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TOWN OF ORLEANS
TOWN CLERKS OFFICE

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FINANCE COMMITTEE MINUTES

The February 28, 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. Rick Sigel, Absent; Mr. Paul Rooker and Mr. Walter Bennett.

Guests:

None

Public Comment:

None

#294 Budget Review Highway Super. Mark Budnick Budget Total\$81,595

Mr. Carron introduced Mr. Budnick. Mr. Budnick reviewed with the committee the Tree Warden's budget which reflected no significant changes. Mr. Budnick indicated that this budget historically is underfunded. They are finding equipment hire is more expensive each year. As an example, a bucket truck used to trim limbs, cost have risen which requires the Tree Warden to drop the number of days the vehicle is rented to fit the dollars budgeted.

Vice Chairman Holden-Kelly inquired into the town's responsibility for trimming limbs by the power lines. Mr. Budnick responded that line cut back is the responsibility of Nstar and the road (intersections) cut back is the town and that funding is provided out of the highway budget.

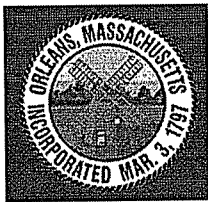
Mr. D. Fuller indicated that the current budget is running roughly \$5,000 over budget. Mr. Budnick responded that the town had to spend more than anticipated on the Dutch Elm disease

Mr. Carron inquired into the possible impact of the loss of AmeriCorps should the federal funding be cut. Mr. Budnick while indicating that our town utilizes the AmeriCorps program for many programs completed within the town, we could not find that funding in town to make up that loss should the program loss funding.

#421 Budget Review Highway Super. Mark Budnick Budget Total\$770,402

Mr. Budnick reviewed the following significant budget changes to the Highway Budget:

- Repair and Maintenance of Public Property was increasing \$3,800 – in large part due to \$19,000 to be spent on upgrading the electrical and heating at the highway garage.
- Decrease of \$10,000 for Police Details. This amount was transferred to the Police Department for better accounting.
- Decrease of \$2,250 in Maintenance supplies due mainly to drop in the need for new tools for the shop.
- Increase of \$1,140 in Equipment/Operator license due to the number of employee Drivers Licenses expiring this year.
- Decrease of \$1,000 in signs which eliminates the town from replacing non-obligated signs.
- Decrease of \$4,000 in Other Equipment as that amount was to fund the mower deck which was replaced last year.
- Increase of \$28,000 in Replace Equipment to purchase a Hot Box and a 5 Ton Roller both used to repair pot holes.



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- Increase of \$20,000 in Engineering to reflect the need for technical assistance with EPA Storm water regulations.

Mr. Budnick indicated that our Storm Water remediation program is now up to 21 sites with an expected 7 more to be added this year.

Mr. Sigel inquired into the ideal dollar amount for Water remediation? Mr. Budnick felt the town was appropriately addressing the issue each year and commented that with the extra sand put down due to the snow requires more drainage cleaning.

Vice Chairman Holden-Kelly inquired as to how many drainage cleanings we have performed, or is this count kept? Mr. Budnick indicated, no. After much discussion, Mr. Budnick indicated he hoped to be bringing one of his staff along to take overall responsibility for this program.

Mr. Sigel asked who currently puts all the data collected on locations into the GIS system used to keep track of our drains. Currently, Mr. Budnick does and this is one of the functions he will be working on to transfer to another member of his staff.

Mr. Hodgson asked about the funding for repairs to the Highway Building. He asked about the \$19,000 budgeted for the electrical and heating. Mr. Budnick responded that the need is there to upgrade the electrical and heating and ventilation – even though some of this work was just recently completed. Mr. Budnick also indicated they will be installing a remote camera at the Compost Building to help deter vandalizes. The mechanic currently on Ghiddah Hill Road will be moving to the Highway Building and the structure on Ghiddah Hill will be used for storage.

Mr. D. Fuller inquired about the Hot Box and its use and cost to maintain. Mr. Budnick indicated that maintaining the box was very similar to cleaning the truck beds after a load of hot mix. Mr. Budnick indicated we would save roughly \$600 in material and overall save \$2,000 by purchasing this unit.

Mr. Hodgson asked if there was a private company that could be hired to handle this work performed by the Hot Box? Mr. Budnick did not believe there was any in this area, while he knows the State uses this process.

Chairman Hayward asked about the Engineering at a cost of \$20,000 and whether we would be required to fund this in the foreseeable future? Mr. Budnick indicated this was for a consultant to help ensure we comply with new, more stringent DEP, regulations. He said he would be seeking pricing from firms to handle the engineering of the storm drain remediation projects. Mr. Carron added that this is another reason to consider that our new DPW Manager hold an Engineering Degree as it seems more and more functions require this expertise.

