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K. Denig, Asst
ORLEANS TOWN CLERK

FINANCE COMMITTEE MINUTES

The July 26, 2012 meeting of the Orleans Finance Committee was convened by Chairman Ms Gwen Holden-Kelly at 7:00 pm in the Nauset Room of the Orleans Town Hall. Present and constituting a quorum were members: Mr. Mark Carron, Mr. Dale Fuller, Mr. Joshua Larson, Mr. Paul Rooker, and Mr. William Weil. Members absent were Mr. Larry Hayward, Mr. John Laurino, and Mr. Rick Sigel.

Guests

Mr. Jon Fuller, Selectmen liaison

Public Comment

None

Handouts 0:30 on video recording

Chairman Holden-Kelly reviewed the contents of the materials handed out to Committee members, including the Orleans Board of Selectmen Future Planning documents for the Orleans Police force (updated as of July 2012), Finance Committee member assignments for town committees and departments, an overview of important dates and deadlines for Board of Selectmen actions, and an updated list of issues before the Finance Committee.

Approval of Minutes 4:15 on video recording

Mr. Larson moved to approve the minutes of the Finance Committee meeting of July 12. Mr. D. Fuller seconded the motion. The Committee voted 6-0 to approve the motion.

Administrative Items 6:30 on video recording

Ms Holden-Kelly began by reviewing the assignments made to Committee members for liaisons with the various Town of Orleans departments and committees, and noted that it is important for Committee members to participate in the meetings, and that there is plenty of back-up coverage available to ensure that the Committee remains engaged with all Town departments and committees. The chairman then reviewed the schedule for Committee coverage of Orleans Board of Selectmen meetings, noting that during budget season members would need to play it by ear to ensure that the Committee is fully engaged with the Board of Selectmen. Mr. J. Fuller said that it is important not to have any off weeks during budget season to coordinate better with the Committee, and

that the schedule for budget season meetings should be finalized by the end of November.

Ms Holden-Kelly reviewed the schedule outlining the important dates and deadlines for the Orleans Board of Selectmen, and asked members of the Committee to note when these important meetings are, and to attend them if possible.

Ms Holden-Kelly then stated that there will be an orientation session for members of the Committee, and recommended that all Committee members attend. Topics to be covered at this orientation session will include Massachusetts Open Meeting Law, conflict of interest, ethics guidelines for members, and the opportunity to sign the required conflict of interest document.

Continuation of Discussion and Prioritization of Items on Finance Committee FY 2013 Issues List 16:00 on video recording

Ms Holden-Kelly opened the discussion of the Committee's Issues List by noting the changes that had been made to the list since the last Committee meeting. She went on to request that Committee members begin to focus their attention on issues in categories 1 and 2. Ms Holden-Kelly then introduced an item that is not currently on the list, highlighting the need for the Committee to meet and stay current with the issues before the School Committee.

Mr. Carron stated that the purpose of this meeting would be for the Committee to have a discussion with the School Committee to understand the issues facing them, start a dialogue about what the Committee can do to facilitate the School Committee's priorities.

Mr. J. Fuller stated that this kind of interaction is important because it will give us a significant amount of information about these priorities, allowing the Committee to help earlier in the budgeting process. He also noted that the Orleans Board of Selectmen should participate in this process to improve the effectiveness of the dialogue with the schools.

Mr. D. Fuller stated that there is a lot of information available in the schedule handed out about the schools; Ms Holden-Kelly added that an example of the importance of keeping current with school finances is the increased cost of roof repairs at the high school, and that keeping current with issues like this will allow the Committee to work with the schools more effectively.

Ms Holden-Kelly continued the discussion by noting that it is critical for the Committee to understand the issues covered in Category 1 because the Committee will in fact be making decisions on these issues. She went on to state that Category 2 issues may involve decisions in the upcoming fiscal year, so require understanding to be prepared in case of a decision.

Mr. J. Fuller stated that the scheduling of a Town Meeting in the Fall has not been decided, but the Board of Selectmen currently does not anticipate the need for one. However, he noted that if a decision on the issue of wastewater is required, the Board of Selectmen may call a meeting at a later date, but that May 2013 is a better date for that decision because by that time, everyone should have had sufficient time to gather and study information to make an informed decision.

Ms Holden-Kelly stated that she thought she had captured all the important issues regarding wastewater in the Issues List and will update the list as necessary for Committee meetings in September.

Mr. Carron stated that the Committee should document which department and committee reports that are on hand, and which are outstanding, as it is currently unclear as to the dates of delivery for a number of reports.

Mr. J. Fuller opened the discussion of unfunded liabilities by stating that we are currently waiting for the Commonwealth to make a ruling on the rules for setting up a trust to fund currently unfunded liabilities. Mr. Carron stated that the Commonwealth has not yet made a ruling as to how the calculation of unfunded liabilities will be made. Mr. Fuller continued, stating that the Commonwealth is working on establishing, for example, how towns should divide liabilities for pensions for employees who worked in multiple towns. Mr. Carron went on to say that the accounting rules are also unclear, but that once these rules are clarified, we should recommend that the Board of Selectmen take advice from accountants on the effect of the rules on town finances.

The Committee then had a brief discussion on the approach to pensions. Mr. D. Fuller noted that we will have year-end balances on turn-backs in August, at which point we can review that information.

