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**Finance Committee Minutes**

19 School Road Orleans Massachusetts 02653-3699

The February 26th joint meeting of the Orleans Finance Committee and Orleans Board of Selectmen was convened by Chair Mr. Sims McGrath, Jr. at 6:30 p.m. in the Nauset Room of Orleans Town Hall. Present and constituting a quorum were finance members Ms. Gwen Holden Kelly, Mr. Ralph Cuomo, Mr. Dale Fuller, Mr. William Weil, Mr. Peter O'Meara,

Mr. Paul Rooker and Mr. Josh Larson. Mr. Mark Carron was present via Skype. Chair Kelly and Chair McGrath called their respective boards to order.

Selectmen Present: Mr. Sims McGrath Jr., Mr. John Hodgson, Mr. David Dunford, Mr. John

Fuller.

**Guests**

John Kelly, Town Administrator David Withrow , Orleans Finance Tom Daley, DPW Director **Introduction**

FY15 will be the first year that the budgets of all the departments will be combined into one larger department. The departments have already begun to work more closely together.

192-Town Office Building Annex: Salary totals decreased due to moving money around, electricity decreased, repair and maintenance of public property decreased, maintenance contracts decreased and equipment replacement increased to replace a truck.

Mr. Dunford asked about any plans for the electricity supply. Mr. Kelly stated that the 3 year fixed cost contract expires June 30th and three bids have been received. It has been decided

to do a one year fixed cost contract that was signed on February 25th. Mr. Withrow is updating the budget numbers and will have an update for the boards. Mr. O'Meara asked if there was any contact with the Department of Public Utilities. Mr. Kelly stated there is an issue on whether this is part of the tariff or not. Any changes in law are allowed to be passed on to the consumer. Chair Kelly suggested we continue to pursue when and why the increase in cost happened.

Mr. Dunford asked ifthe truck that is being replaced had to be done now and whether there was a possibility to have an efficiency plan on replacing vehicles. Mr. Daley firmly believes they need this vehicle for day to day use. There are no vehicles that are sitting unused. Mr. Daley isn't fully familiar with the fleet of cars but does believe there are ways to become more efficient in the future. Mr. Kelly stated that most cars at town hall are shared and this truck would be the only 4-wheel drive vehicle available.

198-Community Building: There were a couple minor changes. Funds were reallocated where they should be. Mr. Larson asked for confirmation on rent taken in and asked if it is possible to get the building to pay for itself. Mr. Kelly stated that below average rent is being asked due to the public nature of the building therefore the building does not break even. Market rent is based on other buildings in the community. The Community Partnership lease expires in June and the Chamber would like to move as well. Mr. Dale Fuller said we should get closer to the market rate to cover costs.

294-Tree Warden: There are only minor changes in this budget. There was a shift in money to make the budget more uniform. Chair Kelly stated that there have been a lot of benefits to tree trimming and hopes there is enough money in the budget to continue that. Mr. Kelly stated there is not enough to take care of every tree but they are doing as much as they can with the money allocated and the amount of staff. They have to prioritize what trees will be done first. Mr. Weil asked about what areas the town is responsible for. The answer to that question is very site specific. Mr. Kelly said that a good average would be 10 feet from the curb.

295-Shellfish/Harbormaster: There are basic changes. Electricity decreases, there is an increase for repair and maintenance of property and a boat trailer and outboard are being replaced. Mr.Dale Fuller asked for more clarification on unanticipated expenses. Mr. Dawson Farber spoke. The repair and maintenance of public property has changed due to a lot of storm damage. There isn't an increase but monies are being moved around. Mr. Larson asked what the revenues of this department look like. The sources of the revenues are mooring permit fees and waiting list fees which go back to fund the operating budget, commercial shellfish licenses, mooring fees and Rock Harbor docking fees. Historically Rock Harbor fees are an entity in themselves to maintain Rock Harbor. The department is about 60% covered by revenue. Chair Kelly asked if Mr. Farber was comfortable with the overtime budget. He stated that if the amount of waterway activities continues to increase

the overtime budget will have to be discussed. Mr. McGrath asked if shellfish propagation is level-funded and ifthere was more seed would there be the man power to distribute it. Mr. Farber stated that with the current staff they are limited. If the program were to be expanded there would have to be changes made. He recommends looking at separating shellfish and making it an entity on its own. Mr.Dale Fuller asked about the increase in rubbish removal. The most significant increase is related to Rock Harbor and the high amount of traffic there. It is anticipated that the number will continue to increase.

