



FINANCE COMMITTEE MINUTES

The February 7, 2013 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. Dale Fuller, Mr. Joshua Larson, Mr. John Laurino, Mr. Paul Rooker, and Mr. William Weil. Absent were members Mr. Laurence Hayward and Mr. Rick Sigel. Mr. Mark Carron was present via remote access, but was not counted among the quorum.

Guests

Mr. Jon Fuller, Chairman of the Orleans Board of Selectmen

Public Comment

None

Approval of Minutes 4:30 on video recording

On a motion made by Mr. Larson, seconded by Mr. Fuller, the minutes of the January 22nd, 2013 joint Finance Committee and Board of Selectmen meeting were approved 5-0-2 with Mr. Laurino and Mr. Weil abstaining from the vote.

On a motion made by Mr. Fuller, seconded by Mr. Carron, the minutes of the January 30th, 2013 joint Finance Committee and Board of Selectmen meeting were approved 4-0-3 with Mr. Rooker, Mr. Larson, and Mr. Laurino abstaining from the vote.

On a motion made by Mr. Fuller, seconded by Mr. Carron, the minutes of the January 31st, 2013 joint Finance Committee and Board of Selectmen meeting were approved 4-0-3 with Mr. Laurino, Mr. Weil, and Mr. Rooker abstaining from the vote.

Discussion of Town of Orleans FY 2014 Budget 10 7:53 on video recording

Ms Holden-Kelly opened the discussion by noting that the Orleans Elementary School may come forward with a reserve fund transfer request amounting to \$20,000 for additional security. This can be approved by the Finance Committee after the paperwork is done being processed by the Town Administrator and Director of Finance Offices, so will remain on the agenda for future discussion.

Finance Administration Budget Reviews 8:00 on video recording

The Committee then moved on to discuss the departmental budget reviews, with these points raised clarifying and raising concerns about certain expenditures:

Telecom:123;

- Mr. Fuller noted there was a slight increase of \$2,880 spent on data plans for iPads and tablets. The Water Department will receive iPads shortly, making it more efficient to produce reports directly in the field, without having to drive between projects and the office.
- Mr. Larson questioned why there were separate telecom budgets. Ms Holden-Kelly responded that her understanding was that while all data plans are under one contract for cell phones, not all telephone lines are under the same contract. Mr. Larson also noted concern that the unified data plans were not reflected as a line item. He found no centralized cell phone contracts reflected on line 5341, though it was reflected in other budgets. Ms Holden-Kelly said she would clarify, but while all data plans are processed through Mr. Van Dyke's office, some data plan contracts may be reflected in individual budgets.
- Mr. Carron and Mr. Laurino raised concern about the monthly fee of \$40 for an iPad data plan. They felt it should be closer to an average of \$25 a month. Mr. Carron added that the iPad data could adjusted monthly according to usage needs, and the data plan could be changed to a lower rate once the data usage was determined. Ms Holden-Kelly responded that she would raise this concern with the department.

Media Operations:

- Ms Holden-Kelly recognized one significant budget increase was the additional cost for streaming and video on demand. Mr. Carron recommended that money be allocated for additional items, such as remote access, i.e. Skype. Ms Holden-Kelly replied that Mr. John Kelly is working on such funds for maintenance and remote access, and is planning to add a larger screen and microphone setup for better efficiency.
- Ms Holden-Kelly plans to clarify that there is sufficient staff for media operations, as all the policy making and regulatory boards are televised.
- Mr. Carron explained to new members that the funding for media operations was received from Comcast, not from the tax rate. Customers of Orleans Comcast pay a fee which totals about \$80,000 annually, funding all of media operations budget, including such purchases as larger screens.
- Mr. Laurino recommended setting up revenue stream reports, so they would be aware of offsetting revenues.

Finance Director:

- A large increase in union salary was noted by the Committee, as well as an additional \$,4000 for an auditor. Ms Holden-Kelly explained that the

auditor is performing an operational and financial control audit for the practices of various committees. This outside auditor ascertains that practices and policies are being done efficiently, and the audit will assist in providing information for a manual outlining correct practices.

Assessing:

- This year will mark a reevaluation of postage and mailing costs, as they are increasing.
- Mr. Larson raised concern about how difficult it is to access software from this department, and the Committee agreed they will continue to recommend the department find a more efficient way to access documents.
- Mr. Larson recommended looking into hiring more outside assessors to collect data.

