

**Wellfleet Board of Selectmen/Finance Committee  
Minutes of the Meeting of December 16, 2014  
Council on Aging Building, 7:00 p.m.**

**Present:** Selectmen Paul Pilcher, Chairman, Berta Bruinooge, Jerry Houk, Dennis Murphy; Town Administrator Harry Sarkis Terkanian and FinCom members: Stephen Polowczyk, Chairman, Ira Wood, Robert Wallace, Samuel Bradford, Linda Pellegrino, Sylvia Smith, Thomas Reinhart and Elizabeth Sorrell

**Regrets:** Selectman John Morrissey and FinCom member Janet Loewenstein

Chairperson Paul Pilcher called the meeting to order at 7:00 p.m.

**Announcements, Open Session and Public Comment**

There were no announcements from the Selectmen or public comment from the audience.

Finance Committee Chairman Steven Polowczyk said that at their last meeting the FinCom members unanimously agreed to support the Police Station restoration project without delays.

**Business - FY16 Budget Reviews**

Board of Selectmen Chairman Paul Pilcher opened the budget presentations and said that the FinCom and Selectmen should focus on the big picture. Town Administrator Harry Terkanian thanked the Department Heads for their budget preparation efforts and spoke about the upcoming challenges and uncertainties on the revenue side due to possible legislation cuts for State Aide. He explained that New Growth projections were conservatively estimated at 0%. Terkanian said that on the expense side about half of the Operating Budget is beyond the control of the Town due to enforceable costs for the retirement fund, school budgets, health insurance and fringe benefits. These budget numbers will not be available until early March. Terkanian said that the original budget packet of December 5, 2014 and the four memos are explaining these comments in details. He talked about upcoming contract negotiations and the fact that salary raises were not calculated in the presented budget draft, but said that \$120,000 are reserved for this purpose. According to Terkanian there are four changes in the budget estimates since December 5, 2014: 1) Chapter 90 funds are spent outside of the operating budget and the revenue estimates should get reduced by about \$250,000; 2) Fire Dept \$15,000 more; 3) Wellfleet Elementary School budget \$89,000 less; 4) Nauset Regional School Budget – Wellfleet enrollment has gone up by 9.2%, bringing the estimated school budget short by about \$200,000. Terkanian went over his memo<sup>1</sup> in response of Selectman John Morrissey's questions<sup>2</sup>.

**Department of Public Works Budget<sup>3</sup>:** Mark Vincent, DPW Director presented the proposed FY16 Department of Public Works (DPW) budget and said that the overall budget reflects \$3,000 decrease from FY15. Thomas Reinhart had questions about the reduction of electricity cost and wanted to know how this was possible with the raising cost of electricity. Vincent explained that these numbers were estimated based on energy efficiency improvements. Terkanian said that in January there will be a new procurement for electricity costs.

**Marina Enterprise Fund<sup>4</sup>:** Michael Flanagan, Harbormaster, presented the FY16 Marina Enterprise Fund Budget and spoke about the salary line item increase due to the Teamsters contract and the

additional staff. The rest of the budget was kept level funded. Reinhart had a question on possibly raising Marina fees to support the upcoming dredging project expenses. Flanagan did not support the idea of fee increase based on harbor restriction due to lack of dredging. Stephen Polowczyk had a question on possible charges for parking at the Marina. Murphy had a question on LED lights at the Marina. Flanagan confirmed that the Marina electricity cost is down as well.

**Police Department Budget<sup>5</sup>:** Police Chief Ronald Fisette and Lt. Michael Hurley presented the FY16 Police Department budget request. They talked about overtime being up, but still the lowest on the Cape. Fisette presented the request for 13<sup>th</sup> Police Officer. Reinhart wanted to know if the Fire/Communication services are with the Barnstable County. Fisette explained that the Sheriff's office is looking into a possible new model and once the model is identified it will be presented to the Town. Terkanian gave details on the Regional Dispatch model, the Barnstable County Sheriff's grant application efforts and the improvements in the organizational structure.

**Water Enterprise Fund<sup>6</sup>:** Board of Water Commissioners Chair person Justina Carlson and Commissioner Jim Hood presented the proposed FY16 budget. Hood explained that the budget was level funded for most items besides the increase in electricity; EPG line item was removed; debt service has increased due to the Phase II expansion completion; Hood said that the BWC will be looking to update the master plan with capital funds. Hood explained that on the revenue side connection sign-up rates are expected to decrease after the initial enrollment. Elizabeth Sorrell had questions about the cost of the two expansions and the personnel structure. Carlson explained the need for staff person. Pilcher wanted to know about the proposed cushion of \$45,000 from the General Fund. Samuel Bradford asked if there were options to make up the revenue imbalance by raising user fees. Hood talked about the revenue challenges of the Water Enterprise Fund. Carlson gave a brief historic overview of the past costs associated with the Municipal Water System prior to being an enterprise fund. DPW Director Mark Vincent reminded that the Water System was as a result of a consent order.