421-Highway: Money was reallocated, there is a decrease in maintenance of public property, a decrease in repair to service vehicles due to replacement of older vehicles, a decrease in maintenance of public property, increase in signs to include non-department sign requests, increase in other equipment to replace line painting sprayer, asphalt grinder and power top for a dump trunk and increase in replacement of equipment for a new backhoe and dump truck conveyor. Mr. Larson asked if the highway department generates any revenue. They are looking into having permits for street openings but there is currently no revenue. Mr.J. Fuller asked if salt grinding is being discussed. There has been a lot of discussion about various options for snow and ice and some experimentation was done. At this point nothing is being brought forward for capital. They are taking a more cautious approach and would like to try an option and see how it works before spending money on the equipment. Mr. Hodgson asked why a 14 year old back hoe needs to be replaced. Mr. Daley showed some pictures of the back hoe. It has 4,500 hours on it. It does not get tracked by mileage but

there are a lot on it. It is out almost every day and is shared among different departments and it is an emergency response vehicle. The recommended replacement is every 10-12 years. Various parts have to be replaced including hoses and tires and there is a safety aspect that needs to be considered with older machines. It is important to time the replacement so that large sums of money are not spent on repairs. They are asking to replace 1 backhoe now and the water department will buy a mini excavator that preserves the second backhoe for a few more years. The backhoe purchase would then be staggered and 2 backhoes won't have to be purchased at once. Mr. Hodgson asked if a trailer should be purchased to keep miles lower and should one backhoe be used for salt only so that there aren't corrosion issues. They do not anticipated needing a trailer and the backhoe is used for salt and sand on a backup basis. Mr. McGrath asked about the amount ofhours on the Water Department backhoe and Mr. Daley stated they are about the same. Mr.J Fuller asked if the budget amount included the trade in value. The amount that will be received for trade in value is not included because they are asking for the full amount of the backhoe; if there is trade in value they will spend less. Mr. Weil asked if the town is responsible for snow removal on sidewalks. Mr. Kelly said there was a petition that passed at Town Meeting to make it the responsibility of the town. Chair Kelly asked if there is a way to get the amount that was spent just on sidewalks. It will be hard to get an exact number but they can come up with an estimate. Mr. McGrath asked if municipalities pay sales tax and Mr. Daley responded that they do not.

Snow Removal-There are no significant changes. This year we are currently $108,000 over for snow removal. The budget is determined using an average of the last 5 completed years. Mr. Weil asked if private roads are plowed. They do not plow private roads; there are mistakes and sometimes a private road will be plowed unknowingly. Mr. Kelly stated that if there is an emergency on a private road a plow will go with the ambulance. Mr. Weil asked if non DPW employees are used to plow. They are used out of need to supplement the town crew. Mr. Hodgson asked about the snow policy and how many inches of snow needs to fall

before that town will start to plow. In general plowing will begin at 3 inches but it is up to the discretion of the manager. Mr. McGrath asked what concerns, other than financial, there are when discussing taking on private road plowing. Plowing private roads would double the

amount of plowing needed and it would be difficult to find the amount of contractors needed to do it.

424 Street Lights: Cape Light Compact is changing street lights. It will happen in Orleans very soon (likely June at the latest). The budget is being decreased by 47% due to this program; it not only reduces electric costs but also maintenance. Mr. Withrow stated streetlights are figured differently than other electric charges and are not subject to the same increases as other electricity.

431-Transfer Station: There is a decrease in maintenance of public property, a decrease in equipment because of a possible purchase of a roll off trailer, an increase in the trash contract and an increase in equipment replacement due to the roll of trailer. Mr.D Fuller asked why

the maintenance is not reduced further since the windows that were replaced do not need to be included. It is a shuffle in the priorities from last year to this year and more money is needed for line painting and site maintenance. Mr. Budnick stated that site maintenance was a term that was made to cover various items such as fence maintenance. Mr.D Fuller asked about tonnage fees and if it was accurate; is $100,000 really necessary. Orleans had a great rate with Covanta but now the contract is ending. Covanta was going to double the price but then a new company came in to drive the price further down. With New Bedford we will be paying $50 per ton. The budget is based on the lower rate for the first 6 months of the year and they higher rate for the second half of the year and it is based on actual tonnage. Mr. Fuller asked why there was an increase in telephones. Mr. Budnik said the increase is due to internet access that the ability to have access from remote offices. Mr. Dunford asked for an update of how much gas the buried landfill creates. Mr. Budnick stated that it is hard to

judge but the consultants were surprised by how much gas was still being produced. Mr.

Larson asked if revenues were compared to the amount of expenses. There is discussion of increasing the sticker by $10.00 and there is a policy that the stickers will cover 75% of the operating costs. Mr. Weil would like clarification on why maintenance and office supplies increased. This was based on previous expenditures. Mr. Rooker asked if adding solar panels at the landfill will cause any management issues. He does not foresee maintenance issues

and the installers will take care of maintenance.

