

Dennis Finance Committee
Wednesday, October 1, 2019 @ 5pm
Tom Martin Room, Dennis Police Department
90 Bob Crowell Rd., S. Dennis, MA 02660
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2019 OCT 23 PM 12:00

DENNIS TOWN CLERK

PRESENT: Chairman Plath, Members Prall, Crowell, Stone, Baroni, Murphy & McDowell

STAFF: Finance Director Gibbs,

ABSENT:

Call to Order

Chairman Plath called the meeting to order at 5:06pm and the pledge was recited.

Chairman Plath expressed his gratitude to MaryAnne Gibbs and Liz Sullivan for the Finance Workshop and review of budget issues. He felt it was very helpful. It was recorded and is on the Town website for citizens to view. It gives the fiscal forecast for next several years.

Chairman Plath shared that he was going to the schools out of order since there was new information. As everyone knew there was a lawsuit against the Town and case is being expedited to be heard next week. Brian Carey of the School Committee shared that that case would be heard on October 8th at Barnstable Superior Court. Based on this information Chairman Plath thought that the Finance Committee should wait to make a recommendation until after the court hearing. Patrick McDowell had a lot of issues; why should Dennis subsidize the Yarmouth bill. He didn't need to get into it tonight but would like a televised meeting to inform the citizens. He was concerned their recommendation would not be on the Town warrant. There was consensus that the rest of the Committee was comfortable with that.

DY Agreement

Motion:

Mr. Murphy made a motion to postpone the discussion to a later date. Ms. Baroni seconded. The Committee voted 6-1-0 (Stone).

Brian Carey asked to be allowed to explain this article. This article was agreed to in portions five years ago by individuals but never the bodies such as Finance Committee and Board of Selectmen. Right now the only calculate students that attend the high school but not charter or school choice students. That calculation was changed by the commonwealth about 8 or 9 years but the DY agreement was never updated. They are trying to have the students that live in the Town paid for properly. The 5 year rolling average is only projections and should be classified as such since it is very hard to make these projections in advance. There are so many variables. The numbers change literally up until July.

He felt this article was a good compromise in many ways. It does shift some of the burden onto the Town of Dennis but it is a more accurate way to calculate paying for their students.

Mr. McDowell was not troubled by the uncertainties in the projections but his biggest objection was building a new school and throwing away Wixon School that was in great shape.

Chairman Plath stated the Finance Committee will schedule a meeting after the 8th.

CPC Cape Playhouse

Chairman Plath read article. Frank Dahlstrom & Chris Foley were present to represent the CPC articles. This article was for a \$250,000 grant from the Historic Preservation Reserves that will help to restore this building. A representative from Cape Playhouse explained the repair was to the south and west facing wall as well as entire base to stop water from going up in to the building. Ms. Baroni asked if any other Town has committed funds. The representative believed that they were waiting to see what was done locally first. Chairman Plath asked what the historic restriction was. Diane Rochelle Chair of the Historic Committee and a CPC member explained that CPC requires this when funds are expended on significant historic structures. In perpetuity that building is a significant building and must be protected by preservation. Chairman Plath asked if down the line they want to work who they go to for permission. Ms. Rochelle explained it depends on who holds the restriction so wither Mass Historic or the Town. Mr. Murphy wanted to see this property with Mass Historic. Chairman Plath thought this was good but wanted to be sure Playhouse knew what they were agreeing to. Henry Kelley shared the CPC Act requires that public monies that are spent on non-public property must submit themselves to a restriction that guarantees that the public will always have a benefit. The level of restriction depends on type of property. Since this is not registered with Mass Historic, our obligation is to place a historic restriction by the Town of Dennis. The state does not automatically come into play unless this becomes a state registered property. This will be enforce by the Town of Dennis Historic Commission. Mr. Prall asked for the balance in Historic Reserve fund and it was\$434,825.04.

Motion:

Mr. Crowell made a motion to recommend and support the transfer of \$250,000 from Historic Preservation Reserves for the purpose of the article; Mr. McDowell seconded the motion. The Committee voted 7-0-0.

CPC Cape Cinema

Chairman Plath read article. Mr. Dahlstrom shared they were looking for funds for new roof and down spouts to preserve the mural on the ceiling. The mural will be restored at a later date.

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Motion:

Mr. McDowell to recommend and support the transfer of \$47,500 from Historic Preservation Reserves for the purpose of the article; Ms. Baroni seconded. The Committee voted 6-0-1 (Crowell).

