**BOARD OF SELECTMEN**

**MEETING MINUTES**

March 12, 2014

Approved on April 16, 2014

A meeting of the Orleans Board of Selectmen was held on Wednesday, March 12, 2014 in the Nauset Room of the Town Hall. Present were Chairman Sims McGrath Jr., Vice-Chairman David M. Dunford, Clerk Jon R. Fuller, Selectman John Hodgson III, Selectman Alan McClennen Jr., Town Administrator John Kelly and Recording Secretary Kristen Holbrook.

Finance Committee members present were Chairwoman Gwen Holden Kelly, Dale Fuller, Mark E. Carron, Paul Rooker, William Weil, Joshua Larson, John Laurino and Ralph Cuomo.

Chairman McGrath called the meeting to order at 6:30 PM. Finance Committee Chairwoman Gwen Holden Kelly called the Finance Committee to order at 6:30 PM.

Joint Public Hearing with Finance Committee on FY15 Budget:

Chairman McGrath read the legal notice as published in the Cape Codder and called the public hearing to order.

Town Administrator John Kelly presented the Board with a brief powerpoint presentation on the proposed FY15 budget.

Mr. D. Fuller asked for clarification on the change in funding new ambulances through bonding as opposed to cash. Mr. D. Fuller suggested that careful consideration be given to making the change as historically, bonding has not always been in the best interest of the Town. Ms. Kelly asked that the Town Administrator and Finance Director present an illustrated chart with detail for the changes.

Mr. Kelly stated that the change to a heavier duty ambulance will allow the Town to get more years out of the equipment an that the change to bonding allows for a more level funding on a yearly basis. Mr. D. Fuller asked of it would be more advisable to return the unspent budget dollars to decrease the taxes. He also stated that he would question the use of free cash to reduces taxes in the out years.

Mr. Kelly explained that the reserve to pay down the tax rate is in anticipation of debt service that will come due over the next few years.

Mr. Carron asked for an explanation of OPEB. Mr. Kelly explained that OPEB is the future liabilities for retiree benefits. Mr. Kelly further explained that an actuarial is performed and each town is under direction to budget for the needs and Orleans is working toward that goal. Mr. Carron also noted that the Capital Outlay expenditure in the budget is different from the items listed in the Capital Improvement Plan. Mr. Kelly explained that the capital outlay items are items such as vehicles and larger maintenance items that do not qualify for the Capital Improvement Plan. Mr. Carron asked if consideration had been given to increasing the contribution to the OPEB funds instead of using the money for lowering the tax rate.

Mr. Kelly stated that it would be useful to have that discussion and that he would find the most recent figures for the liabilities as the number had been reduced due to the health care reform law.

Mr. Dunford stated that he would agree fully that the Board should continue to discuss uses for free cash. He asked for clarification on the declining Ambulance Reserves in the out years of the budget. Mr. Kelly replied that the out years are a conservative estimate and some of the drop can be attributed to the purchase of ambulances.

John Laurino asked what the percentage of increase of the Transfer Station was to accommodate the new solid waste contract.

Tom Finan, a resident of Orleans, asked for clarification on the projection for the Fire Department overtime. Mr. Kelly replied that he and the Fire Chief had discussed the issue and researched the prior years overtime expenditures to come up with a realistic estimate. Mr. Kelly explained that it was a variable, and that the Chief is comfortable with the number. Mr. Finan also asked if the budget included the additional staff recommended by the Mark Morse report. Mr. Kelly stated that there will be a separate article to raise and appropriate funding for two additional staff. Mr. Finan asked that the Board consider budgeting for the purchase of three (3) automatic chest compression devices over the next few years. Mr. Finan asked how much money was appropriated for facilities remediation. Mr. Kelly replied that 300,000 is budgeted for facilities.

Mr. Dunford stated that the Board will be having future discussion on the additional Fire Department staff, and clarified that the approach outlined in the study are not directly relevant as the Board was not able to negotiate the “day” shift with the Fire Union.

Ms. Kelly felt that the Board should consider examining the budget for items that are one time expenses and can be funded with cash rather than bonding. Mr. McClennen stated that he was a proponent of having the long range capital plan included items that can be purchased with cash, in order to facilitate better planning. Mr. McGrath asked for the price of the new heavier duty equipped ambulances, Mr. Kelly replied that the vehicles cost $275,000. Mr. Weil noted that while expenses for the Fire Department is increasing, Medicare reimbursements are declining on a yearly basis.

**On a motion by Mr. Fuller, and seconded by Mr. Hodgson, , the Board voted to close the public hearing.** The vote was 5-0-0.

