



ORLEANS TOWN CLERK
10/20/11
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FINANCE COMMITTEE MINUTES

The September 22, 2011 meeting of the Orleans Finance Committee was convened by Chairman Ms. Gwen Holden-Kelly at 7:00 p.m. in the Nauset Room of the Orleans' Town Hall. Present constituting a quorum were Members, Mr. Dale Fuller, Mr. Larry Hayward, Mr. John Hodgson, Mr. Paul Rooker, Mr. Rick Sigel, and Mr. William Weil. Members absent were Mr. Ed Barr, and Mr. Mark Carron.

Guests:

Mr. Jon Fuller, Selectman liaison and Mr. Alan McClennen, Chairman, Orleans Open Space Committee.

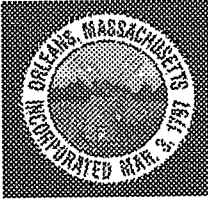
Public Speak:

None

Open Space Committee Report 01:57 on Video Tape

Mr. McClennen gave a presentation regarding the Open Space Committee ("OSC") mission, charge, procedures and activities. Mr. McClennen stated that the OSC was created by Article 72 of the May, 1985 Town Meeting and its purpose was to assist the Town in the preservation and acquisition of lands for conservation, recreation and open space by fee acquisition, easement or conservation restriction. This committee reports to the Board of Selectmen and is comprised of five members serving three year terms. The primary goal is to protect open space to meet our water and conservation needs especially from waste water and nitrogen issues. In the late nineties a town wide survey was taken and eighty four percent of the respondents voted for town supported land acquisition. From this survey and analysis of the comprehensive plan about four hundred acres of land were put on the list to purchase as per the committee's charter to protect the land from ground water issues. Mr. McClennen stated that the current town capital plan does not include funding for open space purchases as has been in the past and needs to be added back into the plan. The OSC's track record for obtaining grants has been excellent since they have been very careful in selecting property that meets the guidelines for the funding. As per the November 2010 Planning Department annual report it was noted that 244 acres of open space land has been protected by the town leaving 156 acres remaining to meet the 400 acre goal. Including 72 acres of privately owned conservation restricted property we now have a total of 316 acres of protected land. In the past six years the town has protected 123 acres of land for which the town paid \$2,422,520, grant funding supplied \$2,352,806, and private funding \$2,590,000.

Mr. McClennen stated that the OSC reports to the BOS and not to the Finance committee. When they have an opportunity to make a purchase of property they meet with the BOS in an executive session to obtain approval to go ahead with the project. He understands



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our issue in having a heads up with all financial issues but when they are in negotiations with a seller it must remain private.

Mr. D. Fuller stated that we understand we are not to be involved with negotiations but if we could get more timely communications some way from the BOS about a possible expenditure for property we may have time to review the merits of the potential purchase and the financial impact to the Town.

Mr. McClennen stated that thanks to the green school renovation building project the town decided to have a special town meeting this fall. The OSC decided to add an Article to fund the purchase of the Jackson parcel of land along with Brewster to protect our water well field. Orleans' share to purchase this property is \$54,000. Purchasing this property will in effect stop the possibility of having industrial development next to our watershed land and therefore is definitely a worthwhile project to fund even though there is no grant money available.

Ms. Holden-Kelly asked Mr. McClennen for an update status of the Putnam property and he stated that the greenhouses have been taken out, the burned out motor home and truck have been freed from the trees and are ready to be taken out, and the grant money has been received. The town owns property from Rock Harbor Road to the Putnam property so if the County decides at a later date to rescind permission to access the land from the court house property the town will still have access. The Conservation Trust commission is now responsible to finish the cleanup and maintain the property.

The FinCom thanked Mr. McClennen for his presentation and we look forward in working with the OSC with future projects.

Approval of Minutes: 54:46 on Video Tape

A motion to approve the August 25th minutes was made by Mr. D. Fuller and seconded by Mr. Hodgson and was approved 6-0-1 with Mr. Weil abstaining. A motion to approve the September 7th minutes of the Special Joint Hearing with the BOS was made by Ms. Holden-Kelly, seconded by Mr. D. Fuller and approved 5-0-2 with Mr. Weil and Mr. Rooker abstaining.



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Special Town Meeting Warrant Articles: 57:00 on Video Tape

Chairman Ms. Holden-Kelly supplied a list of Special Town meeting articles to be reviewed:

Article #2 is to Acquire Conservation and Watershed Preservation Restriction on Brewster Land known as the Jackson property which includes 3.04 acres.

Mr. McClennen explained there is additional property near the Jackson property however nothing of any significance. Brewster applied for a state grant which should cover 52% of the \$225,000 purchase price leaving the remainder to be picked up by the towns of Brewster and Orleans in equal amounts. The \$54,000 will be paid from the Orleans CPA account that has a current balance of about \$202,000 to be used for open space. This article will have no financial impact to the residents of Orleans.

Mr. Sigel feels that we are setting a precedent in purchasing property outside our boundaries and we need to take a look into seeing if we can use alternate methods in restricting property use rather than purchasing the property.

Mr. Hayward motioned to approve the Conservation article as written and Mr. D. Fuller seconded. The committee voted 7-0-0 to approve the conservation article.

