

K. DeLong, Assoc.

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FINANCE COMMITTEE MINUTES

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The April 7, 2011 special meeting of the Orleans Finance Committee was convened by Chairman Larry Hayward at 5:00 p.m. in the Skaket Room of the Orleans Town Hall. Present constituting a quorum were Chairman, Mr. Larry Hayward, Vice Chairman, Ms. Gwen Holden Kelly, Acting Secretary Mr. Ed Barr, Members Mr. John Hodgson, Mr. Paul Rooker and Mr. Dale Fuller. Absent was Secretary Mr. Mark Carron and Mr. Rick Sigel.

**Guests:**

Mr. John Kelly, Town Administrator  
Mr. David Withrow, Director of Finance

**Town Budget Review -- Discussion and Voting on Warrant Articles:**

**Article(s) Amend Fees Building Department (Article 29) (\$ tbd) Town Clerk and Treasurer Collector (Article 30) (\$ tbd) and Adopt Fees Recreation Programs (Article 31) (\$ tbd)**

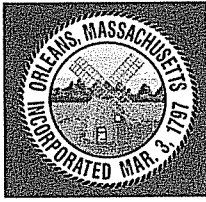
**Approx 0:05 on Video Tape**

After discussion regarding the plan for the Board of Selectman to hold a public hearing on these articles; on a motion by Chairman Hayward seconded by Vice Chair Holden-Kelly the committee decided by a vote of 6-0-0 to again postpone a vote on these issues until our meeting of April 21, 2011.

**Article 19 Fund Eldredge Park Irrigation System -- \$10,000****Approx 0:05 on Video Tape**

In the discussion of this article Mr. Kelly explained that the Yawkey Foundation Grant for work on the field at Eldredge Park does not include provisions for work on "municipal projects". Since the sprinkler system is a municipal project and an improvement to town owned land not specifically for the benefit of baseball, it does not qualify for grant money. The town has set a limit of \$68,000 for the irrigation project some of which will be paid through the fund raising efforts of the Orleans Athletic Association. This article is part of a two stage project and will pay part of the cost of connection of the sprinkler system to the town's water supply. In subsequent years additional funds may be required connect the sprinkler to non-potable water well.

On a motion by Vice Chair Holden-Kelly seconded by Chairman Hayward the committee voted to approve this article 6-0-0.



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**Article(s) Highway Department – Water Quality Drainage (Article 8)  
\$150,000 and Improvements and Town Pavement Management Program (Article 9)  
\$300,000**

*Approx 0:15 on Video Tape*

Mr. Withrow indicated the combined cost of these articles (\$450,000) for this year and going forward would account for 2.1% of the roughly 7% increase in the tax rate as the budget currently stands. He stated this equates to about \$61 per year on a home assessed at \$500,000. The revenue derived from this tax increase will be placed into a “targeted” stabilization fund that must be used exclusively for the purposes indicated. If in the future the full \$450,000/year is no longer required to maintain the roads and drainage infrastructure a one time downward adjustment of the amount authorized would “reset the meter” at the new, lower amount which could not be increased without the vote of a town meeting.

On a motion by Vice Chair Holden-Kelly seconded by Chairman Hayward the committee approved the article 6-0-0.

**Article 35 Fund Wastewater Treatment Alternatives Study – By Petition**

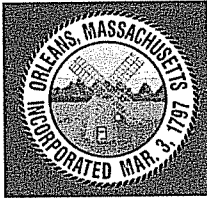
*Approx 0:19 on Video Tape*

After considerable discussion about the rejection of the petition article by the Board of Selectman, the potential confusion that will result as a function of two articles for ostensibly the same purpose, the possibility of a “friendly amendment” being offered from the floor at town meeting, the implications of the remote possibility that both articles would be approved at town meeting, and a variety of other at this point unknown factors...

On a motion by Chairman Hayward seconded by Vice Chair Holden-Kelly the committee voted 6-0-0 to delay action on this article and make the committee’s recommendation at town meeting.

**Article 4 Fund Technical Review and Cost Analysis of CWMP**

*Approx 0:42 on Video Tape*



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For essentially the same reasons as stated above on a motion by Vice Chair Holden-Kelly seconded by Mr. Hodgson the committee voted 6-0-0 to delay action on this article and make the committee's recommendation at town meeting.

### **Article 33 Authorize Conservation Commission to lease Putnam Property for agricultural use.**

*Approx 0:47 on Video Tape*

The committee recognizes that the conservation commission is not permitted to lease land controlled by it without affirmative action by town meeting and that a lease of this purchase, which the committee opposed at town meeting 2010, is a possible source of revenue for the town. This article would grant the commission authority to enter into a lease assuming the lease holder and/or the town provides the necessary financial resources and/or other action(s) to restore the property and make the land suitable for farming. The Board of Selectman voted to postpone action on this article until town meeting because, at the time of their vote, a meeting with the Conservation Commission on the master plan had not occurred.

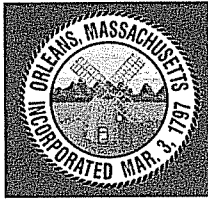
On a motion by Vice Chair Gwen Holden-Kelly seconded by Mr. Hodgson the committee voted to postpone recommendation on this article until town meeting 6-0-0.