Ms Holden-Kelly raised the issue of revenues in the form of fees to the town. Mr. Carron said that we receive information on revenue generated by town department, but this information is not currently reliably classified. Mr. D. Fuller noted that it is possible to parse out the information. Mr. Carron stated that it is necessary for the work of the Committee for that revenue breakdown to be available, but it currently is not. He also said that it would be useful to know the policy of the Board of Selectmen on each department with respect to the percentage of cost coverage. Mr. Weil also noted that it would be useful to understand the Board of Selectmen's policy on pricing and setting of fees.

The Committee then moved on to discussion of issues in Category 2.

Ms Holden-Kelly opened the discussion by noting that the Old Kings Highway issue will be taken up at the Board of Selectmen meeting in September.

Ms Holden-Kelly went on to ask if it makes sense for the town to have a single budget for all town-owned properties to facilitate the shifting of funds from one project to

another as may become necessary. She also raised the issue of the town's building and facilities study.

The next issue the Committee addressed was the town pavement and water quality, and in particular the issue of how to increase funding for drainage improvement, a critical aspect of water quality management. Mr. Carron noted that the major issue is whether or not the town may or may not want to increase funding for this item is a ruling from the EPA, noting that the ruling will determine how much the town will have to spend on pavement. It seems almost certain that the town will have to spend more on paving than is currently budgeted for, and the issue for the Committee to consider is whether or not the town should raise money soon and set it aside in anticipation of the EPA ruling, or to wait for the ruling and raise the money at that time. In any case, the Committee concluded that the amount of money that will be required to be spent on paving will be more than the town has currently budgeted for, and that the Committee will consider and make a recommendation on the issue.

Ms Holden-Kelly raised the issue of the Orleans Elementary School after-school program, noting that it is very popular, and that the Committee might want to make a recommendation to the Board of Selectmen on increasing funding for this program. Mr. Carron stated that this is an issue we should raise at the School Committee meeting.

Ms Holden-Kelly raised the issue of the Water Department testing lab, noting that the lab was set up to save water testing costs, but that the individual heading the lab was now deceased. There is currently no money in the budget to operate the lab, so the question arises of what to do with the lab. The Committee concluded that it would be useful to run a cost/benefit analysis of operating the lab versus paying the Commonwealth to conduct water testing, but the preliminary view of the Committee is that operating the lab would provide a net financial benefit to the town.

On the issue of town vehicle management, Ms Holden-Kelly stated that it is important that the town be able to provide an accurate accounting of all town-owned vehicles, as in the past different departments have had inaccurate accounting of vehicles. The Committee also discussed the need for the town to have a unified and standardized policy for vehicle maintenance, repair and replacement.

On the issue of insurance for the town, Ms Holden-Kelly stated that the Committee will recommend that a committee of town citizens with experience in the insurance industry should be formed to examine the issue to ensure the town has appropriate insurance.

On the issue of whether or not the Town Meeting should approve the standard article on holding the Commonwealth harmless, Mr. Larson volunteered to investigate the issue and report back to the Committee.

Ms Holden-Kelly stated that in the past there was a Board of Selectmen committee dedicated to the issue of outsourcing, privatization and regionalization of town services, but that this committee no longer exists. Mr. J. Fuller stated that there was such a

committee, but that the personnel problems involved in this issue were so complicated that it was stopped. Mr. Carron stated that if we want to achieve anything on this issue, we should recommend starting with small, non-controversial projects on a regional basis to build momentum for larger projects.

Board, Committee and Department Reports 81:30 on video recording

Mr. D. Fuller reported on the July 18 meeting of the Orleans Board of Selectmen, highlighting the following issues:

- discussion on the tick problem with the Orleans Citizens Forum;
- annual public information meeting with numerous presentations;
- report of increased revenue from restaurant taxes;
- report on the re-lining of town roads;
- wastewater discussion, including a detailed discussion of the Weston & Samson report;
- sanitation services contract with Barnstable;
- executive session minutes; and
- discussion of Selectmen policy.

Mr. P. Rooker reported on the Renewable Energy Committee, updating the Committee on the following items:

- CVEC solar array contract currently being analyzed to understand the efficacy of a solar array at the Transfer Station, noting that the contract situation is complicated by a number of factors, including:
 - NStar interconnect agreements are 12 months behind schedule and there has been no real progress on them;
 - Ryder & Wilcox currently analyzing potential sites;
 - pricing still needs to be addressed; and
- the Commonwealth has agreed to a set-back of 2,700 feet for wind turbines on Cape Cod, which will effectively kill wind turbines here.

New Business 100:00 on video recording

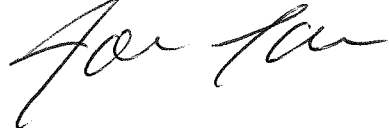
Mr. Carron noted that one of the town's fire trucks was involved in an accident, that it was somewhat serious, but no other information was available.

Adjournment 102:00 on video recording

There being no further business before the Committee, Mr. Carron moved to adjourn. Mr. D. Fuller seconded the motion and the meeting was adjourned at 8:45 pm.

Respectfully submitted

Joshua Larson



Secretary

Next Meeting

Thursday, September 20 2012

Issues requiring follow-up

- discussion of technological issues of remote participation at meetings.
- Ms Holden-Kelly to provide Orleans Chief of Police report on future needs to Committee members.
- Ms Holden-Kelly to provide Massachusetts Highway Department update on 2012-2013 projects to Committee members.
- Ms Holden-Kelly to provide presentation on Rock Harbor to Committee members.