CPC Archeological

Chairman Plath read the article. Mr. Dahlstrom shared that the Town of Dennis recently purchase this property. The archeologist would do a walk over to see if it is a viable area. This would only be a preliminary investigation. JP funding \$35

Motion:

Mr. Crowell made a motion to recommend and support the transfer of \$35,000 from Historic Preservation Reserves for the purpose of the article; Mr. McDowell seconded. The Committee voted 7-0-0.

CPC West Schoolhouse

Chairman Plath read the article. Mr. Dahlstrom explained that this was a Town owned property. This was going to be in phases but they have decided to do the entire project at once. David Talbot a member of the Josiah Dennis Manse Committee gave a brief description of the museum and it's important to the Town. The Selectmen have supported this article and he asked Finance Committee to do same. Mr. Dahlstrom shared that the funds for this project were to be borrowed. Mr. Murphy thought this worth preserving and this was the most financially sound way to do it.

Motion:

Mr. Murphy made a motion to recommend and support the borrowing of \$343,000 for the purpose of the article; Ms. Baroni seconded. The Committee voted 7-0-0.

CPC Captain Baker

Chairman Plath read the article. Mr. Dahlstrom explained this property was deeded to the Town in 1962. Initially the project was going to be done in 3 phase, but they decided to do the whole project. CPC intended to borrow part of the funds. Ms. Stone asked how much debt the committee had now not counting these two articles. Mr. Dahlstrom explained there was \$770,000 total debt services in 2019, but over the next few years some projects will be paid off. Ms. Stone what would be the debt service be 2020. That would be \$688,400. The projected revenue \$1,100,459 from Town and they are expecting the state reimbursement to increase from 19% to 30%.

Motion:

Mr. McDowell made a motion to recommend and support the transfer of \$95,561 from Historic Preservation Reserves and borrowing \$258,000 for a total of \$353,561 for the purpose of the article; Mr. Baroni seconded. The Committee voted 7-0-0.

CPC Tobey Woodlands

Mr. Plath read the article. Kat Garofoli noted the address is 402 not 352. This property has been on DCT radar for a few years. It met all the criteria of the preservation of land they are trying to achieve. The appraisals have been conducted. This would be a flagship property for the Trust and the Town of Dennis. A conservation restriction would be recorded. The \$400,000 requested will be matched through private fund raising. They have made good headway. Mr. Plath clarified that DCT will own land. Ms. Garofoli shared that was correct but the Town would hold an interest. Ms. Stone clarified that Town funds will not be used to maintain the land and that Town staff would not be used to do work. Ms. Garofoli shared that they would only monitor the land for the restriction.

Motion

Mr. McDowell made a motion to recommend and support the transfer of \$200,000 from Open Space Reserves and borrowing \$200,000 for a total of \$400,000 the purpose of the article; Ms. Baroni seconded. The Committee voted 6-0-1 (Murphy).

CPC Dennis Affordable Housing

Chairman Plath read the article. Mr. Dahlstrom shared that the housing trust was seeking a viable partner for an affordable housing project. This money would stay in the CPC reserves until invoiced and approved by the CPC chairs and Finance Director Gibbs. Bob Samoluk from the Dennis Municipal Affordable Housing Trust was present. They had several projects that they were interested in and having the funds in reserves would allow them to act quickly. Mr. Dahlstrom reminded the Committee that DMAHT had no other source of income. Chairman Plath confirmed that the Committee received a CDBG grant for a Housing Consultant and that none of this request would be for the consultant's salary.

Motion

Ms. Baroni made a motion to recommend and support the transfer of \$200,000 from Open Space Reserves and borrowing \$200,000 for a total of \$400,000 the purpose of the article, Mr. Murphy seconded. The Committee voted 7-0-0.

FORWARD Easement

Chairman Plath read the article

Motion:

Mr. McDowell made a motion to recommend the article as printed; Mr. Crowell seconded. The Committee voted 7-0-0.

