheld”, who decides that?

LV – there is a processes that is described in 6.2 and another process described in 14.1. I think normally the owner is consulted when sub-leases are set up.

DP – Creative commons does not transfer its interest. They could not sub lease it for housing, under the agreement what they are allowed to do, they can further the purpose of the lease or LDA.

Vice Chair Yingling arrived at meeting at 6:10 pm.

TD – is there a protection for us, if no longer is creative commons?

TD – Page 10, section 6.1, summarizes the section of the lease that protects the Town.

LV – 9.2 is also another section that explains the protection for the Town.

CA – I am a little jaded by the behavior by lots of different folks in town because they have competing interests. I am not sure if there is anything out there that compares to other towns out there. I want to make sure the Towns positions as beefy as possible.

DP – we are under obligation to execute the lease once they have satisfied the LDA. The town does have more control over the property because of the lease. Is the control enough and again, I leave that to the Board.

LV – the nature of it being a 99 year lease, they have already got their plans and finances together. The town voted for this project under these terms, so I don't know if that is a subject of negation. My only concern about this, permitted uses are only artist uses. At some point, good will has to come into how people enter into this. I hope that we can proceed and build more trust into this. There is always a reason for litigation if that is what they want to do. I thought there might have been in the lease something about internet use and access.

DP – I would have to leave that to Creative Commons and their business plan, but I don't know the extent of it, I think that would have to be a follow through conservation.

TD – If counsel, town manager and Louise have all read it, I feel comfortable with it.

DP- July 27, 2017th the final plans were filed with the Planning Board. They have over 500K in finance commitments.

EY – my feeling on this, I think voting on it is in order.

LV – I understand that I am coming to this, what I am trying to do, is that when things go bad, you don't want to go there. The only questions I have about it is the finances aspect of it. Short term pro-forma. I think this is a well done document.

Selectman Donegan moved that we put the creative common lease on the meeting of September 25, 2017

Chair Andrews seconded the motion

VOTE

Approve: 4
Oppose: 0
Abstain: 1(ey)

TD – if Louise would like to have creative commons in, or off records.

DP – I will have council give a brief summary of the fault and termination. There is environmental contaminate in the building, it is in lease agreement. It is asbestos. It is in the lease, they have identified 20k, 10k is their responsibility.

4. Authorization to lease portions of Veteran’s Memorial Community Center and Knowles Crossings Water Treatment Plant for the purpose of installing solar photovoltaic energy systems.

This vote is in follow up to the discussion had on September 11, 2017.

Selectman Donegan moved to authorize the Town Manager to lease out for nominal value the roof of the Veterans Memorial Community Center, located at 2 Mayflower Street, Provincetown, and the Knowles Crossing Water Treatment Plant Building, located at 143 Shore Road, North Truro, for up to 30 years for the purpose of installing and owning solar photovoltaic energy systems, pursuant to an RFP to be issued by the Cape and Vineyard Electric Coop (CVEC), and further that the Town Manager is hereby authorized to enter into an Inter-Governmental Agreement with CVEC to acquire net energy and net metering credits or their equivalent value from said solar system

Selectman Anthony seconded the motion

5/0/0

Chair Andrews moved to adjourn

Without objection the meeting was adjourned at 6:40 pm

Minutes transcribed by: Elizabeth Paine