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Finance Committee Minutes

19 School Road Orleans Massachusetts 02653-3699

ORLEAHS TOH CLERK

'14MAR10 1:44PM

The February 20th, 2014 joint meeting of the Orleans Finance Committee and the Orleans Board of Selectmen was convened by Chairman Ms. Gwen Holden Kelly at 7:00p.m. in the Nauset Room of Orleans Town Hall. Present and constituting a quorum were members Ms. Gwen Holden Kelly, Mr. Ralph Cuomo, Mr. Peter O'Meara, Mr. Bill Wei!, Dale Fuller and Paul Rooker. Mr. Mark Carron was present via Skype.

Chair McGrath called the Selectmen meeting to order.

Selectmen Present: Mr. Jon Fuller, Mr. John Hodgson and Mr. Sims McGrath Jr. Guests

John Kelly, Town Administrator

David Withrow, Town of Orleans Director of Finance

Orleans Police Chief Scott MacDonald

Chair Kelly gave an introduction and the background of the CJP. Plan approval requires a majority at town meeting.

The BOS and Fin Com will stay in session for the Police Department budget. After that the

Finance Committee will stay for a brief meeting.

Town Administrator John Kelly discussed proposed projects for the capital budget in FY15 and The Community Preservation Act- which calls for $429,000 in program activity funding.

The CWMP Implementation-Design Services (Phase A)- The BoS have recognized several studies that need to be done including: Rock Harbor Use Attainment Study: $50,000 to have a special permit that allows Rock Harbor to have lesser water quality standards; Cedar Pond Restoration Management: $50,000 to re-establish a healthy pond ecosystem; Namskaket Marsh Clay Layer Study: $200,000; Decentralized Treatment and Disposal Sites: $200,000; Underground Utility Surveys: $450,000 to have GIS mapping of all utilities.

CWMP lrnplementation-Tri Town Septage Plant- $90,000 to fund necessary repairs to operate through 2016; $10,000 to fund a septage treatment and disposal market study.

DPW and Natural Resources- $500,000 for a new central maintenance garage design;

$161,530 for water quality drainage which is an annual project; $323,060 for town pavement management which is an annual program to repair and resurface roadways. The town also receives annual Chapter 90 funds for this; $900,000 for maintenance dredging of Rock Harbor. This number is an estimate of what Orleans' share would be. Hopefully dredging would allow another 10 years use out of Rock Harbor.

Mr. Hodgson asked if there was a quote from Stantech for the study. Noted that Mr. Kelly

$30,000 is a plug number at this point as there is not yet a quote. Mr. McGrath mentioned

that funds were approved for a study for future water quality drainage needs and asked where that stands. Mr. Kelly stated that the status will be provided by the Director of Public Works. There has been no indication that additional funding will be needed. Mr. Wei!asked if the utility surveys were eligible for Dig Safe. Mr. Kelly responded that Dig Safe marks where certain utilities are but the town wants a digital horizontal and vertical image to use for future design and Dig Safe does not do that. Chair Kelly asked Mr. Kelly to highlight what purposes having the digital location of the utilities will be. Mr. Kelly said there is a lack of available information on what utilities are in the ground. It needs to be known in order to avoid them

in future work.. Another piece is that there is a water system that is in the ground that has been in for decades, a storm water system all over town and fire hydrants that are not mapped. The town's GIS mapping is enhanced by having the underground utilities mapped.

All town departments would be able to use this tool. Chair Kelly asked if this was or was not

in support of any wastewater management plan. Mr. Kelly said this is for studying issues that have been raised and the Board of Selectmen have not brought forth any specific wastewater plan. This is a planning exercise. The money for this will be borrowed and it has to be approved by the Bond Counsel.. Mr. McGrath mentioned that there may be opportunities to be a part of pilot projects for wastewater treatment that may have substantial financial contributions. Mr. Rooker asked if there will be any attempt to seek out where existing utilities are and if this will help relieve some of the cost. Mr. Kelly said that George Meservey has been trying to get that information but has not be successful. None of the information available is digitized. They will review everything available, but there doesn't appear to be much information. Mr. Fuller asked if there are going to be exact numbers on

the dredging of Rock Harbor a month before town meeting. Eastham is the lead on the project. Eastham will be signing the contract and Orleans will agree to pay a certain amount. No permits are in hand yet. Tom Daley will be giving an update. There does not appear to be a land based option. The plan is to have bids in hand for town meeting.

Mr. Hodgson asked if the tech and regional schools' capital improvements were excluded from the CIP. Capital improvements in the schools are excluded from our CIP. The only thing agreed to is that the towns share an annual capital plan. Each town would have to vote to fund a project. The tech school has a need for capital projects and wants to have a stabilization fund in the warrant that will allow money to be available when needed. Chair Kelly asked if we can have a stabilization fund for schools. It is allowed to have a targeted stabilization fund. It has to be approved by vote at town meeting and can only be used for

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that specific purpose. Chair Kelly asked that even though the schools are not included in the

CIP, but if a separate document can be provided. Mr. Kelly said that it is included each year. At this point the discussion on the Capital budget closed.