### **Article 32 Authorize Board of Selectman to lease former Hubler Property**

*Approx 0:43 on Video Tape*

Town Administrator Kelly described the significant issues facing the town if we chose to attempt to enter into a lease of this property including, but not limited to, the impact on the ability to bond the purchase price, bond counsel's opinion that a lease arrangement similar to the one the town has with Liam's (i.e., the leaseholder makes improvements and the town gets a share of the profits), would not meet our bonding requirements, the unresolved code violations at the property which the town would have to resolve prior to hiring an operator to manage the property, the term of a potential lease can not exceed three years, the potential need for an act of the state legislature to allow the town to operate a motel, etc.

Mr. Kelly indicated the intent of this article is to obtain the endorsement of the town for the Board of Selectman to evaluate all the alternatives, determine the costs and benefits of each and provide the town with recommendations and financial implications at the 2012 town meeting. The article is required to authorize the Board to enter negotiations of a potential lease that may exceed the three year limit that constrains the Board without approval of Town Meeting.



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On a motion by Vice Chair Gwen Holden-Kelly seconded by Chairman Hayward the committee voted to approve the article 5-0-1 with Mr. Hodgson abstaining.

### **Article 6 Fund Preservation Act Program Budget \$775,502**

#### **Approx 1:01 on Video Tape**

The decision of the CPC to change the funding of the Putnam Farm restoration precipitated the need for another vote on this article.

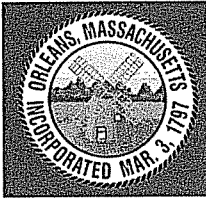
The Chair referenced the email previously distributed to the members revising the FY'12 request for the restoration of Putnam Farm from \$78,000 to \$46,000 and the newly revised figure to \$47,500 which, we were told, is the minimum required to qualify for the grant. In the discussion that followed several members again expressed their continuing concerns with the process followed not only with the initial purchase of this property but also with the implication that the new request will be followed by requests for additional funds in subsequent years. There was general consensus on the need to critically examine the process and vetting of future proposals for real estate and/or other items that may require funding beyond that initially proposed to and approved by town meeting. One member expressed the opinion that he would not be surprised if the total required to restore the Putnam property eventually approaches \$200,000. That said, the committee recognizes that we now own the land, it is an eyesore and a potential liability as an attractive nuisance and action needs to be taken to make it safe.

On a motion by Vice Chair Gwen Holden-Kelly seconded by Mr. Hodgson the committee voted 5-1-0 to approve the article. Mr. Barr, while not disagreeing with the need to clean up the property, cast a symbolic no vote quoting Noble price winner Elie Wiesel, "There may be times when we are powerless to prevent injustice, but there must never be a time when we fail to protest."

### **Article 5 Fund Town Buildings and Facilities Master Plan \$15,180**

#### **Approx 1:14 on Video Tape**

Mr. Kelly presented the revised appropriation request for funding this article (\$15,180) based on the Board of Selectman's transfer of \$34,820 toward the original request for \$50,000 and his argument for the need for this study. He asked the committee to reconsider its' previous decision to reject this article. Reconsideration, by the applicable Rules of Order, requires a motion for reconsideration by a member who previously voted in the negative; seeing none the Chair tabled any further action on this article.



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### **Article 2      Town/School Budget**

#### **Approx 1:26 on Video Tape**

At the meeting of April 4, 2011, following discussion and debate regarding the unanswered questions with respect to the potential for fee increases and/or the imposition of new fees as well as the intentions of the Board of Selectman with respect to the use of the \$107,000 budget surplus, the committee decided to postpone action on this article until the April 7<sup>th</sup> meeting at which time it was reported the Board of Selectman voted on April 6, 2011 to present the operating budget unchanged from its' March 30, 2011 iteration, i.e., the \$107,000 would be applied to reduce the statutory increase.

On a motion by Vice Chair Gwen Holden-Kelly seconded Chairman Hayward the committee voted to approve the article 4-2-0 with Mr. Hodgson and Mr. Barr voting in the negative.

### **Annual Report of the Finance Committee**


Mr. Hayward reported he had completed work on the report and was prepared to deliver it for incorporation into the Warrant publication for Town Meeting. He asked if anyone had any last minute suggestions for changes and/or additions prior to release. Mr. Rooker suggested the incorporation of specific information on the amount (in percentage terms) of the proposed property tax increase. Mr. Hayward responded he would address this as part of his verbal presentation and make note to include it in the written report next year.

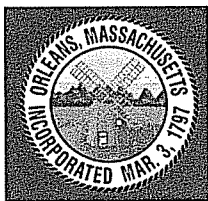
### **Adjournment:**

#### **Approx 1:32 on Video Tape**

**There being no further business before the committee on a motion by Vice Chair Holden-Kelly seconded by Mr. Hodgson the meeting was adjourned at 6:32 p.m.**

Respectfully submitted

  
Edwin W. Barr  
Acting Secretary



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### **Next Meeting:**

*Thursday April 21, 2011 at 7:00 pm in the Nauset room at the Town Office Building*

### **Future Agenda Topics:**

- Get detail on unfunded Retirement liabilities
- Get details on unfunded Insurance liabilities
- 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.
- Review benefits derived from participation in Old Kings Highway Historic District
- 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 over list of Vehicles to determine information needed for next budget year.
- Discuss funding source for Pavement Management and Waste Water runoff.
- Research annual article to Hold State Harmless – Why?
- Look at School Choice and per student cost.