**On a motion by Mr. Carron, and seconded by Mr. Weil, the Finance Committee voted to close the Public Hearing.** The vote was 8-0-0.

Mr. Fuller stated for the record that, should the Board make any major changes to the budget, another public hearing will be held.

Meet with DPW Director Tom Daley - Water Department Asset Management Final Report:

DPW Director Tom Daley presented the Board with a powerpoint presentation on the Asset Management Plan for the Water Department.

Mr. Dunford thanked Mr. Daley and the Water Department Staff for their time and effort on the project. Mr. Dunford asked for clarification on the bond amortization for the OEM membrane replacement and tank painting. Mr. Daley stated that there is some overlap in the debt service, but with better planning that can be avoided. Mr. Dunford asked what the assumptions were regarding water usage and the needed rate increases in the future. Mr. Daley stated that Orleans is already good on conservation, so that he did not anticipate a great necessity for a major rate hike. Mr. Dunford also asked for Mr. Daley’s input on the impact of second homeowners. Ms. Brown stated that the department has discussed using quarterly billing in order to lessen the burden of a rate hike. Mr. Daley also noted that the numbers are estimates and based on the best information available at this time. He also stated that adjustments would be needed and best adaptive management practices would be used. Jeff Musage, Wright-Pierce stated that the usage is low and primarily used by residences. He did not anticipate a further drop in water usage in the future. He also clarified that the estimate for future build out was a conservative estimate.

Mr. Daley stated that the number one factor that affects pumping is weather.

Mr. D. Fuller asked what the benefit of quarterly billing is? Mr. Daley stated that it is mroe palatable to customer as well as providing a more even and consistent cash flow. Ms. Brown also noted that it was a recommendation of the auditors as well.

Chris Burg, stated that the costs in the plan are at present dollars and the financial plan also noted future dollars at a rate of 3% inflation.

Paul Rooker asked if it would be fair to summarize the plan as a maintenance plan? Mr. Daley stated that some of the projects are maintenance as the majority of costs in the water department are maintenance related. Mr. Rooker asked if the plan had room for technology changes. Jeff Musage stated that the plant is ahead of the curve in terms of technology, the metering replacement is under way and he felt that water was a very straight forward asset to manage and that he did not see a lot of room for improving technology.

Ms. Brown stated that the department is in the midst of utilizing cloud technology and that a presentation on the technology would be provided to the Board in April.

Mr. Dunford asked how often the meters would have to be replace. Ms. Brown stated that the department replaces 300 meters per year as part of the use permit. Mr. Daley stated that the meter replacement is important because, older meters slow down and do not register accurately.

Mr. McGrath thanked staff for their time and effort.

Mr. Kelly noted that the staff would like to schedule a public hearing for a water rate increase. The Board agreed that a public hearing should be scheduled for early April.

**TBD: Schedule Public Hearing for water rate increase for BOS meeting in early April.**

**On a motion by Mr. Carron, and seconded by Mr. Larson, the Finance Committee voted to adjourn.** The vote was 5-0-0.

Wastewater Discussion - Follow-up from February 5th and 26th Meetings:

Chairman McGrath reconvened the meeting at 8:39 PM.

The Board met with Wastewater Consultant Mike Domenica regarding the RFQ #1 for Utility Survey and Mapping Services. Mr. Domenica noted that 6 proposals had been received on the RFQ. Mr. Dunford asked for clarification on the cost of te survey. Mr. Domenica stated that the survey is comprehensive and detailed and will be used for more than just wastewater planning. He also stated that the cost estimate had been reviewed by a land surveyor, and that a contingency was included. Mr. Domenca further explained that the cost may be negotiated down, if the surveyor recommended that certain areas of the study might not be that beneficial to the Town. Mr. Domenica also noted that there is additional funds for investigation of the location and age of commercial/residential septic systems in the downtown area as well as the requested investigation into directional drilling.

Mr. Hodgson asked for an expansion of the need for this survey outside of wastewater planning. Mr. Domenica stated that the survey would be useful for an infrastructure project that occurs within the road layout, sidewalks, utility relocation, etc. Mr. Hodgson asked why the Town could not get the same information from NSTAR and National Grid. Mr. Domenica replied that the utility companies are reluctant to give out the information prior to the design phase of the system. Mr. Hodgson stated that the Board should perhaps scale the project back to the downtown area and suggested that the Board may wish to reconsider paying for this survey if the same information can be achieved by going through the utility companies.