The Capital Improvement Plan portion was opened by Chair Kelly. This includes all proposed projects for FY16-FY20. Copies of the plan are available at the library, Town Administrator's office and the town website.

Mr. Kelly said the purpose of the CIP is to systematically plan, schedule and finance projects for a 5 year budget. It includes major infrastructure projects. CIP emphasizes project planning and progression through various phases beginning with a feasibility study and followed by design and construction. Proposed project financing may involve bonding, a Proposition 2 'h override, debt exclusion or other available funds.

Proposed Projects-CPA funding, Potential Property Acquisitions for open space, affordable housing and wastewater management facilities. CWMP implementation needs funds for preliminary design phases A & B for FY16, final design of phase A for FY17, water quality maintenance dredging for FY17, construction of phase A for FY18, preliminary design for phase C for FY19 and the final design of phase B for FY20.

Proposed projects for DPW and Natural Resources-new maintenance garage for FY16, water quality drainage improvement for FY16-FY20, town pavement management for FY16-FY20, additional Nauset Beach parking for FY17, replace bandshell and restrooms at Nauset Beach forFY20.

Proposed Projects for OES-replace doors and windows in FY16, heating and ventilation system in FY18, restroom improvements in FY 20 that would be funded through borrowing. Most of the other funding would be provided through the building maintenance fund. Work on the school has to be done over the summer so project can't be so large that they disrupt school. Some funding from the state is possible. A special town meeting would have to be called in the fall so that bids could be in hand to have work done in the summer. There is 18 months from when the town is able to file and when construction needs to be completed. A feasibility study will be done.

Proposed Projects for the Police Station-renovate/add/replace design in FY18 and project construction in FY19.

The capital plan was made more inclusive this year. There was an effort to consolidate projects under the town building and facilities maintenance account.

Proposed projects include a 10 year master plan (stabilization fund), media operations, MIS, and the water department (water reserves).

Proposed Projects-Town Vehicle and Equipment replacement: There will be a 10 year schedule for the DPW & Natural Resources, Fire & Rescue Department, Police Department

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and Water Department. Funding sources include dedicated stabilization fund, debt service, ambulance receipts and water reserves. The Stabilization fund would allow for an internal savings account. Funds that aren't spent stay in the fund and can't be used for other purposes. The ambulance receipts pay for debt service and frees up $40,000. The water reserve would pay for debt service or capital or large water equipment.

Project Funding Impacts: Each FY the projects were added up to get a total amount and then the effect on the tax rate was determined. It raises the tax rate by $0.49 to $1.42 depending on the year.

**Public Comment:**

Tom Finan spoke regarding the police station. He proposes to move the project ahead to FY17 and FY18. This time frame fits with the DPW facility project and two buildings would not be worked on at the same time. The DPW design and construction would be in FY15 and FY16 and then the design and construction of the police station would be done in FY17 and FY18.

The boards will schedule a tour ofthe police station. Mr. Fuller said he is in full support of Mr. Finan's recommendation. He would like to see water and police vehicles managed by the DPW director as well. There was agreement among the Fin Com. Mr. Wei!supports Mr. Finan's recommendation as well. Money shouldn't be used on a dysfunctional building. Mr. Cuomo supports the recommendation as well. He asked what information was used for the

number on the police station since it was renovate, add or replace. Mr. Kelly said a middle of the road number was used not knowing what was going to be designed. A new building design is typically 10% of the construction cost. Mr. Finan said they started with a renovation committee and it would be cheaper to replace the building rather than renovate it. He believes the numbers are adequate. Mr. Fuller asked if Mr. Withrow would provide the impact that this would have on the total plan. Mr. Withrow confirmed he would do that. Mr. McGrath said he would like to see a retirement schedule and the tax impact.

Mr. O'Meara asked if the station design piece was looking at a demo of the building and a new site. The building would be demolished but the site will be reused. If there is a major renovation the fuel depot would be moved as well as the harbormaster's office. The site is centrally located but it is a tight property. Mr. O'Meara asked when looking at the tax

impact chart are the tax increases cumulative. Mr. Withrow noted that each year stands on its

own. Mr. Hodgson suggested adding another column that would show the impact each year's operating budget. He agrees with the police station moving forward and believes that the bandstand should be moved forward. When discussing the parking at Nauset a number for life guard housing should also be considered.

Mr. Rooker asked why after spending money for a boiler for the elementary school would improvements to the ventilations system have to wait. Mr. Kelly said that the individual control units and their integration to the boilers is the problem. The other piece was trying to

put $2.3 million into a 5 year plan that addresses the school needs as well as other facilities. Integrating the control units has to be done all at once. Mr. Rooker stated that he believes each project is worthwhile, but this will require an increase in borrowing. Mr. Withrow said the policy instated by the BoS. The policy considers affordability as what the impact on the potential bond rating is. Chair Kelly asked where we stand now. Mr. Withrow said with the forecast and including wastewater it might be exceeding the limit. Mr. Hodgson said the school is having trouble with the heating each month. Mr. Kelly said they are addressing the problems they are having now and the boiler was only half the problem. Mr. Hodgson suggested having a more flexible description on the wastewater money placeholders so it

isn't limited to sewering.