**Fire Department Budget<sup>7</sup>:** Fire Chief Richard Pauley distributed a memo<sup>8</sup> detailing the Fire Department FY16 budget request. He spoke about overtime funds and their appropriation and opened a discussion. Pilcher wanted to know if hiring an additional person will cut the overtime budget. Pauley explained that the FD is not ready for this move yet, but talked about possible upcoming retirements of three senior employees in the next 2-3 years, therefore he did not recommend an additional full time officer for at least another year. Terkanian elaborated that the benefits cost for a municipal employee is about 50% of the base salary of the employee based on the Bureau of Labor Statistics. In these terms the overtime is more or less like a wash and according to Terkanian the overtime in this department makes sense. Ira Wood wanted to know how the upcoming retirements will be addressed when the time comes due to the challenging housing situation in Town. Bradford had a question on the overtime cost and why funds were not budgeted. Berta Bruinooge wanted to know how the on-call people are working out. Pauley explained the on-call staff challenges and the process of hiring replacements.

#### **Wellfleet Elementary School and Nauset Regional School District FY16 Budget Discussion**

Wellfleet Elementary School (WES) Principal Mary Beth Rodman and School Committee Chair Janis Plaue discussed the preliminary FY16 budget estimates for the Elementary School. Plaue said that the School Committee was really pleased with the preliminary budget. According to Plaue there might be a few small changes of the budget before it will be voted in January. Rodman elaborated that the proposed budget estimate came under proposition 2 ½ due to staff, supply and utility

reductions. Sorrell congratulated the WES for maintaining Level 1 School and asked questions on instructional materials cost. Reinhart had questions on student demographics. Rodman talked about the decrease of the total student population, but increase in special needs students. She explained that in the next five years the number of students will be leveled and then based on census data it will increase again. Nauset Regional School District (NRSD) Superintendent Dr. Richard Hoffmann said that there is no budget of the Central Office available because the budget subcommittee has not met yet, but the proposed budget numbers will be available soon. According to Hoffmann the town of Wellfleet share will be about 12% of the total regional school budget. Christopher Easley, Chair of the NRSD Capital Subcommittee joined Dr. Hoffmann in the discussion of the regional school budget and went over the numbers on the enrollment report. Easley spoke about current revenues and possible new revenue sources. He said that the capital repairs and maintenance budget is expected to go up to 2.5%. Houk wanted to know why Truro was not on the enrollment list. Hoffmann explained that Truro and Provincetown are not part of the budget and students from these towns are attending the Region based on tuition agreement. The first draft of the FY16 budget is expected on January 6, 2015 and the numbers will be available then. Terkanian wanted to know if NRSD had a targeted budget increase number and had concerns about the NRSD March 16, 2015 budget certification due to town meeting warrant print deadlines. Ira Wood wanted to know if Truro and Provincetown will have to join the region. Hoffmann explained that there is no legal mandate for the two towns to join the Region. He explained that the cost per student is the same for all towns, but Truro and Provincetown do not have to pay capital expenses. The current agreement with the two towns was signed in 2014 for five years duration. Robert Wallace wanted to know how Monomoy School District affected school choice enrollment. Hoffmann said that about 10 students were lost due the Monomoy School District. Sorrell wanted to have the Truro and Provincetown revenue numbers. Easley talked about upcoming capital repairs that have to be addressed in FY16 and said that those items could be paid by debt exclusions by the participating Towns. The estimated cost would be in the \$1M-\$1.2M range. Pilcher requested 10-year capital improvement plan. FinCom members Polowczyk and Sorrell supported this request. Sorrell requested the Habib study together with parallel estimates for renovation and new building costs in order to help understand how much the Town's investment would be.

### **Adjournment**

**Motion 15-128:** Murphy moved to adjourn the meeting. Bruinooge seconded the motion and it passed 4-0. The meeting was adjourned at 8:59 p.m.

Respectfully submitted,  
Michaela Miteva, Executive Assistant

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<sup>1</sup> Harry Terkanian's memo in response to John Morrissey's FY16 Budget Questions

<sup>2</sup> John Morrissey's list of FY16 Budget Questions

<sup>3</sup> DPW Budget Estimates FY 2016

<sup>4</sup> Marina Enterprise Fund Estimates FY 2016

<sup>5</sup> Police Department Budget Estimates FY 2016

<sup>6</sup> Water Enterprise Fund Estimates FY 2016

<sup>7</sup> Fire Department Budget Estimates FY 2016

<sup>8</sup> Fire Chief Richard Pauley's FY16 Budget Memo to BOS and FinCom