



FINANCE COMMITTEE MINUTES

The March 14, 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. Mark Carron, Mr. Dale Fuller, Mr. Laurence Hayward, Mr. Joshua Larson, Mr. John Laurino, Mr. Paul Rooker, Mr. Rick Sigel, and Mr William Weil.

Guests

Mr. Jon Fuller, Chairman of the Orleans Board of Selectmen
Ms Mary Lyttle, Chairman of the Human Services Advisory Committee

Public Comment

None

Meeting with Ms Lyttle regarding HSAC FY 2014 funding recommendations

Ms Lyttle opened the discussion by recognizing the challenging endeavor of the Human Services Advisory Committee (HSAC) to review applications by various agencies requesting funds to assist in services they provide to Orleans townspeople. The HSAC determines the funds allotted by reviewing the costs for these agencies, such as operating expenses, as well as fundraising revenue. In the review process the HSAC Committee determines how the agencies are serving Orleans citizens, and if they have any questions on fund requests they ask the agency to send a representative, as they did this year with Nauset Together We Can and Orleans Outer Cape Health. Each year the agencies vary, with an increase in applications this year. The three new agencies requesting funds were the Cape Cod Children's Place, Nauset Together We Can, and the AIDS Support Group. The remaining agencies remain the same, and have consistently requested similar money allotments for the past few years. The fiscal year 2014 total fund requests from the 15 agencies amounted to \$83,933. The HSAC Committee allotted a total of \$81,327 in funds, which was a 3% reduction of the total amount requested.

The floor was then opened for Finance Committee questions. Mr. Larson questioned how the number of town citizens utilizing the agencies was projected, and if the number was realistic. Ms Lyttle responded the number was projected by the agency, but the agency must also respond quarterly to the Town Administrator. She added it was difficult to understand every fiscal year fund request, as each agency has a different year ending date. They do supply a unit of service price attached to the RFP to show the cost of that unit of service. Mr. Laurino questioned if they had a minimum and maximum threshold of

administrative services. Ms Lyttle responded it should be an 85% direct service. Mr. Rooker noted the agencies had different percentages, and there was an inconsistent correlation between money spent per resident. The Finance Committee noted the differing amounts granted for the service to each townsperson. The AIDS Support Group had a projected number of service to six Orleans citizens, with the HSCA allotting an amount equal to \$350 per person, while other agencies were only allotted a total amounting to \$1.50 per person. Ms Lyttle responded that for certain agencies it was difficult to pin down the numbers, as some break down the individual costs and contributions to the town of Orleans, while some agencies embed the funds into general duties. She added she would edit the RFP for next year, to include the information the Finance Committee was questioning, as the RFP could be changed until the middle of summer. Mr. Laurino recommended she send the RFP to the Finance Committee members, so they could edit it to include their questions.

The Finance Committee then moved on to discuss the draft of the warrant articles. Ms Holden-Kelly noted the Finance Committee would be able to react, make comments, and disagree with the warrant articles, but they would be unable to edit them, with the conclusion coming down to a vote.

Debrief of Joint Meetings

March 6, 2013, joint BoS/FinCom public hearing on the FY 2014 Town operating budget

- Many Finance Committee members expressed concern that the town saving a total of \$150,000 annually to be set aside for a possible 30 million liability was unrealistic.
- In addition, they felt Mr. Fuller needed to put the Orleans budget on the website more clearly, so it would be made more clear to Orleans citizens.

March 13, 2013, joint BoS/FinCom meeting on the Orleans Elementary School FY 2014 proposed budget

- Mr. Larson noted the total operating expense budget was at \$3 million. He questioned how the budget was displayed, as the salaries present on the cover letter were not found in the budget of \$825,000. He noted the operating budget included current employee's salaries and benefits, but there were additional numbers labeled salary that were actually benefits. There was also no benefits line in the line items to distinguish current benefits and other post employment benefits, which is a state mandated budget line. He was also concerned that the \$1.3 million total salary and benefit budget did not reconcile with the \$825,000 operating budget.
- Ms Holden-Kelly recognized the difficulty of explaining their operating expense budget, however noted Finance Director, David Withrow had assisted with the budget to ensure it was correct. She also recommended Mr. Larson ask Mr. Withrow about these expenses, as he would know the total cost of the benefits. She added that the school had spent savings for retirees on another expense,

and the recent retirees and new teachers with additional family benefits had been added to the budget, making it more difficult to understand.

