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ORLEANS TOWN CLERK

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FINANCE COMMITTEE MINUTES

The March 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. Laurence Hayward, Mr. Joshua Larson, Mr. Rick Sigel, and Mr. Paul Rooker. Absent were members Mr. John Laurino and Mr. William Weil. 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
Ms Julia Enroth, Chairman of the Orleans Community Preservation Committee
Mr. Alan McClennen Vice Chairman of the Orleans Community Preservation Committee
Ms Catherine Hertz, Member of the Orleans Community Preservation Committee

Public Comment

None

Approval of Minutes

On a motion made by Mr. Larson, seconded by Mr. Fuller, the minutes of the February 28th, 2013 Finance Committee meeting were approved 7-0-0.

Funding recommendations for CPC FY 2014 [Ms Enroth]

Ms Enroth opened the discussion by reviewing the CPC budget expenditures which amount to \$829,000, and the revenue, which amounts to \$830,000. The decreased expenditures are in part due to the CPC debt decrease, as they have been paying off the purchase made by the old conservation department for the open space land bank. They have also bonded the debt of the town's special article purchase of \$120,000 for Twining Pond due to the current low bond rates. The bond will allow the CPC to grow the fund balance for a year by continuing to temporarily borrow. After a year's growth they will feel more secure with the fund balance and can then pay the debt.

CPC expenditures:

- \$5,000 has been allotted for affordable housing development and projects, which will offer future funds for unexpected expenditures that are not included in the project budgets. This will be useful, as the CPC had to search for funds to

cover this year's unexpected legal expenses for both the Hinckley and Habitat projects.

- The CPC will fund a new irrigation system for Eldredge Park, which will create a well that is separate from the town's water system. This will result in less money being spent to create treated water that is only sprinkled on grass. It will also ensure the water is not being taken from the town's water system, which will cause rates to go down for water payments among the townspeople.
- Money has been allocated for a request by the Orleans Historical Society to replace eight storm windows.
- CPC Committee expenses increased to \$25,000. The Committee normally uses the full 5% allotted for Committee expenses, as it is required under state law.
 - This year the CPC will prioritize applications received focusing on the recreation needs for the town, due to the Community Preservation Act, which is state law, having been broadened and changed to increase citizen's recreation.
- CPC is obligated to use 10% of their total estimated space by state law. However, they can expend the required 10% on their debt. Looking at project funding it currently reaches 10%, but if it does meet that number, that percentage of the money can be put in reserves for those areas.
 - CPC has no choice but to put away money to reach the 10% state law requirement, but it is beneficial as it allows them to draw on funds in case there are unexpected costs for substantial projects, such as the unexpected legal expenses this past year.
- \$68,000 has been requested to finance a historical significance study on the old firehouse. This is a plan submitted by the Orleans Partnership and it holds a license and has board of selectman support.
 - The money allotted will provide a historic structure report, which will review the buildings history, and identify what elements of the building are historic and what are not. The report will cost an initial \$15,000-\$25,000. The remaining money will fund guided focus groups that will discuss the buildings reuse potential. It will also fund an architect to provide preliminary drawings and an expected building budget for reconstruction. Though it is a town building, the conservation funds can be used to help the town pay for the study.
- The Finance Committee recommended the CPC offer more detail on the firehouse restoration project. The Committee felt that an initial expenditure of \$15,000-\$25,000 should be allotted to determine whether the building was historically significant. After finding out what the building offered, and if the CPC even wanted to pursue an architect and focus groups, more money could be given.
 - Ms Enroth responded that experienced opinion supports the likelihood the firehouse will be historical, and they would then require the funds for an architect and focus groups. She recommended allotting the amount requested as she felt the funds were there for historical preservation, and the CPC is required to spend a certain amount for historic housing each year. She added if the money was appropriated and it was determined

CPC should not go forward with the renovations then the money could be returned back to the fund. If the CPC is unable to meet the 10% requirement the money would have to be appropriated to the reserves.

- Ms Holden-Kelly agreed it was important to meet the requirement of 10%, but it would also be beneficial to put the money in the reserves if it had to be appropriated.
- Mr. Rooker also questioned if there was a priority list for other alternatives if CPC decided not to go forward with the firehouse restoration project after the historical study.
- Mr. Sigel also agreed about looking into other alternatives. He added that it could be beneficial to incorporate historical preservation in a larger picture, and renovate more buildings downtown instead of using the funds for just one building. Mr. Sigel felt until it was determined that the building did indeed have historical and reuse potential, it was not justified to allot such a large sum of money.
- Ms Holden-Kelly agreed, noting that she supported the first component of the project involving determining the buildings significance, but the other phases needed more detail before funding would be allotted.
- Ms Enroth agreed to draw up a more specific breakdown of the requested \$68,000.
- Community housing recommends a difference of \$78,000 for future community housing projects.
- The Historic Research projects have put aside \$5,550.
- There has not yet been a draft created for the Academy Playhouse renovations. Money had previously been allocated for foundation and basement work, but since the money was allocated the approach to the playhouse has changed. They are now planning an expanded project that is going through design services. The design stages and fundraising will take 3-4 years, so the foundation work won't be done soon. Ms Enroth felt the best thing to do was to transfer what was left of the funds that were appropriated to the playhouse for the foundation work, and put it towards a broader renovation project, which includes funds for design and engineering services.
- Ms Holden-Kelly applauded the CPC's efforts on decreasing the debt, and also personally appreciated the recreation planning.
- The report ended with Mr. McClennen reminding the Committee that Orleans needs to address plans for what to do with 874 unused acres in the town.

