



C. M. May
TOWN OF ORLEANS
TOWN CLERKS OFFICE

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FINANCE COMMITTEE MINUTES

The February 24, 2011 meeting of the Orleans Finance Committee was convened by Chairman Larry Hayward at 7:00 p.m. in the Nauset Room of the Orleans Town Hall. Present constituting a quorum were Chairman, Mr. Larry Hayward, Vice Chairman, Ms. Gwen Holden Kelly, Secretary, Mr. Mark Carron, Members, Mr. Dale Fuller, Mr. Ed Barr, Mr. John Hodgson, Mr. Walter Bennett, Mr. Paul Rooker and Mr. Rick Sigel.

Guests:

Mr. Jon Fuller, Selectman Liaison

Public Comment:

None

#192 Budget Review Park Superintendent Paul Fulcher Budget Total \$2,162,126

Mr. Rooker introduced Mr. Fulcher. At Mr. Fulcher's request, the committee began reviewing the budgets smaller to larger in dollars. The Town Office Building, which also now includes the Annex, which now houses the Parks & Beaches, Highway/Transfer and Recreation Departments.

The budget reflects a decrease in both Electrical and Heating. It also reflects an increase of \$6,500 to replace the fuel tank (\$3,500) Annex (\$1,500) and a general increase of \$1,500. Questions were raised on the approach to changing the fuel tank if there is going to be a consideration to moving to Natural Gas? Propane in the near future. Mr. Hodgson asked if the town should convert now, and if Natural Gas was not available, should we consider Propane? Vice Chairman Ms. Holden-Kelly asked if we knew the cost to convert. Mr. Fulcher responded, No. Mr. Sigel asked how old was the boiler, which Mr. Fulcher responded, old. Mr. Rooker suggested the committee consider scheduling a "walk through" so they could see the work done at the facility. Mr. Fulcher responding to obtaining cost estimates indicated that the Gas Company will perform a cost study to determine the cost to run the necessary piping for supply and to convert the boiler.

Mr. Bennett asked if there were any Handicap issues with the public use of the building? Mr. Fulcher indicated all of the Handicap issues were addressed and with public access limited to the first floor and the rest rooms were upgraded to meet the Handicap regulations, there are no longer any issues to address.

Chairman Hayward asked Mr. Fulcher if he could walk the committee through the changes made at the Annex. Mr. Fulcher indicated the following items were addressed; Mold, Asbestos New walls and proper studs, Humidifiers in the basement, the rafters where corrected and new Electrical.



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Chairman Hayward asked Mr. Fulcher if there was much more work to be done in the future to which Mr. Fulcher responded, no, just the conversion from oil to gas.

Mr. D. Fuller inquired into the request to replace 1996 4WD with a Ford Focus. Mr. Fulcher indicated that this was a vehicle in the "pool" assigned to the Health Department and he found that with most snow plowing being outsourced to private contractors, the town no longer needed to purchase a 4WD.

Mr. Hodgson asked what is now housed in the previous offices for Parks and Highway? Mr. Fulcher indicated that the old Park's offices now house the staff from Park's and Highway and the employee lounge. Also the vehicle repair which was performed at the site on Ghiddah Hill Rd has been moved to the Highway garage. The Park's offices are now used for storage.

#649 Budget Review Park Superintendent Paul Fulcher Budget Total\$6,849

The Windmill budget had little change. Overall the budget dropped \$225 dollars.

Mr. Bennett asked if there was any Winter Damage, Mr. Fulcher indicated none so far.

Mr. Rooker informed the committee that during the season, this is staffed by volunteers which save the town on staffing expense.

#198 Budget Review Park Superintendent Paul Fulcher BudgetTotal\$11,466

The Community Budget did not have significant changes, but declined \$961 over last year. Mr. Fulcher informed the committee that the Orleans Chamber of Commerce continues to rent a section of the Community Building. This lease is expiring in a year and they have informed the Town that they wish to renew.

Mr. Bennett asked if there were any deed restrictions, Mr. Fulcher indicated any that were in effect have now expired.