Article #3 is the Water Tower Lease Agreement with OpenCape. OpenCape is absorbing the cost of constructing the fiber optic connections and associated equipment to build a regional broadband system for Cape Cod. The town will then be able to access these high capacity services at reduced rates.

Mr. Jon Fuller stated that this article authorizes the BOS to go ahead with the lease agreement.

Mr. Sigel motioned to approve the Water Tower Lease Agreement as written and Mr. Hayward seconded. The committee voted 7-0-0 to approve the water tower lease article.

Article #4 is to fund the Water Tank Rehabilitation Design by transferring \$50,000 from the Water Surplus Account to the Water Department Capital Outlay Account. The engineering plans and specifications for the rehabilitation and painting of the Water Storage Tank #2 will give us a more accurate estimate of the total project cost to be voted on in FY13 which is currently listed in the capital plan at \$750,000. The committee came up with many questions concerning the need to spend \$50,000 for a study and another \$700,000 to paint the tank.



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Mr. Jon Fuller stated that most likely it also includes painting the inside of the tank plus repairing any structural issues but he by no means is an engineer who has knowledge in this matter.

The committee agreed that having the initial study results will give us an opportunity to review the costs before it is brought up to the town meeting for approval of the estimated \$700,000.

Mr. Sigel motioned to approve the Water Tower Lease Agreement as written and Ms. Holden-Kelly seconded. The committee voted 7-0-0 to approve the Water Tower Rehabilitation article.

Article #5 concerns the Free Cash account to transfer \$300,000 from this account and use it for reducing taxes for FY12 or for other items as deemed necessary. The BOS voted 4-0-0 supporting this article.

Mr. Rooker asked why \$300,000 and not more which Mr. David Withrow had advised. Mr. Hodgson asked why some or all of this money isn't being used to fund the Unfunded Liability Account.

Ms. Holden-Kelly stated that at the joint hearing with the BOS Mr. John Kelly said they are waiting to hear back from the state as to how to setup an account for the unfunded liabilities.

Mr. Jon Fuller said that we already have \$30,000 in free cash that is tagged for the Unfunded Liability Account when it is setup.

Mr. Hayward motioned to approve the Free Cash article as written and Mr. Rooker seconded. The committee voted 7-0-0 to approve the water tower rehabilitation article.

Article #1 concerns the Nauset Regional School Renovation project seeking town approval for borrowing \$6,492,686 to be used to replace the windows, exterior doors, and roofs at the Nauset Regional High School.

Mr. Jon Fuller stated that a simple majority vote is needed at the town meeting to pass this article and not two thirds as stated. About 37% of project cost will be paid by the MSBA grant amounting to \$2,423,070 and stipulating that the project meet the latest "green" energy codes.

The committee had many questions concerning this project such as the school not having a long range plan and an accrual account for capital expenditures, can the project be completed in the timeframe dictated by the grant which we believe is now set at the end



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of 2012, and where is the state review report of the complex that was recently completed as we have not seen it as of yet. We also are concerned there may be other issues with the building that are not included with this project. We need to know where we stand on this so that we can make a better informed decision on this matter. Another big item of concern are there any plans to have the Cape Cod Co-Op install photo electric solar panels on the roofs while the roofs are being redone and not at a later date. We all agreed that the project to replace the windows and roofs are necessary but the process is broken.

After much discussion the committee decided to hold off on voting on this article until our questions are answered.

Assignments for the Articles: 164:15 on Video Tape

Open Space Purchase – Mr. Dale Fuller
Free Cash – Mr. John Hodgson
Nauset Regional School – Open for now

Other Items: 167:59 on Video Tape

Ms. Holden-Kelly mentioned that the town is going to refinance some bonds at a lower interest rate by 1.8%. Mr. D. Fuller asked if anyone is doing a study concerning President Obama's plan to change municipal bonds making the interest taxable which in turn will most likely make the interest costs of bonds rise.

New Business: 170:15 on Video Tape

Ms. Holden-Kelly mentioned we might look into having a liaison member for the OSC. Also, Mr. Mark Fiegel is scheduled to give a presentation to us concerning his water quality study on November 10th. And finally, there is a committee orientation meeting on September 26 for new committee members. They will be supplying a new handbook and Ms. Holden-Kelly will get copies for all our members.

Mr. Hodgson asked what expenses the town incurs concerning the two day "Celebrate Our Waters" event. He stated that town employees and others are involved in this endeavor held by the Orleans Pond Coalition which is a non-profit organization. Mr. Weil stated he believes it is all done with volunteers.



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Mr. Sigel reported that the Cape Cod Commission will be doing a study on the clean water issues. The panel is comprised of members who reside outside of New England except for one and they expect to have the report completed by the end of the year. Also the Orleans Partnership Committee gave a presentation last night concerning the Village Center study which he found very informative.

Adjournment: 173:53 on Video Tape

There being no further business before the committee the meeting was adjourned at 9:54 p.m.

Respectfully submitted

William Weil
Secretary

Next Meeting:

Thursday October 13, 2011 at 7:00 pm in the Nauset Room at the Town Office Building.