FY 2014 budget reviews

Follow up on outstanding items on budgets reviewed previously [the Committee]
Recreation: 630 [John Laurino]

- The skateboard park, as Ms Holden-Kelly understands from Mr. Laurino, is being funded mainly by Orleans and Eastham. Each town pays \$1,400 for maintenance, while Brewster contributes around \$500.

Review of Water Department: 450 [Gwen Holden Kelly; Dale Fuller]

- The water building reviewed expanding the water buildings use from managing water to also collecting money for water usage. The auditor mentioned the possibility of this billing being done through the Cloud, a billing company.

Significant Water Department budget changes:

- There is a budget excess of \$1,000.
- There has been a budget decrease of \$12,000 for electricity due to the water treatment plant's conversion to micro filtration. This is compared to the 3-year average of electricity usage, and after this year the budget can be reviewed and adjusted. It has only been six months on the full micro filtration system, so the full savings have not yet been recorded.
- There is a heating fuel decrease of \$2,000.
 - Mr. Hayward noted a typo as the \$2,000 heating fuel decrease is listed as a \$2,000 increase.
- The vehicle maintenance is still an open item in the budget, but there are questions on retaining this item.
- The replacement of a 2004 pickup and mini excavator has been submitted following the guidelines of the town's request procedures.
- There is an additional \$19,000 allocated for a 15-year water meter replacement schedule. The town is also obtaining new radio readers that will allow the meters to be read from a radio receiver instead of having to physically plug into a home's water meter. It will be expensive to replace these radio readers after their batteries die, especially in the future with an estimated 5% increase for copper and brass. However, if the town makes a mass purchase and replaces the radio readers immediately versus on an interim bases, there will be a great deal of money saved.
 - The money and time saved with these radio readers makes their purchase worthwhile, as the auditor noted the current method takes four weeks a year to read the meters, but with the radio receivers it takes two days. This allows more time to be spent installing new meters instead of going to meters to read them.
- There is \$5,000 set aside for renewing the water management act permit to ensure the town is meeting regulations. Though it may not be used this year, the money will be available.
- The chemical price is considerable at \$80,000, but it is consistent annually, and the chemicals are obtained with a state contract, which ensures a good price.

Board, Committee, and Department Reports

Liaison reports:

- Board of Selectmen Report: March 6, 2013 [Josh Larson]
 - Mr. Larson noted the need to review the process of budget items, as there is a disconnect between a budget reflecting the towns requirements and desires, and the executive decisions actually being made and communicated.
- Nauset Regional School Committee (NRSC); NRSC Budget/Transportation

Subcommittees; Orleans Elementary School Committee (OES) [Larry Hayward; Josh Larson]

- If a final OES budget is released, Ms Holden-Kelly will make it available for review in the dropbox.
- Mr. Larson has received an air quality report for the middle school that suggests replacing the school's roofs and carpets. He will make this report available in the dropbox.

Future Meetings

The Committee should have a draft of the town articles by March 15th, 2013. After receiving them the Committee can begin sorting them, and deciding which articles the Committee will or will not act on.

The draft for the warrant will begin on March 21st, 2013.

On and after March 28th, the Committee meetings will focus solely on town articles and the budget. Ms Holden-Kelly felt the Committee was on schedule with the budget reviews and they should be able to vote on the majority of the budgets.

There is a change to the school budget review session. There will still be a joint BoS/Com budget review meeting with Orleans Elementary School: 300, on March 13, 2013, at 6:30pm in the Nauset Room. The other two school budget reviews will be moved to March 20, 2013. The Nauset Regional Schools: 310 and Cape Cod Regional Technical High School: 330 will now attend the joint BoS/FinCom joint budget review meeting on Wednesday, March 20, 2013.

Another public hearing will be held on April 3rd to review the changes to the budget discussed at the Wednesday March 6th, 2013 hearing.

Ms Holden-Kelly emphasized the importance of keeping the quorum for future meetings, and keeping her notified in advance about a member's absence.

Adjournment

There being no further business before the Committee, Mr. Hayward moved to adjourn. Mr. Larson seconded the motion and the meeting was adjourned at 8:24 pm.

Respectfully submitted

Joshua Larson
Recording Secretary



Susan Belgrade
Temporary Recording Secretary

Next Meeting

March 13th, 2013