There was a motion by the Board of Selectmen to close the public hearing. It was approved Unanimously 3-0-0. There was a motion by the Finance Committee to close the public hearing. It was approve unanimously 6-0-0.

Chief Scott MacDonald and Deputy Chief Sean Diamond present the Police

Department Budget:

Staffing-Chief MacDonald said he is not going to seek additional staffing and he would like another year to analyze his needs.

There is an overall budget increase of3.73% and the target was 3%. Expenses increased by

$6,700. Capital outlay increased due to 2 cruiser purchases. Significant budget changes include a decrease in non-union clerical, an increase due to the addition of an education stipend per the union contract. There is an increase in the hours of the administrative assistant. There is a decrease in the reduction of new hires from 2 to I. Increase in training. Decrease in computer services. Equipment replacement increased due to new cruisers.

Mr. Wei!asked if the increase in the administrative assistant hours is working. The Chief said it is working great and she was instrumental in helping get the department accredited. Mr. Fuller asked if the decrease in overtime will be enough to cover the overtime needs. The Chief believes it will be enough because they will be fully staffed and all officers should be trained and in place.

Expenses-Mr. Wei!asked if the taser should be listed under other equipment instead of ammunition. The ammunition line contains other items as well but they will retitle it. Mr. Wei!asked if it was possible to reduce toner and paper costs. The court requires everything in hard copy. Mr. Cuomo asked if SRO training was offsite. The Chief said yes, there is special training for law officers that are assigned to schools. This will be the last year for

SRO training. Room and board are built into that number. Chair Kelly asked if he is satisfied

with the training budget. The Chief has rearranged items to increase the training line due to the importance. Has rearranged things to increase training line due to its importance. Chair Kelly also asked if the Chief is ok with centralizing vehicle maintenance. Centralizing is fine

as long as police maintenance would be prioritized and the department would choose their own vehicles. Mr. O'Meara asked if vehicles are assigned to officers and if not would that be beneficial. The Chief does not agree with assigning cruisers and that it is not very efficient. Replacing 2 cruisers as worked well in the past. Mr. Rooker asked about the animal control officer and isn't that person included in the rest of the salary budget. The animal control line is a fee for the Animal Rescue League kennel.

Building and Fuel- Mr. Wei] asked if there is a maintenance contract for HVAC. There is not a maintenance contract for HVAC but it could be used. Mr. Kelly said there has been difficulty getting a company to service it.

Building budget had an overall increase of$207.00. Salaries and expenses had an increase. Repair and maintenance expenses increased. There was an increase in maintenance contracts

and furnishings. There was savings from heating and electricity to cover office furnishings.

Mr. Fuller said that electricity bills are coming in higher but the budget is being reduced for FY15. Mr. Withrow stated that distribution costs are up 39%. Every electric bill has different timing and some departments have already paid 7 of the electric bills instead of 6. He does not believe that the problem is as bad as initial numbers were showing. Mr. Kelly said that once a contract is discussed they will be able to better forecast the FY15 budget. Departmental budgets will cover overages in electricity. The Chief is anticipating a $2,000 overage and fells it will be easily covered by the police budget.

Fuel- There is an increase in the budget based on a slight increase in usage. Mr. Weil said the set price on fuel is working out well. Mr. Kelly said the OEP has worked well with the fluctuation in prices so you don't pay more than you have to. Next year with a more stable market price they will do a fixed rate. Mr. Wei] said fuel use should be decreased town wide with more efficient vehicles. Mr. Kelly said there was an increase in diesel this year due to snow. The town does not buy premium. As fuel economy gets better there will hopefully be stability.

The Chief would like to keep one of the cruisers they would normally trade in for use by the SRO. The vehicle will not be fully equipped and this will give the officer the visibility that is needed at the middle school. Mr. McGrath asked what the trade in value is. The Chief said it is somewhere between $500 and $2,000. They would be keeping the better of the two vehicles and it will not be on the road much so hopefully less maintenance will be needed.

Mr. Hodgson said this is a good ideas as the vehicle for the SRO has the lowest usage of the

vehicles.

There was a motion to adjourn the Board of Selectmen session of the meeting. It was unanimously approved 3-0-0 at 9:15 p.m.

Upcoming meetings

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Feb 26th DPW, Natural Resources, Highway, Parks and Beaches and Harbormaster budget reviews among others.

Feb 27th meeting is cancelled. March 4th School budget review.

March 6th Community Preservation Committee presentation. March 12'h Joint meeting with the Board of Selectmen. March 13th Human Resource Advisory Committee **Adjournment**

**Motion to adjourn by Mr.Fuller, seconded by Mr. Weil. Unanimous 5-0. The meeting**

**was adjourned at 9:18p.m.**

Respectfully Submitted,

Nicole Smith, Secretary

Peter O'Meara, Committee Clerk.

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Jon R. Fuller, Clerk

Orleans Board of Selectmen

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