- Mr. Carron also stated that there had been many issues with the school budget since he had become a board member. He noted how the past couple years the school committee has really tried to offer a better presentation of the budget. As the region appropriates large lump sums of money under a random budget line, it is difficult for the school to present a straightforward budget.
- Ms Holden-Kelly recommended Mr. Larson clarify some numbers with Mr. Withrow, and Mr. Fuller could also send him an attachment of all the funds allocated. It would be easier for the school if the Finance Committee presented a budget format and formula to use in the future to create a more comprehensive budget.
- Mr. Hayward added that the budget had to be reviewed creatively. The teacher salary line is not the only area where salaries are present. 80% of the total operating budget is salaries, but it is not the total budget, as it is missing both benefits and grants. He recommended Mr. Larson change the number he was calculating, with the total \$1.3 million allotted for teacher salaries and benefits, to \$2.5 million, to include additional salaries and family benefits, which results in a percentage of 30-35% which would make the total budget add up correctly.
- Mr. Sigel also reminded the committee that the property values were directly correlated to school, and the he was worried about the budget focus in correlation with the school's focus.
- Mr. Rooker agreed noting the budget priorities are not reflecting the need to sustain the excellent elementary MCAS scores for students. He noticed the Elementary School had an increase in kindergartners by 44, but had cut \$10,000 from that budget. The school had also cut the budget on textbooks. He agreed that the school building maintenance was important, but that seems to be the school budgets main focus. The school should remember they are investing in a quality education and the children, in order to attract a younger demographic in Orleans. He felt there were many cuts that should have been increased, and the budget is reflecting poor priorities by the elementary school. He noted the need to focus on the recruitment and training of new teachers to upkeep test scores, especially now that many of the senior teachers have retired.
- Ms Holden-Kelly agreed, noting the school was starting a culture in which creative scrimping and sitting on money was a positive, and the school should be focused on spending all they have in order to obtain their goals. She noted the example of the Principle having \$80,000 to spend, but still coming to request a reserve transfer from the Committee in case something happened. Ms Holden- Kelly felt she should spend any money needed, and then if she finds emergency funds are required, then that is what the reserve fund transfer is there for.
- Mr. Fuller agreed, stating there needs to be a detailed discussion with the school where they hammer out where the school is, where it wants to go, and how they can get there.

FY 2014 budget reviews:

Follow up on outstanding items on budgets reviewed previously

- Police Department School Resource officer proposal
 - The Committee felt they should bring up the issue and discuss who would be paying for the benefits of the new officer now, instead of when the officer retires, as it should be confronted early, and also be a shared regional expense.
- Fire Department beach EMTs proposal - Draft Report on Fire Department Staffing and Organizational Study
 - On July 1st, 2013 the money allotted for the safety plan will be available, and the plan has been worked on and approved, but there is still no one in charge. The beaches open in May, but it will be difficult to find a fully trained lifeguard and EMT to be supervised under the fire department who wishes to be only part time. The Committee felt they still needed to understand how everything was coming together, with a session where someone explained and answered questions. They were especially focused on how the beaches open in May, but the money isn't available until July 1st, questioning how the money will be implemented, and if it will even be used for this summer.
 - Ms Holden-Kelly emphasized the need to feel comfortable about an efficient and cost effective safety plan from beaches and services that also shows who is supervising this department, what their credentials are, and what they are being paid.
- Report on follow-up
 - Ms Holden-Kelly clarified the savings for the water department meters, comparing the costs in FY13 for the meters to the increased costs over the next five years. The increase in cost is immense by the fifth year, and it is more beneficial to purchase these meters in bulk as soon as possible.
 - The Health Department was unable to provide a total number of inspections done by the Assistant Health Agent, as it is on an as-needed basis. The best they could determine was that the individual does inspections from supermarkets to restaurants, at an equivalent of two per week. The agent has been the same person from the same firm, who has been working with the town for many years. The department feels the agent is obtained at a bargain fee, considering how busy the department is, and that the requested agent is reliable and fully trained, but only is used on an as needed basis resulting in no salary or benefits.
 - The certified Cape Cod Technical School assessment for fiscal year 2014, shows that the school has a budget of \$234,197, which is down from the previous year by almost \$100,000.
- Shellfish/Harbormaster: 295 [Bill Weil]
 - There may be a need for a reserve fund transfer from the harbormaster.