Treasurer/Collector:

- The new use of a dropbox was noted as the reason for this budget increase.

Management Information Systems:

- The budget increase is due to the \$45,000 given to computer services for updates to the town's GIS software. According to Ms Holden-Kelly, the new software allows a detailed map of the city systems, such as pinpointing where every pipeline and fire hydrant is located. When the software is complete the Town of Orleans will take over maintaining it.
- Mr. Rooker recommended the GIS benefits for each department should be laid out. Ms Holden-Kelly responded that she has raised this point, and requested these benefits be laid out in one article, but has gotten little response.

Mr. Carron's Skype connection was lost at 7:51PM.

Mr. Carron was reconnected at 7:52PM.

Veterans Services:

- Mr. Fuller noted that this percentage is difficult to guess, as the percentage swings as veterans move in and out of the town. The Orleans audit predicted a reduction of \$20,500. These funds spent are reimbursed by the state at 75%. Mr. Fuller recommended rethinking this budget so reserve funds were not requested later in the year, as it seems to be a drastic reduction. Mr. Fuller will speak with the Veteran Services Representative about this shortly.

Principal Notes & Bonds:

- Mr. Fuller explained that the town is currently saving money using bond anticipation notes, which is short term borrowing at an advantageous rate of .4%. He explained that long term versus short term band rates vary,

which causes bonds to be chosen depending on the most advantageous rate at the time. There are limitations on how long and how much you can run on a bond anticipation note, but it is a very effective way to manage debt. The town is paying down the bond anticipation notes and has a reduction of \$33,000 on principle.

- Mr. J. Fuller, Chairman of the Orleans Board of Selectmen, added at the podium that though long term and short term bonds rates vary, currently short term has the best rates, and the town is saving \$110,000 on these.

Massachusetts Assessments:

- This money is being paid for items and services the State has provided.
- State assessments estimate a 2.5% increase.
- There is a typo where 102.5% is listed; it should actually be 2.5%.

County Assessments:

- There is an increase in budget and a 2.5% increase due to tax and commission. There will be updates on these numbers, but it won't be known until later in year.
- Mr. Fuller recommended clarifying the increases in the benefits for the Nauset Elementary School Budget.

Other Assessments:

- The Old King Highway budget is increasing by \$470. The board will hear from the town council on options for Old King Highway.

Mr. Carron signed off from Skype at 8:04pm.

Employee Health Insurance:

- There was a decrease in Medicare of \$7,800 because of reallocation, and a group health increase of \$30,000, which is an estimated 6% increase. In mid February this goes from an estimated to hard number.

Town Administration Budget Reviews 65:46 on video recording

Town Administrator:

- There is a significant budget change on line 5199 of \$20,000 to implement a new department of public works and natural resources. This money will be held for a new salary and to make adjustments to the department, though it does not resolve questions on how this department is coming together.

At 8:07 pm Mr. Carron entered the Finance Committee meeting in the Nauset Room.

Town Clerk:

- Reductions will be seen, because there will be one fewer election in FY14,

but there will be more elections held this year.

Zoning Appeals Board:

- Budgets are dependent on appeals and so the budget is currently unknown.

Town Reports/Meetings:

- There are no major changes to this budget. Money has been accounted for two town meetings in case one is needed for the fall.

Street Lights:

- Test lights on Main Street and Monument on route 28 are working well, with the town anticipating large savings when they are replaced. Unfortunately this will be delayed for another year, and the budget will have to be revised. The reason for the delay is the new light order is not cost effective unless enough towns sign up to also order the new lights, so Orleans must wait until more towns are interested.

Old Kings Highway:

- This budget is paid for twice. Also, according to Mr. J. Fuller, it is unfair to Orleans, which has to pay all the assessments though Dennis and Barnstable have most of the appeals. Mr. J. Fuller feels it should be eliminated, and there will be a public hearing held to see if public wants to pursue this, however, it is a lengthy process to opt out.

Memorial/Veterans Day:

- Mr. Fuller noted the \$200 for bands and \$300 for meals is budgeted, though the town was not required to pay for these previously. The amount budgeted for memorial wreaths and flowers for veteran gravestones should be more than sufficient, as it has been in the past.

Special Events:

- The town must pay up front for many holiday decorations and fireworks, but later fundraising reimburses these funds, resulting in few actual expenditures.