Scargo Tower

Chairman Plath read the article. Mr. Prall thought this was perfect for a CPC project. Chairman Plath shared that he had recommended to take it out of reserve funds. This is coming out of free cash. David Johansen Director of DPW gave a history of the tower. It has been 78 years since any known maintenance has taken place. Mr. McDowell shared he viewed the Tower with Mr. Johansen. Scargo is something special and he thought that the money was valid. Mr. Crowell pointed out that they were asking for \$50,000 but he believed that this was high since the high estimate was \$23,000. Mr. Johansen explained that the estimates did not include graffiti removal, and engineer supervision. He was actually concerned that \$50,000 wasn't enough. Chairman Plath asked if this was going out to bid prior to Town Meeting. Mr. Johansen explained it didn't require a bid, it required 3 quotes. He had only received one to date but they are not interested in doing the work. Chairman Plath suggested that Sheriff's office may do graffiti removal. Ms. Stone wonder if the Committee should we wait for more definitive number. Mr. Johansen would have more definitive numbers prior to Town meeting.

The Finance Committee would make their recommendation at Town Meeting.

Glass Recycling

Chairman Plath read the article. Mr. Johansen shared that the purpose of this article to make this a self-sustainable program. Chairman Plath was opposed to creating another special fund. He felt this was not different than any operational budget in the Town. Ms. Stone agreed. Mr. Murphy thought that depending on the revenue this might make sense to look into a couple years down the road but it was too early right now. Mr. McDowell agreed. Ms. Baroni asked Ms. Gibbs for her opinion. Ms. Gibbs thought Mr. Murphy might be right to monitor it for a year or two and then create special revenue fund to similar to the solar fund. Mr. Plath thought having history would help before creating another special fund. Ms. Stone questioned the language in Section 2 language; she thought it was contradictor. Ms. Gibbs shared that the language was reviewed by Town Counsel.

Motion:

Mr. Crowell made a motion to not recommend the article; Ms. Stone seconded. The Committee voted 7-0-0.

FY20 Tornado Damages

Chairman Plath read the article. Mr. Johansen shared that damage from the storm occurred mostly south of Rt 6. He had 2 memos that explained their request. The \$157,091 was money that was already spent. He draw attention though to the \$32,687 in overtime and \$37,800 in projected projects to be completed as a result of the storm. He didn't believe the budget could support these amounts and would probably have to bring a transfer request to Town meeting. Chairman Plath shared that he has a discussion with the Chair of the Select Board and Administration. He requested they look at the budget through year and see what can be absorbed through the operational budget and deal with any issues later in Fiscal year. This request was a transfer from free cash

Motion:

Mr. Prall made a motion to recommend the article as printed; Mr. Murphy seconded the motion. The Committee voted 7-0-0.

Town Administrator Elizabeth Sullivan joined the meeting.

Plastic Ban

Mr. Plath the read article. Josh Brimdyr from the Solid Waste & Recycling Committee. The Committee took this up after the spring Town Meeting when it did not pass. They sat down with each committee that wanted to meet and have created bylaw that supports. They exempted the PD and Fire exempt. There is a delay for Town sponsored run walk type activities. Road Race type. There is a delay for School properties. Have had informal discussion but believe there is a path of progress. The committee understands that there are vendors with current contracts can finish out those contracts even if it takes three or four years. New contracts would be subject to this bylaw. Peter McDowell asked what they were trying to accomplish. Mr. Brimdyr explained they were trying take the problem that exists with plastic and not create an alternative or worse problem. Mr. Brimdyr explained that this ban has been accepted in 5 other Towns. Mr. McDowell asked under this bylaw what can you purchase and what can you use. Mr. Brimdyr explained you are not allowed to purchase or sell plastic or replace it with any other items that are not recyclable at Dennis Transfer. Ms. Baroni asked if chidden can bring water bottles to school. R. Brimdyr explained that anything can be brought on Town property. He explained the bylaw limits beach vendors, vending machines that may sell plastic bottles, and recreation department from buying

things that would meet the bylaw components. He further explained that the met with the recreation and beach departments and got their blessing for what was proposed. He also explained that plastic bottles are contaminants and will contaminate the beaches and the environment. Some of the companies are starting to bottle in aluminum cans. Mr. Plath asked if a sponsor brought water bottles to the Road Race could they hand them out to the participants. Mr. Brimdyr clarified they are exempt until the date listed in the bylaw but these organizations are already working to get away from using plastic. Mr. Plath pointed out that they are exempt forever because they are not listed in the bylaw. Mr. Brimdyr stated that this was not the correct article. Mr. Plath suggested to address this with the Selectmen before they sign the warrant. Mr. Brimdyr expressed frustration with support from staff. Mr. Plath asked if this was a non-criminal statue or a criminal complaint in the district court. Ms. Sullivan believed the intent was non-criminal. Mr. Plath stated that had to be spelled out. He also suggested that they clarify if each sale or each day is a separate offense... Mr. Plath noted these can be remedied before Town meeting. Ms. Sullivan was concerned this was not ready for Town meeting. The Solid Waste committee was informed and decided to push forward. Ms. Sullivan noted the School still had concerns. Mr. Plath believed there were lots of questions and he would be interested in feedback from staff. He believed this needed to be done right. Ms. Sullivan shared that the Committee had done a lot of work but she believed it needed more time. Selectman John Terrio was embarrassed he didn't pick on these issues up but he believed it could be put forward for this Town meeting. The Finance Committee couldn't recommended the article at this time and would take it back up after the Selectmen meeting on October 8th.