#423 Budget Review Highway Super. Mark Budnick Budget Total\$88,281

Mr. Budnick reviewed the Snow Removal Budget which did not show any increase over last year. It is the practice of the town to level fund Snow Removal as it is one budget that can run a deficit. Mr. Budnick informed the committee that he continues to rely more and more on contractors to assist in plowing, sanding still remains the responsibility of the town. One method to attract more contractors, the town pays a fuel surcharge to offset the cost of fuel increases (should they occur)

Mr. D. Fuller asked if the study requested last year by the Board of Selectman on the cost for Sub-Contractors for plowing vs. town equipment and staff had been performed. Mr. Budnick responded that a request has not been made to perform such a study. Mr. Budnick indicated he felt that cost would roughly



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be the same if you also considered the wear and tear on the vehicles. Which is one reason departments (such as Parks) are now looking to purchase only 2WD Pick-ups vs. the current 4WD. Mr. Budnick indicated we need to continue to be competitive in our payment system to keep them, which he feels is helped by our fuel surcharge.

Chairman Hayward asked what percentage of our snow removal is private. Mr. Budnick indicated it is roughly 50-50.

Mr. Sigel asked if other towns go 100% with contractors. Mr. Budnick said most do, but not 100% and the bigger towns have the man power and trucks. Chatham purchased trucks just for snow plowing and sanding.

Mr. Carron asked about "wet" sanding vs. the use of sand. Mr. Budnick indicated that wet sanding application is of great interest and his staff found out at a recent forum that Orleans was one of only two towns that do not use wet sanding for handling snow. He plans to investigate further, but it would also take equipment changes on each truck.

Vice Chairman Holden-Kelly asked about retrofitting the sanders and whether the Board of Selectman had asked for more information about the potential for using applications of "pre-wetting" solutions to reduce the use (and cost of clean up) of conventional sanding.. Mr. Budnick indicated he would get more information and report back his findings.

#431 Budget Review Highway Super. Mark Budnick Budget Total\$444,958

Mr. Budnick reviewed the significant changes in the Transfer Station budget, including bringing the total down by 10%:

- Decrease of \$1,800 in overtime
- Decrease of \$2,600 electricity
- Increase \$6,000 in Equipment hire to compost the yard waste
- Decrease \$1,720 in rental fees considering the historical expenditures
- Decrease \$17,496 in tonnage due to the drop in waste coming to the transfer station.
- Decrease \$13,750 Rubbish pick up due to better pricing on recycling agreement
- Increase \$3,900 Repair and service equipment for new tires for the loader
- Increase \$2,500 other equipment to purchase an additional tipping dumpster
- Decrease \$1,720 in engineering

Mr. D. Fuller inquired into the status of the two Army Trucks used to move the containers around at the transfer station. Mr. Budnick indicated we actually own 3, one if for spare parts and the other two are still used.

Mr. Budnick brought the committee up to date on the Methane Gas flare at the transfer station. He indicated we could actually sell the supply on the Chicago Exchange if we could keep records of the volume. This supply could be used to supply a Turbine or the Transfer Station with fuel. But as indicated, more study would need to be done.

Mr. Hodgson asked if the data, once captured, could be sent to EPA to see what we could possibly use the source for?

Mr. Barr asked how long would the Methane last. Mr. Budnick could not answer that but indicated it has been running 24/7 since it was installed.



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Vice Chairman Holden-Kelly asked if any turn back money could pay for a contractor to look at the flare. Mr. Budnick responded that those proceeds would most likely have to come from his Highway Budget for Engineering.

Approval of Minutes:

On a motion made by the secretary, seconded by Mr. Hodgson, the minutes of the February 24, 2011, Finance Committee meeting were approved as amended 7-0-0.

#510 Budget Review Ed Barr Budget Total \$260,687

Mr. Barr reviewed the Health Department's budget is actually level funded, down just under 1%. The department now shares a clerk position with the Conservation department. To his surprise, Mr. Barr reported that the department sends out roughly 5,000 letters each year.

#295 Budget Review Dale Fuller Budget Total \$289,730

Mr. Fuller reviewed the Shellfish and Harbormaster budget which reflects a 6.4% increase. The increase of \$15,000 to replace the Fuel pump at Rock Harbor reflects the increase in the budget.

Mr. Hodgson asked how it works? Do the boat owners pump their own? Mr. D. Fuller will ask the Harbormaster and report back.

Mr. Carron asked where boaters dump their waste, as it is now a State law requiring harbors to supply locations as boaters are no longer permitted to dump in the open waters. Again, Mr. D. Fuller will inquire and report back.

#171 Budget Review Rick Sigel Budget Total \$89,434

Mr. Sigel reviewed the Conservation budget. He indicated the budget is down 21% due to changes in staffing. The Ass't Town Planner has taken the job as the Conservation officer in place of the opening and the clerk position is now shared with the Health- Department (as mentioned earlier). There was some discussion on the coverage of several committees within the town or county was discussed. Mr. Sigel indicated Orleans would have coverage and participation when the agenda(s) show a discussion/topic that would affect Orleans.

#175 Budget Review Rick Sigel Budget Total \$133,947

Mr. Sigel commented that the Planning and Community Development budget is lower by 31% because of the changes in staffing.