- Ms Holden Kelly noted that there has been discussion of possible reserve fund transfer requests from the harbormaster, snow removal, and fire overtime departments.
- The Committee noted it was not a surprise as they had recommended, due to turn backs, for the departments to tighten up and come to the Committee if they needed reserve funds.
- It was recommended to Mr. Dawson by Mr. John Kelly to take any funds out of the seasonal salary bucket to pay the overtime up to that point, and they would then make a decision in the future if it was required to make a special request.
- The biggest cause for overtime is from the recent storms and the calls from boating emergencies.
- Mr. Carron noted Mr. Dawson also had to have his men perform double duty, as Mr. Fulcher was out sick for much of the summer.
- The Finance Committee noted concern over the expenditures to move all the sand blown around by the storm, and the interest in rebuilding the parking lot by the Gavigan property. They questioned where this money would come from, and that it may be worthwhile to have a special town meeting to review these possible expenditures.
- Ms Holden-Kelly noted the harbormaster does the bills but the money goes into general funds, and there needs to be more discussion about the process.
- Mr. Laurino recommended increasing fees more often, instead of every 5-10 years, as the 5% fee increase for the moorings was too great and that's why it was defeated.

Review of list of possible Article submissions for May 13, 2013. Annual and Special Town Meeting Warrants

The current list is of all the possibilities, but does not include the article for more school security. There is a draft article in for the elementary school amounting to \$300,000.

Board, Committee, and Department Reports:

Liaison reports:

Renewable Energy Committee [Paul Rooker]

- Mr. Laurino recommended increasing fees more often, instead of every 5-10 years, as the 5% fee increase for the moorings was too great and that's why it was defeated.
- This committee has been scheduled to present to the Board of Selectman on April 17th, 2013. This presentation will offer preliminary information on the proposal to spend \$25,000 from an RFP article created last year.

Affordable Housing Committee [Rick Sigel]

- Nothing to report.

Board of Selectmen Report: March 13, 2013 [John Laurino]

- There was a request to print some of the budgets on paper instead of having to view it in the dropbox.
- There was also a recommendation that if a previously discussed packet is referenced, the prior information put in the packet can be added to the current dropbox document, so it is not required to go through several old packets.
- The discussion of articles was postponed.
- The Board was able to go through the remainder of budgets.
- The Snow Library discrepancy that stated they didn't spend enough money to qualify for claims was an oversight by the Town Administrator, and the Snow Library budget has met requirements.
- They decided not to reduce the budget as requested, but approve as is.
- After reviewing the entirety of the budget, they have a list of those to reconsider.
- They felt the bonds were useful, and they should convene a citizens committee to look at an insurance program.

Community Preservation Committee [Mark Carron]

- Ms Julia Enroth is attempting to answer questions raised, as well as focus on budget detail for the firehouse renovation feasibility study.

Future meetings:

The next Finance Committee meeting will be held on Wednesday, March 20, 2013. This meeting will be held jointly with the Board of Selectman, and will consist of the budget reviews for the Cape Cod Regional Technical High School and Nauset Regional Schools.

Thursday, March 21, 2013:

- Meeting canceled

Ms Holden-Kelly noted again that the Finance Committee is on schedule with the budget reviews. The remaining meetings will be focused on reviewing the board acts and articles, with the articles becoming available on March 27th, 2013. The Finance Committee will begin reviewing the articles on March 28th, 2013. The sole focus of the meetings from March 28th until April 12th, 2013 will be the articles and finishing up the budget items. She reminded the Committee of the importance of maintaining a quorum.

Adjournment

There being no further business before the Committee, Mr. Hayward moved to adjourn. Mr. Weil seconded the motion and the meeting was adjourned at 9:03 pm.

Respectfully submitted

Joshua Larson



Recording Secretary

Susan Belgrade

Temporary Recording Secretary

Next Meeting

Wednesday, March 20, 2013