Insurance Bonds:

- It is difficult to set this budget eight months before policies renege, as estimated by the Orleans insurance agent, Mass Municipal Association. The Finance Director and Town Administrator say this amount has worked out well in the past but these are only estimates. It was noted that there should be little additional costs for the year, so the budget should remain almost level to where it currently is. The Finance Committee feels they should recommend to the Board that an Insurance Committee should be started.

Sewerage Collection:

- Ron Collins works in building and facilities and is involved in waste water projects. He is essentially the town project manager, but is paid as a consultant through the project or building funds. This budget is only used when there is no fund allocated in the project budget to pay him from.

Finance Committee:

- The regular expenses have been shifted around to make the budget more efficient.
- Ms Holden-Kelly said she may take a look at the type of percentage used for the reserve funds and see what the rational behind it would be.

Joint BoS/FinCom Budget Review Debrief and Follow Up102:32 on video recording

Community Center:

- Ms Holden-Kelly wishes to keep in touch with the CPC funding of a feasibility study for the Board to draw up an article for a long-term lease of the community center. There is a need to evaluate what rent is being charged, versus how much the cost is to maintain.

Windmill:

- There is a question of how many tourists visit the windmill. It was felt the amount of money budgeted for maintenance of the windmill is the maximum amount the conservation commission can provide.

Parks and Beaches:

- The Committee must stand up to DPW and ask how everything is fitting together, as well as request plans that reflect that. Ms Holden-Kelly would like to see services and a safety plan to see what everyone's roles are and what money is being spent. There are concerns with the Hubler and Gavagan properties, and the sewage issues at Skaket beach.

Meeting with Orleans Elementary School Committee and Orleans Nauset Regional School Committee representatives:

- At the Orleans Elementary and Nauset Regional School meeting the main discussion centered on the OES budget board, which will be clarified further, and should be fully explained by February 11th. Mr. Larson emphasized the need for the Regional School Committee to classify their revenue, and pinpoint what true revenue they have. He noted they were counting items as revenue that were not true operating items, such as working capital taken from access and deficiency. He recommended the School District understand if their revenue is sustainable to continue funding spending deficits and unforeseen expenses, and what other sources of revenue they can count on to make their budgets more robust. Ms Holden-Kelly replied that they did need to look at their sustainability,

especially after state funding decreases. Mr. Carron supported this statement, noting they are relying on items they claim are a continual revenue stream that are not, such as choice money. He recommended helping the School District to pinpoint sustainable revenue by opening dialogue between committees.

Highways Department - Trees:

- The Committee recommended the Tree Warden provide a multi year plan to show what resources he will require to ensure the budget is sufficient.

Transfer Station:

- Ms Holden-Kelly confirmed there is no policy in place for the transfer station to become 100% self funded. She has requested information on the 75% sustainability the board requires.

Police Department - Police Communications:

- The Committee previously requested more detail about the recommendation that a resource officer be hired for the Middle School, and this information has been received and will be discussed in a later meeting.

Fire Department - Fire/Rescue:

- Ms Holden-Kelly wished to discuss more about the EMT concept, and plans to schedule a meeting on February 21st. The meeting will be with the RSO and Fire Department to discuss the Fire Department's issues, such as considering how to deal with overtime issues. Ms Holden-Kelly questioned how much expense is training related and how they are working out their ambulance billing. She is especially concerned about citizens who are unable to afford an ambulance, so do not call one in an emergency. The Committee is also waiting on a contract of Comcast information.

Draft Report on Fire Department Staffing and Organizational Study:

- Ms Holden-Kelly felt the data analysis was not clear, which raised the question of what the analysis actually means. The Committee agreed that the department must provide more details. There was also agreement that there was a need for a plan to decrease overtime, and to be shown how the department compares with other departments overtime. The Fire Department showed the cost for additional staff is similar to the cost of overtime, but the Committee does not feel this presentation of information is correct. They also feel the Fire Department's future plans, including hiring an additional head fireman, are not reasonable solutions to their issues. The Committee wishes to see in detail what is going wrong and how the department is going to address it. The Committee is concerned that the Fire Department may not take action even with the Committee's response to their report. The Finance Committee plans to create a

question and recommendation page to add to the RSO and EMT report that will be sent to the Board of Selectman for the meeting of February 21st.