450-Water Department: There is an increase in the steel worker union because of retirement, an increase in heating fuel, decrease due for the repair of the pumping station, increase in maintenance contracts due to reallocation, decrease in sample testing, decrease in repair of service equipment due to reallocation, decrease in chemicals, increase in dues to attend meetings, increase in site improvements, increase in equipment replacement for a truck and mini excavator and an increase in water main improvement. Chair Kelly asked to discuss the mini excavator further. Purchasing the mini excavator will help spread out the purchases of backhoes. They will gain efficiency and it will reduce the number of trips the backhoe will have to take and other departments will be able to use it. The mini excavator allow better customer service and causes less disturbance at job sites. Mr. Fuller asked if it is possible to allocate the money to purchase all of the water meter replacements so that the department

does not have to pay an increase in water meters each year. It was stated that this is something that has to be done. They might save money up front, but not in the long run. Mr.

Dunford asked when the increase in water rates will be known. They will know March 11.

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630-Recreation: There is a decrease in short life equipment for sports equipment.

649-Windmill: There is an increase for the replacement of two doors. Mr. Kelly asks the

Conservation Department to provide $10,000 each year.

650-Parks and Beaches: There is an increase in non-union, increase in repair and maintenance of public property, increase in maintenance contracts for time clocks, increase in equipment for hire, decrease in other professionals, increase in telephones due to additional cell phones, the postage box rental is transferred from the collector, increase in equipment, increase in site improvements and replacement of a car. Mr. Larson asked if it was necessary to have a postage box. This line item is for postage not rental of a PO Box and the name of the line item will be changed. Mr. Hodgson asked about the replacement of the Skaket Beach snack building. The plan is to have it built for the 2015 beach season. The money was approved in the CIP at town meeting and a variety of cost cutting measures are being considered. Mr. Hodgson asked if the building is safe and if more fund are needed for mechanicals. The mechanicals were included in the original estimate. Chair Kelly mentioned that it has previously been stated that the building had to be demolished. Town council said to put a notice in the bid about the current conditions of the building and the contractor can choose if they want to work in those conditions; this does not absolved

liability but it helps. Mr. O'Meara asked the nature of the code violations. There was never a building permit issued so it is unknown what code needs to be followed. There is only one means of egress, some structural issues and there are not enough sinks. Mr. Hodgson would like the building inspector to comment on the safety and would like more details on the costs. Mr. Rooker questioned the septage charge for Skaket Beach. There are increased maintenance costs with this system and perhaps not enough was budgeted in the past and he will come back with a better answer. Mr. D.Fuller asked why the budget shows 3 employees for the sticker office when only two were transferred. The third employee has always been in the budget. Those employees work more hours than had been budgeted for because they

come in early to prepare. Mr. D. Fuller stated that non-union budget seems high. Ron Collins salary did not appear here previously and it that was taken out there would be a lower budget than last year. They also have to account for how many days there are until Labor Day and they have to budget for all possible sunny days.

This concludes the joint budget meeting.

Mr. Kelly would like to discuss the Board of Health's fee schedule for the transfer station. It is recommended to charge an increase of $10.00 per sticker.

**Motion by Mr. Dunford to increase the sticker price by $10.00 and seconded by Mr. J Fuller. Approved unanimously, 4-0-0.**

The Annual Town Meeting warrant closes on March 13th. Mr. Dunford does not see anything that needs to be discussed tonight but would like the chair to highlight those that need to be discussed in the future.

Other fee increases are on agenda for March 1ih.

A special meeting with town council and the BOS will be scheduled for March 11th at 4:00 p.m. with an executive session and a regular session. Chatham would like to meet with the BOS to discuss Nauset Beach on Tuesday March 25th at 5:00p.m. Alternatives dates can be discussed if the 25th does not work.

The next regular meeting is March 4th at 6:30p.m. Topics include Orleans Bowling, Zia Pizza, Change of Manager for OPH, CPC, Human Services Committee, School meetings, a report on the NStar pole hearing. Mr.J. Fuller would like the meeting to start earlier.

**Motion by Mr. Fuller to start the meeting at 6:00p.m. Approved unanimously, 4-0-0.**

The joint portion of that meeting will begin at 7:00p.m. There will be no meeting on the 5th. RFQs were presented as information only and the board would like to look at the working

before it is submitted to the paper to help with the communication process. There will be a

Tri-Town discussion on March 12th.

**Motion byMr.J Fuller to adjourn the BOS and seconded by Mr. Dunford. All in favor,**

**4-0-0.**

**Motion byMr. Rooker to adjourn the Finance Committee and seconded by Mr. Weil. Approved unanimously by individual verbal vote 7-0-0.**

Respectfully Submitted,

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Nicole Smith, Secretary

 Peter O'Meara, Committee Clerk

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 Jon R. Fuller, Clerk

 Orleans Board of Selectmen

