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K. Daly, ASST.
ORLEANS TOWN CLERK

FINANCE COMMITTEE MINUTES

The October 13, 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. Ed Barr, Mr. Mark Carron, Mr. Dale Fuller, Mr. Larry Hayward, Mr. John Hodgson, Mr. Paul Rooker, Mr. Rick Sigel, and Mr. William Weil.

Guests:

None

Public Comment 00:25 on Video Tape

Ms. Judith Bruce explained that the Celebrate Our Waters Event was organized by the Orleans Pond Coalition (OPC) with collaboration of the town in which they setup and recruited volunteers and organizations to help out with the weekend event at no cost to the town. The OPC did pay for entertainment for the bonfire event held at Nauset Beach and was willing to pay for any overtime charges that town might incur from its employees, but it was not needed as the town employees volunteered their time in helping with the event. Ms. Bruce stated that over one hundred commercial members were looking to extend the season by drawing people into the town over a non holiday weekend. Therefore they decided to have the event in late September and not on the Columbus holiday weekend. She reported that this event was very successful in that they recorded about eighteen hundred people attending the events held over the weekend.

Approval of Minutes 06:40 on Video Tape

On a motion made by Mr. Weil, seconded by Mr. Hodgson, the minutes of the September 22nd Finance Committee meeting was approved 7-0-2.

Special Town Meeting Warrant Articles: 07:58 on Video Tape

Chairman Ms. Holden-Kelly supplied a copy of the Special Town meeting articles to the committee members. Ms. Holden-Kelly stated that we already reviewed Articles 2 through 5 at our previous meeting and had voted 7-0-0 to support them.

Article #1 concerns the Nauset Regional High School Renovation (NRHS) project seeking town approval for borrowing \$6,492,686 to be used to replace the windows, exterior doors, and roofs at the NRHS. Mr. D. Fuller reported on the meeting held October 12th at the Regional High School in Eastham. Seven members of the Finance Committee attended this meeting. Dr. Hoffman had Mr. Dave Lager, the project manager, and Mr. Steven Habeeb, the architect of the project, attend to field questions the guests might have. One question was why the article has the total amount of the project and not



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the amount just allocated to Orleans. The answer given was that the towns need to approve the total amount of the project the school needs to fund and that the costs to the towns would be based on the enrollment each year over the life of the bond. The amount shown for Orleans' share (\$1,149,304) is based on the current enrollment and this amount may change from year to year based on the enrollment figures. Therefore it is possible that our assessment each year may go up or go down. We were told that the grant will pay 37.32% of the total cost of the project not to exceed the approved amount of \$2,423,070. If the project is completed under budget then the grant will only pay 37.32% of the actual cost and not the full cap amount as shown in the article.

The roof replacement will include a slightly better pitch than the present roof (to avoid water accumulating on the roof) and does not involve any structural changes as the insulation panels will have the pitch built into them. They will then covered by a roofing material membrane. The windows are to be replaced with double pane impact resistant glass which is not only the new building code but also green compliant so no additional cost will be incurred with the grant requirement of being a green project.

There was much discussion concerning the unknowns such as what happens if they find mold after they tear off the roof and it was explained that since the buildings have a concrete ceiling base any mold would be taken away in the removal of the roofing materials. However if there are cracks in the concrete there is the possibility that water may have penetrated into the cavities which in turn may have mold. Also the exterior walls of the buildings are poured concrete so mold would not be an issue except if the flashing where the wall meets the roof has let water seep in to the interior cavities of the building. It is then possible mold might be found and would need to be addressed. The same applies if some of the electrical wiring has been exposed to water. This also would need to be corrected. Since no full assessment of the facility has been done since 1996 the Finance Committee believes that this project has not been handled in the proper manner. We feel there are many unknowns that might be discovered during the project causing a delay and/or additional costs that are not anticipated. The committee feels that what should have been done was to pay for a full assessment of the facility and that way we could make a better informed decision on what items of concern need to be done in a timely manner and at what costs so that a capital expense plan could be developed and given to the public for approval.