Mr. Fulcher indicated that after the Chamber lease, the town is looking to lease the additional 800 square feet and hopes to get around \$10-\$12 per Sq. foot. He stated the overall building is about 1,400 Sq. Feet.

Chairman Hayward inquired into how large was the lot. While Mr. Fulcher could not specifically indicate he did say that this lots septic system is under the town lot that abuts this property and extends out to Cove Road.



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#650 Budget Review Park Superintendent Paul Fulcher Budget Total \$1,140,815

Mr. Fulcher reviewed the significant changes, including a drop in Non-Union Others of \$27,435, which included \$9,340 for reduction of 500 seasonal staff hours. There was also a drop in Training in the amount of \$2,000 by not providing Hepatitis B shots and an increase of \$6,000 to replace Club Car (\$13,000) and 2WD pick up (\$18,000).

Mr. D. Fuller asked for clarification on the proposed spending for 5114 Non Union Others. In 2010 the line ended \$47,000 under budget due to the continuing off road closures and the resulting need for fewer employee hours. The proposed FY 2012 budget for this line is \$25,000 above the FY 2010 actual expenses, and the closures are expected to continue this year. Mr. Fulcher said that the amount was needed as the closures vary widely year to year.

Mr. Rooker asked how long the beach was closed this season. Mr. Fulcher indicated the North (South) beach was closed 69 days and re-opened around August 17, 2010.

Mr. Hodgson asked if there was any money in the budget to fight the Plovers? Mr. Fulcher indicated that because of a lack of response to the Selectmen's request to join Orleans in contact the regulators, there is no money currently in the budget. Mr. Fulcher indicated that Orleans had still not heard from their partner, the Town Of Chatham.

Mr. Rooker asked Mr. Fulcher what was the peak number of permits issued for over sand vehicles. Mr. Fulcher said roughly 2,500 to 2,600 Non-Resident over Sand and 200 self-contained. Last year those numbers were 700 Non Resident over sand and 72 Self Contained.

Mr. Carron asked if Skaket needed the sand replenishment in the amount of \$19,000. Mr. Fulcher indicated, yes.

Mr. Carron also inquired into how does the town deter staff from possibly taking money from the beach stickers? Mr. Fulcher indicated he can't but plans to install cameras at each gate at Nauset and Skaket.

Vice Chairman Holden-Kelly asked if the line item Equipment carried the money for the camera's which Mr. Fulcher responded, no, those dollars are for computers.

Mr. D. Fuller asked what the mileage of the vehicle being traded was. Mr. Fulcher indicated 60,000 miles, not the 50,000 listed on the report. Managers' report the mileage during February/March. This raised questions why the vehicle was being traded, Mr. Fulcher indicated it was not just mileage, but also rust.



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Chairman Hayward asked about the contracts for the Nauset and Skaket concessions. Nauset's has been in place since 2007, paid the town \$78,000 in 2010. Both buildings are in need of repair/replace. Skaket is close to 50 years old and has 2 years left on the lease. Looked at Cape Tech to help, but they are scheduled out 3 years. Both leases are written for 5 years. The Nauset concessionaire did some work in place of payment. If that is made part of the lease, the tenant would be looking for a longer lease so he would be able to write off the improvements.

Vice Chairman Holden-Kelly asked if the concession stands would be included in the facility study. Mr. Fulcher responded, no, not to his knowledge.

Mr. Rooker asked if the motel (just purchased) would be in the study. Again, no. Mr. Fulcher indicated there are 18 units and 5 cottages. The cottages are currently under the old regulations of pumping into cesspools. Now with the property passing to new owners (the Town) the town would require some relief if they were to operate them. Mr. Fulcher also indicated that the decking to the second floor must be replaced (\$25,000) then the deck railings (\$500 each) and the stairs (\$2,500 per stairway). Mr. Fulcher indicated if the property was not leased the town might consider selling off the cottages so they could be moved to another location.

Mr. Sigel asked if the town offers housing to the Life Guards. Mr. Fulcher indicated the town does at housing just off the Skaket Beach Parking Lot and at Sea Call Farm. Mr. Sigel asked if consideration was given to using the motel/cottages just discussed. Mr. Fulcher indicated that currently the town has sufficient housing for the summer staff.