John Jannell will continue to oversee the GIS system in Planning as he is the expert. Coverage for committee's that he served will be as mentioned above under budget 171.

#241 Budget Review Rick Sigel Budget Total \$226,492

Mr. Sigel reviewed the Building Departments budget that is level funded. The committee reviewed both the Wire and Plumbing line items, which appear to be in line for funding based on this year's expenditures to date.



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#242 Budget Review Rick Sigel Budget Total \$243

No changes noted.

Budget Approvals:

Chairman Hayward moved that the Finance Committee approve the following budget:

- **#123 Telecommunications in the amount of \$29,265**
- The motion was seconded by Mr. Sigel and approved 7-0-0.**

Chairman Hayward moved that the Finance Committee approve the following budget:

- **#176 Zoning Board of Appeals in the amount of \$10,243**
- The motion was seconded by Mr. Hodgson and approved 7-0-0.**

Mr. Carron moved that the Finance Committee table the following budget:

- **#192 Town Office Building in the amount of \$153,738**

Mr. Sigel still questioned the Furnace upgrade. Mr. Sigel felt that this needed to be studied more before approval of the budget. Mr. Sigel did not have an issue with the money set aside, he felt that there might be a more reasonable solutions. He felt the town should contact the Gas company to see if this could be priced out for gas prior to Town Meeting. Mr. D. Fuller indicated there appeared to be sufficient monies in this year's budget to get this resolved. Mr. Sigel suggested that the line item be changed to read Furnace in place of Tank. After much discussion, the issue was tabled on a motion made by Mr. Carron and seconded by Ms. Holden Kelly 7-0-0.

Mr. Carron moved the question, which Mr. Hodgson seconded. On moving the question the committee voted 7-0-0.

The original motion was seconded by Vice Chairman Holden-Kelly and approved 7-0-0.

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

- **#195 Town Reports in the amount of \$7,637**
- The motion was seconded by Mr. Hodgson and approved 7-0-0.**

Mr. Fuller moved that the Finance Committee approve the following budget:

- **#198 Community Building in the amount of \$11,466**
- The motion was seconded by Mr. Hodgson and approved 7-0-0.**

Budgets #210 and 211 Police – will be held for further information



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Chairman Hayward moved that the Finance Committee approve the following budget:

- #424 Street Lights in the amount of \$25,700

The motion was seconded by Mr. Barr and approved 7-0-0.

Chairman Hayward moved that the Finance Committee approve the following budget:

- #690 Old Kings Highway in the amount of \$2,145

The motion was seconded by Mr. D. Fuller and approved 7-0-0.

Mr. D. Fuller moved that the Finance Committee approve the following budget:

- #692 Veterans/Memorial Day in the amount of \$2,000

The motion was seconded by Mr. Hodgson and approved 7-0-0.

Chairman Hayward moved that the Finance Committee approve the following budget:

- #699 Special Events in the amount of \$500

The motion was seconded by Vice Chairman Holden-Kelly and approved 7-0-0.

Chairman Hayward moved that the Finance Committee approve the following budget:

- #912 Insurance Notes & Bonds in the amount of \$350,525

The motion was seconded by Mr. Hodgson and approved 7-0-0.

Chairman Hayward moved that the Finance Committee approve the following budget:

- #913 Unemployment Compensation in the amount of \$25,594

The motion was seconded by Mr. Hodgson and approved 7-0-0.

Budgets 710 and 751 were held over for another meeting until Mr. D. fuller's questions were obtained. Mr. D. Fuller continues to question why the recent Bond Issue for land purchases funded the full purchase price for the land and did not deduct the grants received?

Annual Report of Finance Committee:

Chairman Hayward reviewed his first draft of the annual report from the Finance Committee to the voters. The Vice Chairman suggested that perhaps the letter look at "infrastructure" vs. "buildings". Indebtness, the use of options to lower cost and stay away from "regionalization" After some discussion the Chairman asked each member to please review and be prepared to comment on the draft at a future meeting.



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Other Business:

None

Board, Committee and Department Reports:

Held until the next meeting due to the hour.

Adjournment:

There being no further business before the committee the meeting was adjourned at 10:45 p.m.

Respectfully submitted

Mark E. Carron
Secretary

Next Meeting:

Wednesday March 9, 2011 at 6:00pm in the Skaket room at the Town Office Building to meet with the Orleans School Committee.

Wednesday March 9, 2011 at 6:30 in the Nauset Room at the Town Office Building – Joint meeting with the Board of Selectman.

Handouts:

- Finance Committee Annual Report
- Recap of Chairs discussion with Mr. Withrow
- List of 2011 Budget Reviews
- Copy of OES Request for Transfer

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.
- Look at Methane Gas flare – how could we take advantage of this fuel? (issue from Highway Dept budget review)
- 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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- 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.
- Look into Snow Storm “wet” application vs. salt (issue from Highway Dept budget review)
- Look into storm water remediation issues/concerns. (issue from Highway Dept budget review)
- Look into options on how to leave the Old Kings Highway Historical Commission?