Another item Mr. Hodgson mentioned was the state rating system. The NRHS was rated a 2 out of a 1 to 4 rating. A 4 rating (being the worst condition) means that the building needs a major renovation or re-build. Since many buildings within the state have been rated a 3 to 4 it most likely would mean that any other grant funds that might become available would be given to those buildings well before the Nauset Regional School. Also the issue of accepting the grant means the buildings must be used for school purposes only for the life of the project which means for the next twenty years. This brought up the topic of declining enrollment and what would happen if they no longer need one or more



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of the buildings. Mr. M. Carron mentioned that the wording in the article should have stated that the breakdown costs per town are based on the current enrollment assessments and may change from year to year during the life of the bond.

Dr. Hoffman did say the NRHS applied to the Cape & Vineyard Energy Co-Op for installation of photo electric solar panels on the roofs. After some questions fielded by Mr. Weil the architect, Mr. Habeeb, stated that it would not be a problem to have the solar panels installed on the flat roof since they most likely will not have to penetrate the new roof as they use a sled technique whereby the weight of the panels keep them in place. Even if they do have to use mounting posts that penetrate the roof it would be done as per the specs of the roofing manufacturer so as not to invalidate the warranty. Mr. Hoffman mentioned that the current electrical costs are about \$250,000 per year. It was noted that the solar panel issue is not part of this project but it was nice to hear that it is being considered as a future project.

A motion made by Mr. Sigel, seconded by Mr. Rooker, to approve Article 1 concerning NRHS borrowing \$6,492,686 to replace the roofs, windows and exterior doors was approved 7-2-0. Mr. D. Fuller and Mr. Hodgson were the con votes.

Mr. Hayward was assigned to give the support position and Mr. D. Fuller the oppose position presentation for Article 1 at the Special Town meeting.

Review of the Presentations for the Articles: 86:15 on Video Tape

Open Space Purchase – Mr. Dale Fuller read his review of Article 2 for the committee's support of the article.

Free Cash – Mr. John Hodgson read his review of Article 5 for the committee's support of the article.

New Business: 92:10 on Video Tape

Ms. Holden-Kelly reviewed our meeting schedule and the BOS coverage schedule. We need to meet at 6:00PM prior to the Special Town Meeting. Also at our next meeting on October 27th we will be discussing the school sustainability issues. Mr. Mark Fiegel will give us a presentation on the statistical analysis of the Nauset estuary at our November 10th meeting.



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Boards, Committee and Department Reports: 98.38 on Video Tape

Mr. Sigel reported that at the last meeting of the Affordable Housing Committee they discussed housing options such as land donations to Habitat for Humanity, a rent voucher program and a housing buy-down program.

Mr. Hodgson reported that during the previous Board of Selectmen meeting Mr. John Kelly had a disagreement with Mr. Dunford concerning the handling of leftover grant money from previous completed projects used for refinancing bonds at a lower rate. Mr. Kelly stated the grant money can be used to offset the bond costs that the Town has incurred. Mr. M. Carron stated that we need to look into this further so that we understand how this works.

Mr. D. Fuller reported that at the Board of Health, which did not have a quorum at their last meeting, mentioned that the flu clinic held at the Council of Aging was a great success.

Mr. Rooker reported that the Renewable Energy committee had a presentation for renewable energy at Snow Library this past September which was open to the public and that they are awaiting an RFP from the Cape & Vineyard Energy Cooperative (CVEC) concerning photo-electric solar panel projects.

Mr. Weil stated that the RFQ for the town facility study has been posted online.

Adjournment: 116:15 on Video Tape

There being no further business before the committee the meeting was adjourned at 8:56 p.m.

Respectfully submitted

William Weil
Secretary

Next Meeting:

Thursday October 27, 2011 at 7:00 pm in the Nauset Room at the Town Office Building.