

APPROVED: 6/10/10

FINANCE COMMITTEE MINUTES

The May 27, 2010, meeting of the Orleans Finance Committee was convened by Chairman Walter Bennett at 7:00 p.m. in the Nauset Room of the Orleans Town Hall. Present constituting a quorum were Mr. Bennett, Edwin Barr, Mark Fiegel, Dale Fuller, Laurence Hayward, Gwen A. Holden Kelly, and Rick Sigel.

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TOWN OF ORLEANS
TOWN CLERKS OFFICE
[Signature]

Approval of Minutes

- On a motion made by Ms. Holden Kelly, the minutes of the May 6, 2010, Finance Committee meeting were approved (6-0-1).
- On a motion made by Ms. Holden Kelly, the minutes of the May 10, 2010, Finance Committee meeting were approved (7-0-0).

Guests

Mr. Bennett congratulated Jon R. Fuller on his reelection to the Orleans Board of Selectmen and welcomed him to the meeting as the newly appointed Board of Selectmen liaison to the Finance Committee.

Old Business

None.

New Business

Discussion of Town Meeting Proceedings

The Finance Committee engaged in a discussion of actions taken by Orleans voters during the May 10th Annual and Special Town meetings and at the polls on May 18th. Committee members generally were satisfied with Committee presentations made on warrant articles and believed that it was important that the Committee shared its views on major items in the budget with Town voters, particularly on those items for which bonding would be sought. It was the consensus of the Committee that this practice should be continued at future Town Annual and Special Town Meetings.

Committee members also suggested that the Finance Committee chairman's presentation on the overall Town budget in the future might include information to provide voters greater insight into the impact of proposed spending under Articles on the tax rate and Town indebtedness. It also was suggested that the Finance Committee consider prioritizing spending articles and address the rank order of its priorities during the chairman's presentation to Orleans voters at Town Meeting.

Review of Benefit/Pension Unfunded Liabilities

Mr. Hayward reported on his meeting with Town Municipal Finance Director David A. Withrow to discuss unfunded pension/benefit liabilities of the Town of Orleans. He said that at present, the Town's liability for pension is \$13.6 million, while the unfunded liability for Other Post Employment Benefits, largely medical benefits, stands at \$17 million. Mr. Hayward provided Committee members with an overview of Town pension

and benefit obligations to Town employees and how they are administered. He noted that his meeting with Mr. Withrow helped to clear up some misunderstanding as to factors affecting how and in what amount benefits are paid out and the impact of these obligations on the Town budget.

Review of List of Board of Selectmen-identified Budget Issues

Mr. Fuller reviewed with the Committee a list that he had been maintaining of budget-related items that the Board of Selectmen had agreed over the past year to target for future discussion. The Committee suggested that Mr. Fuller's list be shared with the Board and the Town Administrator.

As an adjunct to this discussion, that the Committee discussed coming up with its own set of 10 or so priorities to guide its deliberations over the next year.

Benchmarking Quality versus Cost in Orleans Municipal Service Delivery

Mr. Bennett advised Committee members of his interest in exploring the possibility of developing a system of benchmarks that could be used as a tool for the Finance Committee to gauge quality versus cost in making recommendations and taking actions on budget matters and identifying the most promising and potentially cost effective strategies for meeting service needs and demands. As a starting point, Mr. Bennett proposed developing a town-to-town comparison of data and other information that would include such items as town government organization, revenue profile, and bond rating. It was the consensus of the Committee that this idea merits further exploration; that data gathering should focus on Towns with demographic and economic profiles that are similar to that of Orleans and should include the collection of experiential information from other Towns on such strategies as privatization of municipal service delivery.

In conjunction with the benchmark initiative, the following Committee members agreed to research the indicated topics:

- Mr. Fuller: Statutory and/or regulatory restrictions on privatization of municipal services.
- Mr. Hayward: Bond ratings.
- Ms. Holden Kelly: Provincetown's privatization of ambulance services.
- Mr. Barr: Chatham's privatization of water and sewer services.

Board of Selectmen Reports

Ms. Holden Kelly reported on the May 19th and May 26th meetings of the Orleans Board of Selectmen.

Department and Committee Liaison Reports

Department Reports

None.

Committee Reports

Mr. Barr reported on the May 26, 2010, meeting of the Orleans Board of Water and Sewer Commissioners.

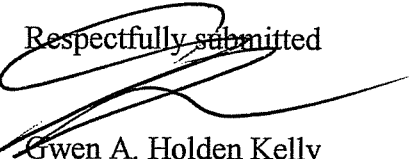
Future Meetings

The next meeting of the Finance Committee will be held on Thursday, June 10th. Mr. Bennett advised Committee members that Mr. Withrow will be in attendance at that meeting to update the Committee on revenue projections and year-to-date expenditures.

Adjournment

On a motion made by Mr. Fiegel, the meeting was adjourned at 9:10 p.m.

Respectfully submitted



Gwen A. Holden Kelly
Recording Secretary