Increase local tax

Chairman Plath read the article. Ms. Sullivan gave an overview of wastewater cost recovery program. The Town has had the local option excise tax in place since approximately 1989. The estimate for increasing this tax from 4% to 6% would net \$226,745 and this was a conservative estimate since it did not include the short term rental tax. Chairman Plath asked why they were not putting 100% of the 2% increase aside for wastewater specifically. He didn't want to see this money go in the general fund if it was meant for wastewater. Paul McCormick Interim Chair of Wastewater shared the Committee was trying to figure out a way to pay for wastewater infrastructure and make it more palatable for residents. This put the tax on the visitors that come here. They contributed to the problem so they should contribute to paying for this. John Terrio shared that Ryan Castle from the Board of Realtors came to the Selectmen and brought up some issues on the adopting 3% community impact fee. He made a good point that this would be a small amount of revenue. The Board would be discussing this next week and those two articles could fall by wayside. Ms. Sullivan shared that based on the meeting with Mr. Castle she will be asking the Selectmen to change the effective date to January 1, 2020 or April 1, 2020. Mr. Terrio will be

recommending January 1st to the Board. Mr. Murphy asked what the total combined state and local room tax would be. Mr. McCormick shared it would be 14.75% which is fairly common. Mr. Murphy thought that seemed high and cautioned people to remember that tourist can go to other places. A \$1000 stay would become \$1150. Mr. McCormick reminded the committee that we have wastewater that we have to pay for and they were looking for different ways for groups to pay for it. Ms. Sullivan reviewed the taxes charge by the surrounding towns. Chairman Plath was in favor but only in favor if 100% of the increase went to wastewater. Ms. Stone that she would be abstaining from the vote but wanted to speak as private citizen. She stepped down to the guest microphone and reiterate that she was speaking as a private citizen. She wanted people to keep in mind that hotels just absorbed an increase in taxes. She received push back and in some cases had to reduce the rate by the 2.75% to accommodate the guest and the tax especially with contracts written over a year ago. Having a January implementation would put her in an even worse position and may have to absorb it herself. She understood the point was to reduce the impact to tax payers but business owners are tax payers and they were being impacted. Chairman Plath asked Mr. Terrio about 100% of the 2% being out to wastewater. Mr. Terrio was in favor and he would recommend it to the Board of Selectmen. Ms. Sullivan shared that she would send the article back to legal. Mr. McDowell expressed this opinion that there was nothing more horrendous than this big pipe system and the Town could save billions by voting no and not doing any wastewater at all. It should not be presumed that wastewater was going to be done and they should not be setting aside money for it. He would be opposed to anything to do with wastewater. Chairman Plath asked that this go back to legal and the Board of Selectmen but the general consensus of the Finance Committee seemed to by to support a 2% increase with 100% dedicated to wastewater. The Finance Committee took no action.

Adopt 3% Professional

Ms. Sullivan shared that this has not been placed on the warrant so the Finance Committee took no action.

Adopt 3% Owner

Ms. Sullivan shared that this has not been placed on the warrant so the Finance Committee took no action.

Establish WIIF

Chairman Plath read the article. Ms. Sullivan shared that the source of revenue for WIIF would be a surcharge on the tax bill similar to way the CPA is collected. This could be used for any water