Mr. D. Fuller asked about line item 5311 – Other Professional. Did the Park's and Highway need two copiers in one building. Mr. Fulcher indicated that the second one was at the old Park's office for that staff. That copier is under a lease which still has time left on it so it cannot be sent back.

Mr. Sigel follow-up on the copier inquiring about one being left at the Annex, the other left at the old office. Couldn't the copier be moved to the Annex or the lease broken?

Mr. Hodgson inquired into the replacement of a 4WD 1 ton vehicle with a 2WD state body. Again, Mr. Fulcher indicated those trucks will no longer be used to plow snow as the town will be moving towards private contractors for snow plowing.

Approval of Minutes:

On a motion made by the secretary, seconded by Mr. Bennett, the minutes of the February 17, 2011, Finance Committee meeting were approved as amended 9-0-0.



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On a motion made by the secretary, seconded by Mr. Bennett, the minutes of the February 23, 2011, Finance Committee meeting were approved as amended 8-0-1 (Mr. Sigel abstained).

Vice Chairman Holden-Kelly moved that the Finance Committee approve the following budget:

- **#135 Council On Aging in the amount of \$489,190**

The motion was seconded by Mr. Hodgson and approved 9-0-0.

Vice Chairman Holden-Kelly moved that the Finance Committee approve the following budget:

- **#610 Snow Library in the amount of \$542,081**

The motion was seconded by Mr. Hodgson and approved 9-0-0.

Vice Chairman Holden-Kelly moved that the Finance Committee approve the following budget:

- **#630 Recreation in the amount of \$110,729**

The motion was seconded by Mr. Hodgson and approved 9-0-0.

Vice Chairman Holden-Kelly moved that the Finance Committee approve the following budget:

- **#291 Civil Defense in the amount of \$15,375**

The motion was seconded by Mr. D. Fuller and approved 9-0-0.

It was suggested that the committee add on to the list of future topics rolling salaries into Job Description – Both Chief's get paid under the Civil Defense Budget.



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Chairman Hayward reviewed the following budgets with the committee:

#161 Budget Review Chairman Hayward Budget Total \$127,607

Only change was the increase in the Police Overtime by \$2,100 to cover the need to have an officer on Bridge Road to help keep traffic moving on election days. The other increase is on the Dues/Meeting budget line for \$785. Increase.

#122 Budget Review Chairman Hayward Budget Total \$63,566

The committee asked to get more detail on the \$25,000 budgeted on the Selectman/Town Administrator line # 1122002. This is listed as DPW/NR Implementation. The committee has not seen a plan and would like to see how this is being implemented.

Mr. Sigel feels the committee needs to have a method to monitor the DPW cost savings and we also need to review the plan to see how the \$25,000 is being expensed.

There was also a question on the \$10,000 unfunded money for retirements – line item #1122002.

Chairman Hayward was also asked to inquire into the \$6,000 increase in the legal line item.

It was suggested that the committee add reviewing the Unfunded Liability and the creation of "Trust Funds" to their list to follow-up.

#123 Budget Review Chairman Hayward Budget Total \$29,265

The Chairman reported no changes in the Telephone/Communications budget. He indicated that the dollars budgeted for equipment is sufficient to continue with MIS replacement plans.

#124 Budget Review Chairman Hayward Budget Total \$95,096



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The Chairman reviewed Media Operations which reflected no increase. Mr. Carron asked if the Chairman could inquire to the location of the amount paid to the Lower Cape Cable Consortium which was in excess of \$100,000.

#176 Budget Review Chairman Hayward Budget Total \$10,243

No changes noted in Zoning Board of Appeals, any fees collected go back into free cash.

#195 Budget Review Chairman Hayward Budget Total \$7,637

The Town Report budget has been cut due to only printing 700 copies from 1,000.

#424 Budget Review Chairman Hayward Budget Total \$95,096

Street light budget is down due to lower electricity rates.

#440 Budget Review Chairman Hayward Budget Total \$42,000

This is a new budget "Sewerage Collection". This covers Ron Collins salary for time spends on Waste Water Issues and some office expense.