Mr. McGrath stated that the DPW Director had expressed support for this project as it will be useful information to have when the stormwater management plan goes into effect. Mr. McGrath also stated that the surveys will be useful if a grant were to become available for waste water planning. Mr. McClennen stated that the Weston & Sampson Engineers had stated that te survey needed to take place if the town wished to attempt directional drilling. Mr. McClennen also noted that waste water alternatives such as PRBs require the survey as well. Mr. McClennen also stated that the Town was implementing a new GIS system and that this information would be a valuable addition to that program as well.

Mr. Dunford stated that he wanted to make it clear that the RFQ emphasizes the CWMP aspect of the survey and that he would feel more comfortable if it stated that there is no pre-conceived plan on what is being done or the best way to do it. Mr. McClennen asked if the reason the CWMP was emphasized in order to allow for bonding of the expenses. Mr. Kelly replied that it has been discussed and the town does not have cash to fund the surveys. He stated that the funding had been approved at Town meeting and that the article was drafted to provide for the tasks outlined in the RFQs, and then must be reviewed by bond counsel. Mr. Kelly stated that while some of the regulations have been relaxed slightly, the wording of the RFQ in consistent with the Board’s intentions.

Mr. Hodgson stated that at the end of the day, the Board should take a harder look at defining downtown Orleans. He asked if the Capital Plan could accommodate the 208 solutions. Mr. Kelly clarified that what was approved at ATM can go forward, FY16-FY20 can be changed. Mr. Hodgson asked how viable the article will be, knowing that no plan is in place. Mr. Kelly replied that Town Counsel and Bond Counsel had held a discussion and that feasibility related studies are allowed.

Mr. Dunford stated that he did not think a ⅔ vote could be achieved with the currently written RFQ. Mr. McClennen stated that the Board had adopted a Wastewater goal to adapt and implement the CWMP and bring a plan for the required studies to e Annual Town Meeting. Mr. Dunford stated that his concern is that the Board is locking themselves into phrasing that will impact the ability to get the article passed. If the flexibility cannot be conveyed, he did not feel the article would pass.

Mr. Dunford favored changing the name of the plan. Mr. Domenica recommended a Water Resources Management Plan. Mr. Hodgson asked if the DRI approval would be impacted. An amendment may need to filed. Mr. Hodgson stated that he felt it was important to make the distinction between the name change an the definition of the plan. Mr. Hodgson was not in favor of using the “phase” phraseology. Mr. Domenica stated that renaming all of the steps of the CWMP wouldn’t achieve as much.

Mr. Domenica presented the Board with a brief powerpoint on the RFQ.

* remove “decentralized” from bullet point Phases 2-6
* remove references to “CWMP”
* review cost estimate for Task 1 - $112,000 (can the number be reduced)

Mr. Kelly reminded the Board that they had voted unanimously to study te discharge flow and permit from Tri-Town and that if the Board wished to change that at this time, it would need to be a reconsideration vote.

Mr. Hodgson stated that because the Board has been meeting weekly and the results of the 208 Plan the Board had to be flexible and adjust as more information comes in.

Mr. Dunford stated that he would endorse a stakeholder group for public outreach on the revamped plan. Mr. McClennen stated that he felt the Board should be the entity to make recommendations, engage a facilitator and that he felt it was too early in the process to form a stakeholder group.

Mr. Dunford felt it would be better to move sooner rather than later.

Mr. Dunford and Mr. Hodgson did not believe that the Namskaket Marsh Field investigations needed to be included. Mr. McClennen stated that he is very concerned about Namskaket Marsh and that task 1 is something that should be completed.

Mr. Dunford felt the study should be done independently of wastewater studies.

* Remove Field Investigations from Task 1 (Namskaket Marsh) Remove Task 1 entirely

**On a motion by Alan McClennen, and seconded by Mr. Fuller, the Board voted to approve RFQ # 2, subject to the Board’s comments and as amended to include Tasks 2, 3 and 4, to direct the Town Administrator to return to the Board prior to submission of the amended RFQ to the central register, and to direct the consultant to create a separate RFQ for Task 1 without the Field Investigations subtask. The vote was 5-0-0.**

TBD: Discussion on stakeholder group at next BOS work meeting.

TBD: Special meeting for BOS on Monday

**On a motion by Jon Fuller, and seconded by Alan McClennen to continue agenda items 4c - 8 until Monday at 6:30 PM. The vote was 5-0-0.**

Annual Fee Schedule Review and Recommendations:

Further Discussions on FY15 Budget and FY16-FY20 CIP:

Draft List of Warrant Articles for May Annual and Special Town Meetings:

Any Other Items for Future Agendas:

**On a motion by Jon Fuller, and seconded by David Dunford, the Board adjourned at 11:24 PM. Vote 5-0-0**

Respectfully submitted,

Kristen Holbrook

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 Jon R. Fuller, Clerk