investment. It would require a corresponding ballot question at the next annual election. If it was adopted it would be in effect for a minimum of 3 years. They could change the percentage at Town meeting once a year. Sandwich was the first Town on Cape to adopt this. Ms. Stone asked if there would there also be a property tax increase and when would that be implemented because combined with this it seems to be a lot for the tax payer to bare. Mr. McCormick shared that the Town has been working on Wastewater for close to 15 years. They won't know if they can do regional approach to save money. He saw this as a way to obtain money to start working on this project. Conservation Law is forcing this to happen or they will sue. Two resort properties in Harwich have already been made to do this. The north side may never be sewerred they have to start somewhere and will probably start on the South side. Chairman Plath asked if they would consider an approach of phasing 1%, 2% and then 3% and could the article be written FY21 1%, FY22 2%, FY23% 3%. Ms. Sullivan was not sure the article could be written this way. The cost recovery group considered that this would be used for design and the money for the other phases would be borrowed. Mr. Terrio was ok with phasing the percentage of this over a few years. Mr. Crowell thought phasing was better than a one shot. Mr. Prall thought this made sense but there was enormous costs at beginning few years of the project but phasing it in made sense. Mr. Murphy was concern that there was significant design cost over next few years and we might have to come up with other money. Ms. Baroni was in favor of phasing. Ms. Stone was opposed to the whole thing. Mr. McDowell was opposed to all wastewater. Ms. Sullivan would follow up with Counsel and the Selectmen. The Finance Committee took no action and the recommendation would be made at Town meeting.

Parking Kiosk

Chairman Plath read the article. He felt this request should come out of the Harbor budget. Mr. Prall thought one kiosk would be sufficient. Ms. Sullivan shared that the kiosks in place this past season were a pilot program. Those kiosks have been taken away. The request was for 1 one on one side and 2 on the other based on the transactions records from the pilot project. The Board of Selectmen strongly endorsed this. Their goals included putting kiosks in other areas of town. The revenue captured at the Harbor was increased. This article only for kiosks at the Harbor but she was working with company to do another pilot at most likely a beach. Mr. Murphy asked if these kiosks set up so you can pay by the hour. This summer there was a \$10 flat rate. The kiosk has the ability but it would be up to Selectmen to implement those fees. Mr. Murphy shared that there was an issue with beach users parked at the Harbor and asked for that to be addressed. Ms. Sullivan had complaints about the same concern and shared this would be a policy direction. There are different ideas the Town implement to meet the demands. Mr. Murphy stressed that there need to be some kind of oversight or policing effort to make sure people are using the lot for what it was intended. Mr. McDowell echoed Mr. Murphy's concern. Chairman Plath asked for an estimate

software cost and exact cost of unit. Ms. Sullivan didn't have exact numbers but she believed it be approximately \$7,000. Mr. Plath asked what they did with the units and Ms. Sullivan explained the Town could decide to take them out or cover them. Chairman Plath thought this should be absorbed by department but since the revenue was \$28,000 this summer he could be ok with the request. Ms. Gibbs shared that this took cash handing away and she could run report from her office. Chairman Plath asked what credit cards were accepted. Ms. Gibbs wasn't sure about American Express. Ms. Stone asked if they had taken into account credit card fees. Ms. Gibbs explained this was absorbed within operation. The Town gets a check from the company for net revenue. This worked well and she preferred to keep doing it that way. This way she didn't have to appropriate fees in the department budget. Mr. McDowell asked if the hours of operation for the kiosks could be increased. Ms. Gibbs shared these kiosks could accommodate a change to the hours at the Harbor.

Motion:

Mr. Prall made a motion to recommend and support the transfer of \$28,000 from free cash for the purpose of the article; Mr. Crowell seconded. The Committee voted 7-0-0.

Transfer OPEB Trust

Chairman Plath read the article. He pointed out that life insurance wasn't covered by OPEB; this was only for health and dental. The Selectmen had added this language and it would be brought back to them.

Motion:

Mr. Prall made a motion to recommend the article with the deletion of life insurance; Mr. Murphy seconded. The Committee voted 7-0-0.

DY Budget

Chairman Plath read the article. The school budget was reduced so the Town's assessment was reduced.

Motion:

Mr. Murphy made a motion to recommend the article as printed; Ms. Baroni seconded. The Committee voted 7-0-0.

Reconsideration of Harbor Parking Kiosk

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Mr. Prall made a motion to reconsider and make the motion \$24,000 from free cash; Ms. Baroni seconded. The Committee voted 7-0-0.

Reconsider motion for article 14 \$28k

Reserve Fund Transfer

Chairman Plath read the request. This was for extra special Town Meeting that was held in July. Ms. Stone commended Terri Bunce for her backup.

Motion:

Mr. McDowell made a motion to approve the transfer of \$2,287.37 for the Special Town Meeting; Ms. Stone seconded the motion. The Committee 7-0-0.

Adjourn

Mr. McDowell made a motion the Committee adjourn at 8:15pm.