#543 Budget Review Chairman Hayward Budget Total \$64,843

Veteran's Budget has increased and will be higher than the current budget reflects. The Chairman expects to have new figures by our next meeting. The town is re-imbursed 70% of the funds paid, but those payments run about 1 year behind.

#690 Budget Review Chairman Hayward Budget Total \$2,145

The committee questioned the Chairman on this budget - Old Kings Highway Historic District. This covers all property on the West side of Rt. 6 and it takes an act of the legislators to allow Orleans to opt out.

#692 Budget Review Chairman Hayward Budget Total \$2,000

Memorial & Veterans Day is level funded. This covers the cost of the two parades held on Memorial and Veterans Day.

#699 Budget Review Chairman Hayward Budget Total \$500

The Special Events budget is level funded.



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#710 Budget Review Chairman Hayward Budget Total \$2,509,962

The committee had a few questions on the Principal – Notes and Bonds – but no issues.

#751 Budget Review Chairman Hayward Budget Total \$3,661,141

No significant changes in Interest Notes and Bonds – except the new bond issue for the Motel and some other minor BANs which were rolled into that bond issue.

#912 Budget Review Chairman Hayward Budget Total \$350,525

Worker's comp line item is down \$9,000 and the MIIA pool is up \$9,000 due to the property purchased for the Motel.

#913 Budget Review Chairman Hayward Budget Total \$25,594

No change in, the minor change noted is the distribution of some cases to the Elementary school personnel.

#914 Budget Review Chairman Hayward Budget Total \$28,469,338

The Chairman will be reporting back to the committee after he has verified the numbers represented in the budget.

It was suggested that the committee add reviewing the Insurance budget. Perhaps recommend that the town appoint an Insurance committee to review the town's Insurance and report their findings to the Selectman.

Other Business:

Mr. Bennett felt that Mr. McClennen was correct on the % of land owned – his calculations were wrong that he mentioned during the meeting. He spoke about the CPC funds and feels strongly that the voters need to know that the CPC funds may run out before the Open Space Land obligations.

Vice Chairman Holden-Kelly felt that this year's comments at the Capital Plan Public Hearing were more reflective. If I can't afford it, I will not vote for it.



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Mr. Carron asked the Chairman to place on the agenda to have the committee vote on the Finance Committee's budget. He is concerned that the budget no longer funds the position of Secretary and feels that this should be voted back into the budget.

Board, Committee and Department Reports:

Mr. Hodgson reported that at the Board of Selectman's meeting they discussed moving the hearing date with the Regional School and Elementary School to discuss some questions they have on the two budgets.

The Chairman indicated he is trying to set up a meeting with the elementary School Committee to discuss their reserve fund transfer. Mr. Carron suggested he try to have it on the same height as the public hearing.

It was asked to place the Putnam Property review on the follow-up list. Questions on why the extra money is needed should be reviewed.

Adjournment:

There being no further business before the committee the meeting was adjourned at 10:30 p.m.

Respectfully submitted

Mark E. Carron
Secretary

Next Meeting:

Monday February 28, 2011 at 7:00pm in the Nauset room at the Town Office Building.

Handouts:



FINANCE COMMITTEE MINUTES

- Budget Review schedule
- Revised deb service budget
- Draft public hearing notice and posters
- Nauset Regional School Budget
- Ambulance Receipts Reserve Cash Flow
- Percentage of calls for the Fire Department

Future Agenda Topics:

- Get detail on unfunded Retirement liabilities
- Get details on unfunded Insurance liabilities
- Invite Mark Budnick in to give report on expenditures
- Invite Ken Hull in to review drop in valuation/fluctuation
- Debrief on the Town Hearings on Budget and Capital Plan issues
- Discuss Finance Committee WEB site opportunities
- Review the importance of an MIS audit
- Review the merits of the towns participation in the RTA
- It was suggested that the committee add on to the list of future topics rolling salaries into Job Description – Both Chief's get paid under the Civil Defense Budget.
- It was suggested that the committee add reviewing the Unfunded Liability and the creation of "Trust Funds" to their list to follow-up.
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