

K. D. Long, Asst.  
TOWN OF ORLEANS  
TOWN CLERKS OFFICE  
APPROVED: 3/11/10  
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## FINANCE COMMITTEE MINUTES

The Feb. 25, 2010, meeting of the Orleans Finance Committee was convened by Committee Vice Chairman Laurence Hayward at 7:02 p.m. in the Nauset Room of the Orleans Town Hall. Present constituting a quorum were Mr. Hayward, Edwin Barr, Mark Fiegel, Dale Fuller, Gwen A. Holden Kelly, Paul Rooker, and Rick Sigel.

### Approval of Minutes

- *Minutes of the Feb. 11, 2010, Meeting:* **On a motion made by Mr. Fuller, the minutes of the Feb. 11, 2010, Finance Committee meeting were approved 6-0-1, with Mr. Rooker abstaining.**
- *Minutes of the Feb. 24, 2010, Public Hearing:* **On a motion made by Mr. Fuller, the minutes of the joint Finance Committee/Board of Selectmen public hearing on the Comprehensive Improvement Plan (CIP) for fiscal years 2012 through 2016 were approved 7-0-0.**

### Guests

Mark Carron, Board of Selectmen liaison to the Finance Committee, was in attendance at the meeting.

Also in attendance was David A. Withrow, Orleans Town Municipal Finance Director.

### Guest Presentation: The Town Budget Process

Mr. Withrow provided Finance Committee members with an overview of the current status of town revenues and expenditures for fiscal year 2010. He noted that both revenues and expenditures at the seven-month mark generally are in line with projections reflected in the fiscal year 2010 Town budget as adopted and that no mid-year cuts are contemplated.

However, Mr. Withrow projected that the revenues and expenditures picture will deteriorate as the current fiscal year progresses. With regard to revenue, Mr. Withrow said that he anticipates a drop in receipts from motor vehicle excise tax payments which could be down by as much as \$70,000. At the same time, shortfalls in several budget categories -- most notably, a \$90,000 shortfall in the Fire Department's budget for overtime and an anticipated \$20,000-plus shortfall for snow removal -- will place increasing pressure on the Town budget. Additional funds also may be needed for repairs to the Police Department heating system; to accommodate an elections-related shortfall in the Town Clerk's budget; and, potentially, for payment of unemployment benefits if state and federal governments further extend the period for which these benefits can be provided.

In addition there is little cushion in the current fiscal year budget to accommodate shortfalls.. Mr. Withrow said that last year Town departments turned back some \$500,000 in unused funds from their respective appropriations which could be made

available to offset shortfalls in other budget categories. However, owing to tighter budgeting for fiscal year 2010, he said that he does not anticipate that there will be any significant amount of funds turned back by departments.

On a positive note, Mr. Withrow noted that the cost of annual payments for employee health insurance for fiscal year 2011, projected at 7% , came in at 5.2%, freeing up \$73,000 budgeted for that cost center.

### **Old Business**

#### *Overview of Feb. 24th CIP Public Hearing:*

Finance Committee members engaged in a discussion of issues raised by Orleans citizens during the Feb. 24, 2010, joint Finance Committee/Board of Selectmen public hearing on the CIP for fiscal years 2012 through 2016. Mr. Hayward reported that some 70 interested parties attended the hearing, with comments made from the floor by 13 Orleans residents and property owners, and submitted via email by another five Orleans residents and property owners.

Mr. Hayward observed that turnout at that evening's public hearing was the highest experienced in recent history. He thanked Mr. Barr for his work in developing, and coordinating the distribution of, the brochure publicizing the hearing.

#### *Fiscal Year 2011 Budget Reviews:*

The Finance Committee initiated its review of the proposed Town operating budget for fiscal year 2011. The following departments budgets were reviewed, and the indicated actions taken, during the meeting:

- Shellfish/Harbormaster (budget code 295):  
**On a motion made by Ms. Holden Kelly, the Shellfish/Harbormaster proposed budget for fiscal year 2011 was approved as presented 7-0-0.**
- Fire Department (budget codes 220-221) :  
The Finance Committee deferred action on the Fire Department proposed budget for fiscal year 2011 pending a meeting with the Fire Chief Department to address outstanding questions concerning certain proposed expenditures.
- Finance Administration (budget codes 135, 141, 145, 155); Notes and Bonds (budget codes 710-751); MA Assessments (budget code 820); Insurance/Unemployment Compensation (budget codes 912-914); Finance Committee (budget code 131):  
**On a motion made by Mr. Hayward, the above-referenced proposed budgets for fiscal year 2011 were approved as presented 7-0-0.**
- MIS (budget code 155):  
**On a motion made by Mr. Barr, the MIS proposed budget for fiscal year 2011 was approved as presented 7-0-0.**

### **New Business**

#### *Questions for Meeting with Town Administrator:*

Mr. Fuller reported that he had drafted, and distributed to Committee members via email, a set of questions for discussion with Town Administrator John F. Kelly during a future meeting on the Town operating budget for fiscal year 2011. A copy of the questions would be shared with Mr. Kelly in advance of that meeting, which will be scheduled for some time in mid-March, to follow the Board of Selectmen's completion of its work on that budget. Mr. Fuller asked that Committee members give the draft questions a final review and provide him with any comments or suggestions that they may have.

### **Board of Selectmen Reports**

Mr. Fiegel reported on the Feb. 24, 2010, meeting of the Orleans Board of Selectmen:

### **Department and Committee Liaison Reports**

#### *Department Liaison Reports*

None.

#### *Committee Liaison Reports*

Mr. Rooker reported on the Feb. 23, 2010, meeting of the Orleans Conservation Commission.

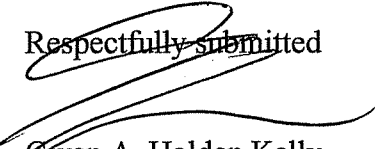
### **Future Meetings**

- On March 10<sup>th</sup>, the Finance Committee will participate with the Board of Selectmen in a joint public hearing on the fiscal year 2011 Town budget.
- The next meeting of the Finance Committee will be held on Thursday, March 11<sup>th</sup>. Julia Enroth, chairman of the Orleans Community Preservation Committee (CPC), will appear before the Finance Committee to review the CPC's budget and grant funding recommendations for fiscal year 2011.
- A meeting will be scheduled with Town Administrator Kelly for mid-March on the Town budget for fiscal year 2011.

### **Adjournment**

**On a motion made by Mr. Hayward, the meeting was adjourned at 9:25 p.m.**

~~Respectfully submitted~~

  
Gwen A. Holden Kelly  
Recording Secretary