Board, Committee, and Department Liaison Reports 151:33 on video recording

Board of Selectmen Report: Feb. 6, 2013 - Mr. Weil

- There are concerns raised about whether to put money into the American Legion Building. There was discussion about eliminating the building, or utilizing it for affordable housing. It may be useful during the construction of the police department, but there is no desire to put much money into the building.
- A group from Nauset Together We Can attended to show support of the wastewater management phase 1a plan.
- The Orleans Alliance is classifying which beaches are non-beaches, which may cause some beaches to lose bacterial testing funds.
- David Withrow commented on the short term bonds saving the town money at the rate of .4%.
- A presentation on screw-in moorings found 30 moorings in Quanset Pond would cost about \$27,000 to \$34,500 based on the sediment and holding power. 62 moorings at Portanimitcut would cost \$55,000 to \$71,000. The report showed no scientific evidence on the impact of water quality and nitrogen levels. Meetinghouse Pond was recommended to be the next analyzed for mooring costs. The mooring may be rented, or the townspeople will pay for it, but taking them in and out may be an additional cost. Ms Holden-Kelly raised concern that many of the wastewater management plans may not be beneficial and the reasons behind their plans are not supported by data, such as the mooring purchases. She feels the number of moorings purchased could be downsized and tested before buying so many. The Committee agreed that there is a need to have more justification for these expenditures.
- There is a \$265,000 grant for the harbormasters to develop a program for public information and education about sharks including signs, brochures, and supplemental shark research and location devices. There may only be a partial grant considering the cutbacks from the state. There is also a movement to make the policies, signs, and reactions to sharks the same at every beach.
- Building improvement plan for FY13 is slated at \$365,000 for five major projects. Two large budget items would be the Orleans Elementary School furnace and the police department flat roof, which has been leaking for three years. There are also structural issues and possible underlying damage from the leakage in the police building, which may add unforeseen cost. The actual work would probably be done in the summer or fall of FY14.
- The annual report will have the playground opening as the cover, and the

- dedication will be to Walter Bennet.
- There was \$9,000 spent on the underground centralized decentralized system. There were questions on why large versus small pipe wasn't included in phase 1a but it was said it was not part of the process. The \$9,000 was approved 3 to 2.
 - In 2014 the SEMass contract expires and the new proposed contract is \$69-\$70 per ton, with around 60-88 tons. There are many elements to the contract, and there may be a counter offer for a lower rate. Wastewater management also entered a proposal for \$83.16 per ton including transportation. Mr. J Fuller recognized the biggest issue was the desire for an answer next week from the Board, which is not possible on such short notice.
 - Council on Aging would like to secure a second van. The director is going over each program to ensure it is cost justified. There was an issue of 40% of the people attending day programs at the Council on Aging being from out of town. That percent does however pay more, and these additional members are not affecting the Orleans town members from also attending.

Board of Health - Dale Fuller

- Bathing beaches are being restricted to four. The sign requirements given by the State are reasons why there was a limited number, but the State then approved these beaches and required additional signs to be put up that said no swimming.

Future Meetings 142:15 on video recording

Next Thursday February 14, 2013:

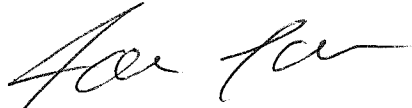
There will be a Joint Board of Selectman/FinCom public hearing on the Capital Improvement Plan, with the Finance Committee chair presiding. Ms Holden-Kelly asked Committee members to be mindful of the need for a quorum. The meeting will begin with an overview of budget capital, then move into a public hearing, and then adjourn. Ms Holden-Kelly will have a letter for distribution at the transfer station. The public appreciated what was done last year with the overview of figures for capital budget and CIP. Defined in the letter is what capital budget and CIP are, and what votes are needed. Ms Holden-Kelly asked if there were any edits, and Mr. Larson recommended a colon be added after the first paragraph to emphasize the purpose of the letter is the difference between capital versus CIP budget. Mr. Rooker also added that it should be highlighted why there are different vote requirements. Mr. Carron felt next weeks meeting should be supportive of having a dialogue with the people about their concerns with the budgets, and encourage participation.

Adjournment 174:30 on video recording

There being no further business before the Committee, Ms Holden-Kelly moved

to adjourn. Mr. Larson seconded the motion and the meeting was adjourned at 9:55 pm.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Joshua Larson', with a stylized, cursive script.

Joshua Larson

Secretary

Susan Belgrade

Temporary Recording Secretary

Next Meeting

Thursday, February 14th, 2013